NIC ASIA
EQUITY OPPORTUNITY FUND
Close-Ended Mutual Fund Scheme

Issue Open Date: Ashoj 07, 2083

Issue Close Date(Earliest): Ashoj 13, 2083

Issue Close Date(Lately): Ashoj 21, 2083

ABOUT SCHEME

NIC ASIA Equity Opportunity Fund, a Rs 800 million closed-end equity scheme with a ten-year horizon, is managed by NIC ASIA Capital Limited and sponsored by NIC ASIA Bank Limited. This overview summarizes the SEBON-approved prospectus for institutional subscribers.

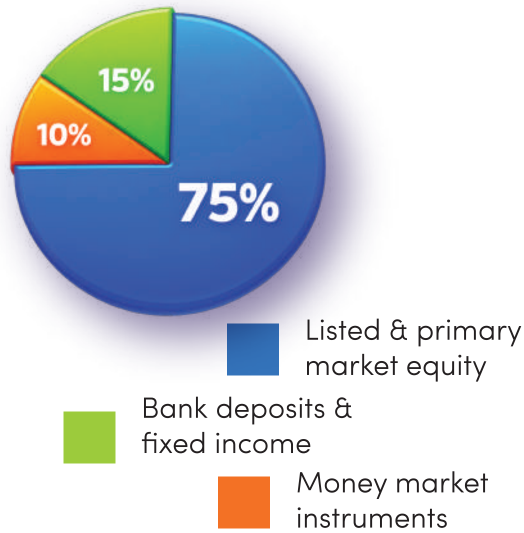
SCHEME AT A GLANCE

Item	Terms
Name of the Scheme	NIC ASIA Equity Opportunity Fund
Type of Scheme	Closed ended Mutual Fund Scheme
Category of Scheme	Equity oriented
Investment Objective & Philosophy	The scheme seeks capital appreciation for unitholders by investing principally in listed equity, acquired at a discount to appraised intrinsic value and held over a multi-year horizon, with annual cash distribution from realised profit and return of net assets at NAV on maturity.
Tenure of the Scheme	10 years
Listing	The units shall be listed at Nepal Stock Exchange (NEPSE)

Investment Strategy

• **Asset Allocation pattern:** The indicative allocation is 75% listed and primary equity, 15% deposits and fixed income, and 10% money market instruments, within the universe permitted by Rules 34 and 37 of the Mutual Fund Regulations, 2067.

• **Investment approach & portfolio construction methodology:** Selection follows detailed company appraisal, with purchases directed at securities trading at a discount to appraise intrinsic value and positions held over three years or more. What separates the scheme from the manager's existing equity range is the condition on entry price and the stated holding horizon, not the allocation band.



Risk Factors

Standard risk factors:

- Market risk, as the scheme may hold up to its entire corpus in equity and NAV will move with the secondary market.
- Liquidity risk, arising from the tradability of underlying holdings and, at unitholder level, from the absence of any repurchase facility during the term, so that exit before maturity depends on NEPSE where units may trade at a discount to NAV.
- Credit risk on non-government debt instruments and on deposits placed with institutions.
- The scheme is further exposed to interest rate risk on deposits and debentures, reinvestment risk on coupon and interest receipts, settlement risk, and policy and regulatory risk.

Riskometer
Risk Level: Moderately High

Risk mitigation measures:

- Internal investment limits set by the fund manager and reviewed by the investment and management committee.
- Daily analysis of securities and issuers by a dedicated research department, feeding daily, weekly and monthly recommendations into each investment plan, which is reviewed by the Chief Executive Officer.
- Diversification across sectors and issuers together with a liquidity discipline on position sizing. Independent oversight by the depository and by seven SEBON-approved fund supervisors who verify NAV and report to the regulator.

NEW FUND OFFER(NFO)

NFO Opening & Closing Dates – Ashoj 7, 2083 up to Ashoj 13, 2083
(can be extended up to Ashoj 21,2083)
Minimum Subscription Amount – 100 units
Face Value of units – Rs. 10
Minimum & Maximum application amount & units – 100 units (Rs. 1,000) and 10,000,000 units (Rs. 100,000,000)

Fund Management:

- **Fund Manager:** NIC ASIA Capital has held a fund manager and depositary license since 2073/12/18, is 90% owned by NIC ASIA Bank, and is rated IRN AMC Quality 2 by Infomerics Credit Rating Nepal. It manages six live schemes of approximately Rs 6.2 billion and has taken one closed-end scheme through to redemption.
- **Fund Sponsor Information:** NIC ASIA Bank Limited is a Class A commercial Bank licensed under BAFIA 2073, operating since 2063/09/18 and in its unified form since the 2070 merger. It owns 90% of the fund manager and invests at least 15% of units sold as seed capital, aligning its interests with unitholders.
- **Fund Supervisor Information:**

Name	Qualification	Background
Mr.Aashish Adhikar	LLM	28 years in legal practice; partner at Alpha Law Chamber
Mr.Bodh Raj Niraula	MA (Economics), LLB	Over 34 years across Nepal Government bodies including the Ministry of Finance
Mr.Shivaraj Ghimire	MBA	23 years in teaching; associate professor, Saraswati Campus
Mr.Santosh Lamichhane	CPA, ACCA, MBS	Over 18 years in audit and corporate advisory
Mr.Mahendra Nath Karmacharya	M.Com	Over 32 years in banking and finance
Mr.Bishal Sigdel	CA, MA(Economics)	Over 17 years in banking and finance; Chairman, Biz Engine Consulting
Mr.Narayan Sundar Shilpakar	CA, BBS	Over 15 years in banking and finance; Managing Director, Biz Engine Consulting

Cost Structure

Head	Basis
Fund Management fee	1.50% of Net Asset Value(NAV)
Depository fee	0.20% of Net Asset Value(NAV)
Fund Supervisor fee	0.05% of Net Asset Value(NAV)
Scheme registration fee	0.1% of scheme size

Expenses ratio: Approximately 2.48% of NAV in year one, reflecting one-off issue and registration costs, falling to approximately 1.78% of NAV from year two onwards.

Liquidity Provisions

Units are listed on NEPSE and become tradable after allotment. Secondary trades settle on a T+2 basis through CDS and Clearing Limited. On maturity the portfolio is realised and net assets are distributed to unitholders at NAV per unit.

Taxation

Scheme-level income – No withholding on dividend, interest or capital gains earned by the scheme
Distributions to institutions – 15% advance tax deducted at source (TDS)
Distributions to natural persons – 5% advance tax deducted at Source (TDS)

NIC ASIA CAPITAL

Your Friend For Prosperity

NIC ASIA EQUITY OPPORTUNITY FUND

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