

Nevastar Finance Ltd. Part 2A of Form ADV The Brochure

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This brochure provides information about the qualifications and business practices of Nevastar Finance Ltd. ("Nevastar" or the "Firm"). If you have any questions about the contents of this brochure, please contact us at +44 20 7290 3210. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Nevastar is also available on the SEC's website at: www.adviserinfo.sec.gov.

Material Changes

Since Nevastar's previous other-than-annual Brochure filing on April 30, 2021 the Firm is reporting the following material changes:

Item 4: Stanislas Rotman has been named Chief Compliance Officer since the Firm was registered with the SEC on November 24, 2017.

Item 4: Nevastar Holding Ltd., the owner of Nevastar, transferred ownership interests to Rcube2 S.à.r.l. effective December 20, 2017. Aside from an entity change, there have been no changes in the beneficial owners.

Item 5: Nevastar updated both the discretionary and non-discretionary fee schedules.

Nevastar is also reporting the following non-Material items:

Item 7: Nevastar is no longer managing private funds.

Item 12: Nevastar updated disclosures regarding brokerage practices.

Item 17: Nevastar votes proxies on behalf of discretionary client relationships. Nevastar does not vote proxies for non-discretionary client relationships.

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Item 4. Advisory Business

Nevastar Finance Ltd. (“Nevastar” or the “firm”) is an investment management company based in London, United Kingdom. The firm was founded in September 2003 by Olivier Rouget, Stanislas Rotman and Ignace Rotman. Stanislas Rotman is the firm’s Chief Executive Officer and Chief Compliance Officer. Nevastar is owned by Rcube2 S.à.r.l., which is in turn majority-owned by the three founding partners.

Nevastar provides discretionary and non-discretionary investment advisory services primarily to high net worth individuals, trusts, charities, pensions and corporate entities (each a “**client**” and collectively the “**clients**”). Nevastar’s primary long-term objective is to preserve and grow a client’s wealth by delivering attractive, inflation-adjusted returns across an economic cycle. Client portfolios may include investments in equities, fixed income, long-only funds, hedge funds, currency forwards, cash in multiple currencies, REITs, commodities, and options. Nevastar will customize a client’s portfolio to meet the client’s requirements pursuant to the client’s investment management agreement.

The firm is also authorized and regulated by the UK Financial Conduct Authority, in addition to the SEC.

As of December 31, 2020, Nevastar regulatory assets under management (“RAUM”) was \$993,299,262, of which \$570,144,468 was for discretionary accounts and \$423,154,794 was for non-discretionary accounts.

Item 5. Fees and Compensation

Nevastar charges clients a fee based upon assets under management and whether the assets are managed on a discretionary or non-discretionary basis. Nevastar maintains the discretion to vary, waive or modify the management fee. The standard fee schedule is set forth as follows:

Discretionary Management

Total Assets Being Managed Annual Fee, as a Percentage of Assets Being Managed:

Below \$3 million	0.95%
\$3 million to 10 million	0.85%
\$10 million to \$25 million	0.75%
\$25 million to \$50 million	0.65%
\$50 million to \$100 million	0.55%
Above \$100 million	0.45%

Non-discretionary Management (Advisory Service)

Total Assets Being Managed Annual Fee, as a Percentage of Assets Being Managed:

Below \$3 million	0.90%
\$3 million to 10 million	0.80%
\$10 million to \$25 million	0.70%
\$25 million to \$50 million	0.60%
\$50 million to \$100 million	0.50%
Above \$100 million	0.40%

Nevastar generally does not negotiate fees though the firm reserves the right to do so.

Advisory fees are invoiced after the end of each quarter based on the average month end value of the assets held under Nevastar's management for the quarter. The firm does not charge management fees in advance. A client's investment management agreement can be terminated at any time, by either party, for any reason upon 30 business days' written notice.

The management fees described above do not include other fees and expenses typically incurred by clients, such as: brokerage commissions; transaction fees; exchange fees; custodial fees; transfer taxes; wire transfer and electronic fund processing fees; and mark-ups/mark-downs on security transactions. Additional information about fees and expenses that may be charged to clients is described in the investment management agreement for each client account.

