

ALQUITY ASIA FUND:
FACTSHEET AS AT:
NAV: GBP Y
NOVEMBER 2020
139.37



MONTHLY SUMMARY

- The relevant Emerging Asian stock index rose 9.1% in USD in November.
- Real GDP declined 7.5% YoY in India in 3Q20, which is a significant improvement compared with the previous quarter, when economic activity contracted 23.9% YoY.
- Vietnam is likely to deliver a 3% real GDP growth in full-year 2020, followed by 6-7% growth in 2021 – one of the fastest globally.

PERFORMANCE OVERVIEW

	2016	2017	2018	2019	2020
JAN	-6.2%	1.0%	2.4%	1.1%	-3.2%
FEB	-1.2%	4.5%	-1.9%	1.0%	-2.2%
MAR	4.7%	5.4%	0.7%	11.2%	-17.5%
APR	1.3%	-0.7%	1.9%	-3.2%	9.9%
MAY	-0.3%	0.4%	-1.4%	-0.4%	4.0%
JUN	11.4%	-0.1%	-4.1%	-0.2%	6.6%
JUL	5.5%	1.8%	1.9%	1.7%	-1.2%
AUG	3.9%	1.3%	-1.1%	-3.6%	2.3%
SEP	-0.6%	-4.0%	-8.7%	1.2%	3.0%
OCT	3.7%	4.9%	-7.9%	1.2%	3.6%
NOV	-8.1%	1.0%	8.3%	-2.0%	5.7%
DEC	1.3%	2.7%	-1.0%	-0.2%	
ANNUAL	14.9%	19.2%	-11.5%	7.4%	8.5%



PERFORMANCE SUMMARY:

1 Month:	5.7%	1 Year:	8.3%
3 Months:	12.7%	3 Years:	5.9%
6 Months:	21.5%	Inception:	39.4%
Year to Date:	8.5%	Annualised:	5.8%

