

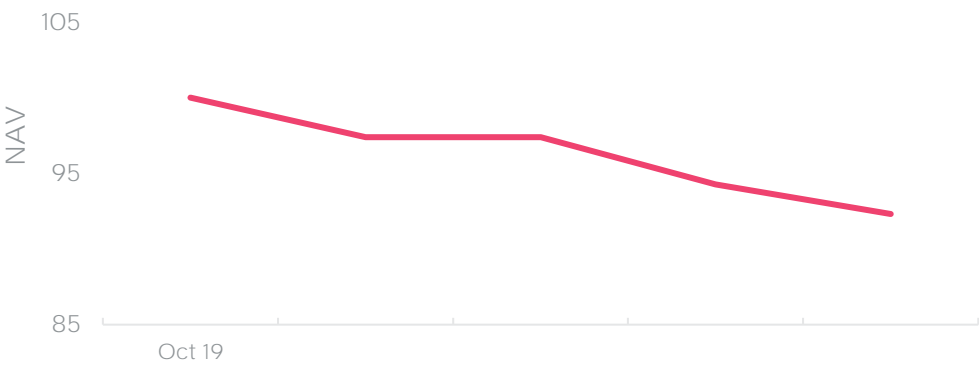


MONTHLY SUMMARY

- Global investor sentiment further deteriorated in February, as the spread of the coronavirus accelerated outside of China.
- According to the 4Q19 GDP data in India, economic activity strengthened for the second consecutive quarter, namely +1.2% QoQ (after adjusting for seasonality).
- Despite the economic disruptive effect of the coronavirus, industrial production volume growth in Vietnam rose to 23.7% YoY in February.

PERFORMANCE OVERVIEW

	2016	2017	2018	2019	2020
JAN					-3.2%
FEB					-2.1%
MAR					
APR					
MAY					
JUN					
JUL					
AUG					
SEP					
OCT					
NOV				-2.6%	
DEC				0.0%	
ANNUAL				-2.6%	-5.2%



PERFORMANCE SUMMARY:

1 Month:	-2.1%	1 Year:	N/A
3 Months:	-5.2%	3 Years:	N/A
6 Months:	N/A	Inception:	-7.7%
Year to Date:	-5.2%	Annualised:	-23.8%

