

XHE **Capital**



Strategic Equity



Investment Advisor - Nanjia Capital Limited

- Asset Manager, founded in 2013, headquartered in Hong Kong and representative office in London
- Regulated by the HKSFCA – Type One & Nine
- Regulated FCA Capital Introduction Business
- Independent ICAV Structure
- Established Bermuda Fund of Hedge Fund business
- Institutional infrastructure with top tier service providers

Investment Advisor – XHE Capital

- Quantitative manager headquartered in London and FCA authorised
- Provide unique, quantitative macro and CTA strategies
- Founded in 2013 by a team of investment professional and academics with over 50 years of finance and investing experience

XHE Capital

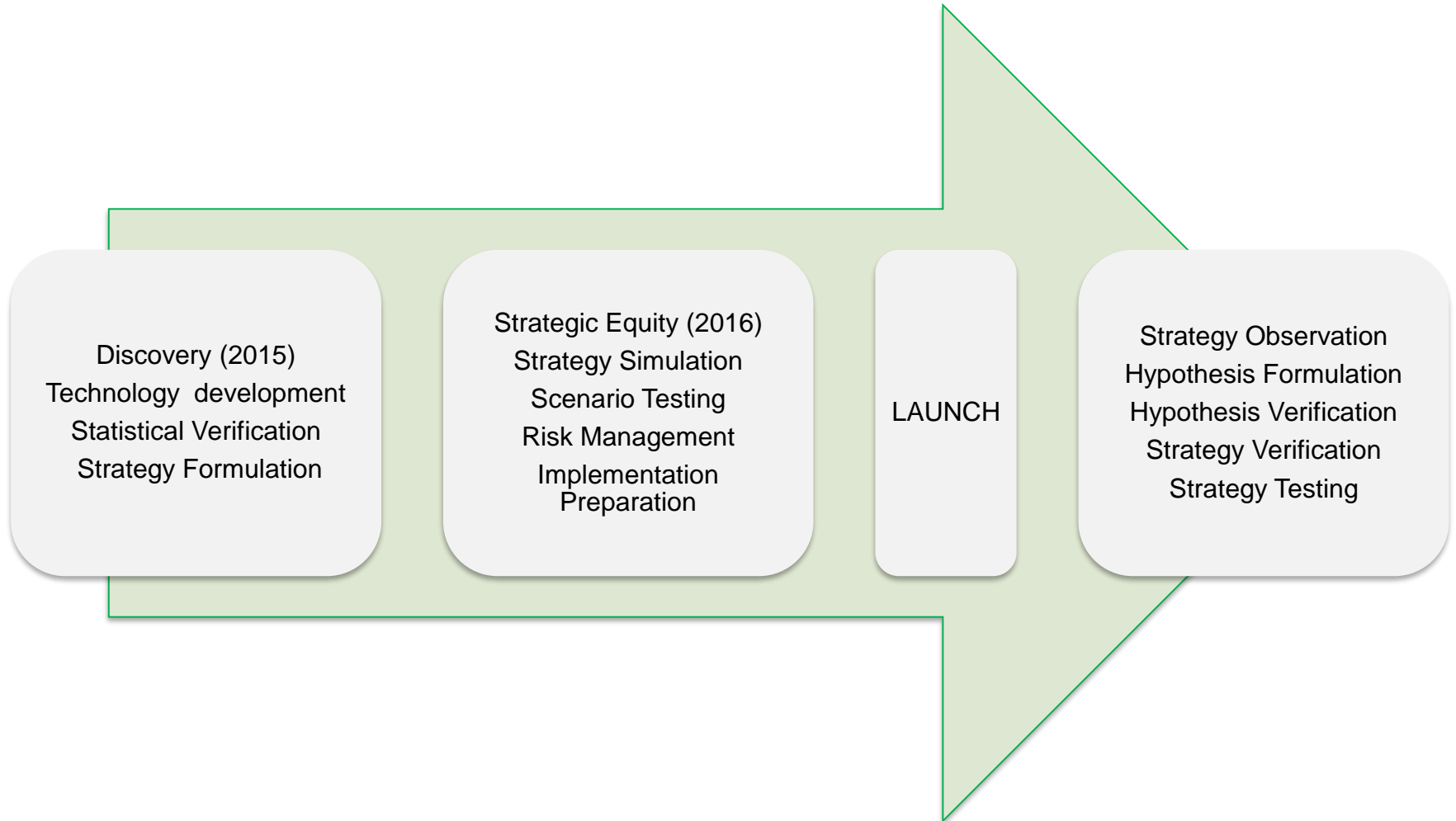
Crossroads Capital Management – Irish Manco

- Crossroads Capital Management is a fully authorised Alternative Investment Fund Manager (AIFM) by the Central Bank of Ireland (CBI). CCM has a vast experience team providing a comprehensive range of Investment Services and Solutions tailored for each of our clients seeking to access and raise capital, particularly in the Europe.
- Partner with leading, high quality service providers for custody, depositary or “depo-lite” services, audit, risk management, capital introduction and distribution services
- State of the art infrastructure supporting trade execution and fund risk management. CCM’s Order Management System (OMS) facilitates multiple asset classes and multiple execution styles and provides an automated, centralised, fully integrated solution for pre and post-trade compliance monitoring of key investment and regulatory restrictions
- Portfolio Management System (PMS) provides detailed risk analysis, monitoring, performance attribution and compliance oversight
- Responsible for compliance regulatory and corporate governance and by providing all key management functions, our clients can concentrate on their core competencies



