

ALQUITY ASIA FUND:
FACTSHEET AS AT:
NAV:

GBP Y
JUNE 2020
122.34



MONTHLY SUMMARY

- The relevant Asian stock index rose 8.2% in USD in June.
- Both the official manufacturing and non-manufacturing PMIs signalled the continuation of the economic normalisation in China, as they rose to 50.9 and 54.4 in June, respectively.
- In India, the manufacturing PMI was 47.2 (up from 30.8), whilst the services PMI was 33.7 (up from 12.6) in June.

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%	
AUG	3.9%	1.3%	-1.1%	-3.6%	
SEP	-0.6%	-4.0%	-8.7%	1.2%	
OCT	3.7%	4.9%	-7.9%	1.2%	
NOV	-8.1%	1.0%	8.3%	-2.0%	
DEC	1.3%	2.7%	-1.0%	-0.2%	
ANNUAL	14.9%	19.2%	-11.5%	7.4%	-4.7%



PERFORMANCE SUMMARY:			
1 Month:	6.6%	1 Year:	-6.4%
3 Months:	21.9%	3 Years:	-2.6%
6 Months:	-4.7%	Inception:	22.3%
Year to Date:	-4.7%	Annualised:	3.8%

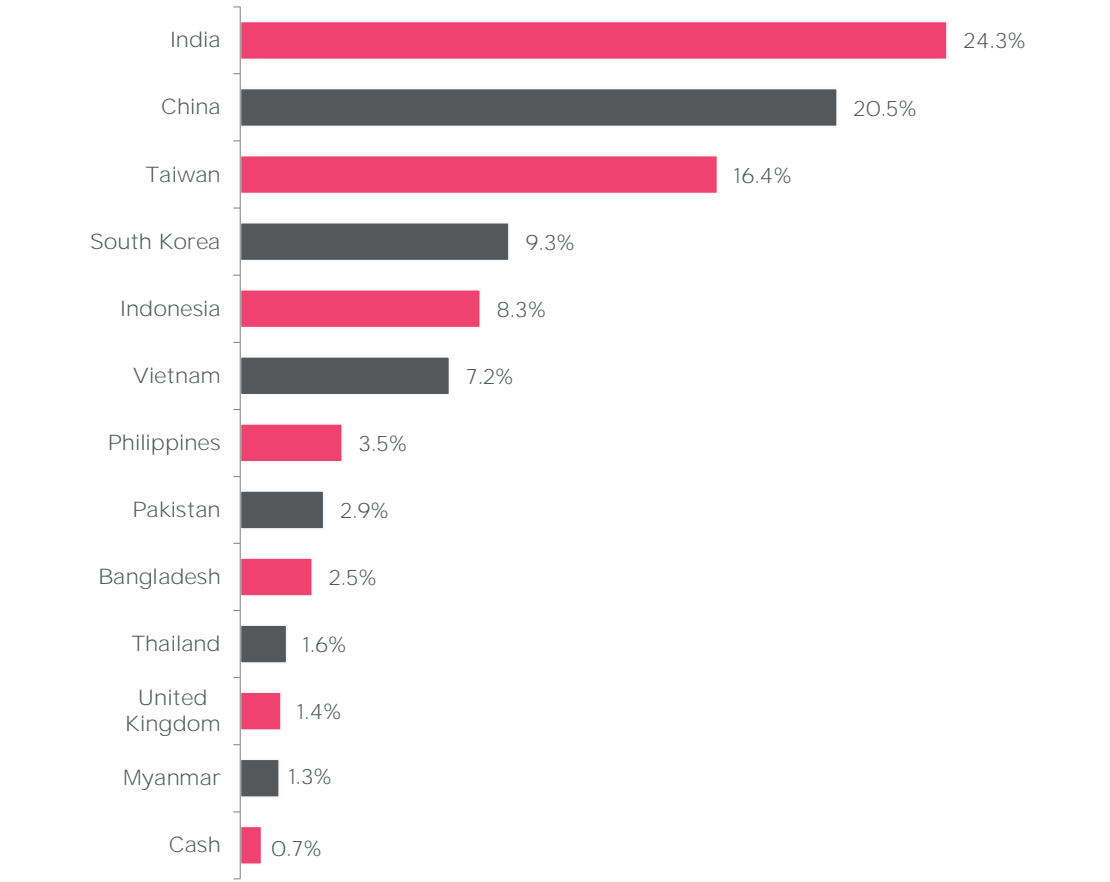
VOLATILITY	1Y	20.5%
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3Y*	16.8%
