

ALQUITY FUTURE WORLD FUND: USD Y  
 FACTSHEET AS AT: JUNE 2020  
 NAV: 90.53



## MONTHLY SUMMARY

- Overall, the relevant broad Emerging Markets stock index gained 7% 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.
- 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.

## PERFORMANCE OVERVIEW

	2016	2017	2018	2019	2020
JAN			6.7%	7.4%	-3.9%
FEB			-4.6%	0.5%	-6.4%
MAR			1.7%	5.1%	-24.0%
APR			0.0%	-2.0%	9.8%
MAY			-6.3%	-2.7%	2.7%
JUN			-6.1%	1.1%	6.2%
JUL		4.6%	2.5%	-0.9%	
AUG		1.5%	-3.4%	-5.8%	
SEP		0.5%	-7.5%	2.4%	
OCT		2.9%	-5.9%	4.1%	
NOV		1.0%	7.4%	-1.8%	
DEC		5.8%	-0.4%	5.2%	
ANNUAL		17.3%	-16.0%	12.2%	-18.1%



### PERFORMANCE SUMMARY:

1 Month:	6.2%	1 Year:	-15.9%
3 Months:	19.8%	3 Years:	-9.5%
6 Months:	-18.1%	Inception:	-9.5%
Year to Date:	-18.1%	Annualised:	-3.3%