Item 6. Performance Based Fees and Side-by-Side Management

Nevastar does not charge U.S. clients a performance based fee. The firm does charge a performance fee to certain non-U.S. clients. These performance fees could potentially incentivize Nevastar to direct more favorable investments to clients who are charged a performance fee. The firm has a well-defined investment process and allocation policies and procedures designed to address and minimize this potential conflict.

Item 7. Types of Clients

Nevastar provides investment management services to the following types of U.S. clients: high net worth individuals, trusts, charities, pensions and corporate entities.

The firm typically requires a minimum initial investment of \$3 million to establish an account, but reserves the right to accept accounts below the minimum. For example, the firm may aggregate accounts of family members to reach the minimum investment amount as part of a family relationship.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

Nevastar uses a disciplined investment process supported by quantitative tools for security selection, portfolio construction, and risk management for its proprietary strategies. The firm utilizes fundamental internal research with a macroeconomic overlay and supplemented by trusted third-party research providers.

The firm's primary long-term objective is to preserve and grow a client's wealth by delivering attractive, inflation-adjusted returns across an economic cycle. The main tool utilized to reach this objective is active asset allocation, including the use of cash as an asset class. All portfolios except specific mandates may be held 100% in cash if appropriate. Ultimately the firm attempts to avoid large drawdowns on the portfolio.

The investment process combines thorough top-down macro analysis with fundamental security research and dynamic risk management. The first step of the process is macro-economic analysis, followed by securities screening, idea generation and investment thesis evaluation. The following step is security selection, which is combined with portfolio construction, in particular to take into account position sizing. A final step is risk management.

Asset allocation will fluctuate when there are changes to the short and medium term risk profiles of investments. These changes might arise from fundamentals, technical or external triggers. Assuming no change on asset allocation circumstances, an investment becomes a buy when it provides a very attractive risk adjusted return, and assuming a relative level of correlation with the rest of the portfolio. For a new client funding the portfolio through cash, positions are typically built over a period of time, often one to three months, security by security.

Portfolios may include investments in equities, fixed income, long-only funds, hedge funds, currency forwards, cash in multiple currencies, REITs, commodities, and options.

Risk of Loss

The investment strategies pursued by Nevastar as summarized above will be subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise. All investments involve certain risks and clients should be aware that they face the risk of loss.

Below is a summary of associated risks related to Nevastar's investment strategies. This description is not intended to serve as an exhaustive list or a comprehensive description of all risks

that may arise in connection with the management and operation of Nevastar client accounts. Risks to be considered include the following:

- Market risk: the price of securities may drop in reaction to an event or change in conditions.
- Economic risk: changes in economic conditions might create a drop in the value of investments.
- Inflation risk: when inflation is perceived, fixed income and equity instruments might drop in value.
- Deflation risk: when deflation is perceived, equities and other investors might drop in value.
- Liquidity risk: markets on investments might become illiquid, and therefore the price to sell a security might decrease more than expected.
- Business risk: industry-specific events may affect securities prices in that industry.
- Company risk: changes, real or perceived, in companies' specific situation might create a drop in value of its securities.
- Counterparty risk: clients will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.
- Interest-rate risk: changes in interest rate will cause prices in fixed income instruments to change.
- Cybersecurity risk: any failure of Nevastar's information, technology or security systems could have an adverse impact on its ability to manage the separately managed client accounts referred to herein.
- Catastrophic risk: other public health crises, including any outbreak of (i) SARS, H1N1/09 influenza, avian influenza, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof; or (ii) other major events or disruptions, such as hurricanes, earthquakes, tornadoes, fires, flooding and other natural disasters; acts of war or terrorism will affect economic conditions and impact Nevastar's ability to manage client accounts.

Item 9. Disciplinary Information

Nevastar does not have any disciplinary information to disclose.

Item 10. Other Financial Industry Activities and Affiliations

The firm is majority owned by Rcube2 S.à.r.l. and does not have any material business dealings with this holding company. The firm has no affiliations with any broker-dealer.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Nevastar has adopted a Code of Ethics policy which, among other things, contains provisions designed to (i) prevent improper personal trading by employees; (ii) prevent improper use of material, non-public information about securities recommendations made by Nevastar or securities

holdings of advisory clients and (iii) identify conflicts of interest, including monitoring of gifts and entertainment. Employees must place the interests of Nevastar clients first at all times.

A copy of Nevastar's Code of Ethics will be provided to any client or prospective client upon request.

