

ALQUITY FUTURE WORLD FUND:  
FACTSHEET AS AT:  
NAV:

GBP B  
DECEMBER 2021  
72.00



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.

- The relevant Emerging Markets stock index gained by 1.9% in net USD terms in December.
- In India, the economy maintained a strong pace of growth at year-end. Inflation remains within target, however, and the RBI left policy rates unchanged.
- In Latam, left-wing candidate Gabriel Boric won the presidential election run-off in Chile.

PERFORMANCE OVERVIEW

	2017	2018	2019	2020	2021
JAN	1.9%	-0.1%	3.8%	-3.5%	2.7%
FEB	3.7%	-0.8%	-0.8%	-3.6%	1.9%
MAR	2.0%	-0.5%	7.2%	-21.9%	-1.1%
APR	-2.2%	1.8%	-2.2%	7.8%	1.6%
MAY	-0.9%	-3.0%	0.4%	4.6%	0.2%
JUN	-1.8%	-5.5%	-0.1%	6.1%	3.0%
JUL	3.4%	3.0%	2.8%	-0.7%	-7.4%
AUG	3.7%	-2.6%	-5.5%	-0.3%	4.3%
SEP	-3.6%	-8.0%	1.0%	2.5%	-2.7%
OCT	3.8%	-4.2%	-1.1%	2.6%	0.5%
NOV	-1.2%	7.3%	-1.9%	6.1%	-2.5%
DEC	5.1%	-0.4%	2.5%	4.3%	-1.2%
ANNUAL	14.3%	-12.9%	5.7%	0.2%	-1.4%



PERFORMANCE SUMMARY:

1 Month:	-1.2%	1 Year:	-1.4%
3 Months:	-3.3%	3 Years:	4.5%
6 Months:	-9.1%	Inception:	16.5%
Year to Date:	-1.4%	Annualised:	2.1%

VOLATILITY*	1Y	18.8%
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\*Volatility as of 31st December 2021

3Y*	17.8%
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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

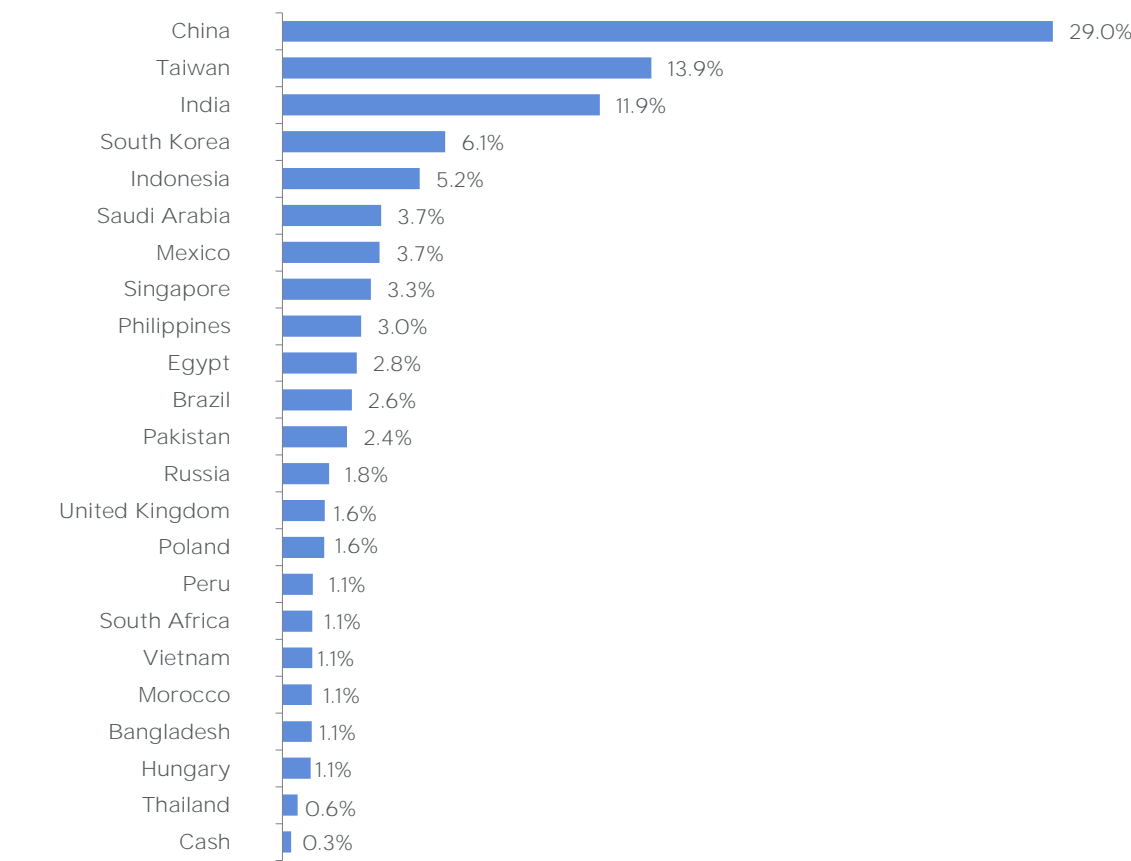
TURNOVER**	17.4%
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\*\* Turnover as of 31st December 2021

