

**Civetta Nanjia Fund (the "Fund")**

**a sub-fund of**

**NANJIA CAPITAL ICAV**

**Supplement to the  
Prospectus**

**This Supplement contains specific information in relation to Civetta Nanjia Fund, a sub-fund of Nanjia Capital ICAV (the "ICAV"), an open-ended umbrella body corporate limited by shares, with variable capital and segregated liability between sub-funds, which is registered under the laws of Ireland and authorised under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended).**

**This Supplement forms part of the Prospectus of the ICAV dated 29 November 2022 (the "Prospectus") and should be read in the context of and together with the Prospectus.**

The Directors of the ICAV, whose names appear under the section entitled Directors of the ICAV in the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Investors should note that an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**The Fund may have a high volatility due to its investment policy or portfolio management techniques.**

**Dated: 29 November 2022**

## DIRECTORY

1.	INVESTMENT OBJECTIVE AND POLICIES .....	3
2.	BORROWING .....	4
3.	LEVERAGE AND GLOBAL EXPOSURE .....	4
4.	INVESTMENT RESTRICTIONS .....	4
5.	INVESTMENT MANAGER .....	5
6.	RISK FACTORS .....	5
7.	DIVIDEND POLICY.....	5
8.	TAX STATUS.....	5
9.	KEY INFORMATION FOR SUBSCRIBING AND REDEEMING.....	5
10.	HOW TO SUBSCRIBE FOR SHARES .....	8
11.	HOW TO REDEEM SHARES .....	8
12.	ANTI-MONEY LAUNDERING .....	9
13.	FEES AND EXPENSES .....	9
14.	MISCELLANEOUS .....	12

## 1. INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The Fund's investment objective is to provide its Investors with a superior absolute return over an extended period of time (three (3) to five (5) years).

### Profile of a Typical Investor

This Fund is suitable for investors who primarily seek capital growth. Investors should have a high tolerance for risk and be willing and able to accept volatility and/or potential losses. This Fund is not appropriate for short term investment and is designed for investors who will hold shares in the Fund as part of a wider diversified portfolio.

### Investment Policy

The Fund's investment policy is to primarily (meaning, in the ordinary course, at least 80%) invest in a concentrated long-only portfolio of publicly traded Asian equities or equities which derive the majority of their income from Asian countries. The Fund will focus on between twenty to forty stocks, with a preference for small and mid-cap companies. The geographic area covered will focus on but are not limited to companies in the ASEAN region, but the Fund may also have exposure to China (by investment in H-Shares and shares of Red-Chip Companies listed on the Hong Kong Stock Exchange), Hong Kong, South Korea, and Taiwan, and companies in markets which are active in South East Asia or which derive the majority of their revenue from activities in ASEAN markets.

The Fund will invest more than 20% of NAV in Emerging Markets. The Fund may also invest in cash and collective investment schemes.

For the purposes of the above "Investment Policy" section, the following definitions apply:

**H-Shares:** Shares of the H-share companies incorporated in the Mainland China and approved by the China Securities Regulatory Commission for a listing on the Hong Kong Stock Exchange.

### Red-chips Companies:

- (i) Companies having at least 30% shareholding held in aggregate by Mainland China entities, and/or indirectly through companies controlled by them, with the Mainland China entities being the single largest shareholders in aggregate terms; or
- (ii) if the shareholding of the company held in aggregate directly and/or indirectly by Mainland China entities is below 30% but is 20% or above and there is a strong influential presence, on a judgemental basis, of Mainland China-linked individuals on the company's board of directors.

### Base Currency

The Base Currency of the Fund is US dollars.

### Investment Selection

The strategy is entirely focused on long only, bottom up, fundamental single cash equity positions.

Research on companies shall be carried out by the Investment Manager. There will be a strong emphasis on under-researched small and mid-cap companies which are typically covered by one or two research houses. Small or mid-cap sized companies, outside the radar of big investors, with limited analyst coverage create better investment opportunities and these companies are subject to greater inefficiencies or mispricings, which could lead to opportunities for the Fund. When such small and mid-cap companies have limited analyst coverage, they tend then not to be priced correctly in the market place. To ascertain their true market value would require bottom up research and understanding the fundamentals. Generally, as these companies become better known and better analysed, the market place will reflect the true market value more accurately. The holding period in this type of investments can vary from a few months to several years. The Investment Manager, with combined portfolio managers' experience of 40 years in dealing within the Asian markets, will conduct company visits to the small and mid-cap companies, checking with industry contacts, reviewing the balance sheets, profit and loss statements and cash generating ability.

