



Cederberg Greater China Equities 31 July 2018

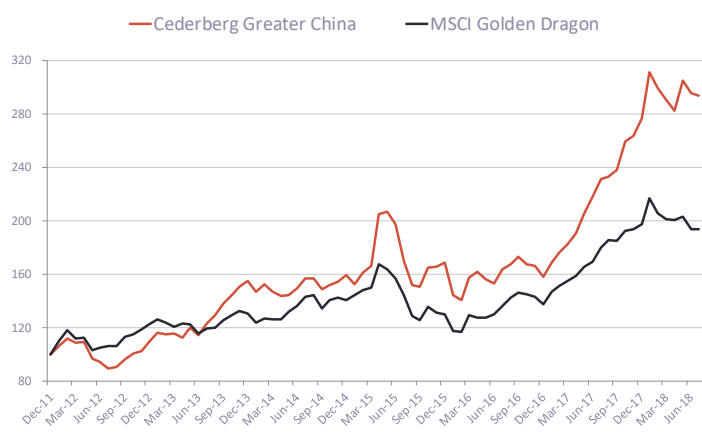
Cederberg Capital

- **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 region's best companies

Investment Principles

- **Moats** that are durable over our 4-year investment horizon
- **Management** that is excellent, honest and aligned with us
- **Margin of safety:** >100% upside to intrinsic value (at initiation)
- **High conviction portfolio** of long-term winners

Performance Chart¹

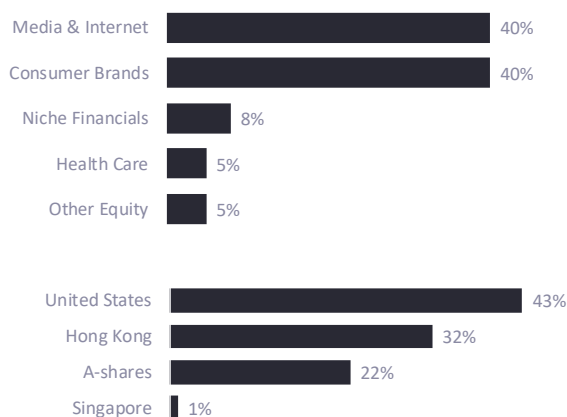


Past performance is not indicative of future results. Please see regulatory information on page 5. Source: Bloomberg, Charter Group, Cederberg. 31 July 2018

Performance Table¹

Net Returns in US\$	Fund	Index	Peer group	Percentile
<i>Annualised</i>				
Since Fund inception	18%	11%	9%	99
5 years	19%	10%	9%	99
3 years	20%	10%	4%	99
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	6%	-2%	-7%	99
3 months	4%	-3%	-7%	99
1 month	-1%	0%	-2%	70

Portfolio Positioning²



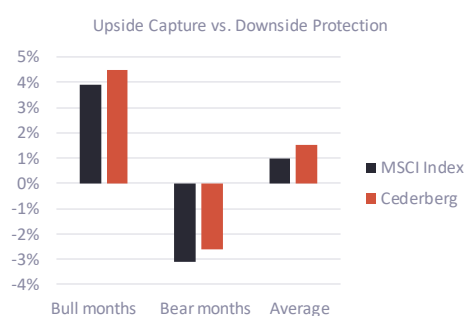
Major Holdings³

Alibaba	Ecommerce	Noah	Asset management
BJ Tong Ren Tang	TCM	Tencent	Social network
JD.com	Ecommerce	Wuliangye	Distillers
Kweichow Moutai	Distillers	Yihai	Condiments
Midea Group	Home appliances	YY	Online streaming

Median Portfolio Characteristics⁵

P/E (2019e)	19x	ROE	21%
EV/EBIT (2019e)	14x	ROIC	16%
EPS growth (2019e)	23%	Market cap	US\$27bn
Net cash to equity	45%	Number of holdings	18
Dividend yield	1%	Top 10 holdings	75%

Risk Metrics⁴



Fund Key Features⁶

Strategy	Long-only equity	Auditor	Deloitte
Domiciles	Cayman, Delaware	Custodian	Standard Chartered
Fund assets	US\$354mn	Administrator	Charter Group
Firm assets	US\$581mn	Cayman counsel	Maples & Calder
Peer group	Greater China Equity	US & UK counsel	Schulte Roth & Zabel
Benchmark	MSCI Golden Dragon	Phone	+44 207 871 7228
NAV	293.859	Email	info@cederbergcap.com

For information on the fund's different share classes, please see p3



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Renminbi me?