Strategic Equity Overview

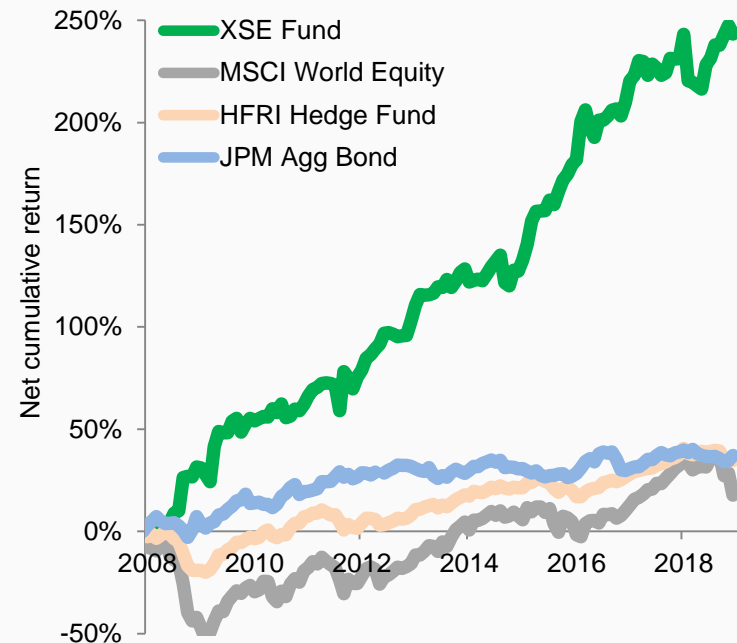
- Nanjia XSe is based on a systematic trading program developed in 2015
- Trades global Equity Index Futures
- Exploits short to medium term momentum and reversal patterns
- Patterns are evident in both bull & bear market environments
- The program dynamically employs either long or short positions at index level
- Trading is opportunistic when exploiting patterns but dynamically remains liquid during unfavorable markets
- Unique, sophisticated Particle Swarm optimization ensures models remain nimble and relevant





Performance (simulated)

Total return	243.3%
Mean annual return	11.9%
Standard deviation	10.0%
Sharpe Ratio	1.2
% up months	67%
Maximum drawdown	7.9%
MSCI World correlation	0.11
HFRI Hedge Fund	0.04
JPM Aggregate Bond	-0.02



XSE Fund simulated out of sample returns with pro forma adjustments made for Share Class S fee particulars. HFRI Hedge Fund denotes the HFRI Composite Hedge Fund Index. HFRI Composite Hedge Fund Index data to Nov 2018.



Performance (simulated)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2008	-3.4	2.7	0.5	-0.1	2.1	2.7	4.2	1.0	14.8	0.6	-0.3	3.9	31.5
2009	-0.3	-2.6	-2.6	13.8	5.2	-0.4	0.0	3.8	0.9	-4.3	2.8	1.8	18.2
2010	-0.9	0.8	0.6	-0.1	2.6	-1.1	2.6	-4.1	0.4	2.2	-0.5	1.8	4.3
2011	2.6	1.9	0.6	1.2	0.2	-0.2	-0.6	-7.2	11.9	-1.8	-3.0	3.4	8.3
2012	2.0	3.2	0.9	1.6	1.2	2.8	0.2	-0.4	-0.7	0.3	0.1	3.6	15.7
2013	3.9	2.4	-0.1	0.1	0.3	1.5	-0.2	1.8	-1.8	1.4	1.9	0.8	12.6
2014	-2.8	0.4	0.3	-0.3	1.5	1.6	1.2	1.2	-5.7	-0.7	3.5	-0.2	-0.5
2015	2.4	3.3	4.8	1.8	0.1	0.1	2.0	-0.8	2.5	2.1	1.0	1.7	22.9
2016	0.9	6.7	1.9	-2.9	-1.5	2.9	0.0	0.7	0.9	0.2	-1.1	2.2	10.9
2017	3.4	0.8	2.2	-0.2	-2.1	1.7	-0.6	-1.1	0.4	2.2	-0.1	0.1	6.9
2018	3.6	-6.6	-0.2	-0.6	-0.5	3.8	1.0	2.0	-0.1	1.5	1.4	-1.2	3.6



Strategic Patterns in Equity Markets

- XHE Capital discovered unique momentum and reversal patterns in equity Indexes that has not been previously exploited – We refer to this as Strategic Equity Patterns
- The patterns are prevalent across most global equity indexes in both developed and emerging markets and repeat over short – medium term time frames (1 to 28 days)
- The strategy systematically exploits the patterns using long or short index futures
- Strategic Equity patterns typically take the form of an escalation in momentum before a pause or proportional retracement



Strategic Patterns in Equity Markets

- Strategic reversal patterns typically take the form of extended price reversals relative to recent positive movement
- Systematic, strategic entry and exit points facilitate maximum long & short alpha generation
- The patterns when incorporated with XHE's proprietary particle swarm optimization enable the CTA to maximize the program's sharp
- There appears little correlation between the equity returns of these patterns relative to other CTA style vehicles currently available

Index Futures traded

Americas

DJ E-mini
 Singapore
 Ibovespa
 Taiwan
 MSCI EM Latin America
 NASDAQ 100 E-mini
 Russell 1000 Growth Mini
 Russell 1000 Mini
 Russell 1000 Value Mini
 Russell 2000 Mini
 S&P 500 E Mini
 S&P Midcap 400 E Mini
 S&P/BMV IPC
 S&P/TSX 60

Europe

AEX
 CAC40
 DAX
 Euro Stoxx 50
 FTSE 100
 FTSE 250
 FTSE MIB
 IBEX 35
 MDAX
 MSCI Europe
 OBX
 OMXH25
 OMXS30
 SMI
 Stoxx Europe 600
 WIG20