VOLATILITY

1Y 19.9%

3Y* 16.9%

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

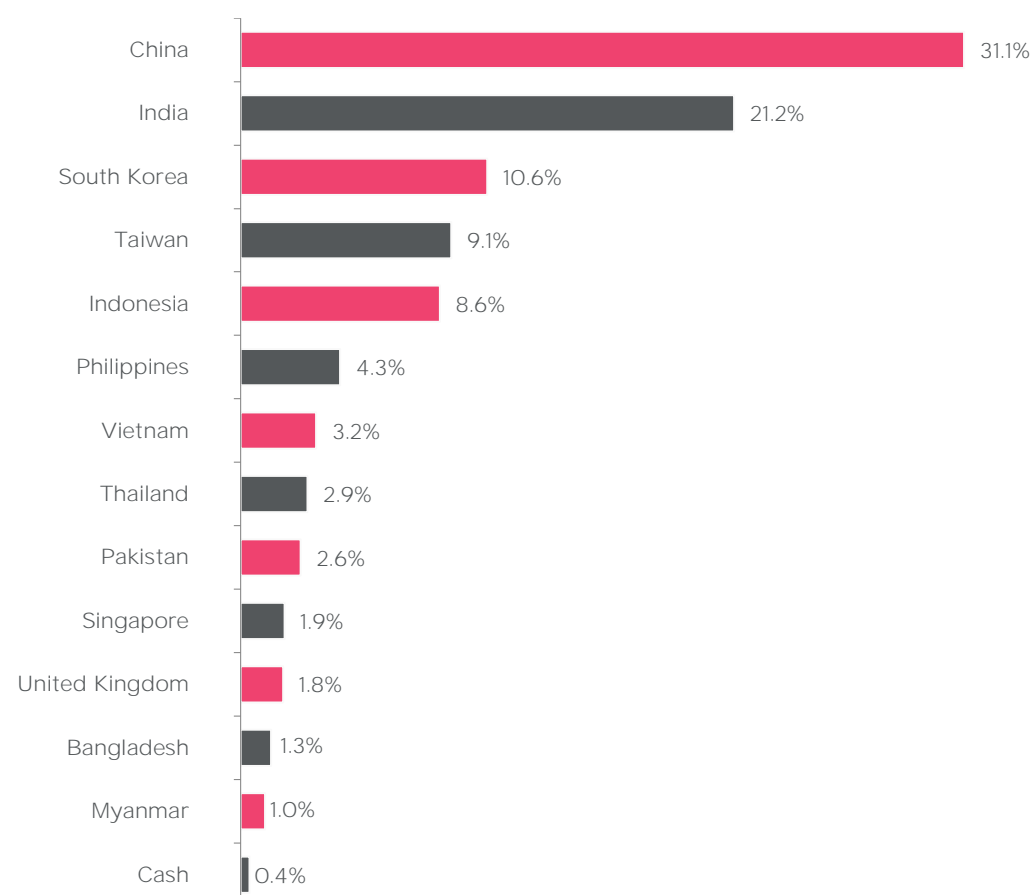
TURNOVER**

15.1%

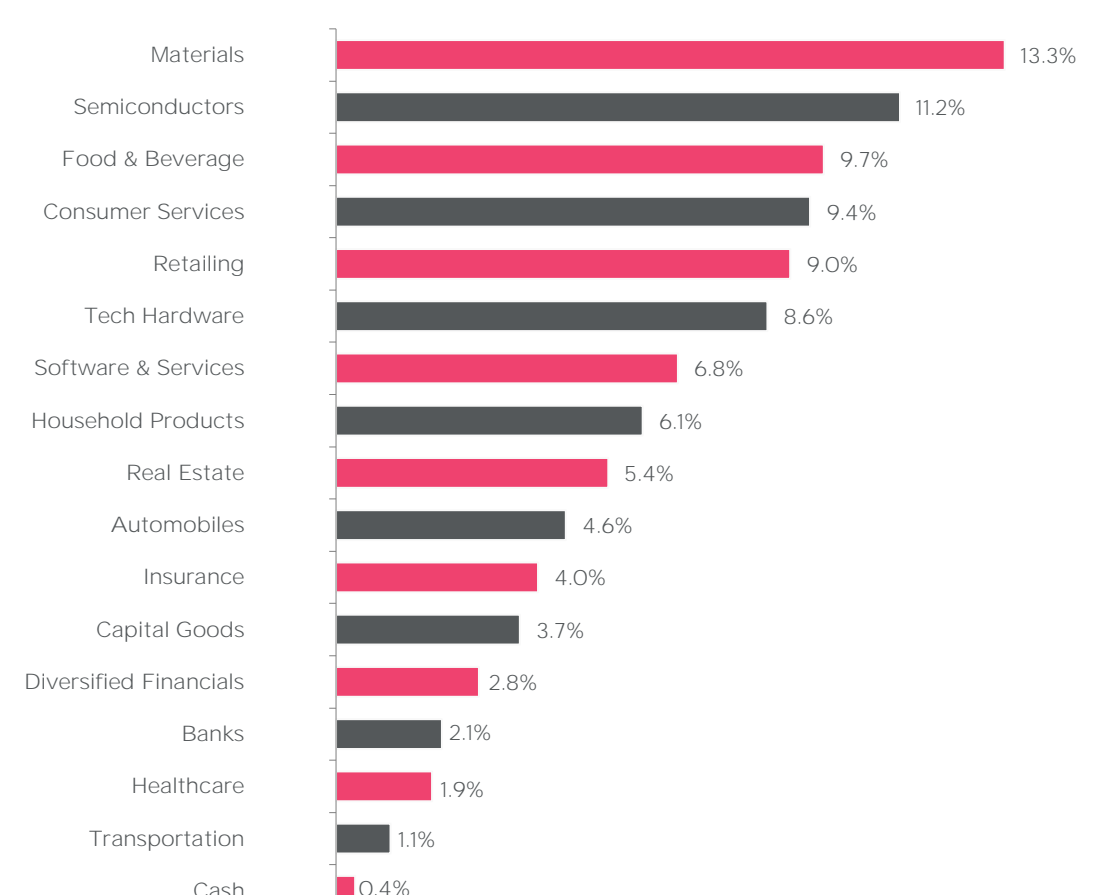
***Average turnover of holdings (annualised) since the fund's inception*

**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

Due to the favourable vaccine-related news and the outcome of the US Presidential election, global investor sentiment significantly improved, which translated into further meaningful gains in Emerging Asian stock markets. Consequently, the relevant Emerging Asian stock index rose 9.1% in USD in November.

