

**ALQUITY ASIA FUND:**  
FACTSHEET AS AT:  
NAV:

**EUR Y**  
**JULY 2023**  
**107.77**



**MONTHLY SUMMARY**

*Those NAV prices displayed with duplicated ISINs, in currencies other than the base currency of USD, are reflected only on an unofficial and indicative basis. The aforementioned NAVs are for guidance only and we can give no assurances of its accuracy. The official NAV for those ISINs is in USD.*

- The relevant Asian benchmark rose by 6.1% in net USD terms in July.
- At the July Politburo meeting, China's top officials signalled a pro-growth shift in policy.
- In Indonesia, the central bank left interest rates on hold again, as inflation dropped to a 16-month low.

**PERFORMANCE OVERVIEW**

|        | 2019  | 2020   | 2021  | 2022   | 2023  |
|--------|-------|--------|-------|--------|-------|
| JAN    | 4.0%  | -2.5%  | 4.1%  | -1.1%  | 4.3%  |
| FEB    | 2.9%  | -4.4%  | 3.3%  | -2.5%  | -4.7% |
| MAR    | 10.5% | -19.8% | 1.7%  | -2.4%  | 0.5%  |
| APR    | -2.9% | 12.0%  | 0.1%  | 0.3%   | -5.9% |
| MAY    | -3.1% | 0.4%   | 2.0%  | -2.3%  | 0.2%  |
| JUN    | -1.4% | 5.5%   | 4.6%  | -2.1%  | 1.5%  |
| JUL    | 0.1%  | -0.3%  | -6.4% | -0.5%  | 4.4%  |
| AUG    | -3.1% | 3.1%   | 2.6%  | -0.4%  |       |
| SEP    | 3.5%  | 1.3%   | -2.6% | -10.0% |       |
| OCT    | 3.7%  | 4.2%   | 3.0%  | -8.1%  |       |
| NOV    | -0.9% | 6.2%   | -1.0% | 14.6%  |       |
| DEC    | 0.5%  | 5.1%   | -1.1% | -2.3%  |       |
| ANNUAL | 13.6% | 7.5%   | 10.4% | -17.2% | -0.3% |



**PERFORMANCE SUMMARY:**

|               |       |             |       |
|---------------|-------|-------------|-------|
| 1 Month:      | 4.4%  | 1 Year:     | -8.1% |
| 3 Months:     | 6.0%  | 3 Years:    | 11.0% |
| 6 Months:     | -4.4% | Inception:  | 7.8%  |
| Year to Date: | -0.3% | Annualised: | 1.1%  |

**VOLATILITY\***

1Y

19.8%

\*Volatility as of 31st July 2023

3Y\*

17.8%

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

**TURNOVER\*\***

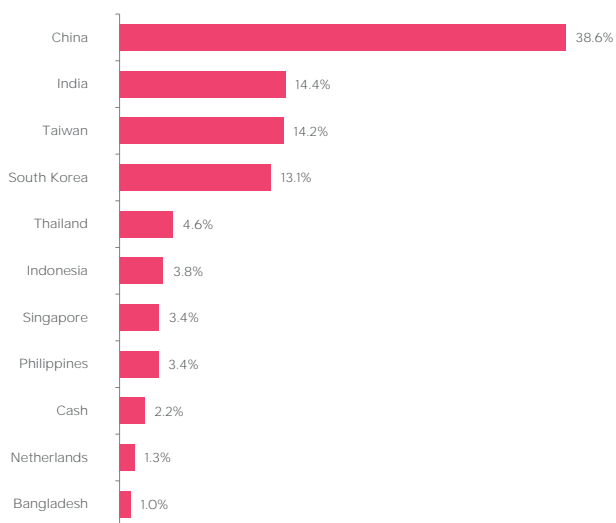
15.5%

\*\*Turnover as of 31st July 2023

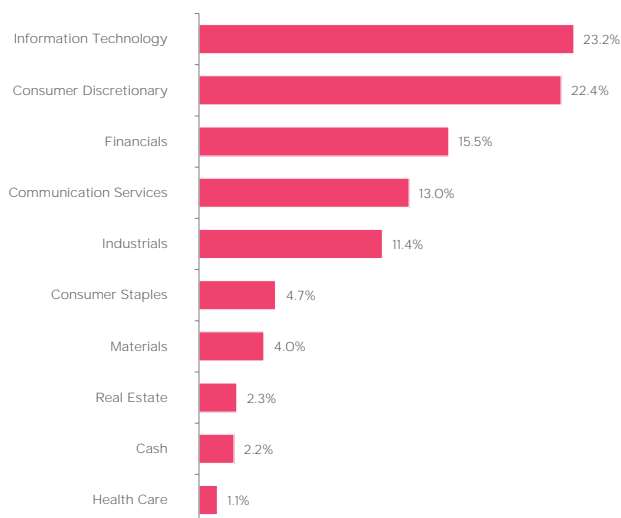
*\*\*Average turnover of holdings (annualised) since the fund's inception*

*\*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*

**GEOGRAPHIC ALLOCATION**



**SECTOR ALLOCATION**



## MONTHLY UPDATE

The relevant Asian benchmark rose by 6.1% in net USD terms in July, as better inflation data in the US brought hope that the Fed hiking cycle is nearing an end.