Value is essential, whether measured by financial ratios such as price, profitability, growth or other relative ratios, such as historical and peer valuations. Besides low absolute valuation the Investment Manager will look to demand an attractive business model and an excellent management in any company in which it considers investing. The Investment Manager will have a preference for companies in which management interests are aligned with investors, for example, where management are also shareholders in the company.

The Investment Manager will focus on appreciating the microeconomic situation and how this affects the pricing of under researched small and mid-cap companies through spending a significant amount of time understanding the specific investment attraction of the asset or company. The Investment Manager's team's independent thinking and investment approach creates a portfolio without regard to peer positioning or benchmark weightings. The key edge is the team's skill set in identifying and selecting companies from extensive region-wide investment experience and a substantial network of contacts. The Investment Manager will, based on the foregoing process, decide if it will invest into any of the companies which it has researched on behalf of the Fund.

### **Sustainable Finance Disclosure Regulation**

The Investment Manager has a risk management process that identifies events and conditions that could cause a material negative impact on the value of the Fund's investments. Our investment management approach takes account of identified risks and seeks to minimise and mitigate them. This may include the identification and management of sustainability risks. However, at this time, our risk management process does not formally and explicitly integrate sustainability risk management.

In addition to the matters set out above, the provisions of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, as amended by Regulation (EU) 2020/852 on the Establishment of a Framework to Facilitate Sustainable Investment (the "**Taxonomy Regulation**"), introduce a requirement to disclose whether and, if so, to what extent the Fund's investments are aligned with the Taxonomy Regulation. Accordingly, at the date of this Supplement, the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Financial Derivative Instruments**

Except for the use of financial derivative instruments for currency hedging for certain Share Classes, the Fund will not use financial derivative instruments for either investment purposes, or efficient portfolio management. Further information is included below and in the Prospectus.

### **Securities Financing Transactions and Total Return Swaps**

The Fund will not engage in Securities Financing Transactions or invest in total return swaps.

## **2. BORROWING**

In accordance with the general provisions set out in the Prospectus under the heading Borrowing and Lending Powers and Restrictions, the Fund may borrow up to 10% of its total Net Asset Value on a temporary basis and not for speculative purposes.

## **3. LEVERAGE AND GLOBAL EXPOSURE**

The Fund measures global exposure using the commitment approach method. Further information regarding leverage and global exposure is set out in the Prospectus.

The Fund's expected gross level of leverage is not expected to exceed 100% of the Fund's Net Asset Value. Whilst the Manager does not expect the level of leverage to exceed this level, leverage levels may vary and may exceed this figure under certain circumstances. Leverage is calculated using the sum of the notional values of all of the FDIs (for currency hedging for certain Share Classes) held by the Fund.

## **4. INVESTMENT RESTRICTIONS**

The investment restrictions applicable to the Fund are set out under the section entitled **Investment Restrictions** in the Prospectus. In addition, the Fund may not invest more than 10% of its assets under management in collective investment schemes.

## 5. INVESTMENT MANAGER

The Manager may, with prior approval from the Central Bank, delegate its functions to third parties.

The Manager has appointed Nanjia Capital Limited as Investment Manager of the Fund. Under the terms of the Investment Management and Distribution Agreement, the Investment Manager is responsible, subject to the overall supervision and control of the Manager, for managing the assets and investments of the ICAV in accordance with the investment objective and policies of each Fund. The fees of the Investment Manager are payable by the Fund and are set out later in this document. Nanjia Capital Limited is regulated and authorised in Hong Kong by the Securities and Futures Commission to undertake Type 9 (asset management) regulated activity under the conditions that it shall only provide services to professional investors (as defined in the Hong Kong Securities and Futures Ordinance (Cap 571) ("SFO") and its subsidiary legislation) and it shall not hold client assets (the terms "hold" and "client assets" as defined under the SFO).