VOLATILITY 1Y 23.0%

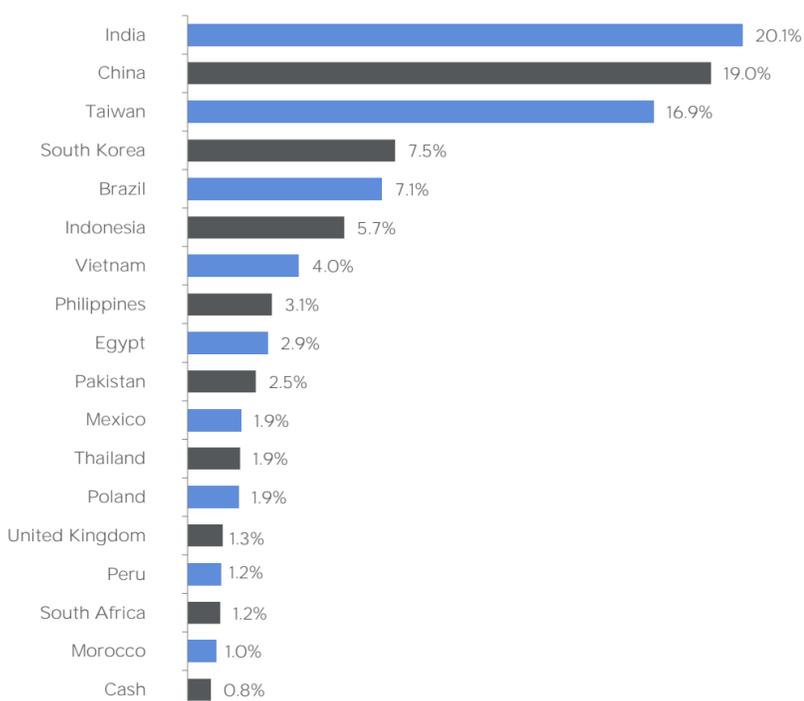
3Y\* 17.3%

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

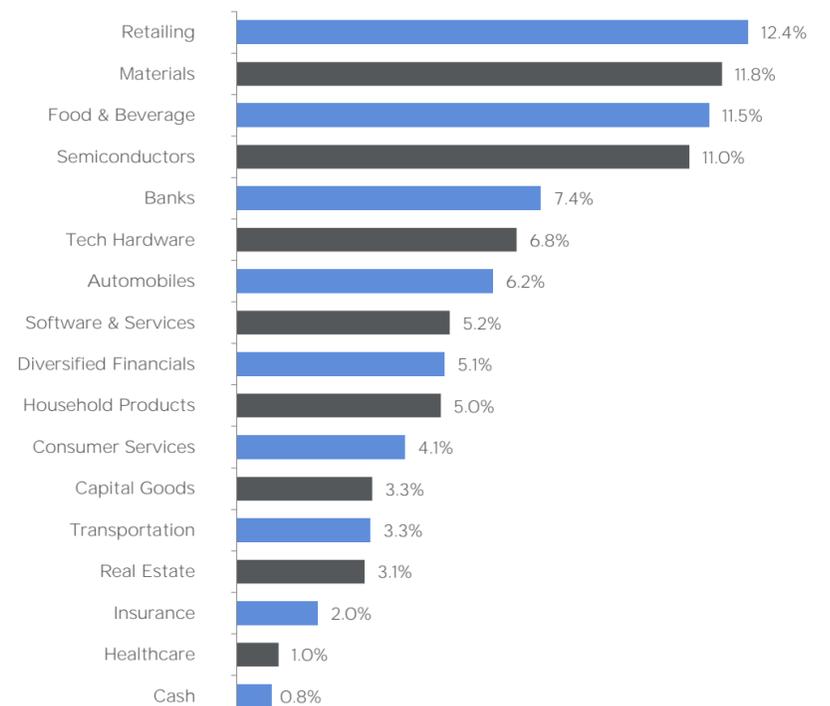
TURNOVER\*\* 19.6%

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

## GEOGRAPHIC ALLOCATION



## SECTOR ALLOCATION



## MONTHLY UPDATE

The improvement in global investor sentiment in June benefitted emerging stock markets. From a regional breakdown, the majority of Asian and Latin American stock indices rose, whilst the performance of African benchmarks was mixed. Overall, the relevant broad Emerging Markets stock index gained 7% 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.

Although social distancing measures and lockdowns were uneven across the states of Brazil, in the monthly economic activity index decreased by a significant 15.1% YoY. To shore up domestic growth, the central bank lowered the key interest rate to a new historical low, to 2.25% in June. The central bank in Mexico followed suit by reducing the policy rate to 5%, as economic conditions and prospects further deteriorated (the monthly economic activity index marked a 19.9% YoY decline in April).

According to the latest PMI report, the Egyptian economy began to stabilise in June, when the gauge rose to 44.6. Meanwhile, inflation remained muted, as the headline CPI inflation was 4.7% YoY in May - well-below the central bank's inflation target. Low inflationary pressures allowed the central bank to keep the key policy rates stable at 9.25% and 10.25%, respectively.

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.

In June, we continued to reduce the Chinese country weighting due to rising geopolitical risks. Consequently, we exited Shimao (property developer). We also exited Kajaria Ceramics (India) and reduced the weighting of Vinamilk (Vietnam, dairy) to lock in recent share price gains. As we rotated away from China, we added Indocement (Indonesia), a cement producer and Leeno (South Korea), a semiconductor testing equipment producer. Furthermore, we increased the weightings of Ramayana (Indonesia, retail) and Hindustan Unilever (India, FMCG), as both companies exhibited compelling risk-rewards characteristics at this juncture.

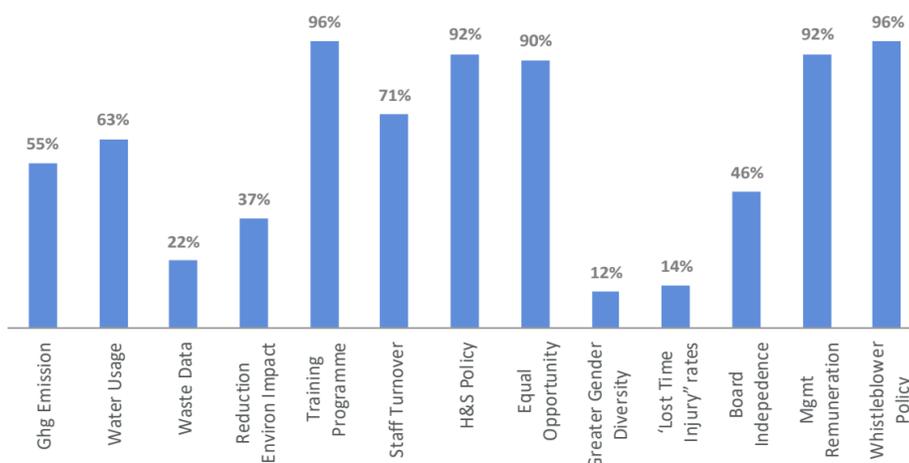
## TOP 10 HOLDINGS

1.	Mediatek	3.7%
2.	TSMC	3.5%
3.	Escorts	3.3%
4.	Heidelberg Cement India	3.1%
5.	SM Investments Corporation	3.1%
6.	Hero Motorcorp	3.0%
7.	Largan Precision	2.9%
8.	President Chain Store	2.8%
9.	Xtep	2.8%
10.	Vinamilk	2.7%

