

ALQUITY ASIA FUND:  
FACTSHEET AS AT:  
NAV:

GBP A  
OCTOBER 2022  
73.04



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.

- Asian markets remained under pressure in October, with the relevant Asian benchmark declining by a further 6.1% in net USD terms.
- In India, inflation looks to have peaked, which could open the door to a moderation in the pace of rate hikes from December.
- Elsewhere, Indonesia’s central bank hiked its policy rate by a further 50bp in October, while Vietnam also hiked by another 100bp to 6%.

PERFORMANCE OVERVIEW

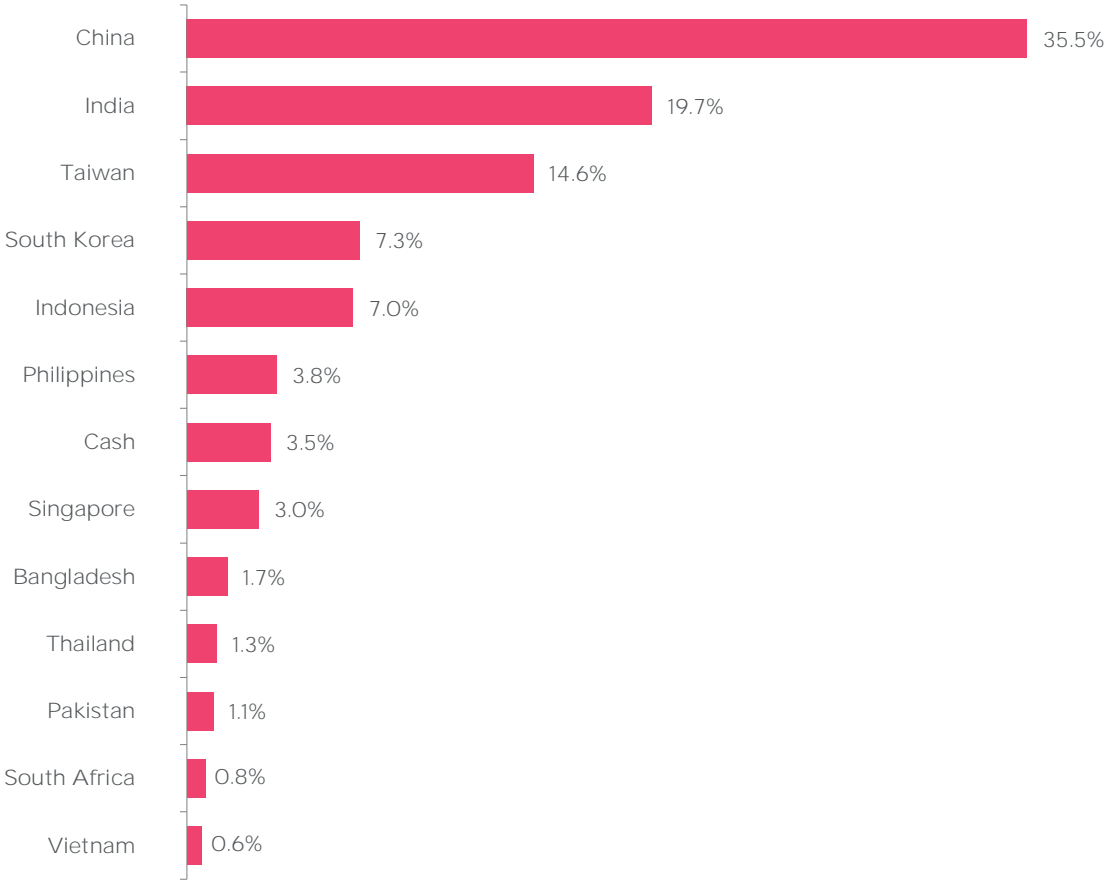
	2018	2019	2020	2021	2022
JAN	1.4%	1.0%	-3.3%	2.3%	-1.6%
FEB	-0.9%	0.9%	-2.3%	0.8%	-2.4%
MAR	0.1%	11.1%	-17.6%	-0.1%	-1.6%
APR	2.1%	-3.3%	9.8%	1.8%	-0.4%
MAY	-0.5%	-0.5%	3.9%	0.4%	-1.3%
JUN	-4.5%	-0.3%	6.5%	4.1%	-1.0%
JUL	1.8%	1.6%	-1.3%	-6.1%	-3.2%
AUG	-1.2%	-3.7%	2.2%	2.9%	2.6%
SEP	-8.7%	1.1%	2.8%	-1.8%	-8.7%
OCT	-7.9%	1.0%	3.4%	0.7%	-10.1%
NOV	8.2%	-2.1%	5.6%	0.1%	
DEC	-1.1%	-0.2%	4.5%	-2.5%	
ANNUAL	-11.9%	6.1%	11.9%	2.4%	-25.0%



