

ALQUITY ASIA FUND:
FACTSHEET AS AT:
NAV:

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JUNE 2021
110.24



MONTHLY SUMMARY

- The relevant Asian stock index declined 0.1% in USD in June.
- The incoming macro data in China reinforced our view that the cyclical upswing remains robust.
- According to high-frequency indicators, India's economy has been bouncing back towards the levels seen before the second Covid-19 wave.

PERFORMANCE OVERVIEW

	2017	2018	2019	2020	2021
JAN	0.3%	2.5%	3.8%	-2.7%	3.1%
FEB	4.9%	-2.2%	2.8%	-4.5%	2.7%
MAR	4.7%	1.2%	10.3%	-20.0%	1.9%
APR	0.4%	1.7%	-3.1%	11.8%	-0.3%
MAY	-3.0%	-1.2%	-3.3%	0.2%	1.4%
JUN	-1.3%	-5.0%	-1.5%	5.3%	4.3%
JUL	-0.5%	0.8%	-0.1%	-0.5%	
AUG	-1.7%	-1.6%	-3.2%	3.0%	
SEP	0.5%	-8.3%	3.3%	1.2%	
OCT	4.7%	-7.6%	3.5%	4.1%	
NOV	0.0%	8.0%	-1.1%	6.1%	
DEC	1.4%	-2.3%	0.4%	4.9%	
ANNUAL	10.4%	-14.3%	11.5%	5.5%	13.6%



PERFORMANCE SUMMARY:

1 Month:	4.3%	1 Year:	36.5%
3 Months:	5.4%	3 Years:	18.4%
6 Months:	13.6%	Inception:	58.7%
Year to Date:	13.6%	Annualised:	6.7%

VOLATILITY

1Y 13.2%

3Y* 17.5%

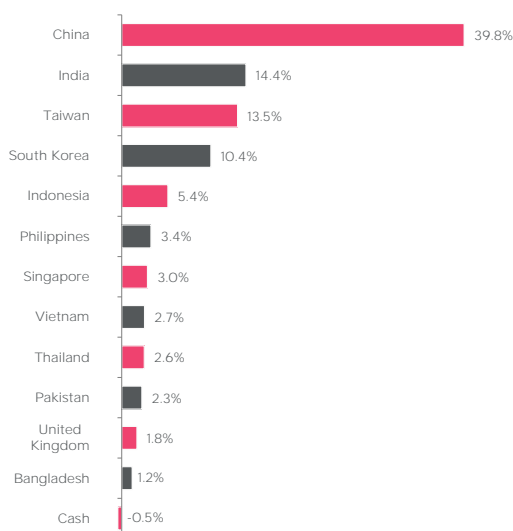
**Where the share class has not been running for 3 years, the volatility figure displayed is since the inception of the share class*

TURNOVER**

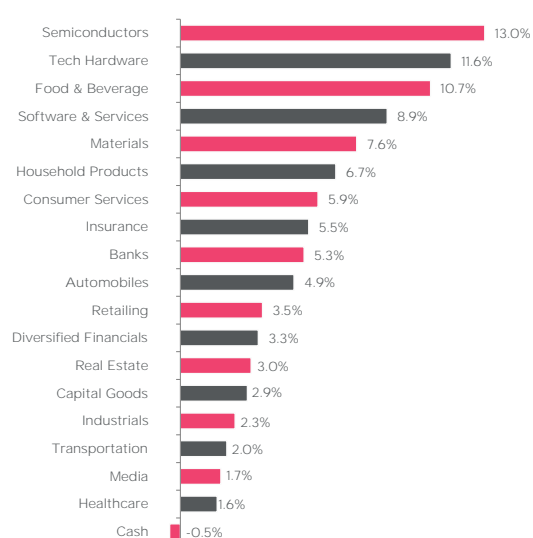
14.5%

***Average turnover of holdings (annualised) since the fund's inception*

GEOGRAPHIC ALLOCATION



SECTOR ALLOCATION



**For the purposes of reporting, the unrealised capital gains have been removed from the portfolio characteristics calculations, however remain part of the Net Asset Value calculation*

MONTHLY UPDATE

The relevant Asian stock index declined 0.1% in USD in June. Despite the absence of obvious global tailwinds to meaningfully boost investor's risk appetite, local catalysts and strengthening fundamentals boosted the Vietnamese (+6.2% in USD), Taiwanese (+2.9% in USD) and the Philippine (+1.6% in USD) benchmarks. In contrast, those EM Asian markets, which have been facing a new wave of Covid-19 infections, lagged their regional peers.

