

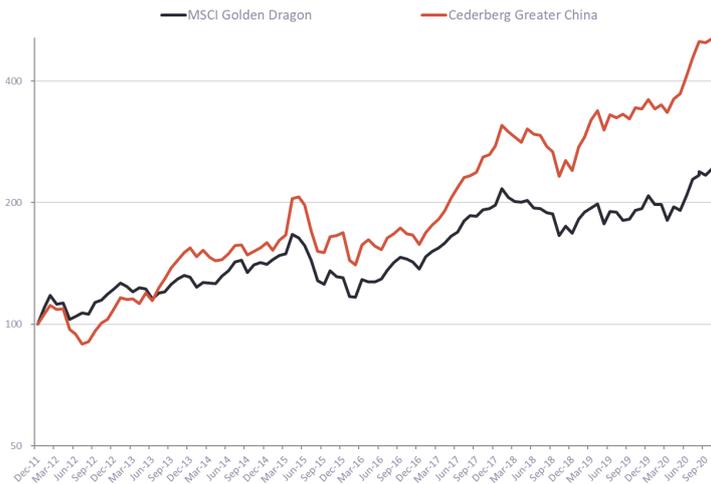
CEDERBERG CAPITAL

Cederberg Greater China Equities 31 October 2020

An introduction to Cederberg

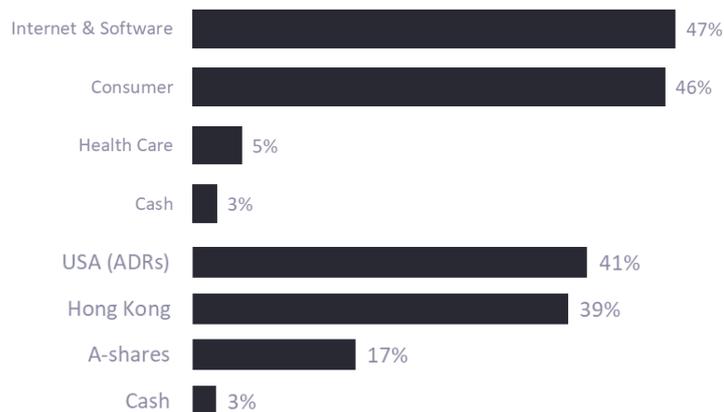
- Greater China specialists founded in 2011, majority staff-owned
- Mission: Run client money like we run our own
- Unique perspective from team in London & Shanghai
- Research-driven process focused on the region's best companies
- Durable **Moats**, excellent **Management**, and a large **Margin of Safety**
- We manage a high conviction portfolio of long-term winners
- **The fund is currently open to existing and to new investors**

Performance chart¹



Class A shares, all figures in US\$ net of fees. MSCI Golden Dragon Index includes net dividends. Y-axis uses a logarithmic scale. Past performance is not indicative of future results - please see regulatory information on p3. Source: Bloomberg, Charter Group. 31 October 2020.

Portfolio positioning²



Risk³

Upside Capture vs. Downside Protection



Why Cederberg is not suitable for everyone

- Our products are considered very risky; given our long-term focus and comfort with being different, **we are not suitable for most investors**
- **Chinese equities are highly volatile: declines >50% are not unusual**
- Our returns have been more volatile than those of the index
- We run a focused portfolio that differs from the index and our peers'
- **Our past returns are unlikely to be repeated in the long run**
- **We are only suitable for those with an investment horizon >10 years**

Performance table¹

Net Returns in US\$	Class A	Index	Peer group	Percentile
<i>Annualised</i>				
Since inception (1/1/2012)	20%	11%	10%	100
5 years	25%	12%	10%	100
3 years	25%	8%	9%	97
2019	50%	24%	32%	86
2018	-13%	-15%	-23%	90
2017	75%	44%	36%	99
2016	-7%	5%	-5%	44
2015	6%	-7%	-5%	89
2014	3%	8%	3%	38
2013	42%	7%	10%	99
2012	9%	22%	18%	5
<i>Not annualised</i>				
Year to date	42%	16%	27%	74
3 months	12%	6%	4%	93
1 month	2%	4%	4%	28

Major holdings²

Alibaba	Ecommerce	NetEase	Online gaming
China Meidong	Autodealers	New Oriental	Education
GDS Holdings	Datacentres	Tencent	Social network
Haidilao	Restaurants	Wuliangye	Distillers
Kweichow Moutai	Distillers	Yihai	Condiments

Median portfolio characteristics⁴

P/E (2021e)	34x	ROE	17%
EV/EBIT (2021e)	28x	ROIC	11%
EPS growth (2021e)	25%	Market cap	US\$15bn
Net cash to equity	43%	Number of holdings	21
Dividend yield	1%	Top 10 holdings	79%

Key features⁵

Strategy	Long-only equity	Auditor	PwC
Domiciles	Cayman, Delaware	Custodian	Standard Chartered
Fund assets	US\$1.5bn	Administrator	Charter Group
Firm assets	US\$2.9bn	Cayman counsel	Maples & Calder
Peer group	Greater China Equity	US & UK counsel	Schulte Roth & Zabel
Benchmark	MSCI Golden Dragon	NAV - Class A	509.88
Expenses	12bps (2019)	NAV - Class B	174.10
Turnover	15% (2019)	NAV - Class C	174.42
Email	ir@cederbergcap.com	Phone	+44 203 745 1701

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MEIDONG'S WINNING CULTURE

“So if you think from that lens, you want to give the biggest possible return to your shareholders. So, the biggest possible return to me in this industry means to be the most asset efficient operator. Now our size and our growth should be the result of the fact that we are efficient rather than the other way around.” - Tao Ye, CEO Meidong Auto

At our recent Investor Day, we had the opportunity to interview Mr Tao YE, the CEO of China's leading luxury autodealer Meidong. There are many things that led us to invest in Meidong earlier this year: the company's focus on selling and servicing luxury cars in under-penetrated smaller cities; their obsession with achieving strong cash flows through rapid inventory turnover and through growing after-sales; their data-driven operational approach. But perhaps more than anything, we've been attracted to Meidong's corporate culture. In a broad-ranging interview, Tao discussed his life story, Meidong's journey from humble beginnings, and how the company's culture has evolved over time. Please click [here](#) to read the transcript.