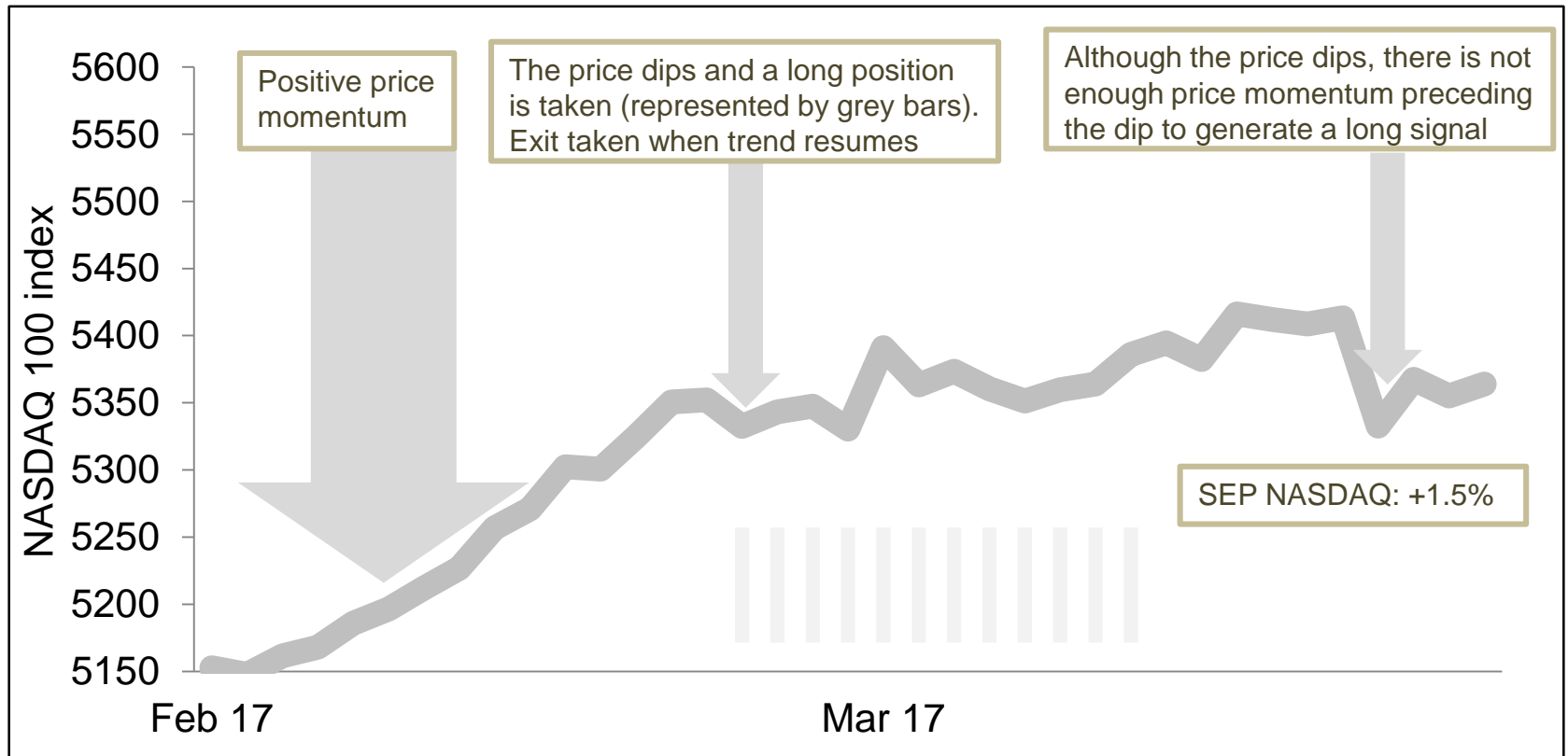
Asia

ASX SPI 200 MSCI
 BIST 30 MSCI
 CNX Nifty NIKKEI 225
 DTOP RTS
 KOSPI 200 SET50
 FTSE China Taiex
 Hang Seng TOPIX
 H-Shares
 JPX – Nikkei Index 400
 FTSE Malaysia

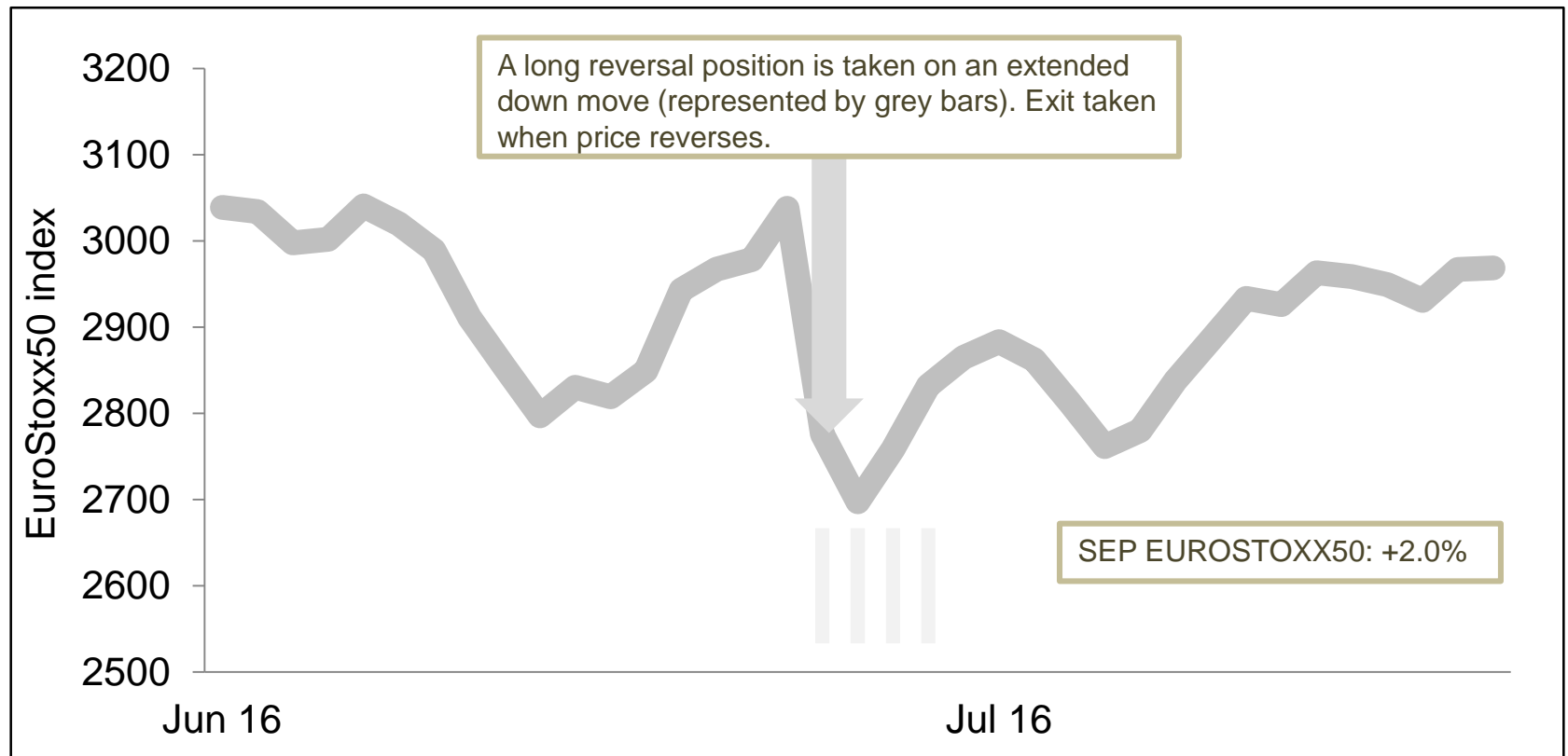
Other
 MSCI Pacific ex Japan
 MSCI World
 Mini MSCI EAFE
 MINI MSCI EM