Economic growth momentum remained intact in China, as retail sales grew 4.3% YoY, industrial production increased 6.9% YoY and fixed asset investments rose 1.8% YTD YoY in October. Forward-looking indicators, such as the PMIs further strengthened (the official manufacturing PMI rose to 52.1, the official non-manufacturing PMI hit 56.4 in November), indicating that the broad-based improvement in the underlying economy would be sustained.

Real GDP declined 7.5% YoY in India in 3Q20, which is a significant improvement compared with the previous quarter, when economic activity contracted 23.9% YoY. The actual growth figure in 3Q20 surprised consensus positively. The bounce was primarily attributed to the gradual easing of lockdown measures and the demand boosting impact of the festival season. It is also worth noting that the first release of each GDP print usually underestimates activity in rural and unorganised areas, which posted very strong activity figures throughout the quarter. According to Bloomberg Economics, rural economic activity was 10.3% higher than its pre-pandemic level in February (e.g. tractor sales rose 7.7% YoY, net agricultural exports growth was 102% YoY in September, etc.). Looking forward, economic activity will further strengthen, as the central bank remains on an accommodative stance, and the central and local governments are aiming to keep the economy going as much as possible whilst trying to minimise the spread of the coronavirus. According to the latest manufacturing PMI, which was 56.3 in November, industrial activity would remain robust in the near term, due to the on-going demand recovery.

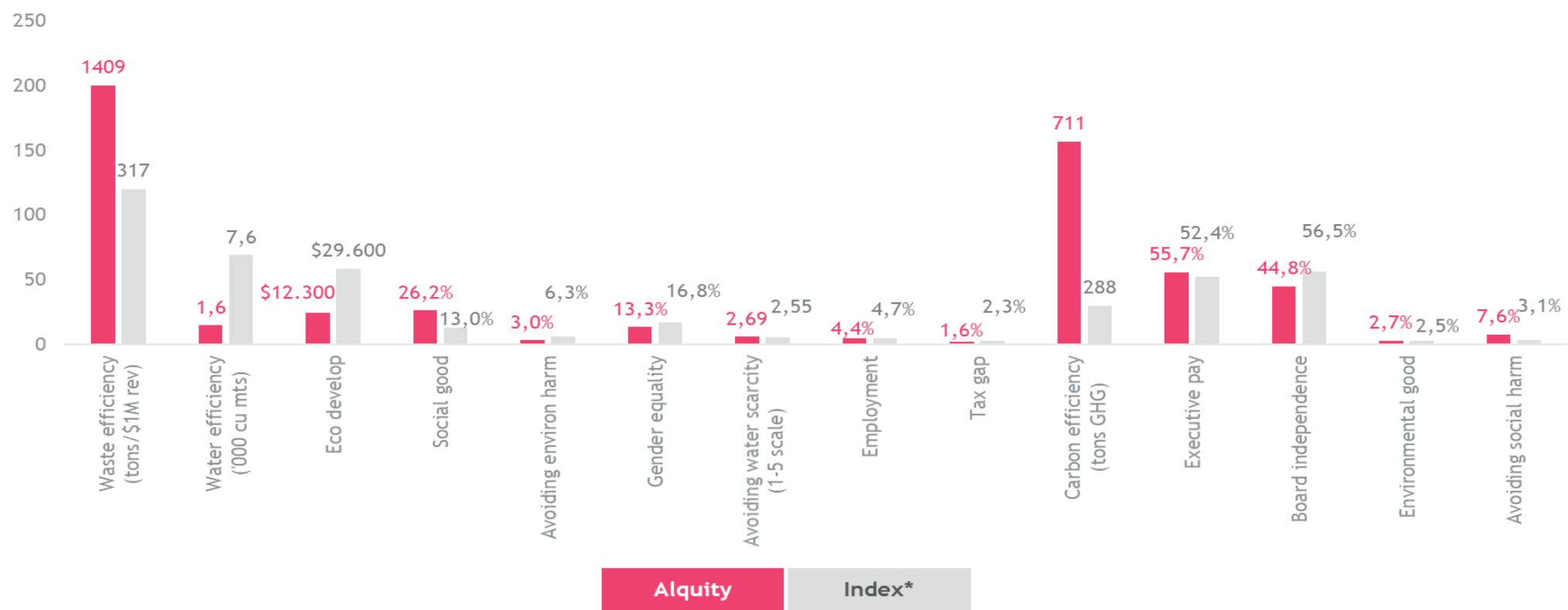
The Vietnamese economy delivered another set of robust macro data in November, when retail sales rose 2% YTD YoY, industrial production growth climbed to 9.2% YoY and exports increased 8.8% YoY. Therefore, Vietnam is likely to deliver a 3% real GDP growth in full-year 2020, followed by 6-7% growth in 2021 – one of the fastest globally.