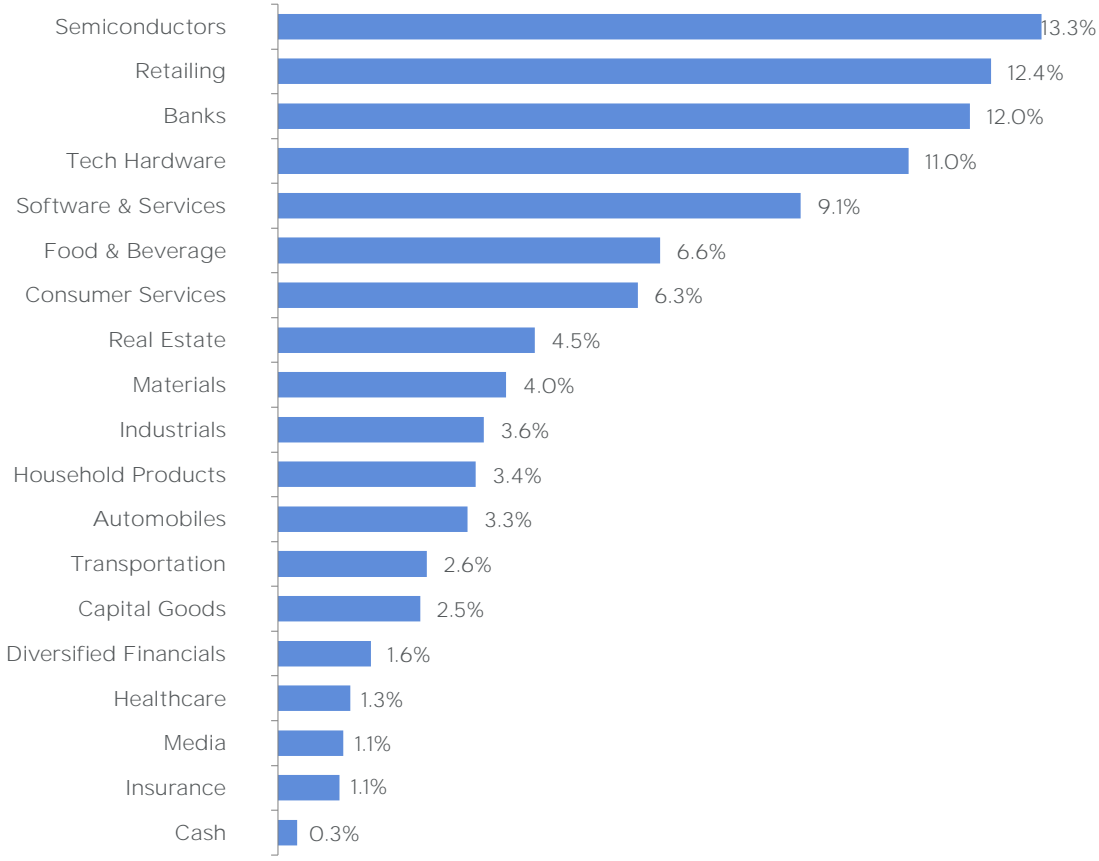
\*\*Average turnover of holdings (annualised) since the fund's inception

\*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

The relevant Emerging Markets stock index gained by 1.9% in net USD terms in December, despite the uncertainty caused by the hawkish tilt by the US Federal Reserve and risks to global growth from the outbreak of the omicron covid variant.