The incoming macro data in China reinforced our view that the cyclical upswing remains robust: retail sales rose 12.4% YoY, industrial production increased 8.8% YoY and fixed asset investments gained 15.4% YoY YTD in May (the annual growth rates are distorted upwards to some extent by the very low base). The latest datapoints confirm that the government's annual GDP growth target of "above 6%" is comfortably achievable, in our opinion.

According to high-frequency indicators, India's economy has been bouncing back towards the levels seen before the second Covid-19 wave. The Markit manufacturing PMI in May (50.8) was indicative of a further expanding industrial output, despite the – temporary – lockdown measures in some states. Furthermore, the monsoon season has begun. As at 27 June, the amount of rain fallen was 16% above normal. This could be the third consecutive year, when monsoon rains may significantly boost the agricultural sector's growth prospects. Should the monsoon rains remain around or over normal throughout the season, rural India is going to face a record harvest season. The inoculation drive has accelerated, and the number of administered vaccines reached 5.5mn per day on a 7-day moving average basis at the end of June. Overall, over 332mn jobs were given out as at 30 June. Given these tailwinds, we continue to hold the view that India's real GDP can grow by about 10% in FY2022 – one of the fastest growing economies globally.

In May, manufacturing PMIs reflected further economic strength in EM Asia. In Taiwan (62), South Korea (53.7), Vietnam (53.1), China (52) and India (50.8), the gauges indicated that industrial production would further increase despite some Covid-related headwinds. In the Philippines, the manufacturing PMI rose to 49.9 in May, suggesting that the country is about to emerge from a period of lockdown-induced sluggishness. As the vaccination drive progresses in many EM Asian countries, business confidence will further improve in the region, which will ultimately bolster their respective cyclical recoveries.

In June, we exited Vietnam Prosperity Bank, Amrutanjan (India, health care), Xtep (China, sportswear) and Heidelberg Cement (India) to lock in share price gains. We rotated funds into Hero (India, vehicle manufacturer), HDFC Bank (India), Dabur (India, health care) and Uni-President China (beverage and instant noodle manufacturer) – companies with strong growth prospects and compelling risk-reward profiles.

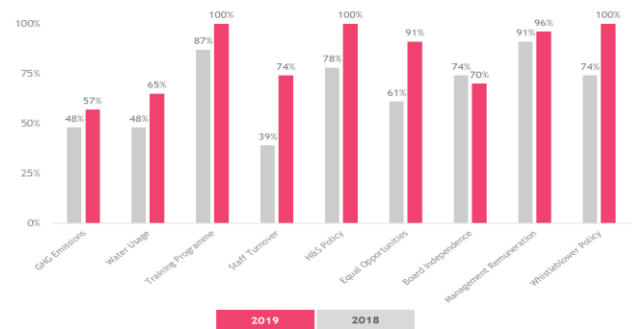
TOP 10 HOLDINGS

1.	TSMC	6.5%
2.	Tencent Holdings	6.1%
3.	SK Hynix	2.8%
4.	Delta Electronics	2.5%
5.	Meituan Dianping	2.4%
6.	China Pacific Insurance Company	2.4%
7.	Hong Kong Exchanges & Clear	2.4%
8.	Century Iron & Steel	2.3%
9.	Topsports	2.3%
10.	LG Household & Health	2.3%

ESG: IMPACT MEASURES

For all portfolio holdings, we track a set of Key Progress Indicators "KPIs" that represent a general set of transparency and ESG standards we want all firms to meet over time. In each case, the assessment has a financial motivation and an associated positive potential impact in line with the principles of the UN Global Compact. The chart summarises the where we stand in relation to the KPIs for all the portfolio holdings. These KPIs support our engagement activity with our holdings. Please contact us or refer to our Responsible Investment brochure for full details.