## 6. RISK FACTORS

The risk factors under the section entitled **Risk Factors** in the Prospectus apply to this Fund. Prospective investors should review these carefully and raise any questions they have with their advisers.

Although this is not an exhaustive description of the risks which may apply to an investment in the Fund, prospective investors' attention is particularly drawn to the following risks, set out in the Prospectus:

- Investment risk
- Market risk
- Concentrated portfolio risk
- Equity markets risk
- Portfolio currency risk
- Market capitalisation risk
- Emerging market risk
- Liquidity risk
- Risks associated with investment in other collective investment schemes
- Investment Manager risk
- Reliance on management risk
- Legal and regulatory risk
- Taxation risk

## 7. DIVIDEND POLICY

It is not intended that any Distributing Shares will be issued and therefore no dividends will be distributed.

## 8. TAX STATUS

Please see the section in the Prospectus entitled "Taxation".

## 9. KEY INFORMATION FOR SUBSCRIBING AND REDEEMING

### Base Currency

The Base Currency of the Fund is US Dollars but investments and Share Classes may be denominated in other currencies.

### Share Classes

The ICAV may issue Shares in each of the Share Classes set out below.

<b>Class</b>	<b>F</b>	<b>I</b>	<b>S</b>	<b>R</b>	<b>J</b>
<b>Investor Restrictions</b>	Founder share class is only open to certain financial institutions and individual investors who have entered into an agreement with the Investment Manager.	Institutional investors.	Retail investors.	Retail investors.	Retail investors.
<b>Currencies available</b>	US\$	US\$	US\$ GBP Euro Singapore Dollar JPY	GBP	US\$ GBP JPY Euro
<b>Platform fee (percentage of NAV)</b>	0.15% per annum.	0.15% per annum.	0.15% per annum.	0.15% per annum.	0.15% per annum.
<b>Investment Management Fee (percentage of NAV)</b>	1.00% per annum	1.25% per annum	1.75% per annum.	1.25% per annum.	2% per annum.
<b>Performance Fee – Relevant Percentage</b>	Not applicable.	15% calculated on an equalisation basis per Share.	15% calculated on a Class level basis.	15% calculated on a Class level basis	20% calculated on a Class level basis.
<b>Performance Period (with the first Performance Period commencing on the date of launch of the Fund)</b>	Not applicable.	Annually.	Annually.	Annually.	Annually.
<b>Hedging (please see disclosures in the Prospectus for more information regarding hedged Classes)</b>	No.	No.	Yes, in GBP, Euro, Singapore Dollar and JPY.	Yes, in GBP.	Yes, in GBP, JPY and Euro

<b>Class</b>	<b>F</b>	<b>I</b>	<b>S</b>	<b>R</b>	<b>J</b>
<b>Subscription Fee</b>	Not currently charged.	Not currently charged.	Up to 5% of subscription monies.	Up to 5% of subscription monies.	A contingent deferred subscription charge may be payable in respect of subscriptions for this Class, further details of which are set out below.
<b>Redemption Fee</b>	Not currently charged.	Not currently charged.	Not currently charged.	Not currently charged.	Not currently charged.
<b>Exchange / Switching / Conversion Fee</b>	None.	None.	None.	None.	None.
<b>Minimum Initial Investment</b>	US\$100,000 (or its equivalent in the relevant currency denomination of the Class).	US\$1,000,000 (or its equivalent in the relevant currency denomination of the Class).	US\$10,000 (or its equivalent in the relevant currency denomination of the Class).	GBP10,000	US\$10,000 (or its equivalent in the relevant currency denomination of the Class).
<b>Minimum Subsequent Investment</b>	US\$100 (or its equivalent in the relevant currency denomination of the Class).	US\$100 (or its equivalent in the relevant currency denomination of the Class).	US\$100 (or its equivalent in the relevant currency denomination of the Class).	GBP1,000	US\$100 (or its equivalent in the relevant currency denomination of the Class).
<b>Minimum Holding</b>	US\$100 (or its equivalent in the relevant currency denomination of the Class).	US\$100 (or its equivalent in the relevant currency denomination of the Class).	US\$100 (or its equivalent in the relevant currency denomination of the Class).	GBP1,000	US\$100 (or its equivalent in the relevant currency denomination of the Class).