CORPORATE UPDATE

The fund will close to new investors after 1 January 2021, i.e. it will be accepting new investors on 1 December 2020 and 1 January 2021 but not thereafter. Should you wish to subscribe, please contact ir@cederbergcap.com at your earliest convenience. Existing investors will still be able to add to their investments subsequent to these dates.

Warm regards,

David Krige

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Regulatory information and risk warning

This document is issued for information only by Cederberg Capital Limited (the “Firm” or “Cederberg”). The Firm is authorised and regulated by the Financial Conduct Authority (registration number 775092). It does not constitute an offer by the Firm to enter into any contract/agreement nor is it a solicitation to buy or sell any investment. Nothing in this document should be deemed to constitute the provision of financial, investment or other professional advice in any way. The contents of this document are based upon sources of information believed to be reliable, however, save to the extent required by applicable law or regulations, no guarantee, warranty or representation (express or implied) is given as to its accuracy or completeness and, the Firm, its members, officers and employees of the corporate member do not accept any liability or responsibility in respect of the information or any views expressed herein. All data is sourced from the Firm unless otherwise indicated. This document may include forward-looking statements that are based upon the managers’ current opinions, expectations and projections. The Firm undertakes no obligation to update or revise any forward-looking statements. Actual results could differ materially from those anticipated in the forward-looking statements. This document is not aimed at persons who are residents of any country, including the United States of America (“USA”) and South Africa, where the funds referred to herein are not registered or approved for marketing and/or sale or in which the dissemination of information on the funds or services is not permitted. This document should not be distributed to any third party without the express approval of the Firm. It has been designed for a professional audience only and should not be passed onto a retail audience.

Disclosure

¹ Past performance is not indicative of future performance. Investors whose reference currency differs from the US dollar may be subject to exchange rate movements that alter the value of their investments. MSCI Golden Dragon Total Return Index includes net dividends reinvested. Peer group is Bloomberg universe of equity funds with Greater China geographical focus. Source: Charter Group Admin, Bloomberg, Cederberg.

² Category definitions as per Cederberg. Source: Bloomberg, Cederberg

³ Upside Capture show the fund’s average return vs. the index’s average return for those months in which the index had a positive return. Downside Capture shows the fund’s average return vs. the index’s average return for those months in which the index had a negative return. Source: Bloomberg, Cederberg

⁴ Median portfolio characteristics are quoted as of 31 October 2020. Source: Bloomberg, Cederberg.

⁵ Data as of 31 October 2020. Expenses include all fund level expenses excluding investment management fees divided by the fund’s average AUM in 2019. Portfolio turn-over is calculated as the lower of all buy and sell transactions divided by fund’s average AUM. Source: Cederberg.

Investors should note investment involves risk. The price of units may go down as well as up and past performance is not indicative of future results. Investors should read the Fund’s Offering Memorandum for further details and risk factors, in particular those associated with investment in emerging markets. Information in this report has been obtained from sources believed to be reliable but Cederberg Capital does not guarantee the accuracy or completeness of the information provided by third parties.

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	Class A	Class B	Class C	Delaware LP - Class B	Delaware LP - Class C
Inception date	1 Jan 2012	1 Jul 2018	1 Jul 2018	1 Aug 2018	1 Aug 2018
Status	Hard closed	Open	Open	Open	Open
Min initial investment	US\$100k	US\$100k	US\$100k	US\$1mn	US\$1mn
Subscription frequency	Monthly	Monthly	Monthly	Monthly	Monthly
Redemption frequency	Monthly	Quarterly	Quarterly	Quarterly	Quarterly
Redemption notice	30 days	90 days	90 days	180 days	180 days
Redemption fee (payable to the Fund)	3% if redemption within first 6m	5% if redemption first 3yrs, thereafter zero	N/A—3yr hard lockup	5% if redemption first 3yrs, thereafter zero	N/A—3yr hard lockup
Management fee	1.50% p.a.	1.25% p.a.	0%	1.25% p.a.	0%
Performance fee	20% of net alpha over MSCI Golden Dragon if Fund generated >6% p.a. US\$ returns; payable for the first time as of 31 Dec 2014 and annually thereafter	20% of net alpha over MSCI Golden Dragon if Fund generated >6% p.a. US\$ returns; payable for the first time as of Dec 2021 and annually thereafter	25% of returns over 6% p.a. US\$ hard hurdle; payable for the first time as of Dec 2021 and annually thereafter	20% of returns over 8% p.a. US\$ hard hurdle; payable annually	25% of returns over 6% p.a. US\$ hard hurdle; payable annually
High water mark	Yes	Yes	Yes	Yes	Yes
Investor level gates (max redemption per investor)	N/A	25% per calendar quarter	25% per calendar quarter	N/A	N/A
ISIN	KYG2030A1004	KYG2030A1186	KYG2030A1269	N/A	N/A
Sedol	BMM1R81	BFZYW5	BD31D23	N/A	N/A