"I spend about 15 minutes a year on economic analysis. The way you lose money in the stock market is to start off with an economic picture." - Peter Lynch

At Cederberg, we focus on company and industry analysis, not macro-economics. This is for a simple reason: we believe it is easier to make money for our clients this way. But there is one macro-economic variable that we do track: the fundamentals of the Chinese renminbi. This is because we run a USD-denominated fund that invests in (mostly) domestic consumption-driven companies with renminbi assets and cash flows.

Our currency management policy is to only hedge for defensive purposes, i.e. if we believed the renminbi to be overvalued relative to the dollar. Since the fund's inception almost 7 years ago, we have never hedged any of its renminbi exposure. Despite various newspaper headlines, we don't think now is a good time to hedge either:

1. **The renminbi remains undervalued:** purchasing power parity metrics such as the Big Mac Index indicate it to be significantly undervalued vs. the dollar, which appears expensive against most currencies.
2. **Its fundamentals are strong:** last year China recorded a USD423bn trade surplus; it has USD3.2trn of FX reserves; real GDP growth of 5%+ is achievable for the next several years.
3. **The government wants a stable currency:** the renminbi is managed by the Chinese government, which wants it to be stable vs. a trade-weighted basket of currencies.

Despite the renminbi's 5% decline in recent months - coinciding with a period of USD strength - it has been a long term winner: it is one of a handful of currencies that has appreciated vs. the dollar over the past decade. **Based on its sound fundamentals and the government's stated aims, we expect it will remain a strong and stable currency over the next few years.**

More importantly—now that our 15 minutes of economic analysis is out of the way—the recent macro-driven pullback in Chinese equities has led to highly attractive valuations. **We remain bullish on the long term prospects of our portfolio of world-class leaders.**

Warm regards,

David Krige

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Regulatory information and risk warning

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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 Source: Cederberg

⁴ Upside Capture is calculated by dividing the fund's average NAV return during months in which the index had a positive return by the average index return during those months. Downside Capture is calculated by dividing the fund's average NAV return during months in which the index had a negative return by the average index return during those months.

⁵ Median portfolio characteristics are quoted as of 4 July 2018. Source: Bloomberg, Cederberg.

⁶ As of 30 June 2018. 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
Inception date	1 Jan 2012	1 Jul 2018	1 Jul 2018	1 Feb 2018
Status	Closed	Open	Open	Open
Min initial investment	US\$100k	US\$100k	US\$100k	US\$1mn
Subscription	Monthly	Monthly	Monthly	Monthly
Redemption notice	30 days	90 days	90 days	180 days
Redemption fee (payable to the Fund)	3% if redemption within first 6m	5% if redemption first 3yrs, thereafter zero	No redemption first 3yrs, thereafter zero	5% if redemption first 3yrs, thereafter zero
Management fee	1.50% p.a.	1.25% p.a.	0%	1.25% p.a.
Performance fee	20% of net alpha over MSCI Golden Dragon; payable after 3yrs if Fund generated >6% p.a. US\$	20% of net alpha over MSCI Golden Dragon; payable after 3yrs if fund generated >6% p.a. US\$	25% of returns over 6% p.a. US\$ hard hurdle; payable after 3yrs	20% of returns over 8% p.a. US\$ hard hurdle; payable annually
High water mark	Yes	Yes	Yes	Yes
Investor level gates (max redemption per investor)	N/A	25% per quarter	25% per quarter	N/A
ISIN	KYG2030A1004	KYG2030A1186	KYG2030A1269	N/A
Sedol	BMM1R81	BFZYW5	BD31D23	N/A