The Directors reserve the right to differentiate between Shareholders and to waive or reduce the Minimum Holding, Minimum Initial Investment, and Minimum Subsequent Investment for any Shareholders or to refuse an application for any Shares in their absolute discretion. The Directors can waive any Redemption, Subscription, or Exchange, Conversion or Switching Fee set out above in their absolute discretion.

Additional classes of Shares may be created in accordance with the requirements of the Central Bank.

#### **Platform Fee**

The Investment Manager receives the Platform Fee as part of its services to the Fund.

#### **Fees of the Investment Manager**

The fee of the Investment Manager is set out later in this document.

#### **Contingent Deferred Subscription Charge ("CDSC")**

This charge is relevant to Class J.

Shareholders in Class J in this Fund will not be subject to a subscription fee upon subscribing for Shares in this Class. However, Shareholders in Class J may be subject to a CDSC which shall be payable to the Investment Manager. The rate of CDSC which may be charged will be applied on a scale of up to a maximum of 5% of the net subscription amount.

Redemptions made on or before the twelfth (12th) month-end after the subscription for the relevant Shares will be subject to a CDSC of 5% of the Net Asset Value of such redeemed Shares. The CDSC will decrease by 1% after each subsequent twelfth (12th) calendar month-end after the subscription for the relevant Shares being redeemed. There will be no Redemption Fee on Shares redeemed after the sixth (6th) month-end after subscription for the relevant Shares being redeemed.

#### **The Initial Offer Period**

The Initial Offer Period for all other Classes ended on or before 18 October 2022.

#### **Issue Price for all Classes**

The Issue Price for all Classes in the Fund is Net Asset Value per Share of the relevant Class.

#### **Minimum Fund Size**

USD 5 million.

#### **Business Day**

Any day on which the London and Dublin Stock Exchange are open for business.

#### **Dealing Day**

Shares may be purchased or redeemed weekly. The Dealing Day for Subscriptions and Redemptions is the Friday of every week and where such Friday is not a Business Day, the Business Day immediately following.

#### **Dealing Deadline**

The Dealing Deadline is 16:00 UK time on the day three Business Days immediately preceding the relevant Dealing Day or such other day or time as the Directors may determine provided the Shareholders are notified in advance and it is prior to the relevant Valuation Point.

#### **Valuation Point**

The Valuation Point is 16:30 UK time on the Business Day immediately preceding the Dealing Day or such other day or time as may be determined by the Directors and approved by the Depositary.

#### **Settlement Date**

The Settlement Date for the receipt of monies for subscription for Shares shall be 3 Business Days following the relevant Dealing Day. The Settlement Date for the dispatch of monies for the redemption of Shares shall be 5 Business Days following the relevant Dealing Day provided that all the required documentation, including anti-money laundering documentation, has been furnished to and received by the Administrator.

### **10. HOW TO SUBSCRIBE FOR SHARES**

Requests for the subscription for Shares should be made in accordance with the provisions set out in the section entitled **Subscription for Shares** in the Prospectus.

### **11. HOW TO REDEEM SHARES**

Requests for the redemption of Shares should be made in accordance with the provisions set out in the section entitled **Redemption of Shares** in the Prospectus.

Redemption requests must be made in terms of number of Shares rather than requesting a cash amount.

## 12. ANTI-MONEY LAUNDERING

Measures aimed at the prevention of money laundering may require an applicant for Shares to verify their identity to the Administrator. The anti-money laundering provisions set out in the Prospectus apply to this Fund.

## 13. FEES AND EXPENSES

### Management Fee

The Manager shall be entitled to a fee payable out of the assets of the Fund (the "**Management Fee**").

The Management Fee is payable monthly in arrears and is calculated by reference to the Net Asset Value of the Fund as at the Valuation Point in respect of each Dealing Day. The current Management Fee payable in respect of the Fund is calculated on a sliding scale according to the Net Asset Value of the Fund and is subject to a minimum annual fee of EUR 20,000 per annum:

NAV	% Management Fee
Up to 100 million Euros	0.08%
Greater than 100 million Euros	0.04%

A fee greater than the Management Fee set out in this Supplement may at any time be charged, upon approval of the Shareholders, and in accordance with the requirements of the Central Bank.