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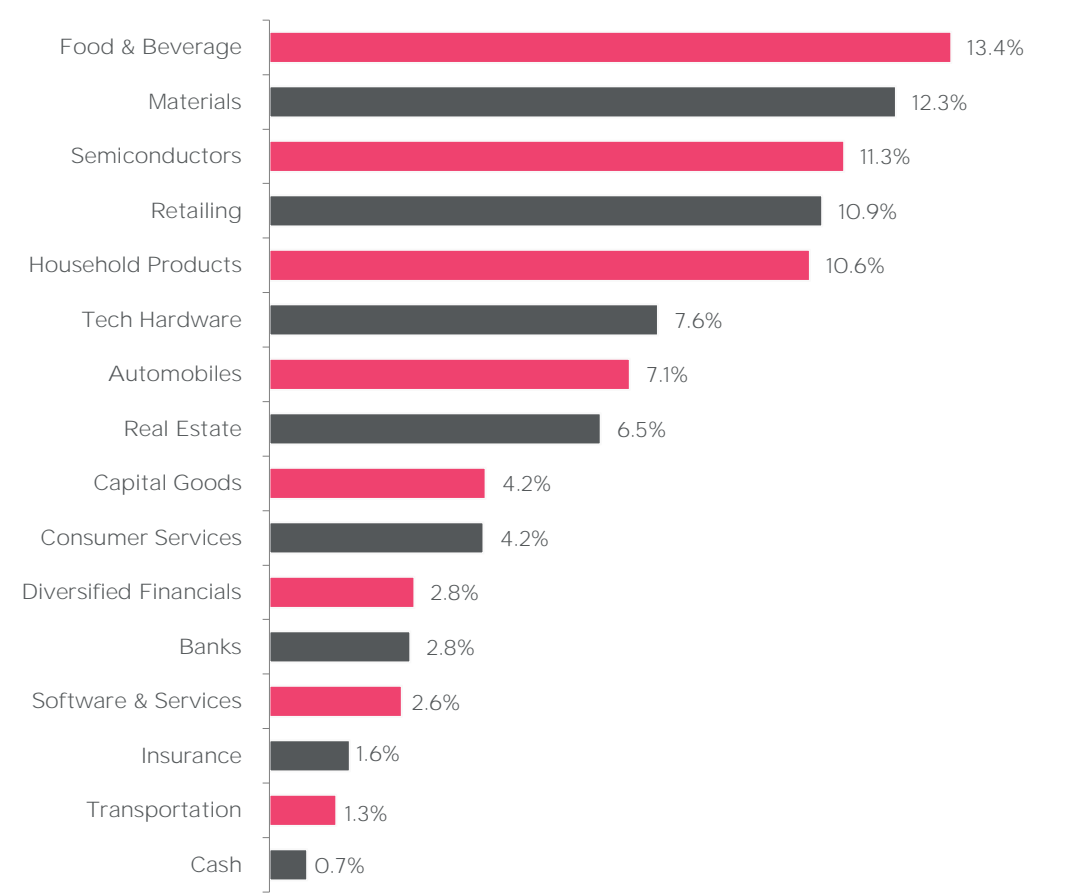
*Where the share class has not been running for 3 years, the volatility figure displayed is since the inception of the share class

TURNOVER**	15.2%	**Average turnover of holdings (annualised) since the fund's inception
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GEOGRAPHIC ALLOCATION



SECTOR ALLOCATION



MONTHLY UPDATE

A sustained improvement in global investor sentiment benefitted Asian stock markets in June, as the latest macroeconomic datapoints suggested that the economic normalisation continued, whilst the spread of coronavirus cases remained contained. In addition, regional policymakers strongly indicated that they stood ready to deliver further support measures, should the growth prospects further deteriorate. As a result, the relevant Asian stock index rose 8.2% in USD in June.