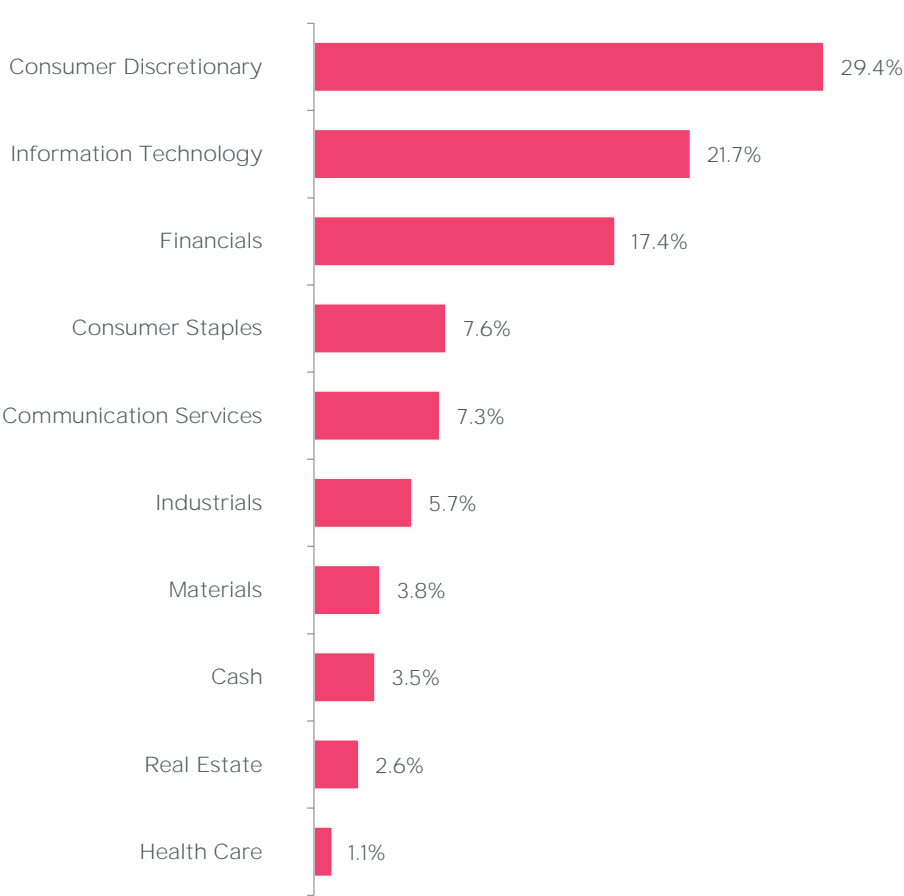
PERFORMANCE SUMMARY:			
1 Month:	-10.1%	1 Year:	-26.8%
3 Months:	-15.8%	3 Years:	-16.1%
6 Months:	-20.3%	Inception:	23.7%
Year to Date:	-25.0%	Annualised:	2.5%

TURNOVER**	16.5%	**Average turnover of holdings (annualised) since the fund's inception
**Turnover as of 31st October 2022		

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

Asian markets remained under pressure in October, with the relevant Asian benchmark declining by a further 6.1% in net USD terms, as concerns about China’s outlook weighed on sentiment.

At the National Party Congress in China, President Xi concentrated his power further by packing the Politburo Standing Committee with loyalists. Nevertheless, the economy is still slowly recovering, aided by stimulus.

In India, inflation looks to have peaked, which could open the door to a moderation in the pace of rate hikes from December. Elsewhere, Indonesia’s central bank hiked its policy rate by a further 50bp in October, while Vietnam also hiked by another 100bp to 6%.