The Manager shall also be reimbursed by the Fund for all fees and properly vouched expenses reasonably incurred by the Manager in the performance of its duties.

Investors should refer to the relevant key investor information document for details of the ongoing charge figure applicable to each class of Shares which represents the current charges applied to that class of Shares.

### Fees of the Investment Manager

The Investment Manager shall be entitled to a fee payable out of the assets of the Fund (the "**Investment Management Fee**"). The Investment Management Fee is payable monthly in arrear and is calculated by reference to the Net Asset Value of the Fund as at each Dealing Day.

The current Investment Management Fee payable in respect of each Class is set out in the table above. A fee greater than the Investment Management Fee set out in this Supplement may at any time be charged, upon proper notice to Shareholders, and in accordance with the requirements of the Central Bank.

The Investment Manager shall also be reimbursed by the Fund for all fees and properly vouched expenses reasonably incurred by the Investment Manager in the performance of its duties. The Investment Manager's fee will include any fee to which it is entitled to as Distributor.

### Performance Fee

As set out in this Supplement, a Performance Fee is payable annually to the Investment Manager. The Performance Fee in respect of each Share Class shall be calculated as set out below.

For the purposes of this Supplement, the following definitions apply in the context of the Performance Fee.

**"Peak Net Asset Value per Share"** means, in respect of a Class, the greater of (i) the price at which Shares of that Class are issued at the close of the Initial Offer Period; and (ii) the highest Net Asset Value per Share of that Class in effect immediately after the end of the previous Performance Period in respect of which a Performance Fee (other than a Performance Fee Redemption) was charged.

**"Peak Net Asset Value per Class"** means, in respect of a Class, the greater of (i) the Net Asset Value (adjusted for capital activity / dividends) of that Class at the close of the Initial Offer Period; and (ii) the highest Net Asset Value of that Class in effect immediately after the end of the previous Performance Period in respect of which a Performance Fee was charged.

**“Performance Fee Redemption”** means, with respect to any appreciation in the value of the relevant Shares from the Net Asset Value per Share at the date of subscription up to the Peak Net Asset Value per Share, the Performance Fee charged at the end of each Performance Period by redeeming at par value such number of the Shareholder’s Shares as have an aggregate Net Asset Value equal to the Relevant Percentage of any such appreciation.

*Class I*

For the first Performance Period (as set out in the table above in respect of each Share Class) commencing on the date of launch of the Fund, the Performance Fee in respect of each Share will only be payable if the Net Asset Value per Share during the first Performance Period appreciated above the Initial Issue Price (as set out in the section “The Issue Price for all Classes” above) and the Performance Fee shall be the Relevant Percentage of the appreciation of the Net Asset Value per Share during the Performance Period above the Initial Issue Price.

For each following Performance Period (as set out in the table above in respect of each Share Class), the Performance Fee in respect of each Share will only be payable if the Net Asset Value per Share during the Performance Period appreciated above the Peak Net Asset Value per Share and the Performance Fee shall be the Relevant Percentage of the appreciation of the Net Asset Value per Share during the Performance Period above the Peak Net Asset Value per Share. The Performance Fee in respect of each Performance Period will be calculated by reference to the Net Asset Value per Share before deduction for any accrued Performance Fee. The Performance Fee will be calculated and accrue as at each Valuation Point and will be reflected in the Net Asset Value of the Fund on the following Valuation Point. For the avoidance of doubt, where the relevant Share Class has underperformed, (i.e. its Net Asset Value per Share during the Performance Period is below the Peak Net Asset Value per Share), no Performance Fee will be payable.

The Performance Fee will be paid to the Investment Manager in arrear as soon as reasonably practicable after 31 December in each year, with the first Performance Fee payable (if relevant) on or shortly after 31 December 2020. The Investment Manager may from time to time at its sole discretion and out of its own resources decide to give rebates to some or all Shareholders or their agents or intermediaries of part of or all of the Investment Management fee and/or the Performance Fee.

