

ALQUITY FUTURE WORLD FUND:  
FACTSHEET AS AT:  
NAV:

USD M  
MAY 2022  
86.09



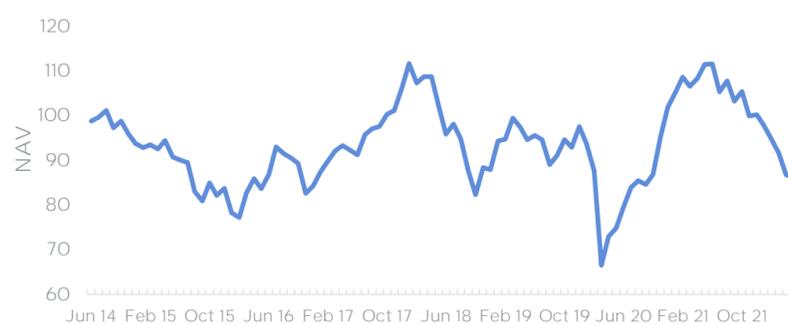
MONTHLY SUMMARY

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.

- After selling off initially, the relevant emerging markets benchmark rallied into month-end, ultimately gaining by 0.4% in net USD terms overall.
- In CEE, Polish CPI inflation rose to 13.9% y/y in May, as rising energy prices continue to feed through.
- In China, with covid cases now declining sharply and restrictions being eased, the economy should bounce back through H2.

PERFORMANCE OVERVIEW

	2018	2019	2020	2021	2022
JAN	5.2%	7.3%	-3.9%	3.3%	-2.5%
FEB	-3.9%	0.4%	-6.5%	3.2%	-3.0%
MAR	1.3%	5.0%	-24.1%	-1.9%	-3.4%
APR	0.0%	-2.1%	9.7%	1.6%	-5.3%
MAY	-6.1%	-2.8%	2.6%	2.9%	-0.8%
JUN	-6.1%	1.0%	6.1%	0.1%	
JUL	2.4%	-1.0%	5.6%	-5.6%	
AUG	-3.4%	-5.9%	1.8%	2.4%	
SEP	-7.6%	2.3%	-0.9%	-4.3%	
OCT	-6.0%	4.0%	2.6%	2.1%	
NOV	7.3%	-1.9%	9.8%	-5.2%	
DEC	-0.5%	5.0%	6.9%	0.4%	
ANNUAL	-17.2%	11.0%	4.5%	-1.6%	-14.1%



PERFORMANCE SUMMARY:

1 Month:	-0.8%	1 Year:	-22.8%
3 Months:	-9.2%	3 Years:	-9.0%
6 Months:	-13.8%	Inception:	-13.9%
Year to Date:	-14.1%	Annualised:	-1.9%