Both the official manufacturing and non-manufacturing PMIs signalled the continuation of the economic normalisation in China, as they rose to 50.9 and 54.4 in June, respectively. The two indices were consistent with each other, as both suggested that domestic demand further strengthened relative to May, whilst external demand further contract. Corporate commentary anecdotally confirms this thesis.

In India, lockdown and social distancing rules remained in force in June, which weighed on economic activity – mostly – in the urban areas. The manufacturing PMI was 47.2 (up from 30.8), whilst the services PMI was 33.7 (up from 12.6) in June. Both gauges pointed out that although production was adversely impacted by the lockdown, the prospects for less stringent rules markedly improved the outlook. Rural areas were more buoyant than urban areas, with sowing activity doubling by the end of June compared with last year. The stronger outlook for the rural economy is also supported by above-average amount of monsoon rains spread evenly across geographical regions as well as by the high level of water reserves. Our portfolio is dominated by beneficiaries of rural growth.

Economic activity in Vietnam held up well despite the significant weakness in global demand. In 2Q20, Vietnam’s real GDP actually grew 0.4% YoY. Central banks around the region further eased domestic financial conditions to shore up their economies, for example the Philippine, Indonesian and Pakistani central banks reduced their respective key policy rates in June.

In June, we added Meituan Dianping (China), an internet ecosystem for food delivery services, and entered Leeno (South Korea), a semiconductor testing equipment producer with some of the best technology leadership. We re-entered Yoma (Myanmar), a real estate company, which will benefit from the on-going monetizable structural growth themes in Myanmar, such as a growing population and on-going urbanisation. Furthermore, we increased the weighting of Amrutanjan (India, health care products). All four companies exhibited compelling risk-rewards characteristics at this juncture. On the other hand, we reduced the weighting of LG Household and Health (South Korea), due to the headwinds the company may face in the near term and decreased the weighting of Vinamilk (Vietnam, dairy) to lock in recent share price gains.