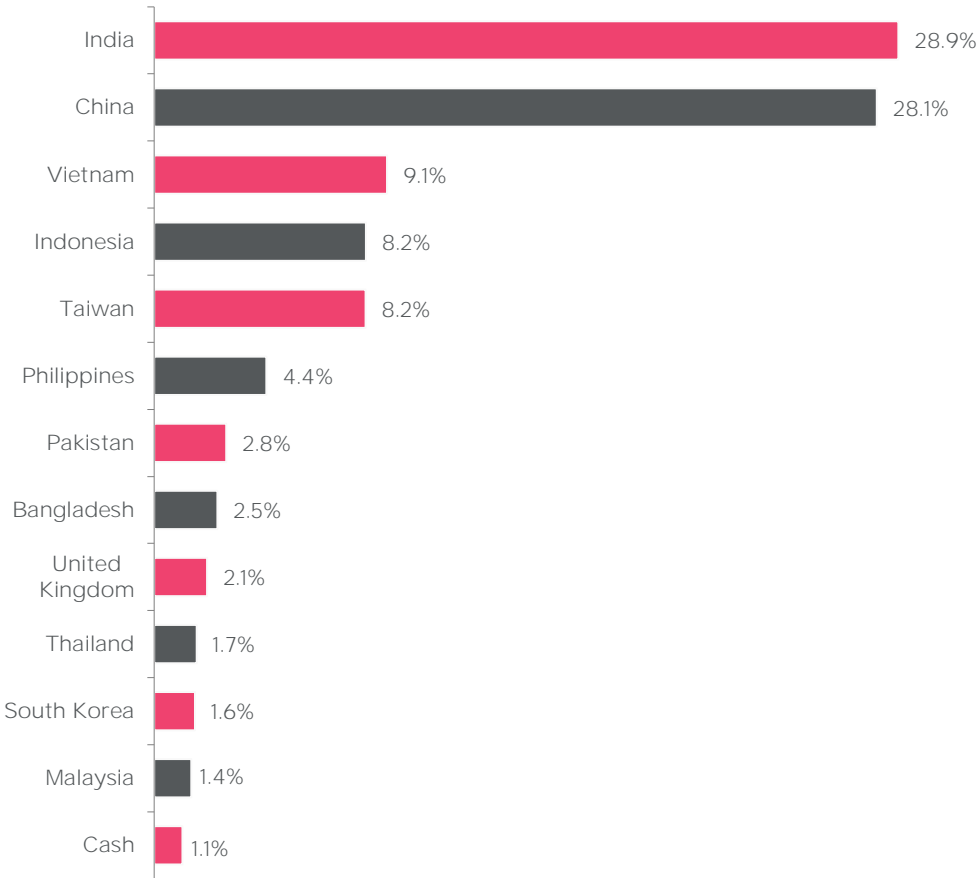
VOLATILITY	1Y	16.6%
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3Y*	16.6%
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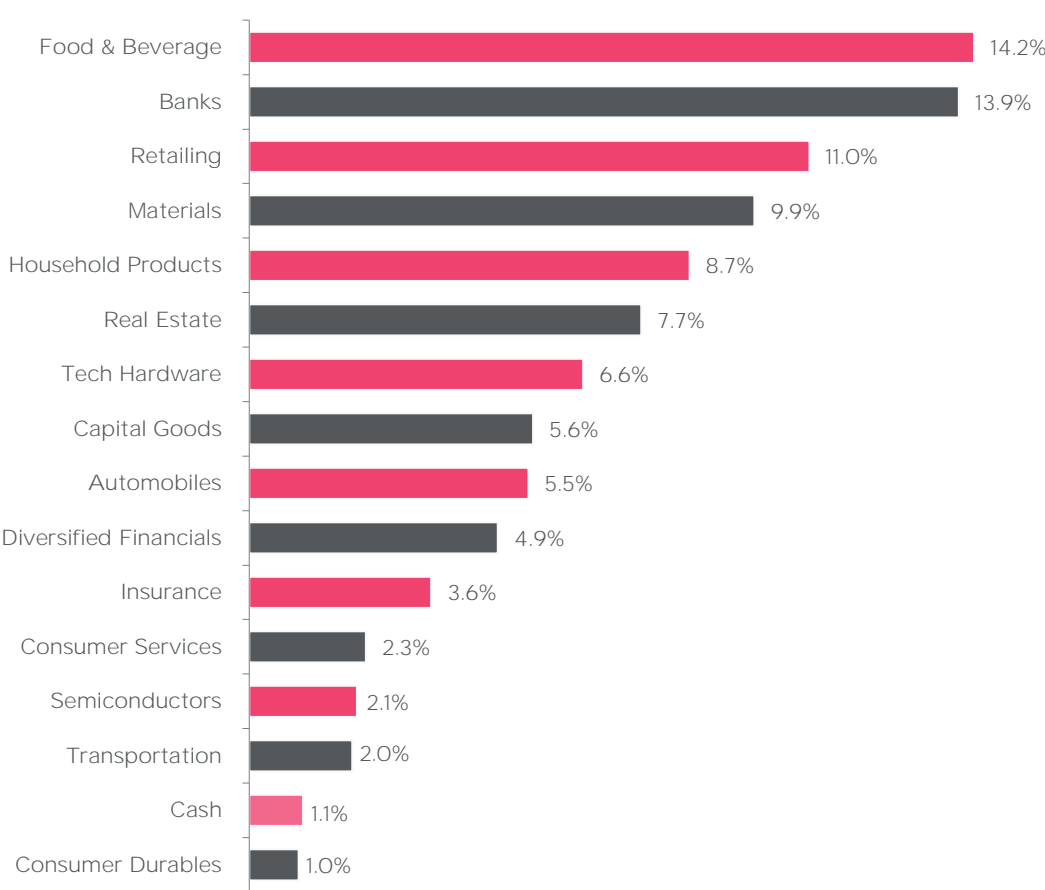
*\*Where the share class has not been running for 3 years, the volatility figure displayed is since the inception of the share class*

TURNOVER**	15.0%	**Average turnover of holdings (annualised) since the fund's inception
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GEOGRAPHIC ALLOCATION



SECTOR ALLOCATION



MONTHLY UPDATE

Global investor sentiment further deteriorated in February, as the spread of the coronavirus accelerated outside of China. The uncertainties related to the viral infection and the potential impact on global supply chains weighed on asset prices in Asia and consequently Asian markets (as measured by the Lyxor Asia Pacific ex. Japan ETF) declined 4.3% in USD in February.

Although the supply chain disruption brought about by the coronavirus did not show up in the Chinese PMI data in January (as they remained in expansionary territory), the February figures decreased to an all-time low reflecting the prolonged period of halt in production. According to the PMI reports, forward-looking business confidence held up on the expectation that the Chinese government would deliver stimulus measures. In an official press release, the government reported that larger factories' resumption of work reached 85.6% as of 25th February, whilst Citibank's Chinese activity tracker found that economic activity was likely 50% back on track at the end of February vs 44% one week earlier. These are encouraging datapoints.