If Shares are redeemed during a Performance Period, the Performance Fee in respect of such Shares will be calculated as though the relevant Dealing Day was the end of a Performance Period. An amount equal to any Performance Fee in respect of such Shares will be paid to the Investment Manager as soon as reasonably practicable after the relevant Dealing Day. In the event of a partial redemption, Shares will be treated as redeemed on a first in, first out basis for the purpose of calculating the Performance Fee.

If a subscriber subscribes for Shares at a time when the Net Asset Value per Share of the relevant Class is other than the Peak Net Asset Value per Share of that Class, certain adjustments will be made to reduce inequities that could otherwise result to the subscriber or to the Investment Manager.

- (a) If Shares are subscribed for at a time when the Net Asset Value per Share is less than the Peak Net Asset Value per Share of the relevant Class, the subscriber will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Shares. With respect to any appreciation in the value of those Shares from the Net Asset Value per Share at the date of subscription up to the Peak Net Asset Value per Share, the Performance Fee will be charged at the end of each Performance Period by Performance Fee Redemption. An amount equal to the aggregate Net Asset Value of the Shares so redeemed will be paid as a Performance Fee. The Fund will not be required to pay to the Shareholder the redemption proceeds of the relevant Shares, being the aggregate par value thereof. Instead, such redemption proceeds will be paid to the Investment Manager.

Performance Fee Redemptions are employed to maintain a uniform Net Asset Value per Share of each Class. As regards the Shareholder’s remaining Shares of the relevant Class, any appreciation in the Net Asset Value per Share of those Shares above the Peak Net Asset Value per Share of that Class will be charged a Performance Fee in the manner described above. If a Shareholder redeems Shares during a Performance Period and an adjustment in accordance with the principles of this paragraph (a) is required in relation to such Shares, such adjustment shall be deducted from the redemption proceeds and will be paid to the Investment Manager.

- (b) If Shares are subscribed for at a time when the Net Asset Value per Share is greater than the Peak Net Asset Value per Share of the relevant Class, the subscriber will be required to pay an

amount in excess of the then current Net Asset Value per Share of that Class equal to the Relevant Percentage of the difference between the then current Net Asset Value per Share of that Class (before accrual for the Performance Fee) and the Peak Net Asset Value per Share of that Class (an "**Equalisation Credit**"). At the date of subscription the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares of the same Class (the "**Maximum Equalisation Credit**").

The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders; it serves as a credit against the Performance Fee that might otherwise be payable out of the assets of the Fund but that should not, in fairness, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Shares of the same Class have the same amount of capital at risk per Share.

The Equalisation Credit will be at risk in the Fund and will appreciate or depreciate based on the performance of the Shares of the relevant Class subsequent to the issue of the relevant Shares, but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Point in the Net Asset Value per Share of those Shares, the Equalisation Credit will be reduced by an amount equal to the Relevant Percentage of the difference between the Net Asset Value per Share (before accrual for the Performance Fee) at the date of issue and as at that Valuation Point. Any subsequent appreciation in the Net Asset Value per Share of the relevant Class will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each Performance Period, if the Net Asset Value per Share (before accrual for the Performance Fee) exceeds the Peak Net Asset Value per Share of the relevant Class, that portion of the Equalisation Credit equal to the Relevant Percentage of the excess, multiplied by the number of Shares of the relevant Class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of the relevant Class for the Shareholder. Additional Shares of the relevant Class will continue to be so subscribed for at the end of each Performance Period until the Equalisation Credit, as it may have appreciated or depreciated in the Fund after the original subscription for Shares was made, has been fully applied.

If the Shareholder redeems Shares before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of the relevant Class being redeemed and the denominator of which is the number of Shares of that Class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

#### *Classes R, S & J*

For the first Performance Period (as set out in the table above in respect of each Share Class) commencing on the date of launch of the Fund, the Performance Fee in respect of each Share will only

be payable if the Net Asset Value per Share during the first Performance Period appreciated above the Initial Issue Price (as set out in the section "The Issue Price for all Classes" above) and the Performance Fee shall be the Relevant Percentage of the appreciation of the Net Asset Value per Share during the Performance Period above the Initial Issue Price.