In China, senior government officials gave a clear indication that their main priority over the coming year will be to ensure stability, as concerns over the economy have increased. The PBoC announced a 50bp RRR cut, followed by a 5bp reduction in the Loan Prime Rate, with more easing to come in Q122. A stronger China should be broadly supportive for EM in the coming year and we have moved modestly overweight China on a risk-adjusted basis, accordingly.

In India, the economy maintained a strong pace of growth at year-end. Inflation remains within target, however, and the RBI left policy rates unchanged. Despite a stable macro backdrop, we have taken some profits in India, following the very strong market performance last year and given rich valuations.

In CEE, elevated inflation pressures prompted continued monetary tightening, with Russia hiking by a further 100bp, Poland by 50bp and Hungary by 110bp. With inflation well above target, further hikes in Q1 are likely.

In Latam, left-wing candidate Gabriel Boric won the presidential election run-off in Chile. With constitutional reform still to come in H122, political uncertainty will remain elevated and we have reduced exposure, accordingly. We also remain underweight Brazil, where elections are due later this year and the central bank continues to hike rates aggressively.

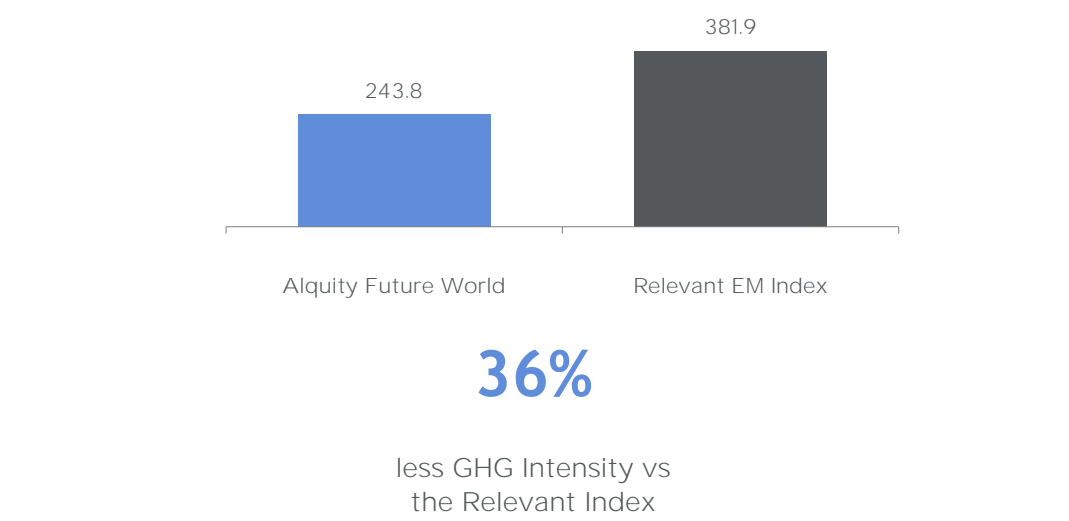
STOCK OF THE MONTH

Walmex is the dominant retailer within Mexico and Central America. Walmex is able to capture the structural growth from the shift from the informal to formal sector. In addition, the company has the strongest omni-channel solution having invested significantly more than peers in recent years. The e-commerce opportunity in Mexico has huge growth potential and longevity, as e-commerce penetration is currently only 6.5% of total sales and is expected to grow to 15% by 2023. Walmex additionally benefits from this growth trend due to its multiple competitive advantages such as its brand, reputation, and unparalleled scale in their supply chain. Walmex is rated a B on our ESG rating system as the company has demonstrated a clear intent to improve particularly for Environmental and Social. For example, the company has committed to 100% renewable energy by 2035, and net zero emissions by 2040. The company also has one of the most comprehensive anti-discrimination policies in the EM universe.

