

ALQUITY ASIA FUND:  
FACTSHEET AS AT:  
NAV:

USD Y  
JANUARY 2021  
133.37



MONTHLY SUMMARY

- The relevant Asian stock index rose 3.5% in USD in that period.
- Chinese real GDP growth accelerated to 6.5% YoY in 4Q20, and thus exceeded the market consensus.
- The economic growth momentum in India persisted in January, when the manufacturing PMI rose to 57.7 – one of the strongest prints since 2012.

PERFORMANCE OVERVIEW

	2017	2018	2019	2020	2021
JAN	2.8%	7.7%	4.4%	-3.7%	3.4%
FEB	3.3%	-4.9%	2.1%	-5.2%	
MAR	5.9%	2.5%	9.0%	-19.9%	
APR	2.7%	0.0%	-3.1%	11.8%	
MAY	0.2%	-4.8%	-3.7%	1.9%	
JUN	0.5%	-4.9%	0.8%	6.5%	
JUL	3.3%	1.2%	-2.2%	5.0%	
AUG	-1.0%	-2.0%	-4.1%	4.3%	
SEP	-0.1%	-8.4%	2.4%	-0.6%	
OCT	3.8%	-9.7%	6.1%	3.5%	
NOV	2.9%	8.1%	-2.1%	9.1%	
DEC	2.6%	-1.2%	2.3%	7.5%	
ANNUAL	30.5%	-16.8%	11.6%	17.2%	3.4%



PERFORMANCE SUMMARY:			
1 Month:	3.4%	1 Year:	25.8%
3 Months:	21.2%	3 Years:	4.5%
6 Months:	30.1%	Inception:	33.4%
Year to Date:	3.4%	Annualised:	6.8%

VOLATILITY	1Y	22.4%
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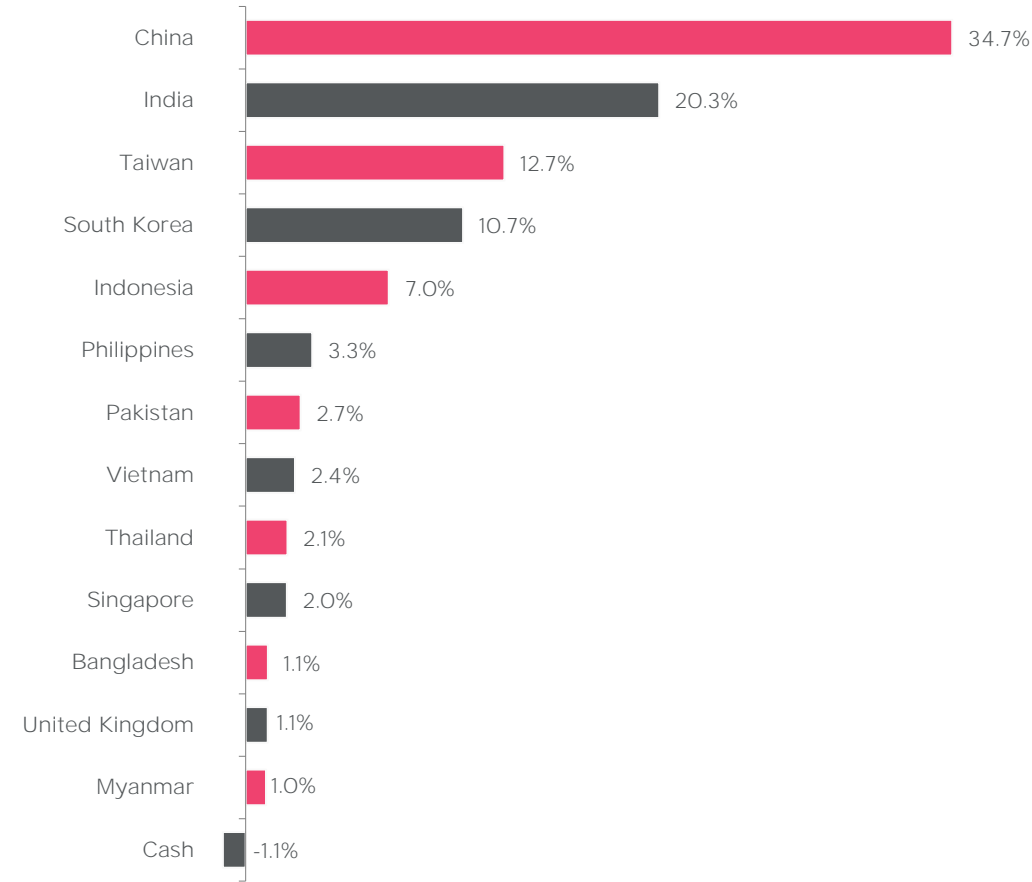
3Y*	17.7%
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\*Where the share class has not been running for 3 years, the volatility figure displayed is since the inception of the share class