VOLATILITY\*

1Y 17.0%

3Y\* 18.3%

\*Volatility as of 31st May 2022

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

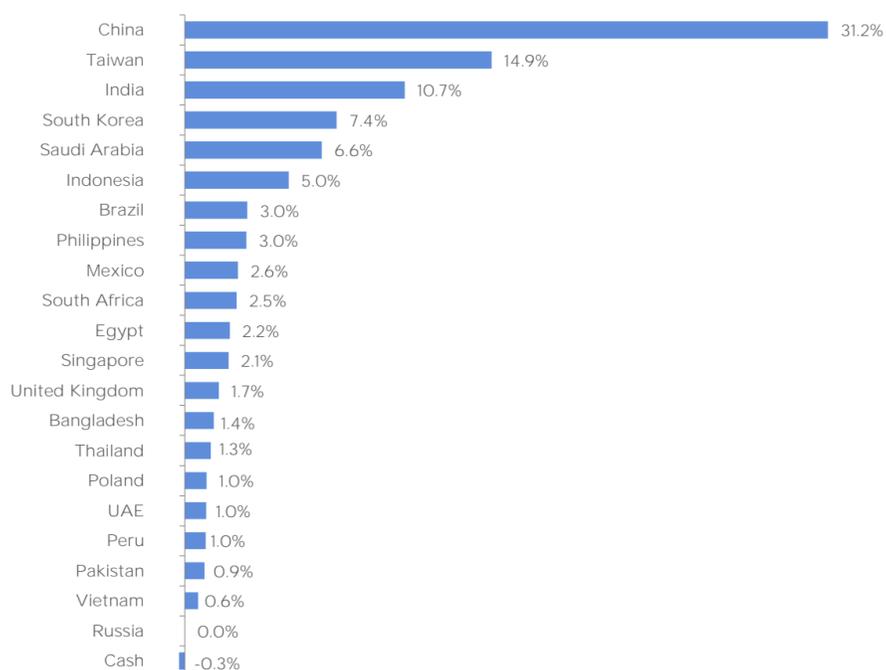
TURNOVER\*\*

21.5%

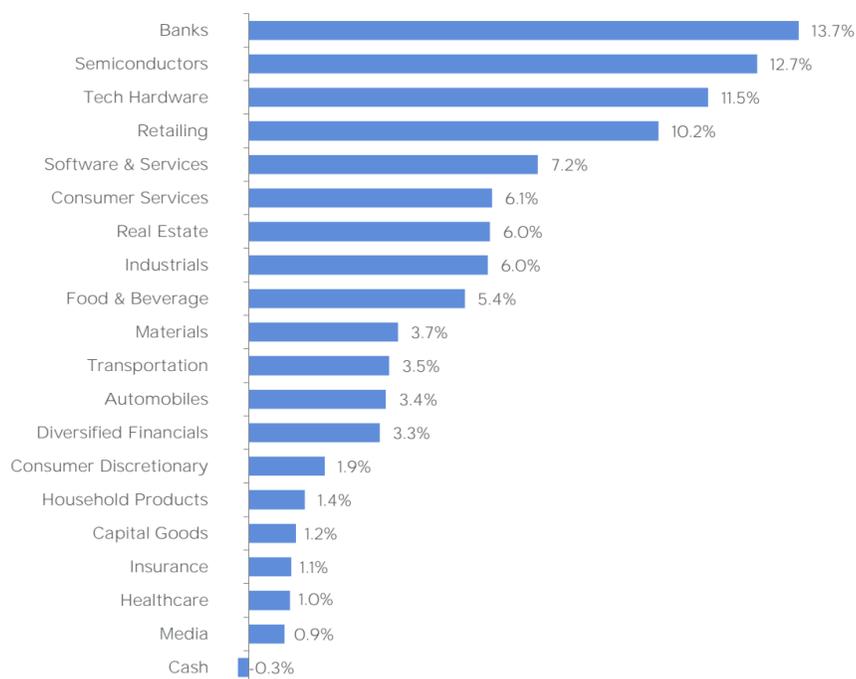
\*\*Average turnover of holdings (annualised) since the fund's inception

\*\*Turnover as of 31st May 2022

GEOGRAPHIC ALLOCATION



SECTOR ALLOCATION



## MONTHLY UPDATE

May was a volatile month as markets grappled with uncertainty over the inflation outlook and the pace of monetary tightening in the US. After selling off initially, the relevant emerging markets benchmark rallied into month-end, ultimately gaining by 0.4% in net USD terms overall.

In China, the economy remained under pressure due to ongoing lockdowns. However, policymakers affirmed their commitment to the GDP growth target, indicating that more stimulus measures would be coming soon. With covid cases now declining sharply and restrictions being eased, the economy should bounce back through H2.

In CEE, Polish CPI inflation rose to 13.9% y/y in May, as rising energy prices continue to feed through. With activity also remaining strong, the central bank hiked by another 75bp to 5.25%, with more large hikes still to come before inflation peaks.

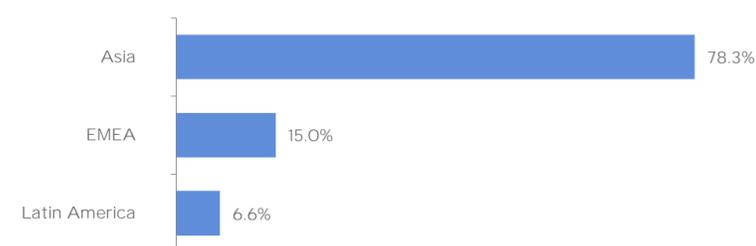
In Latam, Brazil's central bank delivered another 100bp hike in the SELIC rate to 12.75%, as expected. But with inflation close to peaking, the tightening cycle only has a little further to run.

On the strategy front, we reduced Sabeco and reallocated to conviction names in India (Lemontree), Korea (Hanon) and China (A-shares).

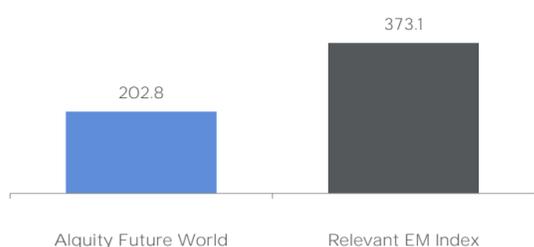
## STOCK OF THE MONTH

Dar al Arkan is the leading Saudi Arabian property developer within a highly fragmented industry. In our view, the company will benefit from structural growth for many years to come. This is because Saudi benefits from a young and growing population with two thirds of the population under the age of 35, and an increasing trend of living separately to the extended family (as we have also seen in Asia). Hence, there is a deficit of available housing, and supportive government policies towards creating greater home ownership. We rate Dar Al Arkan as a C for ESG, and have recently visited two of their projects to see their working conditions first hand. Approximately 1/3 of staff and senior management are female, and we have engaged for greater diversity at the board level.