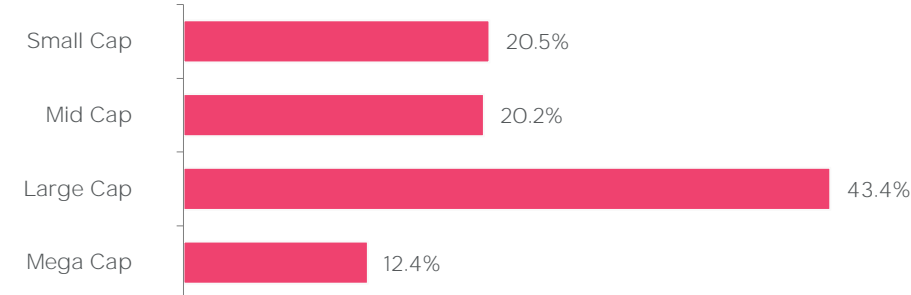
Meanwhile, Malaysia’s Prime Minister called a snap general election, scheduled to take place on 18th November.

We added Indusind Bank to the portfolio, which is highly leveraged to the robust Indian economy, as well as Maruti Suzuki due to our positive view on the Indian passenger vehicle cycle. We exited Antofagasta due to our negative outlook on copper prices in the coming years. Meanwhile, we switched from China Pacific Insurance to AIA, where we believe the business model is superior.

TOP 10 HOLDINGS

1.	TSMC	7.6%
2.	Tencent Holdings	4.8%
3.	ICICI Bank	4.0%
4.	AIA Group	3.2%
5.	Meituan Dianping	3.1%
6.	Uni-President China	2.8%
7.	JD.com	2.7%
8.	HDFC Bank	2.7%
9.	SK Hynix	2.5%
10.	Hero Motocorp	2.4%
TOTAL		35.6%

CAPITALISATION



Small Cap (less than \$2bn), Mid Cap (\$2bn to \$10bn), Large Cap (\$10bn to \$200bn), Mega Cap (\$200bn and above)

PERFORMANCE CONTRIBUTORS AND DETRACTORS

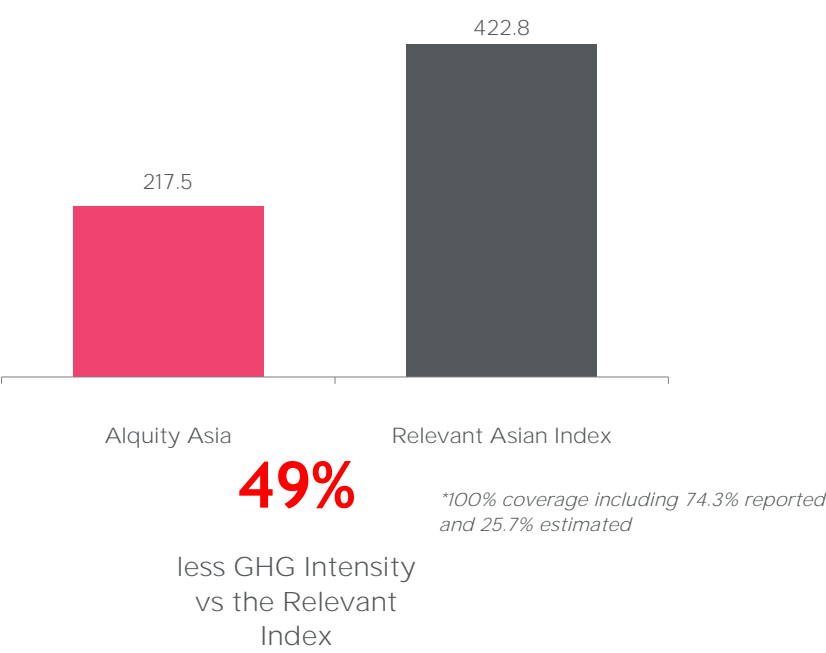
In October, Alquity Asia Y class declined 7.2% in US Dollar terms (net) versus the 6.1% decline from the relevant Asian index.

The Fund benefited from its positioning in China (notably Wuxi Lead Intelligent Systems and Nissin Foods), and the overweights in Indonesia, Pakistan, Bangladesh and the Philippines.

However, the Korean market (where we are significantly underweight) rose 8.4% in US Dollar terms during the month, driven by numerous companies that we consider to be ESG fails as well as the poor performance of our holding in LG Household & Health. This more than offset all the aforementioned positives, and resulted in the overall disappointing performance for the month.