Long Momentum Model

Trade Example

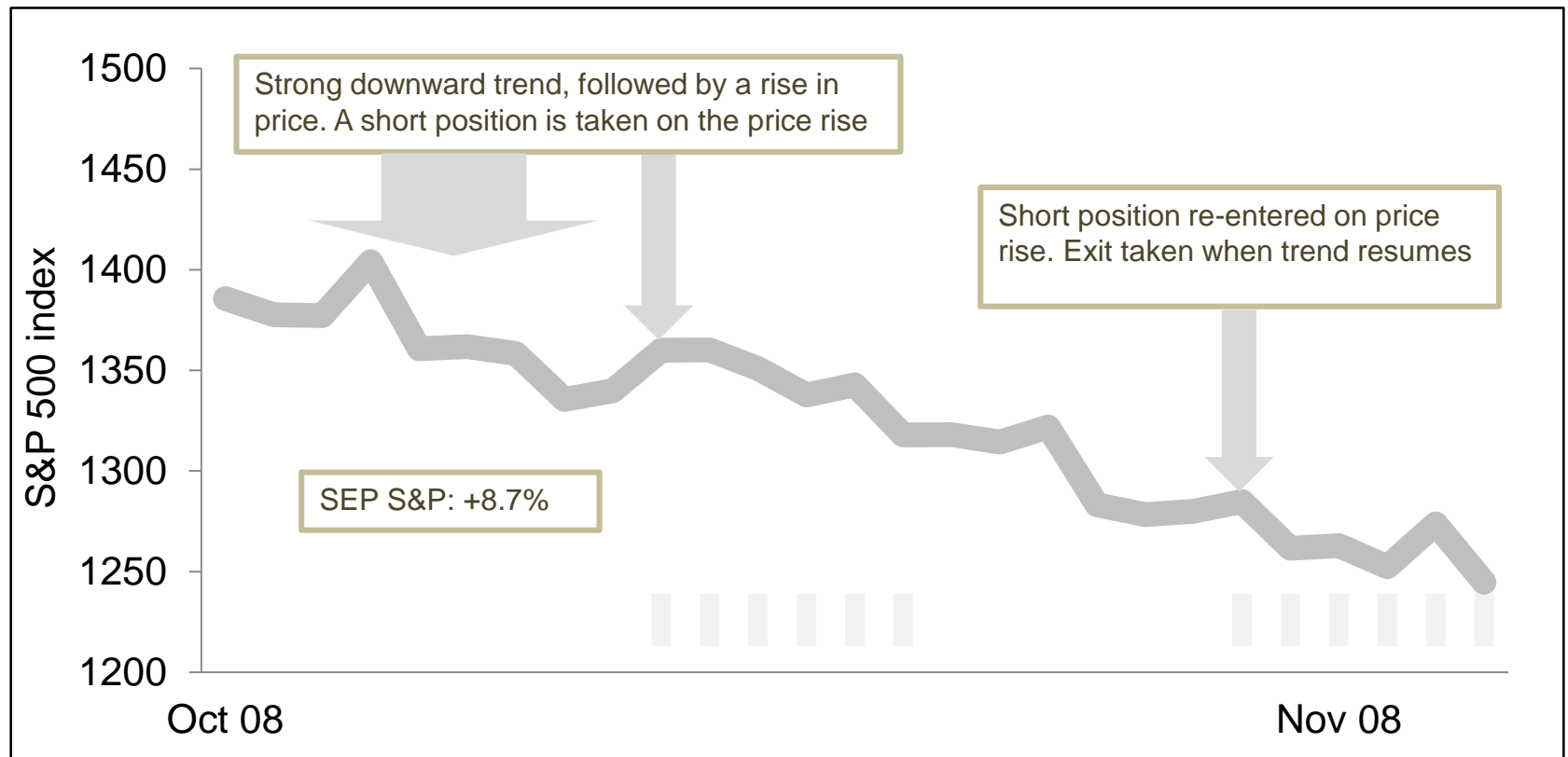


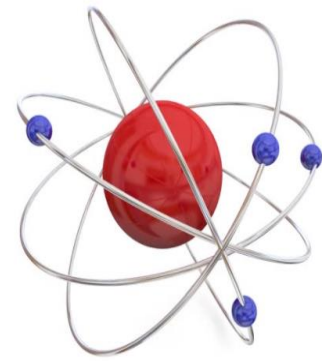
Long Reversal Model *Trade Example*



Short Momentum Model

Trade Example



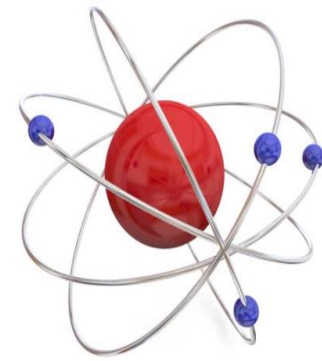


Typical CTA optimisation is over two steps:

- Optimise each future's trading parameters,
- Optimise Portfolio Sharpe to allocate to each future
- Individual asset parameter optimisation does not take into account parameters of other assets. Sub-optimal as limited possibilities therefore optimal portfolio cannot be achieved

Strategic Particle Swarm:

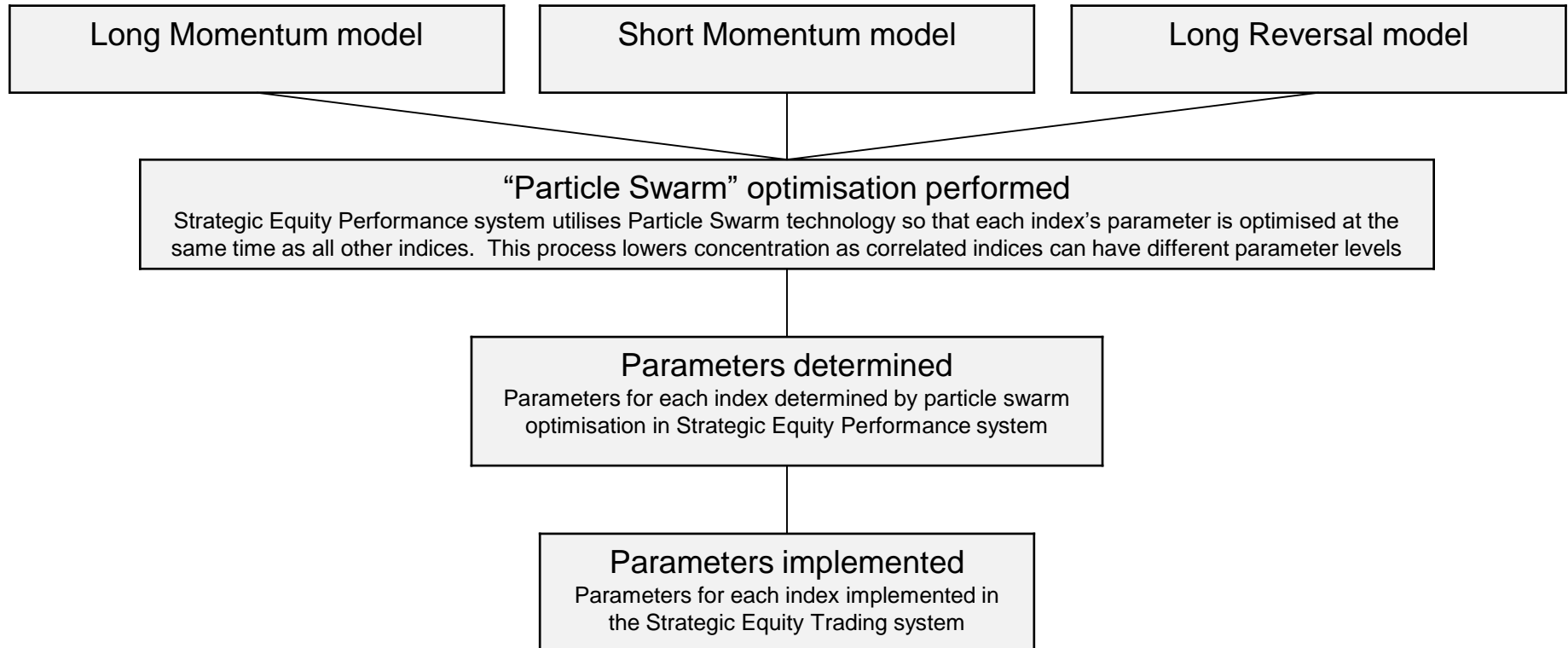
- "Strategic Particle Swarm" is an advanced optimisation methodology employed by XHE Capital
- "Strategic Particle Swarm" was developed over two years with leading academic specialists
- Provides enhanced return with reduced risk as compared to traditional optimisation
- Strategic Equity reaches optimal potential as all other future's parameters are taken into account when deciding a single future's parameters
- With normal technology process would take ~100 years, takes Strategic Equity Program ~5 days



Benefits of Particle Swarm Optimisation

- The process utilises a unique proprietary statistical technique that reduces optimisation running time, increasing Program efficiency
- As opposed to a grid methodology employed with a typical optimisation, Strategic Particle Swarm operates across a large number of dimensions
- The Program distributes large numbers of particles across dimensions, the particles then search for single points that represents the best parameter combinations across futures
- Particles that find the best potential parameter combinations send signals to other particles, which then “swarm” in the area around the best solutions
- Particles then concentrate on the best solutions in that section of the multidimensional ‘grid’ until an optimal solution is found