At the July Politburo meeting, China's top officials signalled a pro-growth shift in policy, with a focus on providing more support to the property sector and addressing risks to local government debt. Officials gave a clear indication that supporting domestic demand and preventing risks in key areas would be the main priorities, after data confirmed that the economy lost momentum in Q2. This is a clearer, more positive outcome than expected.

More stimulus is likely near-term, including measures to support developer financing and boost housing demand and faster local government special bond issuance to support infrastructure investment. We remain constructive on the market, especially given the overwhelmingly negative investor sentiment and attractive valuations.

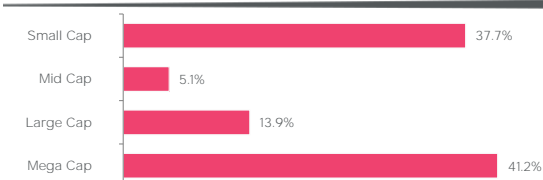
In Indonesia, the central bank left interest rates on hold again, as inflation dropped to a 16-month low. It did, however, announce fresh incentives aimed at freeing up \$3bn in liquidity to spur bank lending, after loan growth eased to a 15-month low. With inflation set to stay within target, a policy rate cut could come onto the agenda before year end. We continue to hold an overweight to the market.

In terms of positioning, we exited Topsports in China on valuations relative to the outlook. We also trimmed other positions in China to reduce our active weighting there, particularly using the strength post-Politburo meeting. At the same time, we added Baidu, a leader in generative AI solutions in China as well as other high growth ventures and with market leadership within its core internet search business.

## TOP 10 HOLDINGS

|                         |              |
|-------------------------|--------------|
| 1. TSMC                 | 9.3%         |
| 2. Tencent Holdings     | 8.4%         |
| 3. SK Hynix             | 4.3%         |
| 4. AIA Group            | 4.1%         |
| 5. Meituan Dianping     | 2.6%         |
| 6. ICICI Bank           | 2.4%         |
| 7. China Resources Land | 2.3%         |
| 8. LG Energy Solution   | 2.2%         |
| 9. Minor International  | 2.1%         |
| 10. Lemon Tree Hotels   | 2.1%         |
| <b>TOTAL</b>            | <b>39.8%</b> |

## CAPITALISATION



*Small Cap (less than \$10bn), Mid Cap (\$10bn to \$25bn), Large Cap (\$25bn to \$50bn), Mega Cap (\$50bn and above)*

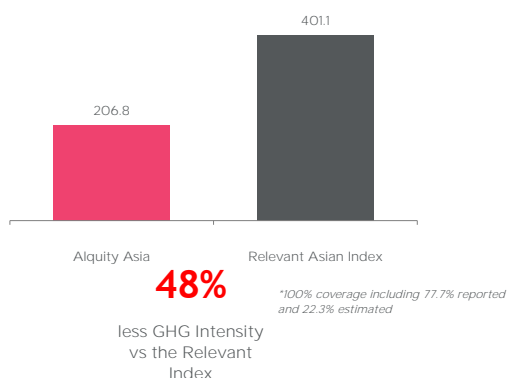
## PERFORMANCE CONTRIBUTORS AND DETRACTORS

In July, the Alquity Asia Y class rose 5.5% in US Dollar terms (net) vs the 6.1% rise in the relevant EM index. The underperformance was driven primarily by country allocation but with positive stock selection.

Stock selection was positive in various areas such as Indonesia (retail), India (APL Apollo & Polycab), Korea (Tech Hardware) and Taiwan (Century Iron & Steel).

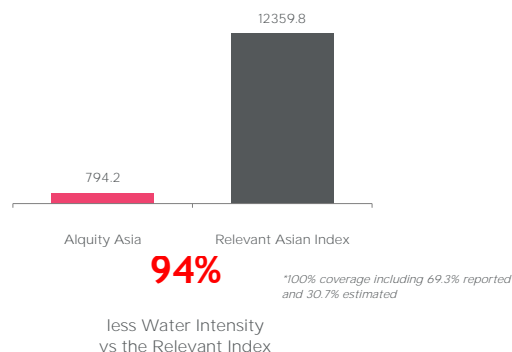
However, this was not enough to offset the underperformance from the fund's holdings in Thailand, Philippines and to a lesser extent, China.