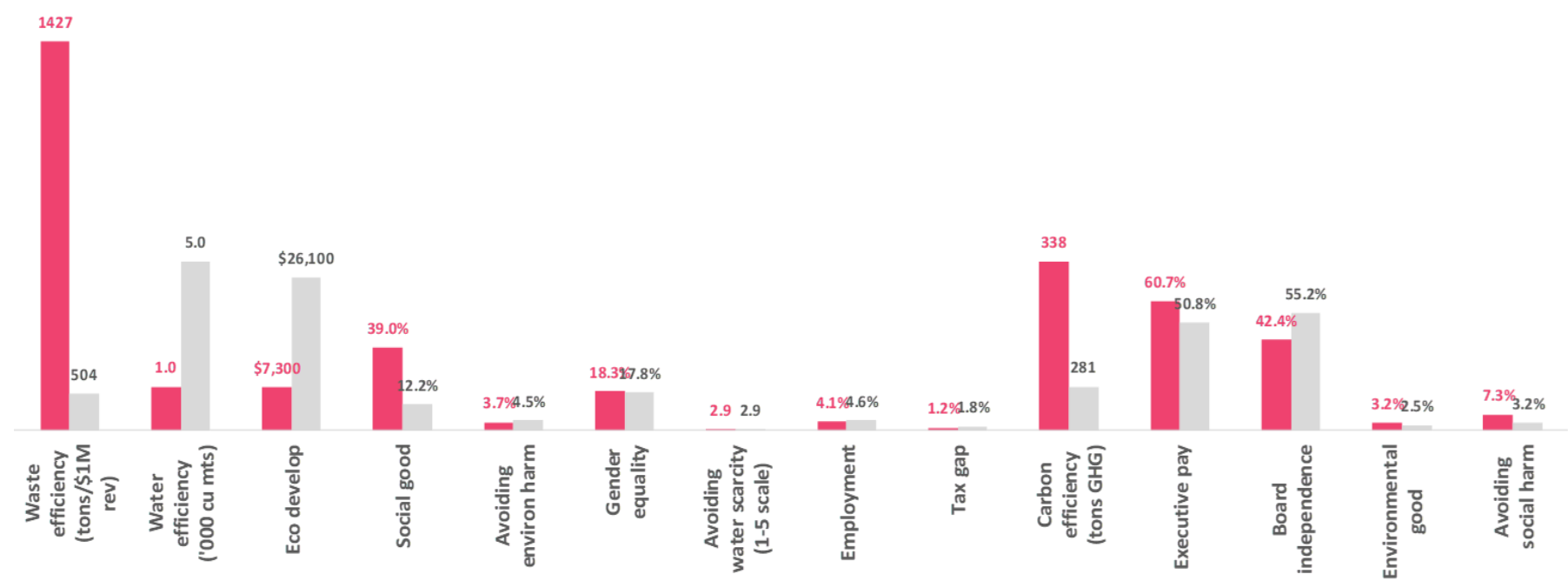
According to the 4Q19 GDP data in India, economic activity strengthened for the second consecutive quarter, namely +1.2% QoQ (after adjusting for seasonality). In an annual comparison, the rate of growth reached 4.7%. The accelerating quarterly growth rate and the incoming PMI data (54.5 and 55.3 in January and February, respectively; the highest in eight years) provided further clarity and confidence that the on-going economic recovery would continue in 2020.

Despite the economic disruptive effect of the coronavirus, industrial production volume growth in Vietnam rose to 23.7% YoY in February. Elsewhere, in Indonesia where we have a significant weighting, the central bank retained an accommodative stance to provide further support to the domestic economy alleviating the potential impact of adverse external developments, whilst the government announced multiple supportive budgetary measures to further bolster economic activity. Furthermore, the Indonesian government has started the tax and labour reform process in order to improve the business environment, attract FDI and ultimately to boost the Indonesian economy's growth potential.

In February, we reduced Vmart (India, clothes retailer), Escorts (India, tractor manufacturer), Dali Foods (China) and Heidelberg Cement (India) to take profits on recent share price gains.

ESG : KEY PROGRESS INDICATORS

The performance of Alquity’s Asia fund against the benchmark <sup>1</sup>



<sup>1</sup> Impact Cubed Assessment, Impact Cubed (November 2019)

TOP 10 HOLDINGS

1.	Xtep	4.4%
2.	Vinamilk	3.9%
3.	Ping An Insurance	3.6%
4.	Heidelberg Cement India	3.6%
5.	Vmart	3.4%
6.	Dali Foods	3.3%
7.	Escorts	3.2%
8.	M&M Financial services	3.2%
9.	Shimao Property	3.2%
10.	Hangzhou Robam	3.2%

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



Source: Alquity. Portfolio overview as of 30 September 2019

## 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:	\$354,665
LIVES TRANSFORMED DIRECTLY:	1,545
LIVES TRANSFORMED INDIRECTLY:	5,970

Total Lives Transformed by Alquity



Total Donations generated by Alquity



Data correct at 31 Jan 20

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 :	I Class
Inception Date :	12/11/2019
Fund AUM :	US\$ 40.5m
Number of Holdings :	40
Fund Structure :	UCITS IV SICAV
Domicile :	Luxembourg
Liquidity :	Daily
Fund Manager :	Mike Sell
Morningstar Rating :	No Rating
Minimum Investment :	£5,000,000
Annual Management Fee :	0.80%
Performance Fee :	None
ISIN :	LU1049767517
SEDOL :	BK6YNF1
Bloomberg Ticker :	ALQASGI

## 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.

## CONTACT US

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