## REGIONAL BREAKDOWN



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



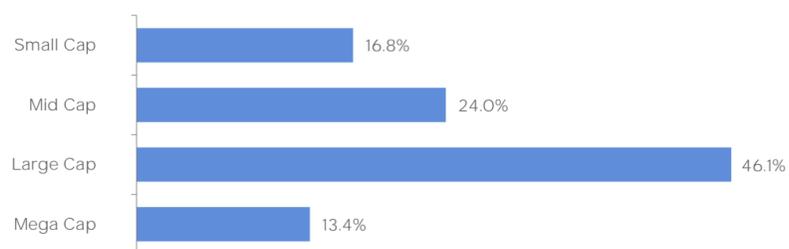
**46%**

less GHG Intensity vs the Relevant Index

## TOP 10 HOLDINGS

1.	TSMC	7.7%
2.	Tencent Holdings	5.8%
3.	Saudi British Bank	2.9%
4.	SK Hynix	2.8%
5.	HDFC Bank	2.6%
6.	Bank Mandiri	2.4%
7.	Dar Al Arkan	2.4%
8.	ICICI Bank	2.4%
9.	Hangzhou Robam	2.0%
10.	Yongda Auto	2.0%
	<b>TOTAL</b>	<b>33.0%</b>

## CAPITALISATION



*Small Cap (less than \$2bn), Mid Cap (\$2bn to \$10bn), Large Cap (\$10bn to \$200bn), Mega Cap (\$200bn and above)*

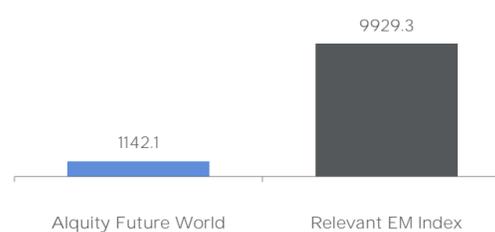
## PERFORMANCE CONTRIBUTORS AND DETRACTORS

In May, Alquity Futureworld Y class declined 0.68% in US Dollar terms (net) versus the 0.44% gain in the relevant EM index. Energy was the strongest performing sector during the month, where we have zero exposure for ESG reasons.

Both asset allocation and stock selection were negative during the month. In terms of the former, detractors included the underweight in Brazil and the overweight positions in Egypt, Saudi Arabia and Indonesia (with the latter two suffering from short term profit taking). This was mitigated by a positive contribution from the underweight position in India.

However, the majority of the underperformance was derived from stock selection. Pakistan (Airlink - IT distribution), Taiwan (Century Iron & Steel, Esun Financial), Korea (Technology) and Karooooo (Singapore, Technology) were negative contributors. However, this was partly offset by strong selection in Saudi Arabia (Dar Al Arkan - property) and India (Financials and Hero Motor).

## WATER INTENSITY (TONNES/\$MN)



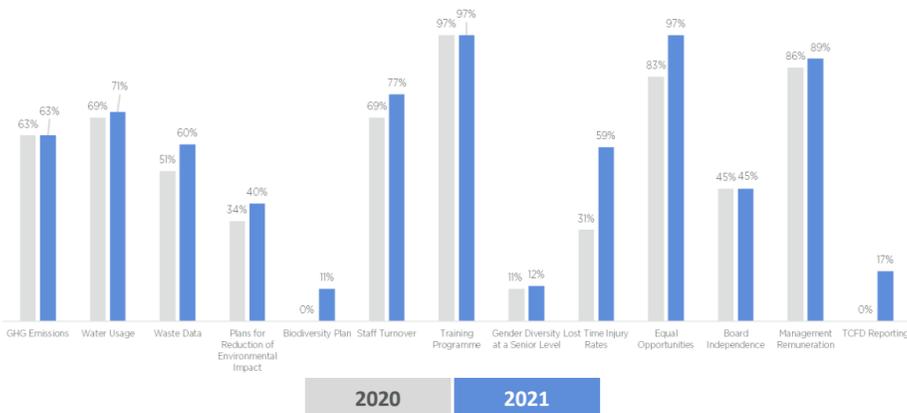
**88%**

less Water Intensity vs the Relevant Index

## 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 31/12/2021. Holdings owned at both 31/12/2020 and 31/12/2021

## 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>\$306,665</b>
LIVES TRANSFORMED DIRECTLY:	312
LIVES TRANSFORMED INDIRECTLY:	125

### Total Lives Transformed by Alquity



### Total Donations generated by Alquity



Data correct at 31 Mar 22

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 :	M Class
Inception Date :	05/06/2014
Fund AUM :	US\$ 34.1m
Number of Holdings :	64
Fund Structure :	UCITS V SICAV
Domicile :	Luxembourg
Liquidity :	Daily
Fund Manager :	Mike Sell & Marnie Uy
Morningstar Rating :	★
Morningstar Sustainability Rating:	★★★★★
Minimum Investment :	US\$2,000
Annual Management Fee :	1.90%
Performance Fee :	20% (with hurdle & high watermark)
ISIN :	LU1049769307
SEDOL :	BLDYLL4
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 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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### SWISS INVESTORS:

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