## SCOPE 1 & 2 GHG INTENSITY (TONNES/\$MN)



Source: Alquity, as of 31st March 2023

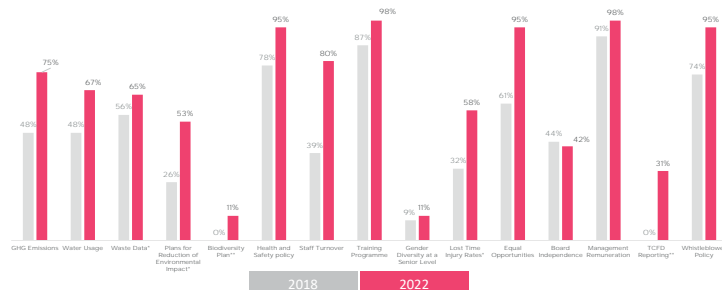
## WATER INTENSITY (TONNES/\$MN)



## ESG: KEY PROGRESS INDICATORS

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<sup>1</sup>



<sup>1</sup>Source: Alquity, as of 31st of December 2022. \*KPIs launched in 2019. \*\* KPIs introduced in 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.

|  |                  |
|--|------------------|
| <b>DONATIONS GENERATED BY THE ASIA FUND:</b> | <b>\$528,802</b> |
| <b>LIVES TRANSFORMED DIRECTLY:</b>           | <b>1,954</b>     |
| <b>LIVES TRANSFORMED INDIRECTLY:</b>         | <b>6,162</b>     |

### Total Lives Transformed by Alquity



### Total Donations generated by Alquity



Data correct at 30 Jun 23

Source: Alquity Transforming Lives Foundation

For more information about the Alquity Transforming Lives Foundation please visit [www.alquityfoundation.org](http://www.alquityfoundation.org)

This document has been issued and approved by Alquity Investment Management Limited which is authorised and regulated by the Financial Conduct Authority. This document is a marketing communication and is intended solely for distribution to investment professionals as defined in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion Order) 2005. If you are an individual who would like more information about Alquity's Funds, please go to [www.alquity.com](http://www.alquity.com).

The Alquity Africa Fund, the Alquity Asia Fund, the Alquity Future World Fund, the Alquity Indian Subcontinent Fund and the Alquity Global Impact Fund are all sub-funds of the Alquity SICAV ("the Fund") which is a UCITS Fund and is a recognised collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (the "FSMA"). This does not mean the product is suitable for all investors and as the Fund is invested in emerging market equities, investors may not get back the full amount invested.

This document has been provided for information purposes only and does not constitute an offer or solicitation to purchase or sell interests in the Fund. The information contained in this document shall not under any circumstances be construed as an offering of securities in any jurisdiction where such an offer or invitation is unlawful. The Fund is currently registered for sale in a limited number of countries and the Prospectus should be referred to before promoting a share class of a sub-fund as promotion of the Fund where it is not registered may constitute a criminal offence. The current prospectus and simplified prospectus are available free of charge from Alquity Investment Management Limited, 9 Kingsway, London, WC2B 6XF or by going to [www.alquity.com](http://www.alquity.com).

#### SWISS INVESTORS:

The Prospectus, the Articles of Association, the KIIDs, as well as the annual and semi annual report of the Fund is only available to Qualified Investors free of charge from Alquity Investment Management Limited. Funds other than the Luxembourg domiciled Alquity SICAV mentioned in this document may not be admitted for distribution in Switzerland.

This document is issued and distributed by Alquity Spouting Rock JV, LLC in Canada Only.

Past performance is not necessarily indicative of future performance. There can be no assurance that any investment will achieve its objectives or avoid substantial losses.

## FUND FACTS

|  |                   |
|--|-------------------|
| <b>Fund :</b>                              | Alquity Asia Fund |
| <b>Share Class :</b>                       | Y Class           |
| <b>Inception Date :</b>                    | 03/08/2016        |
| <b>Fund AUM :</b>                          | US\$ 33.0m        |
| <b>Number of Holdings :</b>                | 51                |
| <b>Fund Structure :</b>                    | UCITS V SICAV     |
| <b>Domicile :</b>                          | Luxembourg        |
| <b>Liquidity :</b>                         | Daily             |
| <b>Fund Manager :</b>                      | Mike Sell         |
| <b>Morningstar Rating :</b>                | ★★                |
| <b>Morningstar Sustainability Rating :</b> | ★★★★★             |
| <b>Minimum Investment :</b>                | €5,000,000        |
| <b>Annual Management Fee :</b>             | 0.90%             |
| <b>Performance Fee :</b>                   | None              |
| <b>ISIN :</b>                              | LU1070051880      |
| <b>SEDOL :</b>                             | BD06GH7           |
| <b>Bloomberg Ticker :</b>                  | ALQASEY           |

## 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 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.

## CONTACT US

Alquity Investment Management Limited  
9 Kingsway, London, WC2B 6XF, UK  
Tel: +44 (0)207 5577 850

Find us online:

[alquity.com](http://alquity.com)