REGIONAL BREAKDOWN



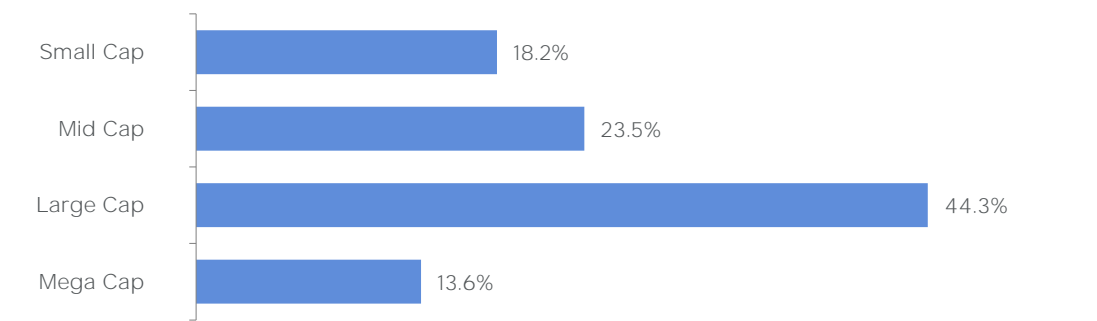
SCOPE 1 & 2 GHG INTENSITY (TONNES/\$MN)



TOP 10 HOLDINGS

1.	TSMC	7.2%
2.	Tencent Holdings	6.4%
3.	SK Hynix	3.1%
4.	Meituan Dianping	2.8%
5.	Walmart De Mexico	2.4%
6.	HDFC Bank	2.3%
7.	Saudi British Bank	2.0%
8.	ICICI Bank	1.9%
9.	Yongda Auto	1.8%
10.	SM Investments Corporation	1.8%
TOTAL		31.8%

CAPITALISATION



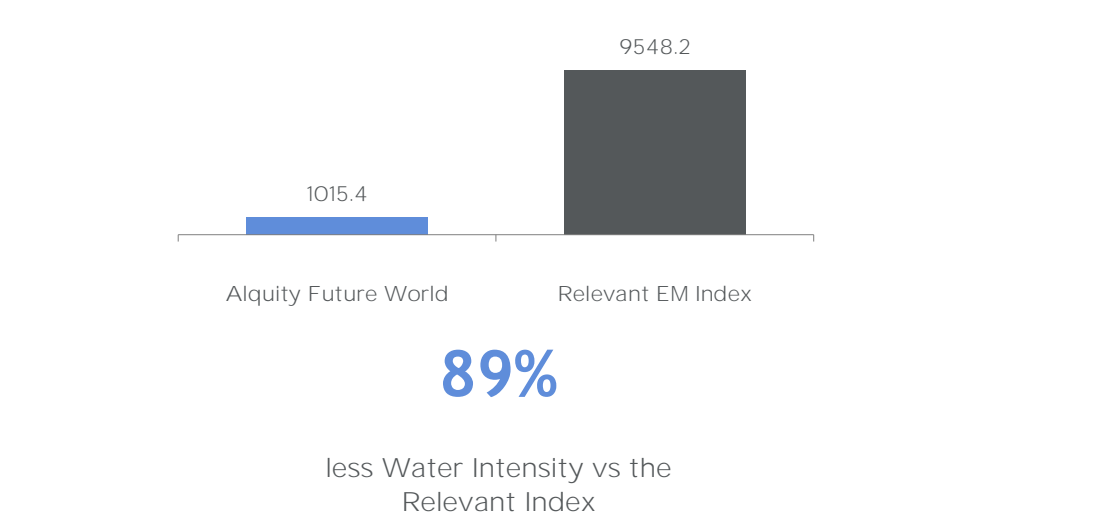
PERFORMANCE CONTRIBUTORS AND DETRACTORS

In December, Alquity Future World Y class increased by 0.5% in US Dollar terms (net) versus the 1.9% increase in the EM index.

The underperformance was largely driven by the country allocation. Notably South Korea was a detractor as the market outperformed (+6%) and we are underweight primarily due to significant parts of the index being fails on our ESG rating system. At a stock level, SEA (Indonesia) was a detractor largely due to the volatility in internet-related companies.

