

ALQUITY FUTURE WORLD FUND:  
FACTSHEET AS AT:  
NAV:

GBP M  
JUNE 2021  
80.72



## MONTHLY SUMMARY

- There was a divergence across regions in terms of returns. Latin American markets fared better in general, whilst the Asian and EMEA regions lagged.
- The incoming macro data in China reinforced our view that the cyclical upswing remains robust.
- The Brazilian central bank turned more hawkish and delivered another 75bp rate hike, bringing the key interest rate to 4.25%.

## PERFORMANCE OVERVIEW

	2017	2018	2019	2020	2021
JAN	2.0%	0.0%	3.9%	-3.5%	2.8%
FEB	3.8%	-0.8%	-0.7%	-3.5%	1.3%
MAR	2.1%	-0.5%	7.2%	-21.8%	-0.6%
APR	-2.1%	1.8%	-2.1%	7.8%	1.3%
MAY	-0.8%	-2.8%	0.5%	4.7%	0.2%
JUN	-1.8%	-5.4%	0.0%	6.2%	3.0%
JUL	3.4%	3.1%	2.9%	-0.6%	
AUG	3.7%	-2.5%	-5.4%	-0.2%	
SEP	-3.5%	-7.9%	1.1%	2.6%	
OCT	3.9%	-4.0%	-1.0%	2.6%	
NOV	-1.0%	7.4%	-1.8%	6.3%	
DEC	5.0%	-0.3%	2.6%	4.4%	
ANNUAL	15.2%	-12.0%	6.7%	1.2%	8.3%



### PERFORMANCE SUMMARY:

1 Month:	3.0%	1 Year:	25.5%
3 Months:	4.5%	3 Years:	11.2%
6 Months:	8.3%	Inception:	36.6%
Year to Date:	8.3%	Annualised:	4.5%

### VOLATILITY

1Y 13.1%

3Y\* 16.7%

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

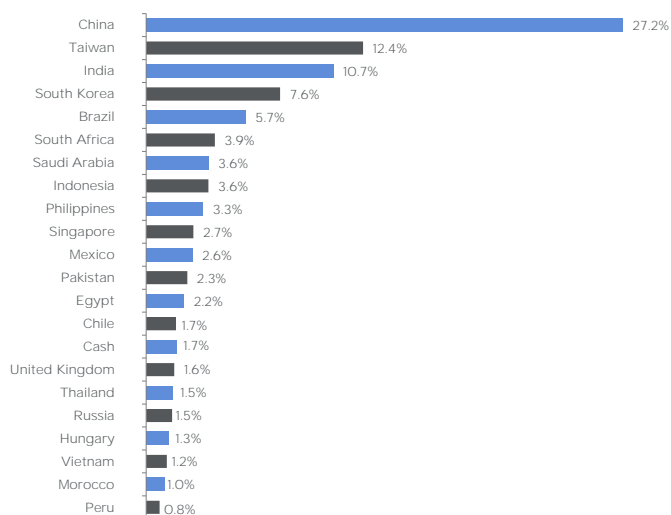
### TURNOVER\*\*

18.4%

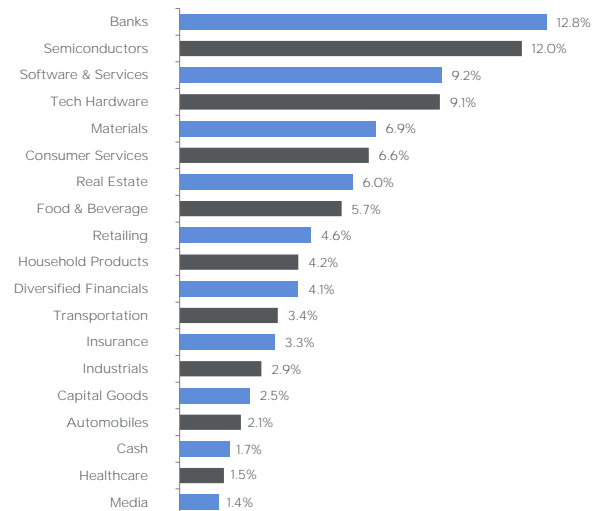
\*\*Average turnover of holdings (annualised) since the fund's inception

\*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 EM stock index rose 0.2% in USD in June. There was a divergence across regions in terms of returns. Latin American markets fared better in general, whilst the Asian and EMEA regions lagged.

The incoming macro data in China reinforced our view that the cyclical upswing remains robust: retail sales rose 12.4% YoY, industrial production increased 8.8% YoY and fixed asset investments gained 15.4% YoY YTD in May (the annual growth rates are distorted upwards to some extent by the very low base). The latest datapoints confirm that the government's annual GDP growth target of "above 6%" is comfortably achievable, in our opinion.

According to high-frequency indicators, India's economy has been bouncing back towards the levels seen before the second Covid-19 wave. The Markit manufacturing PMI in May (50.8) was indicative of a further expanding industrial output, despite the – temporary – lockdown measures in some states. Furthermore, the monsoon season has begun. As at 27 June, the amount of rain fallen was 16% above normal. This could be the third consecutive year, when monsoon rains may significantly boost the agricultural sector's growth prospects. Should the monsoon rains remain around or over normal throughout the season, rural India is going to face a record harvest season. The inoculation drive has accelerated, and the number of administered vaccines reached 5.5mn per day on a 7-day moving average basis at the end of June. Overall, over 332mn jabs were given out as at 30 June. Given these tailwinds, we continue to hold the view that India's real GDP can grow by about 10% in FY2022 – one of the fastest growing economies globally.