Strategic Optimisation

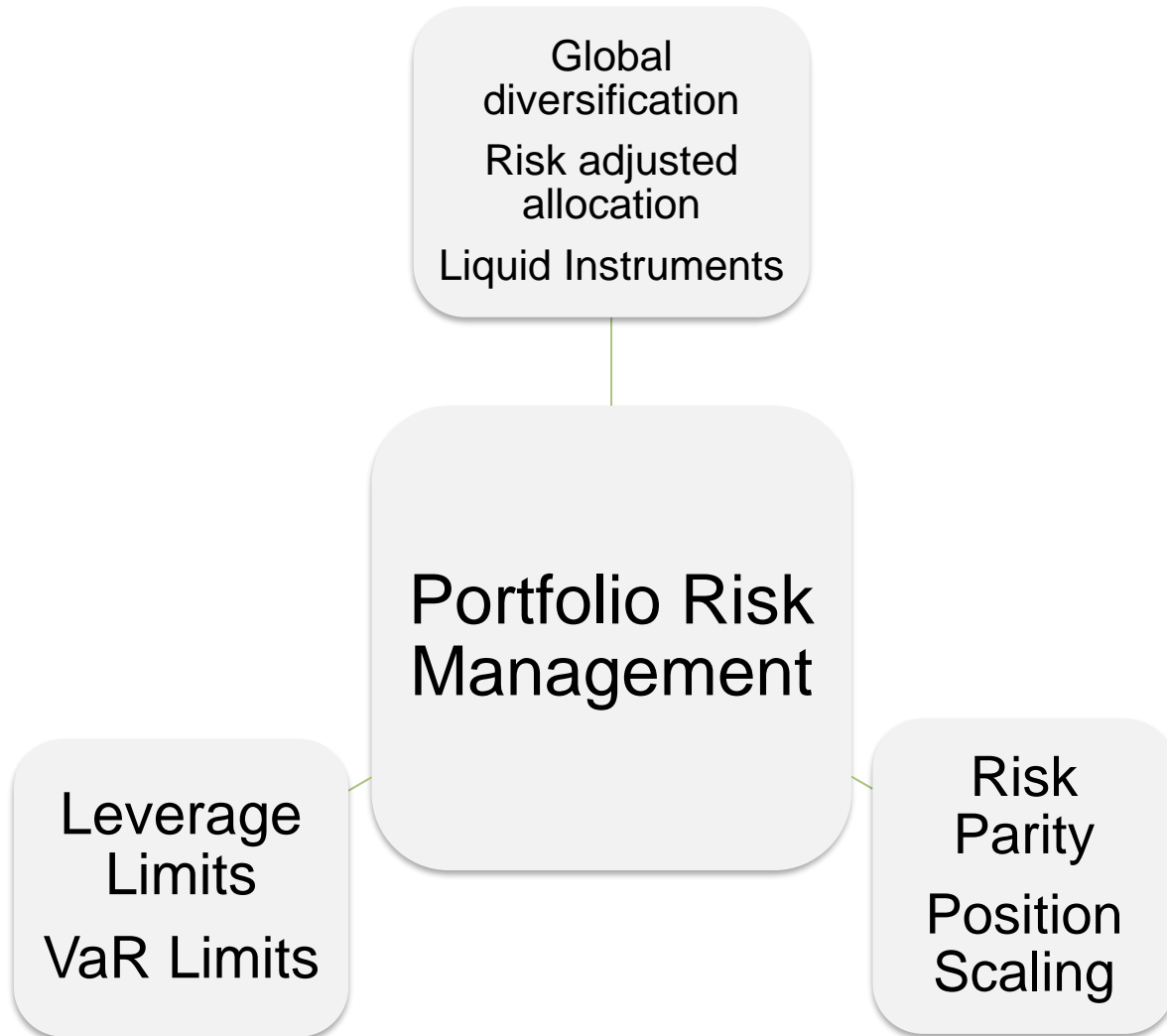


Strategic Equity Program

1. Strategic Equity Performance
Research
Strategy Development
Strategic Particle Swarm

2. Strategic Equity Trading
Position Deployment
Price Data Inputs
Proprietary mathematics
Algorithmic execution via FIX

3. Strategic Equity Risk
Risk parity Allocations
Portfolio trading leverage Limit
Portfolio Var limit
Position scaling





How does Strategic Equity manage risk?

- The Strategic Equity Program is a mathematical model that systematically manages trading, research and risk
- Strategic Equity Risk is the Program component that manages risk to limit drawdown and manage overall portfolio exposure. This includes risk parity sizing, as well as leverage and Value-at-Risk (VaR) limits
- Strategic Equity invests on a risk parity basis, meaning that the volatility of each index it trades is taken into account when sizing positions
- Trading is also overseen by an XHE Capital Principal and in extreme circumstances the Firm can intervene to protect investor interests
- XHE team has over 50 years of market experience through various global 'bull' and 'bear' cycles



Terms

- Structure: Nanjia Capital ICAV - UCITS
- Minimum: U\$10,000 Standard & Enhanced, U\$1m Institutional
- Management fee: 0.5%, 1%, 1.75% & 2%
- Performance Fee: 15% & 20%
- Initial Fee: Up to 5%
- Currencies: US\$ (base) & hedged SGD, Euro, GBP
- Liquidity: Weekly
- Depository: Caceis
- Prime Broker: Morgan Stanley
- Administrator: Caceis
- Auditor: Grant Thornton
- IM: Cross Roads Capital
- IA: Nanjia Capital & XHE Capital
- Investment term suggestion: 3-5 years

XHE Capital

Charles Allard Jr – Chairman

Charles is the Chairman of XHE Capital. Prior to joining XHE, Charles was Asia Chairman of Winton Capital, the \$30bn manager, responsible for Winton's operations in the Asia Pacific region. At Winton, Charles sat on the firm's Investment Committee and built the firm's investor base and business in Asia Pacific, including launching the first foreign advised quantitative fund in the PRC. Charles has extensive experience within the alternative asset management industry spanning a 25 year career. Charles graduated from Tulane University in the US and completed graduate studies at Keio University in Japan.

Luke O'Brien MBA CFTe Chief Executive Officer

Luke is the Chief Executive Officer of XHE Capital and has overseen the development of XHE's research and broader business. Prior to XHE, Luke worked for a quantitative hedge fund, Innofusion Capital Management, with a focus on statistical arbitrage and other equity based strategies. Prior to Innofusion, Luke was Global Head of Strategy for a multinational corporation and worked in other corporate strategy roles. Luke has an MBA in Financial Economics from London Business School and is a Certified Financial Technician. Luke is FCA authorised as CF4, CF10, CF11, CF30

Justin King MSc CFA - Chief Investment Officer

Justin is the Chief Investment Officer of XHE Capital and is responsible for trading and operational infrastructure. Prior to XHE, Justin was a Portfolio Manager for Bright Trading's \$500m US based fund with a quantitative focus on equity long/short and market neutral strategies. At Bright, Justin outperformed his benchmark over a five year period by a cumulative 70%. Prior to Bright Justin worked as a trader, beginning his career at State Street Bank. Justin has a Masters in Finance from London Business School and is a Chartered Financial Analyst; Justin is FCA authorised as CF4, CF30.