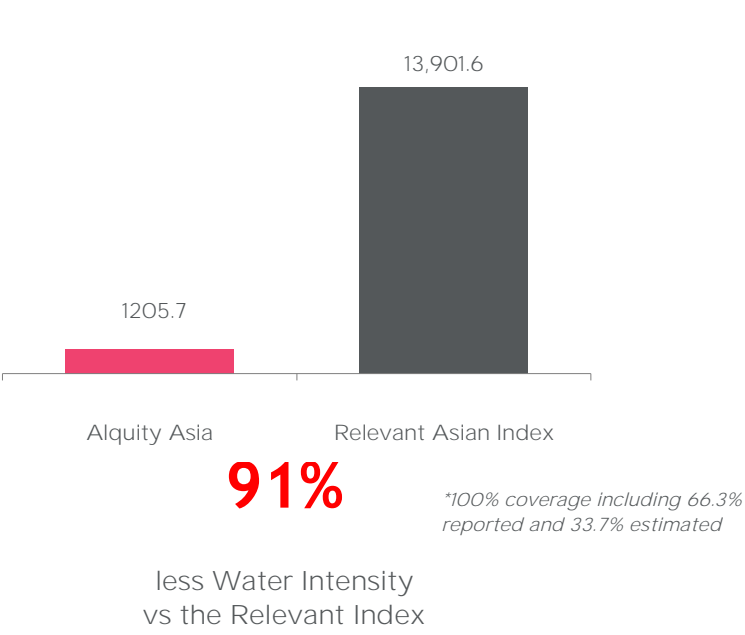
The overall underweight to Energy (for ESG reasons) also was a material negative contributor.

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



Source: Alquity, as of 30th September 2022

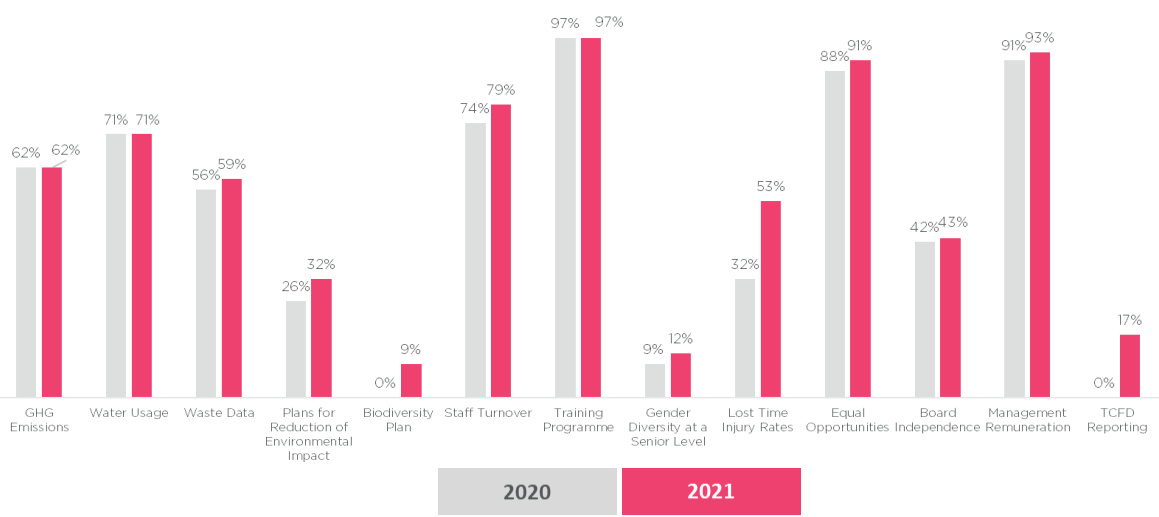
WATER INTENSITY (TONNES/\$MN)



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. Portfolio overview as of 31/12/2021. Holdings owned at both 31/12/2020 and 31/12/2021

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:	\$514,225
LIVES TRANSFORMED DIRECTLY:	1,954
LIVES TRANSFORMED INDIRECTLY:	6,162

Total Lives Transformed by Alquity



Total Donations generated by Alquity



Data correct at 30 Sep 22

Source: Alquity Transforming Lives Foundation

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

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FUND FACTS

Fund :	Alquity Asia Fund
Share Class :	A Class
Inception Date :	30/04/2014
Fund AUM :	US\$ 27.6m
Number of Holdings :	53
Fund Structure :	UCITS V SICAV
Domicile :	Luxembourg
Liquidity :	Daily
Fund Manager :	Mike Sell
Morningstar Rating :	No Rating
Morningstar Sustainability Rating :	
Minimum Investment :	£ equivalent of \$2,000
Annual Management Fee :	1.60%
Performance Fee :	15% (with hurdle & high watermark)
ISIN :	LU1049766626
SEDOL :	BSQXHM9
Bloomberg Ticker :	ALQASUA

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

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