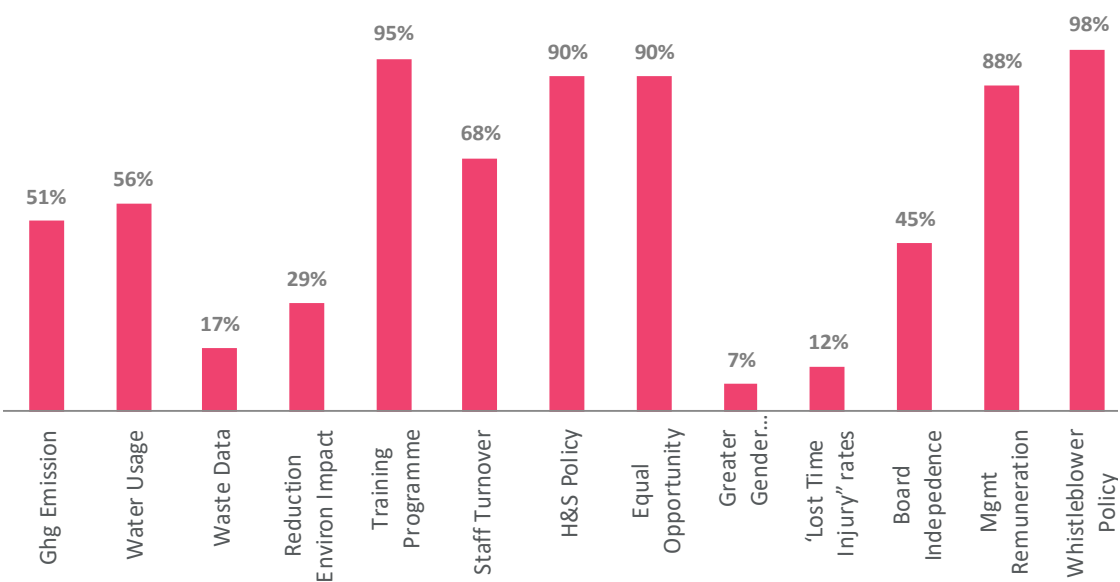
TOP 10 HOLDINGS

1.	Mediatek	3.6%
2.	TSMC	3.6%
3.	SM Investments Corporation	3.5%
4.	Xtep	3.3%
5.	Escorts	3.0%
6.	Hero Motorcorp	3.0%
7.	President Chain Store	3.0%
8.	Largan Precision	2.9%
9.	Kino Indonesia	2.8%
10.	Nam Long	2.8%

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.

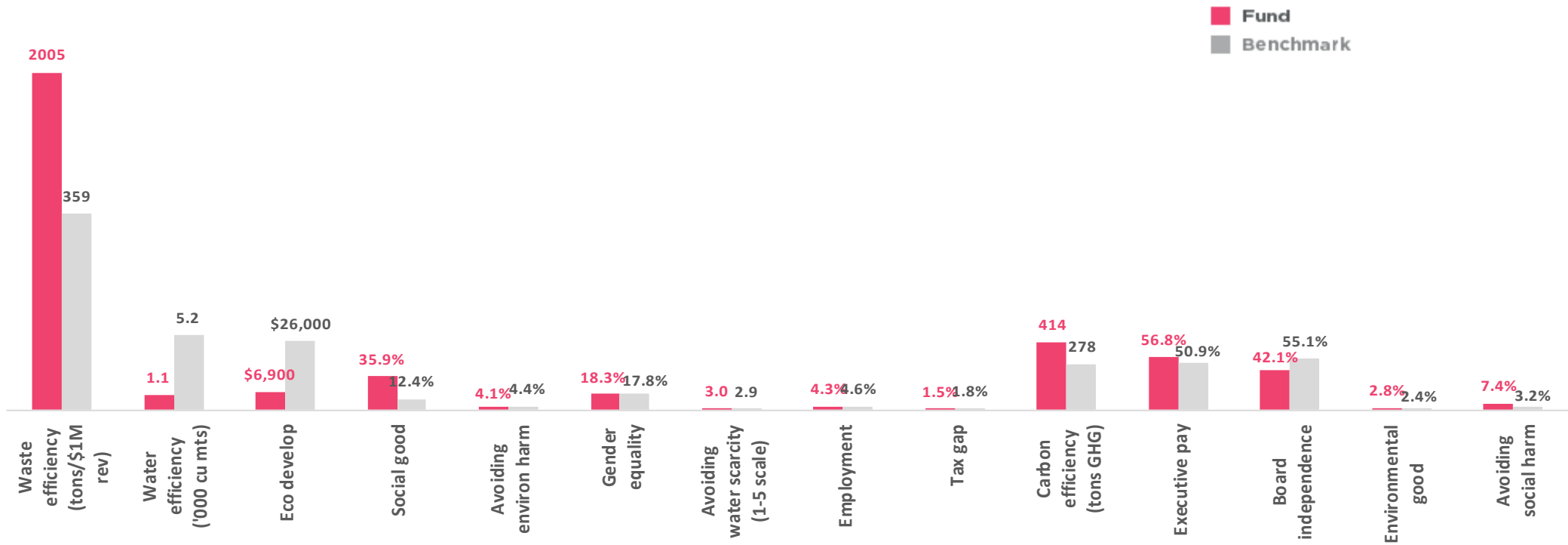
Holdings meeting each KPI standard - % of companies



Source: Alquity. Portfolio overview as of 31 March 2020

ESG : KEY PROGRESS INDICATORS

The performance of Alquity’s Asia fund against the benchmark ¹



¹ Impact Cubed Assessment, Impact Cubed (March 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\$ 33.5m
Number of Holdings :	51
Fund Structure :	UCITS IV 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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