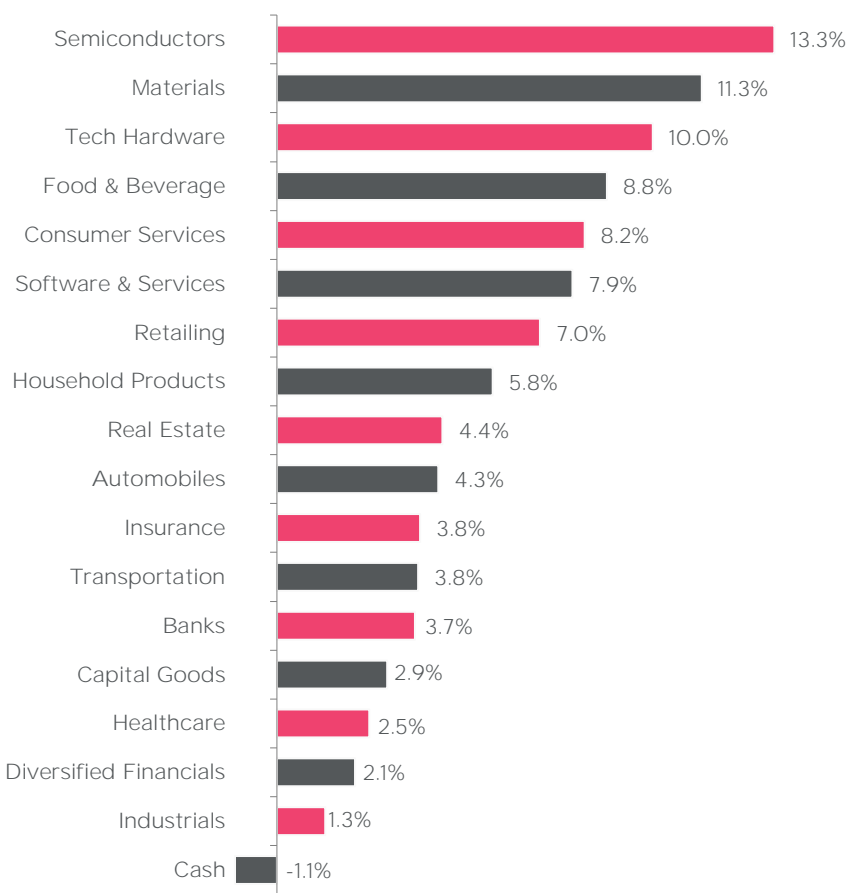
TURNOVER**	14.9%	**Average turnover of holdings (annualised) since the fund's inception
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\*For the purposes of reporting, the unrealised capital gains have been removed from the portfolio characteristics calculations, however remain part of the Net Asset Value calculation

GEOGRAPHIC ALLOCATION



SECTOR ALLOCATION



MONTHLY UPDATE

Despite the deterioration of investor sentiment in developed stock markets, the majority of Emerging Asian stock indices delivered positive returns in January. The relevant Asian stock index rose 3.5% in USD in that period.

Chinese real GDP growth accelerated to 6.5% YoY in 4Q20, and thus exceeded the market consensus. The economy’s upswing was primarily boosted by industrial production and agricultural activity. Overall, the economy expanded 2.3% in 2020 and consequently has now surpassed its pre-pandemic level. According to the latest PMIs, the business cycle continued to robustly expand at the beginning of 2021.