Country and stock selection was positive in Mexico (Walmex – Consumers, ASUR – Airports), Saudi (Saudi British Bank, Dar Al Arkan Real Estate), and Egypt (Edita - Consumers). Country allocation was also notably positive from the underweight in China.

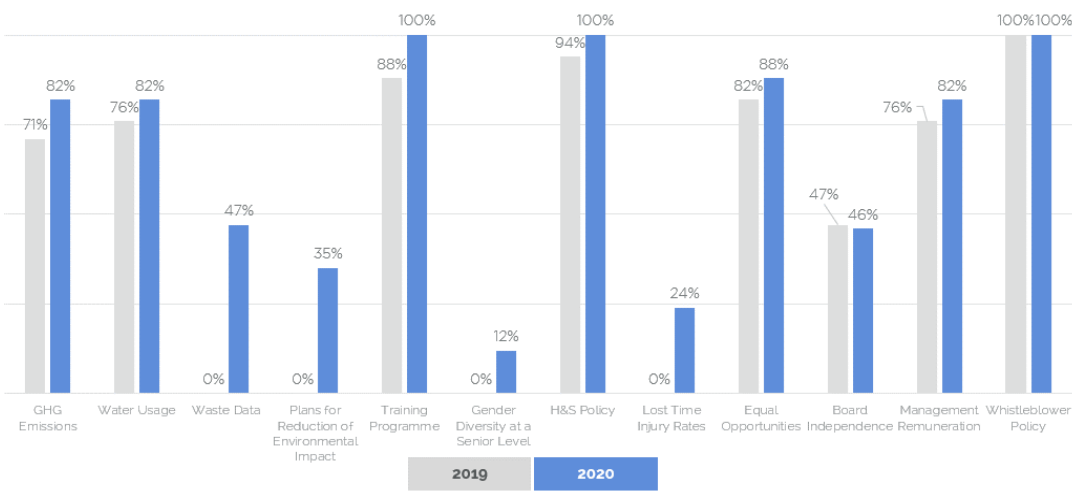
WATER INTENSITY (TONNES/\$MN)



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 December 2020

TRANSFORMING LIVES

We donate a proportion of our fees from the Alquity Future World Fund to charity partners in the region, reinforcing our belief that social progress should also lead to financial success.

DONATIONS GENERATED BY THE FUTURE WORLD FUND:	\$280,414
LIVES TRANSFORMED DIRECTLY:	558
LIVES TRANSFORMED INDIRECTLY:	240

Total Lives Transformed by Alquity



Total Donations generated by Alquity



Data correct at 31 May 21

Source: Alquity Transforming Lives Foundation

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

FUND FACTS

Fund :	Alquity Future World Fund
Share Class :	B Class
Inception Date :	09/10/2014
Fund AUM :	US\$ 39m
Number of Holdings :	63
Fund Structure :	UCITS V SICAV
Domicile :	Luxembourg
Liquidity :	Daily
Fund Manager :	Mike Sell & Marnie Uy
Morningstar Rating :	No Rating
Morningstar Sustainability Rating:	★★★★★
Minimum Investment :	£ equivalent of \$10,000
Annual Management Fee :	1.90%
Performance Fee :	20% (with hurdle & high watermark)
ISIN :	LU1049769059
SEDOL :	BSQXHV8
Bloomberg Ticker :	ALFWUSB

FUND OBJECTIVE

The Alquity Future World Fund is equity focused and targets attractive risk-adjusted returns over the long-term by investing in public companies across the emerging and frontier markets. 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.

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*The Alquity Africa Fund, the Alquity Asia Fund, the Alquity Future World Fund, the Alquity Indian Subcontinent Fund and the Alquity Future World Global Impact Fund are all sub-funds of the Alquity SICAV (“the Fund”) which is a UCITS Fund and is a recognised collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (the “FSMA”). This does not mean the product is suitable for all investors and as the Fund is invested in emerging market equities, investors may not get back the full amount invested.*

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**SWISS INVESTORS:**  
*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.*