Worrawat Sritrakul MSc PhD - Chief Research Officer

Worrawat is the Chief Research Officer of XHE Capital, responsible for research and technology. Prior to XHE, Worrawat was an academic teaching financial economics and mathematical finance at Imperial College. Worrawat attained both his Masters and PhD in Finance from Imperial. Worrawat's research covers a number of topics in financial economics; Worrawat has had a number of papers and articles published including in the leading Journal of Finance. Prior to Imperial, Worrawat worked as an engineer; he is FCA authorised as CF4, CF30.

XHE Capital

Hedge Fund Standards Board

XHE Capital is a hedge fund standard's board signatory

HFSB is standard setting body for hedge fund industry, established 2008

HFSB has a focus on transparency, integrity, good governance

HFSB has 84 manager directives; predominant focus on risk management

HFSB signatories are the world's leading hedge fund managers

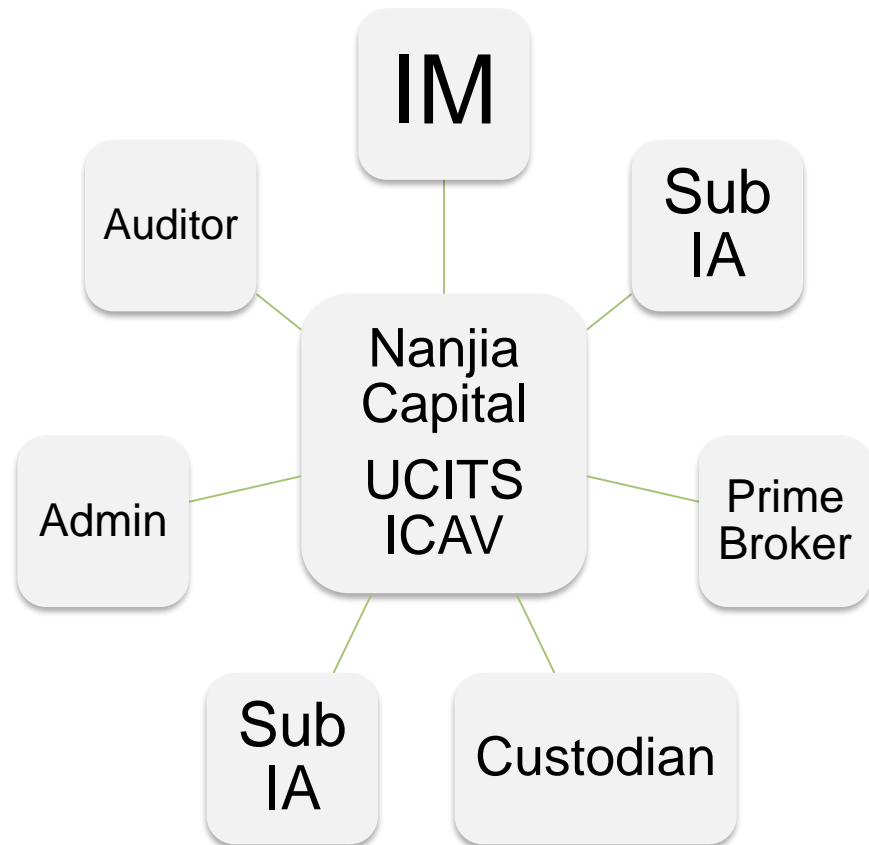
Approximately 1% of managers globally; average AuM \$6bn

HFSB investor chapter includes world's leading institutional investors



Independent ICAV Structure

- ICAV – UCITS Structure
Nanjia Capital
- Investment Manager (IM)
Crossroads
- Investment Adviser (IA)
*Nanjia Capital Limited HKSFC
BHS693*
- Sub Investment Adviser (IA)
XHE Capital UK FCA 599294
- Prime Broker
Morgan Stanley
- Depository
Caceis
- Auditor
Grant Thornton
- Administrator
Caceis





Nanjia Capital Ltd
HK SFC BHS693

Investment Advisor
100% Sam Coatham
Responsible Officers
Sam Coatham &
Simon Potter

Nanjia Capital UK
FCA 688650

Cap Intro
100% Richard Ingram

Nanjia Capital LTD
Bermuda Investment Manager
Directors
Sam Coatham
Richard Ingram

Nanjia
Group
BVI

Nanjia Capital SAC Ltd
Directors
Sam Coatham & Richard Ingram
Independent Directors
Anthony D'Silva & Rod Forrest

Nanjia Capital ICAV UCITs
C178906
Director: Sam Coatham Director:
Richard Ingram
Independent Directors
Shane Coman & Lorcan Murphy

UCITS

Key Features of Undertakings for Collective Investment in Transferable Securities (UCITS)

Nanjia Capital is establishing a regulated UCITS platform ICAV designed to offer a comprehensive, cost effective solution for our clients to launch their UCITS fund and raise capital in Europe, in full compliance with the requirements of UCITS and Irish regulations. The Irish Collective Asset Management Vehicle (ICAV) is a relatively new form of Investment Company that is quickly becoming the corporate vehicle of choice for promoters seeking to establish investment funds in Ireland.

- UCITS are the predominant form of investment fund in the EU and can be marketed to both retail and professional investors
- EU “Passport” allows UCITS to market throughout the EU on the basis of a single authorisation from one member state
- Liquidity restrictions require that investors have the right to subscribe or redeem at least on a bimonthly basis;
- Ireland is one of the leading EU exporting jurisdictions for UCITS having been proactive in implementing the UCITS regime into domestic legislation.
- UCITS are subject to a variety of leverage, borrowing and diversification restrictions and have been designed mainly as open-ended diversified, liquid products with their parameters being enshrined in EU law:
- 5/10/40 Rule: Maximum 10% of NAV invested in listed securities and money market instruments by a single issuer; exposures greater than 5% to single issuers may not exceed 40% of NAV
- Cash/Deposit Rule: Maximum 20% of NAV to be invested in cash/deposits by the same credit institution or Asset Eligibility Rule: No illiquid investments; Up to 100% of NAV can be invested in other CIS with maximum of 20% in any single UCITS; 5% maximum exposure to single OTC counterparty (10% for accredited institutions)
- Control Rule: Maximum 10% of non-voting shares, debt securities and/or money market instruments of any issuer
- Remunerations Rules: Minimum 50% of manager’s variable remuneration must be paid in non-cash; Minimum 40% must be deferred for at least 3 years

UCITS

Key Features of the ICAV

- Nanjia Capital Limited has chosen the Irish Collective Asset Management Vehicle (ICAV) as the most appropriate corporate vehicle for clients seeking to establish investment funds in Ireland. The ICAV has a number of distinguishing features:
- The ICAV is regulated by the Central Bank of Ireland and may be established as a QIFUND or a UCITS
- The ICAV structure has been specifically designed for investment funds and is less affected by Irish company law and accounting rules which apply to other Irish collective investment schemes structured as Investment Companies (“plc”)
- The ICAV can be structured as open-ended or closed-ended funds
- The constitutional document for the ICAV is the ‘Instrument of Incorporation’ (“IOI”), similar to the memorandum and articles of association, but without a requirement to obtain prior shareholder approval for any amendments
- A board of directors are responsible for the governance of the ICAV with a requirement for a minimum of two directors. There is no requirement to hold an annual general meeting (AGM)
- The ICAV can be established as an umbrella structure with a number of sub-funds and share classes, with segregated liability between and separate accounts for each sub-fund
- The ICAV is not subject to risk spreading or diversification requirements
- The ICAV ‘checks the box’ for US tax purposes
- The ICAV may be listed on a stock exchange
- The ICAV may either be managed by an external management company or be a self-managed entity

Please Note

These materials are provided solely for use in a private meeting and are intended for informational and discussion purposes to Professional Investors only. To the extent that these materials are circulated, it is intended that they be circulated only to persons to whom they may lawfully be distributed and any recipient of these materials should inform themselves about and observe any applicable legal requirements. Persons who do not fall within the Professional Investor description may not act upon the information contained in these materials.

This document does not constitute investment advice or an offer or solicitation to sell or a solicitation of an offer to buy any shares of any Fund (nor shall any such shares be offered or sold to any person) in any jurisdiction in which an offer, solicitation, purchase or sale would be unlawful under the securities law of that specific jurisdiction. This document is directed at and intended for Professional Investors (as such term is defined in the various jurisdictions). This document is provided on a confidential basis for informational purposes only and may not be reproduced in any form or transmitted to any person without authorization from Nanjia Capital Limited. It is the responsibility of any persons wishing to subscribe for shares to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of shares, and any foreign exchange restrictions that may be relevant thereto.

This document is not a Prospectus/Offering Document and does not constitute an offer to the public. No public offering or advertising of investment services or securities is intended to have taken effect through the provision of these materials. Nothing in these materials is or shall be considered to be an offer of advisory or investment services to any recipient. The information contained herein has been derived from sources believed to be reliable and accurate at the time of compilation, but no representation or warranty (express or implied) is made as to the accuracy or completeness of any of this information. Nanjia Capital Limited and its affiliates do not accept any liability for losses either direct or consequential caused by the use of this information. Nothing set out in these materials is or shall be relied upon as a promise or representation as to the future.

Nanjia Capital Limited is a Hong Kong investment adviser registered with the Hong Kong Securities and Financials Commission and has not represented and will not represent that it is otherwise registered with any other regulator or regulatory body.

Investors should ascertain from their professional advisers the consequences of investing with Nanjia Capital Limited under the relevant laws of the jurisdictions to which they are subject including the tax consequences and any exchange control requirement. Investors should carefully consider the investment objectives, risks, charges and expenses of any strategy before making an investment decision.

An investment in Nanjia Capital Limited funds may be subject to risks, such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation. Please see the Prospectus/Offering Document for a Fund for additional information about the risks of investing in a Fund. This discussion of the risks associated with investing in Nanjia Capital Funds is not exhaustive and prospective investors should consult a Fund's Prospectus/Offering Document before making an investment decision.

The Shares of the Fund have been registered with the Monetary Authority of Singapore as a restricted scheme for accredited investors only.

This document does not constitute investment advice or an offer or solicitation to sell or a solicitation of an offer to buy any shares of any Fund (nor shall any such shares be offered or sold to any person) in any jurisdiction in which an offer, solicitation, purchase or sale would be unlawful under the securities law of that jurisdiction. This document is directed at and intended for Professional Investors (as such term is defined in the various jurisdictions). This document is provided on a confidential basis for informational purposes only and may not be reproduced in any form or transmitted to any person without authorization from Nanjia Capital Limited. It is the responsibility of any persons wishing to subscribe for shares to inform themselves of and to observe all applicable laws and regulations of the relevant jurisdiction they reside. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of shares, and any foreign exchange restrictions that may be relevant thereto.

Currency risk is a decline in value of a foreign currency relative to the U.S. dollar which reduces the value of the foreign currency and investments denominated in that currency.

In Singapore, this document is available to, and intended for Accredited Investors under Section 304 of the Securities and Futures Act ("SFA"), and to Relevant Persons pursuant to section 305 of the SFA, as those terms are used under the relevant law. It should not be circulated or distributed to the retail public in Singapore.

In the UK, this document is only made available to professional clients and eligible counterparties as defined by the Financial Conduct Authority ("FCA"). Under no circumstances should this document be forwarded to anyone in the UK who is not a professional client or eligible counterparty as defined by the FCA. Issued in the UK by Nanjia Capital Limited which is authorised and regulated by the FCA, FRN 688650.