Item 12. Brokerage Practices

Aggregation of Orders

Nevastar will generally aggregate trade orders for multiple client accounts, usually when executing batch trades, which are custodied at the same custodian to achieve more efficient execution or to provide for equitable treatment among the accounts. However, there are instances where client accounts (e.g., different risk guidelines, liquidity, etc.) will trade the same security on the same trading day but at different times which might impact execution prices and ultimate performance. The clients participating in aggregated trades will be allocated securities based on the average price achieved for such trades. For individual trades, aggregation will not be possible, however Nevastar monitors trades for best execution.

Allocation

Nevastar's policy prohibits any allocation of trades in a manner that favors personal trading accounts or any particular client(s) or group of clients over other client accounts. Nevastar generally analyzes each trade on an investment by investment basis, taking into consideration the specifics of each trade and the characteristics of each client. To the extent that multiple clients participate in a particular transaction such transaction will generally be allocated pro-rata among such clients, unless facts specific to the transaction and the trade warrant an alternative allocation methodology.

Best Execution

Nevastar maintains a list of approved counterparties with whom orders are typically placed. Subject to the terms of the applicable investment management agreement, Nevastar has full discretion to choose a counterparty from the firm's current list of approved counterparties for executing any order or orders, but in doing so shall assess and balance a range of relevant factors which the firm considers (in its reasonable determination) relevant to achieving the best result for the clients.

On a periodic basis, the list of approved counterparties will be reviewed and, where appropriate, the list will be amended.

The typical factors that are considered to determine the manner in which an order will be executed include the following:

- Price
- Costs
- Size and nature of the order
- Speed
- Quality of back-office
- Counterparty risk

- Together with any other consideration relevant to the execution of the order, such as availability of liquidity, and the market impact of the order.

In determining the relative importance of these factors, Nevastar will take into account the nature of the order, the characteristics of the financial instruments to which the order relates and the characteristics of the available execution venues, and will exercise its discretion to determine which of these factors, or combination of them, will be most relevant to achieve best execution.

Ordinarily, price will merit a high relative importance in obtaining the best possible result for a client. However, in certain circumstances, for some financial instruments or markets, the firm, at its absolute discretion, may decide that other factors may be more important in determining the best possible result in accordance with this policy.

Trade Errors

Nevastar will seek to detect trade errors prior to settlement and promptly correct and mitigate any trade error losses. Trade errors will be assessed by the Firm on a case-by-case basis to determine the amount of Client reimbursement as a result of a trade error loss. Nevastar will seek to make Client's whole as a result of a loss due to a trade error. To the extent that a trade error is caused by a counterparty, such as a broker or agent, the firm will seek to recover any related trade error losses from such counterparty. The firm in its sole discretion may offset any trade error income with trade error losses.

Soft Dollars/Client Commission Usage

The firm has not entered into any soft dollar or client commission sharing agreements.

Item 13. Review of Accounts

Nevastar reviews client portfolio investments on an ongoing basis and provides reports to clients on a monthly or quarterly basis as set forth in the relevant investment management agreement. Client accounts are reviewed in an effort to ensure that they remain aligned with the client's investment plan and are positioned appropriately given current market conditions as part of Nevastar's general investment process as described above.

Item 14. Client Referrals and Other Compensation

The firm has not formally engaged third parties to solicit new clients and does not compensate any third party, directly or indirectly, for client referrals.

Item 15. Custody

Nevastar does not maintain custody of cash or securities for any client. Clients establish custodial accounts with a qualified custodian and receive quarterly performance and custodial reports directly from the custodian.

Item 16. Investment Discretion

For client accounts in which Nevastar has investment discretion, the firm exercises discretionary authority to manage the assets of the accounts in a manner consistent with the investment objectives and guidelines set forth in the investment management agreement. Nevastar also provides investment advisory services on a non-discretionary basis.

Item 17. Voting Client Securities

Nevastar does have the authority to vote client proxies for discretionary services, as disclosed in its standard investment management agreement. For non-discretionary services, Nevastar's clients will receive their proxies directly from their selected custodian. If Nevastar personnel inadvertently receive any proxy materials on behalf of a client, they will promptly forward such materials to the client.

Item 18. Financial Information

There are no financial conditions that would impair the firm's ability to meet contractual commitments to clients. Nevastar has never been the subject of a bankruptcy petition.