The economic growth momentum in India persisted in January, when the manufacturing PMI rose to 57.7 – one of the strongest prints since 2012. Meanwhile, CPI inflation significantly moderated, slowing to 4.6% YoY in December. The lower-than-expected inflation gauge allows the RBI to maintain its accommodative monetary policy stance for an even longer period than previously expected. In addition, the Finance Minister announced in the FY2022 budget that infrastructure development will be among India’s key priorities, which will further boost the cyclical upturn.

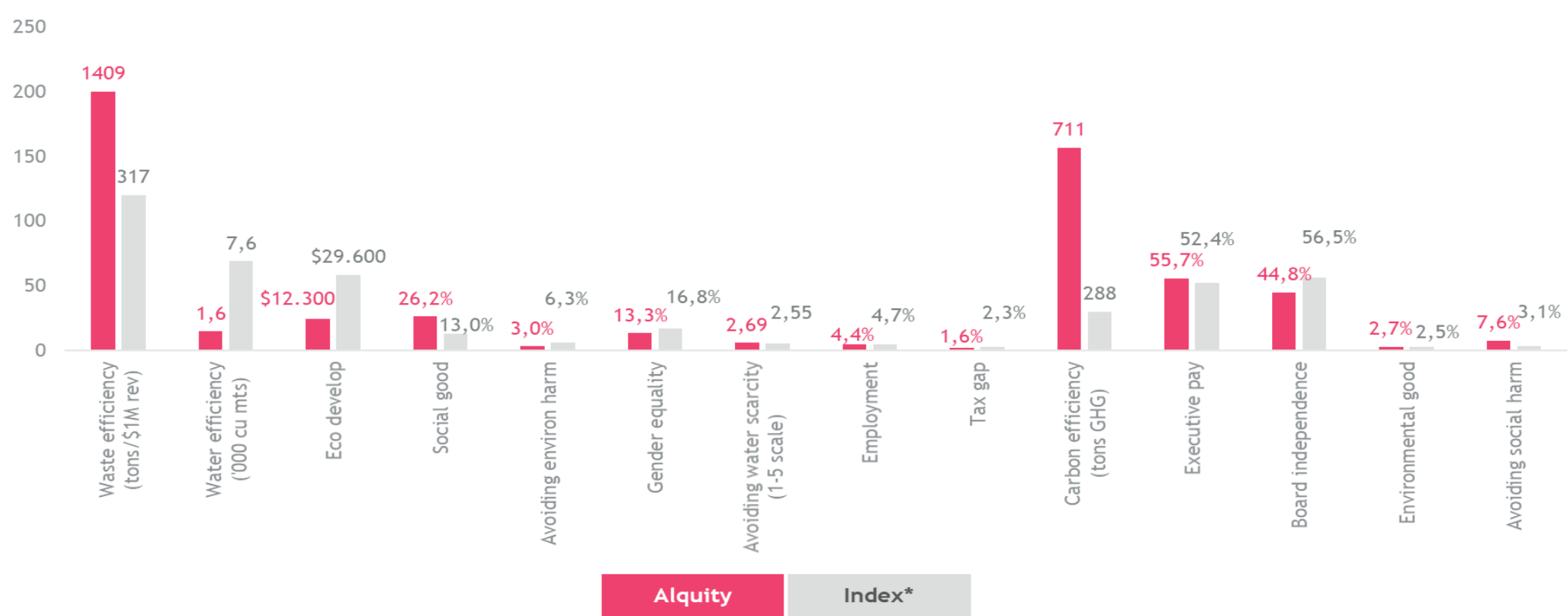
Vietnam’s macro data in January indicated that GDP growth momentum will continue in 2021. Industrial production rose 22.2% YoY in January (accelerating from 9.5% YoY in December), the fastest pace in eight years. Exports growth was consistent with industrial production, as exports increased 50.5% YoY in January primarily driven by electronic devices. The government aims to achieve real GDP growth in the range of 6.5-7% in 2021, which we believe is realistic.

Central banks in Indonesia and the Philippines retained their accommodative stances to bolster domestic demand. Business sentiment (captured by manufacturing PMIs) improved in January, when the gauges rose to 52.2 in Indonesia and 52.5 in the Philippines. We continue to see significant unappreciated value in these markets.