For each following Performance Period (as set out in the table above in respect of each Share Class), the Performance Fee in respect of each Share Class will only be payable if the Net Asset Value per Share during the Performance Period appreciated above the Peak Net Asset Value per Share and the Performance Fee shall be the Relevant Percentage of the appreciation of the Net Asset Value of the relevant Class during the Performance Period above the Peak Net Asset Value per Class. The Performance Fee in respect of each Performance Period will be calculated by reference to the Net Asset Value per Class before deduction for any accrued Performance Fee. The Performance Fee will be calculated and accrue as at each Valuation Point and will be reflected in the Net Asset Value of the Fund on the following Valuation Point. For the avoidance of doubt, where the relevant Share Class has underperformed, (i.e. its Net Asset Value per Share during the Performance Period is below the Peak Net Asset Value per Share), no Performance Fee will be payable.

The Performance Fee will be paid to the Investment Manager in arrear as soon as reasonably practicable after 31 December in each year, with the first Performance Fee payable (if relevant) on or shortly after 31 December 2020. The Investment Manager may from time to time at its sole discretion and out of its own resources decide to give rebates to some or all Shareholders or their agents or intermediaries of part of or all of the Investment Management Fee and/or the Performance Fee.

Shareholders should note that the Investment Manager may be paid a Performance Fee which will be based on realised and unrealised gains. Therefore, it is an inherent risk in the Fund that Performance Fee may be paid on unrealised gains which may never ultimately be realised by the Fund.

### **Depository Fee**

The Fund shall discharge the Depository's fees and expenses (including any reasonable out of pocket expenses incurred on behalf of the Fund). The Depository's fee shall not exceed 0.04% of the Net Asset Value of the Fund which shall be calculated and accrued as of each Valuation Point and shall be payable monthly in arrear subject to a minimum annual fee of EUR 24,000.

The Fund shall pay certain additional fees to the Depository for the settlement of transactions, for cash transfers and forex, for manual transactions and trade repairs, at normal commercial rates.

### **Administrator's Fee**

The Fund shall discharge the Administrator's fees and expenses (including any reasonable out of pocket expenses incurred on behalf of the Fund). The Administrator's fee shall not exceed 0.12% of the Net Asset Value of the Fund which shall be calculated and accrued as of each Valuation Point and shall be payable monthly in arrears subject to a minimum annual fee of USD36,000. This fee is discounted by 33% while the Fund AUM is below USD10,000,000.

The Fund shall pay certain additional fees to the Administrator for additional Classes of Shares, for performance fee calculated, for the production of financial statements, for filing the Fund's VAT returns with the Irish Revenue Commissioners, for access to on-line communications and reporting and for the set up and due diligence on investor accounts, the maintenance of the Fund's Shareholder register and for Shareholder transaction processing, at normal commercial rates.

### **Costs of Establishment of the ICAV and the Fund**

The preliminary expenses incurred in connection with the establishment of the ICAV, including obtaining authorisation from any authority, where applicable, filing fees, the preparation and printing of this Prospectus, marketing costs and the fees of all professionals relating to it will be borne by the Investment Manager and are estimated not to exceed the sum stated in the Prospectus.

The cost of establishing the Fund and the initial issue of the Shares of the Fund will be paid out of the assets of the Fund and will be amortised over a five year period from Fund launch. The preliminary expenses incurred in connection with the establishment of the Fund are estimated not to exceed EUR 30,000.

### **Fees in Underlying Collective Investment Scheme ("CIS")**

The Fund may, subject to the conditions set out in section 4 "INVESTMENT RESTRICTIONS" of this Supplement, invest in other CIS. As an investor in such other CIS, in addition to the fees, costs and expenses payable by a Shareholder in the Funds, each Shareholder may also indirectly bear a portion of the fees, costs and expenses of the underlying CIS, including management, investment management and, administration and other expenses. The maximum level of management fees that may be charged in relation to that portion of the Fund assets invested in other CIS should not exceed 0.1% of the CIS's Net Asset Value if it is up to 100 million Euros and should not exceed 0.05% of the CIS's Net Asset Value if it is greater than 100 million Euros.

## **14. MISCELLANEOUS**

Nanjia Capital ICAV has the following sub-funds:

- XSE
- Civetta Nanjia Fund
- Cyrus