Elsewhere, real GDP in Indonesia declined 3.5% YoY in 3Q20, but rose 2.1% on a sequential QoQ basis compared with the previous quarter. Meanwhile, real GDP in the Philippines decreased 11.5% YoY in 3Q20, but bounced 8% on a sequential QoQ basis relative to 2Q20. The extended lockdown period in Jakarta and the Metro Manila region delayed the sharp upswing in growth in both countries. As a response both central banks decided to lower their respective interest rate to aid the domestic economy (to 3.75% in Indonesia and to 2% in the Philippines).

In November, we exited Asian Paints (India) to lock in recent share price gains. We entered Minor International (Thailand, hotels and restaurants). The company (ESG rating “B”) will be a beneficiary of the vaccine-led economic recovery in the leisure sector and exhibits compelling risk-reward characteristics at this juncture.

ESG : KEY PROGRESS INDICATORS

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



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

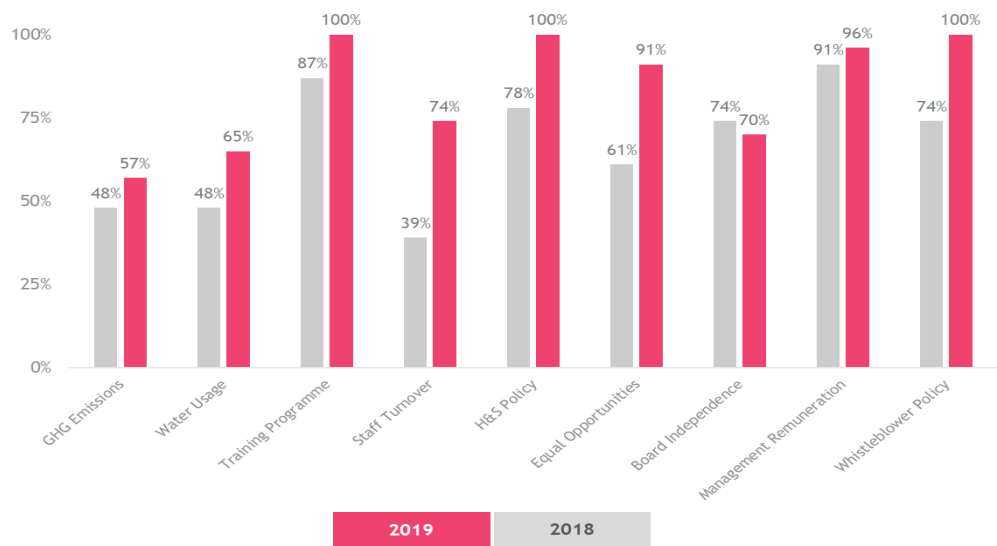
TOP 10 HOLDINGS

1.	TSMC	4.7%
2.	Tencent Holdings	3.4%
3.	Meituan Dianping	3.3%
4.	SK Hynix	3.0%
5.	SM Investments Corporation	2.8%
6.	Hero Motocorp	2.7%
7.	Heidelberg Cement India	2.7%
8.	Ultratech Cement	2.6%
9.	Ping An Insurance	2.5%
10.	Delta Electronics	2.4%

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

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



FUND FACTS

Fund :	Alquity Asia Fund
Share Class :	Y Class
Inception Date :	23/01/2015
Fund AUM :	US\$ 39.8m
Number of Holdings :	55
Fund Structure :	UCITS V SICAV
Domicile :	Luxembourg
Liquidity :	Daily
Fund Manager :	Mike Sell
Morningstar Rating :	★
Minimum Investment :	£2,500,000
Annual Management Fee :	0.90%
Performance Fee :	None
ISIN :	LU1070051708
SEDOL :	BTJRGR3
Bloomberg Ticker :	ALQASGY

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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