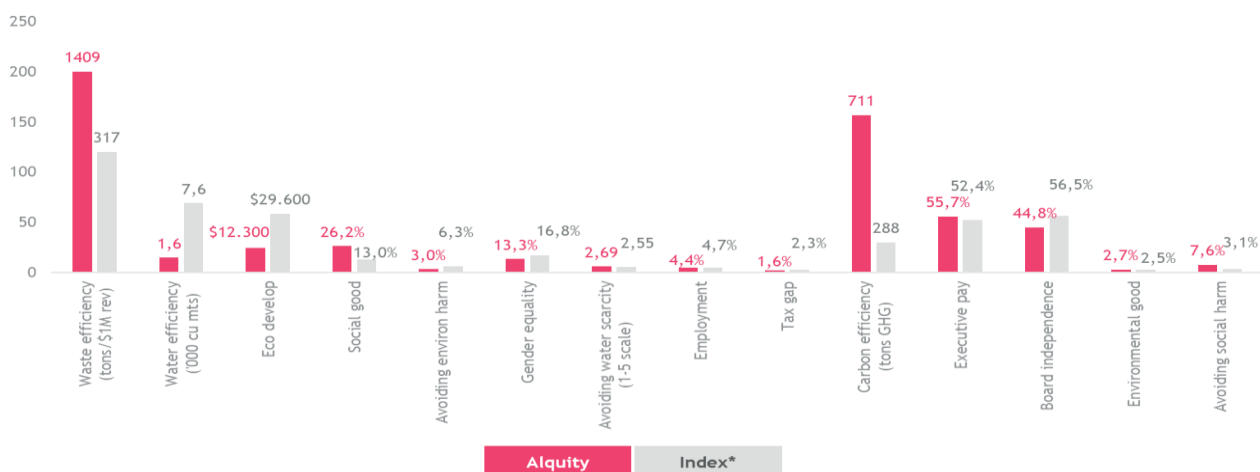
Holdings meeting each KPI standard - % of companies ¹



¹ Source: Alquity. Portfolio overview as of 31 July 2020

ESG : KEY PROGRESS INDICATORS

The performance of Alquity's Asia fund against the benchmark ²



² Impact Cubed Assessment, Impact Cubed (31 August 2020)

TRANSFORMING LIVES

We donate a proportion of our fees from the Alquity Asia Fund to charity partners in the region, reinforcing our belief that social progress should also lead to financial success.

DONATIONS GENERATED BY THE ASIA FUND:	\$449,299
LIVES TRANSFORMED DIRECTLY:	2,057
LIVES TRANSFORMED INDIRECTLY:	6,210

Total Lives Transformed by Alquity



Total Donations generated by Alquity



Data correct at 28 Feb 21

Source: Alquity Transforming Lives Foundation

FUND FACTS

Fund :	Alquity Asia Fund
Share Class :	B Class
Inception Date :	30/04/2014
Fund AUM :	US\$ 47.3m
Number of Holdings :	56
Fund Structure :	UCITS V SICAV
Domicile :	Luxembourg
Liquidity :	Daily
Fund Manager :	Mike Sell
Morningstar Rating :	No Rating
Minimum Investment :	€ equivalent of \$10,000
Annual Management Fee :	1.60%
Performance Fee :	15% (with hurdle & high watermark)
ISIN :	LU1049766899
SEDOL :	BVG1P31
Bloomberg Ticker :	ALQASUB

FUND OBJECTIVE

The Alquity Asia Fund is equity focused and targets attractive risk-adjusted returns over the long-term by investing in public companies across the Asian continent (ex. Japan). Our portfolio is unconstrained and emphasises long-term themes, transparency and alignment of management. This is achieved by a fundamental process which incorporates both financial valuation and Environmental, Social and Governance analysis of material non-financial factors.

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For more information about the Alquity Transforming Lives Foundation please visit www.alquityfoundation.org



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