## 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.

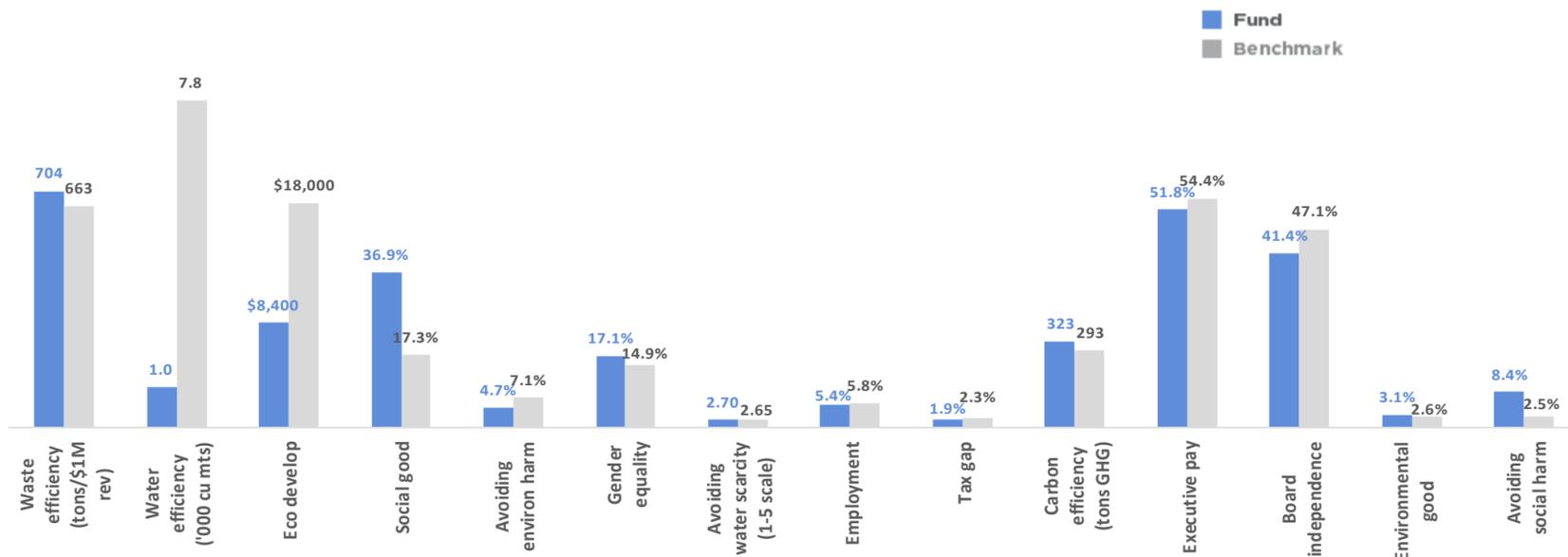
### Holdings meeting each KPI standard - % of companies



Source: Alquity. Portfolio overview as of 31 March 2020

## ESG : KEY PROGRESS INDICATORS

### The performance of Alquity's Future World fund against the benchmark <sup>1</sup>



<sup>1</sup> Impact Cubed Assessment, Impact Cubed (March 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:	\$183,088
LIVES TRANSFORMED DIRECTLY:	46
LIVES TRANSFORMED INDIRECTLY:	0

### 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 Future World Fund
Share Class :	Y Class
Inception Date :	07/07/2017
Fund AUM :	US\$ 28.9m
Number of Holdings :	53
Fund Structure :	UCITS IV SICAV
Domicile :	Luxembourg
Liquidity :	Daily
Fund Manager :	Roberto Lampi & Mike Sell
Morningstar Rating :	No Rating
Minimum Investment :	\$5,000,000
Annual Management Fee :	0.90%
Performance Fee :	None
ISIN :	LU1070052771
SEDOL :	BF4R7N3
Bloomberg Ticker :	ALFWUSY

## 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.