The Brazilian central bank turned more hawkish and delivered another 75bp rate hike, bringing the key interest rate to 4.25%, and causing a further rally in the currency against the US Dollar. However, the unfolding wave of Covid-19 infections in Brazil held back the country's stock index, which – in our opinion – should be temporary.

Incoming macro data reinforced the view that South Africa had been going through a challenging period from an economic growth point of view, as real GDP contracted 3.2% YoY in 1Q21.

Although the stock market had priced in such unfavourable macro data, it was a surprise to investors how quickly a new, third Covid-19 wave unfolded, which led to stricter lockdown measures. Despite the headwinds, we hold the view that there are compelling stock-specific opportunities from a risk-reward point of view.

In June, we exited TCI Express (India, express logistics) and Vietnam Prosperity Bank to lock in share price gains. We rotated the funds into HDFC Bank, India's largest private bank, whose share price is trading at an exceptional discount in the context of its history.

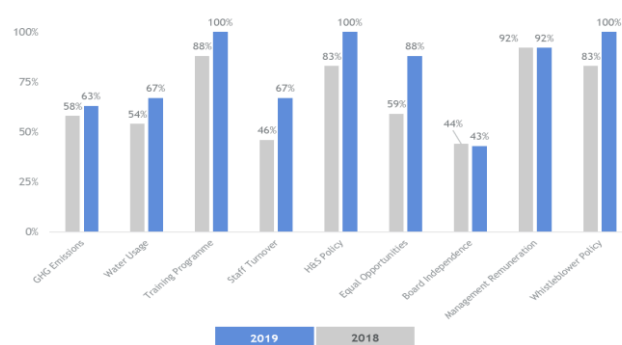
## TOP 10 HOLDINGS

1.	TSMC	5.9%
2.	Tencent Holdings	5.1%
3.	SK Hynix	2.4%
4.	Delta Electronics	2.4%
5.	Mediatek	2.3%
6.	Kakao	2.2%
7.	Zhongsheng	2.1%
8.	Meituan Dianping	2.0%
9.	SM Investments Corporation	2.0%
10.	Pacific Basin Shipping	1.8%

## 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.

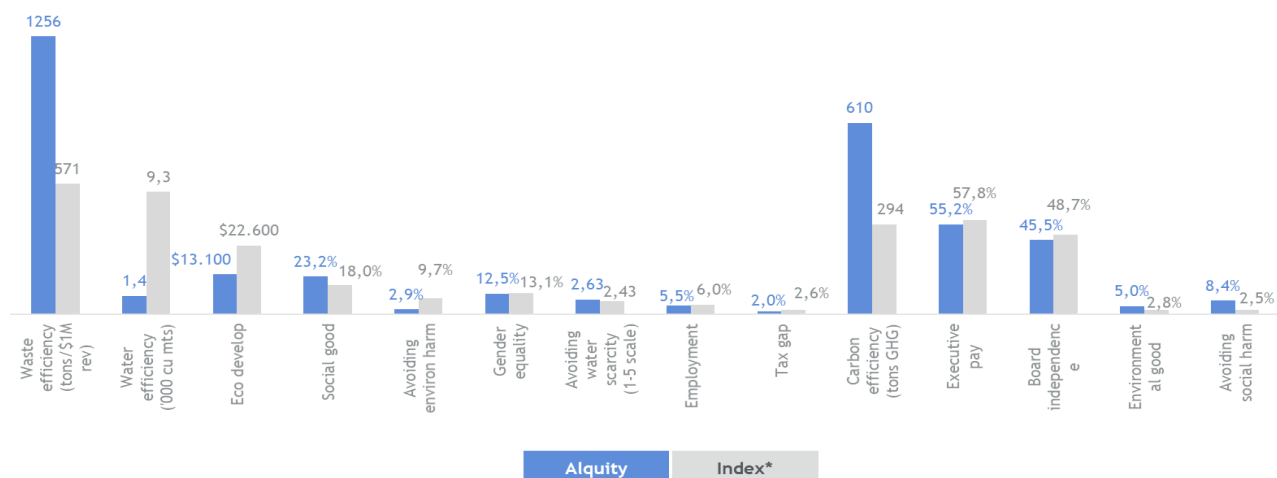
Holdings meeting each KPI standard - % of companies <sup>1</sup>



<sup>1</sup> Source: Alquity. Portfolio overview as of 31 July 2020

## ESG KEY PROGRESS INDICATORS

The performance of Alquity's Future World fund against the benchmark <sup>2</sup>



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

<b>DONATIONS GENERATED BY THE FUTURE WORLD FUND:</b>	<b>\$270,437</b>
LIVES TRANSFORMED DIRECTLY:	<b>558</b>
LIVES TRANSFORMED INDIRECTLY:	<b>240</b>

### Total Lives Transformed by Alquity



### Total Donations generated by Alquity



Data correct at 28 Feb 21

Source: Alquity Transforming Lives Foundation

## FUND FACTS

Fund :	Alquity Future World Fund
Share Class :	M Class
Inception Date :	05/06/2014
Fund AUM :	US\$ 40.6m
Number of Holdings :	62
Fund Structure :	UCITS V SICAV
Domicile :	Luxembourg
Liquidity :	Daily
Fund Manager :	Mike Sell & Marnie Uy
Morningstar Rating :	No Rating
Minimum Investment :	£ equivalent of \$2,000
Annual Management Fee :	1.90%
Performance Fee :	20% (with hurdle & high watermark)
ISIN :	LU1049769307
SEDOL :	BSQXHT6
Bloomberg Ticker :	ALFWUSM

## 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 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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#### SWISS INVESTORS:

The prospectus, the Articles of Association, the Key Investor Information Document "KIID" 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.