In January, we reduced Weimob (China, internet-based targeted marketing) and China Resources Beer to lock in recent share price gains. We added Century Iron & Steel (Taiwan, wind tower fabrication; ESG rating “C”) to the Fund. Century Iron & Steel benefits from the decarbonisation theme, as Taiwan is targeting 5.5 GW offshore wind energy by 2025. Furthermore, we also added Hong Kong Exchanges and Clearing (ESG rating “B”) and Infosys (India, information technology and outsourcing; ESG rating “B”) to the Fund.

ESG : KEY PROGRESS INDICATORS

The performance of Alquity’s Asia fund against the benchmark <sup>2</sup>



<sup>2</sup> Impact Cubed Assessment, Impact Cubed (31 August 2020)

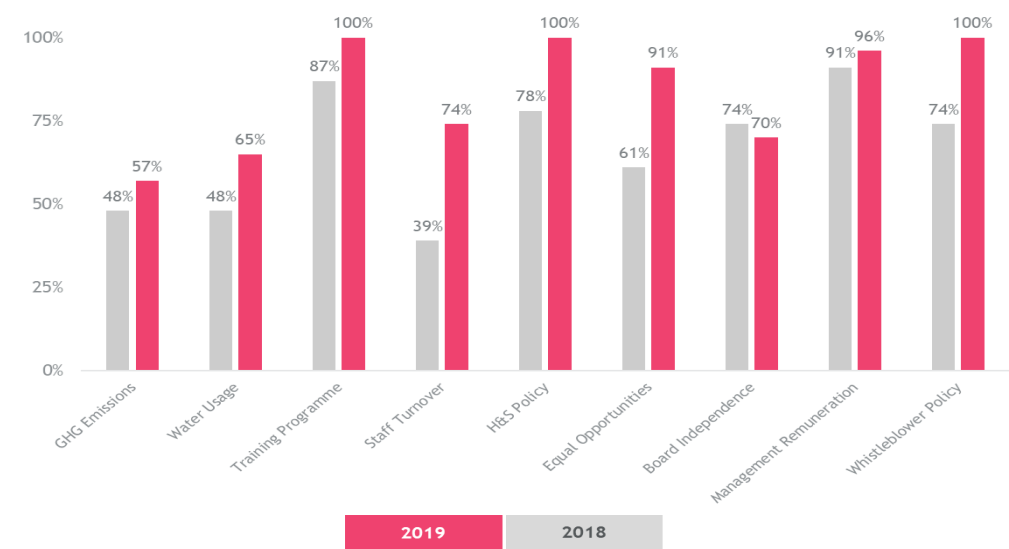
TOP 10 HOLDINGS

1.	TSMC	6.5%
2.	Tencent Holdings	5.9%
3.	Meituan Dianping	3.8%
4.	SK Hynix	3.1%
5.	Topsports	2.8%
6.	Delta Electronics	2.7%
7.	Ultratech Cement	2.7%
8.	Heidelberg Cement India	2.6%
9.	Wuxi Apptec	2.5%
10.	Hero Motocorp	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 <sup>1</sup>



<sup>1</sup> 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

## FUND FACTS

Fund :	Alquity Asia Fund
Share Class :	Y Class
Inception Date :	01/09/2016
Fund AUM :	US\$ 41.5m
Number of Holdings :	56
Fund Structure :	UCITS V SICAV
Domicile :	Luxembourg
Liquidity :	Daily
Fund Manager :	Mike Sell
Morningstar Rating :	★
Minimum Investment :	\$5,000,000
Annual Management Fee :	0.90%
Performance Fee :	None
ISIN :	LU1070051617
SEDOL :	BFO47N8
Bloomberg Ticker :	ALQASUY

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



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The prospectus, the Articles of Association, the Key Investor Information Document "KIIDs" as well as the annual and semi-annual report of the Fund is available only to Qualified Investors free of charge from the Representative. In respect of the units distributed in Switzerland to Qualified Investors, place of performance and jurisdiction is at the registered office of the Representative. Funds other than the Luxembourg domiciled Alquity SICAV mentioned in this document may not be admitted for distribution in Switzerland. Swiss Representative: FIRST INDEPENDENT FUND SERVICES LTD., Klausstrasse 33, 8008 Zurich. Swiss Paying Agent: Neue Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich.