

ALQUITY FUTURE WORLD FUND:  
FACTSHEET AS AT:  
NAV:

USD Y  
JUNE 2020  
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%

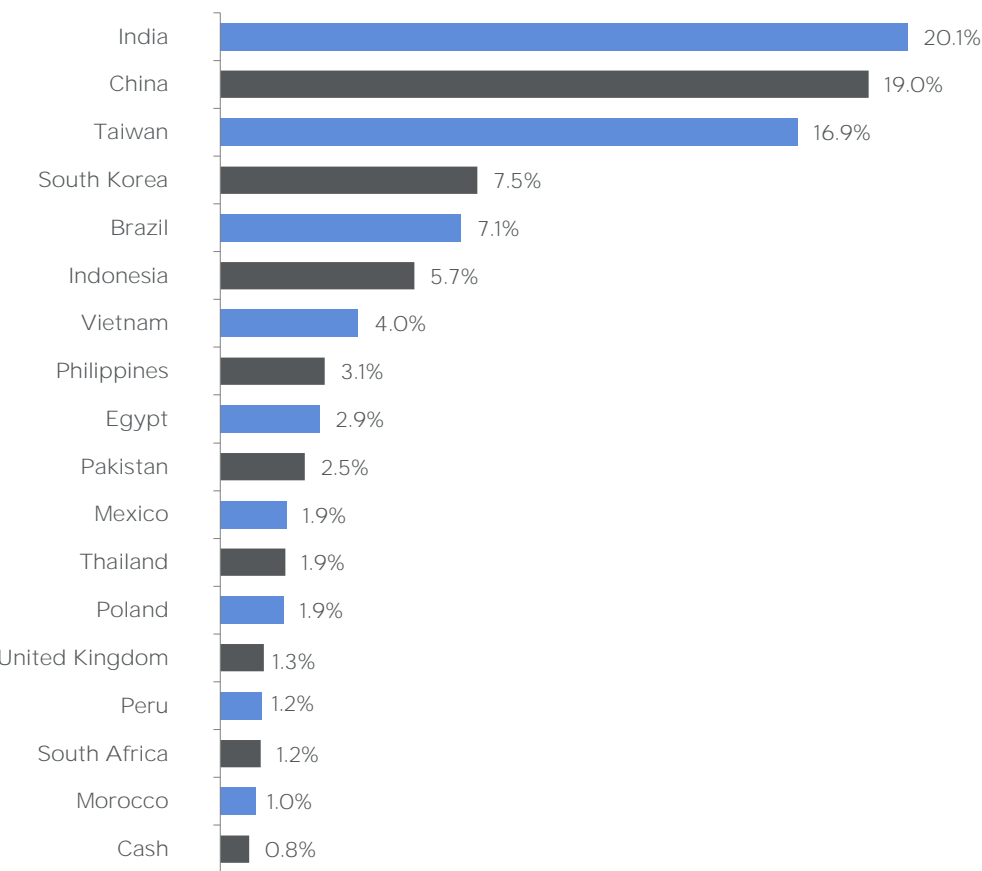
VOLATILITY	1Y	23.0%
------------	----	-------

3Y*	17.3%
-----	-------

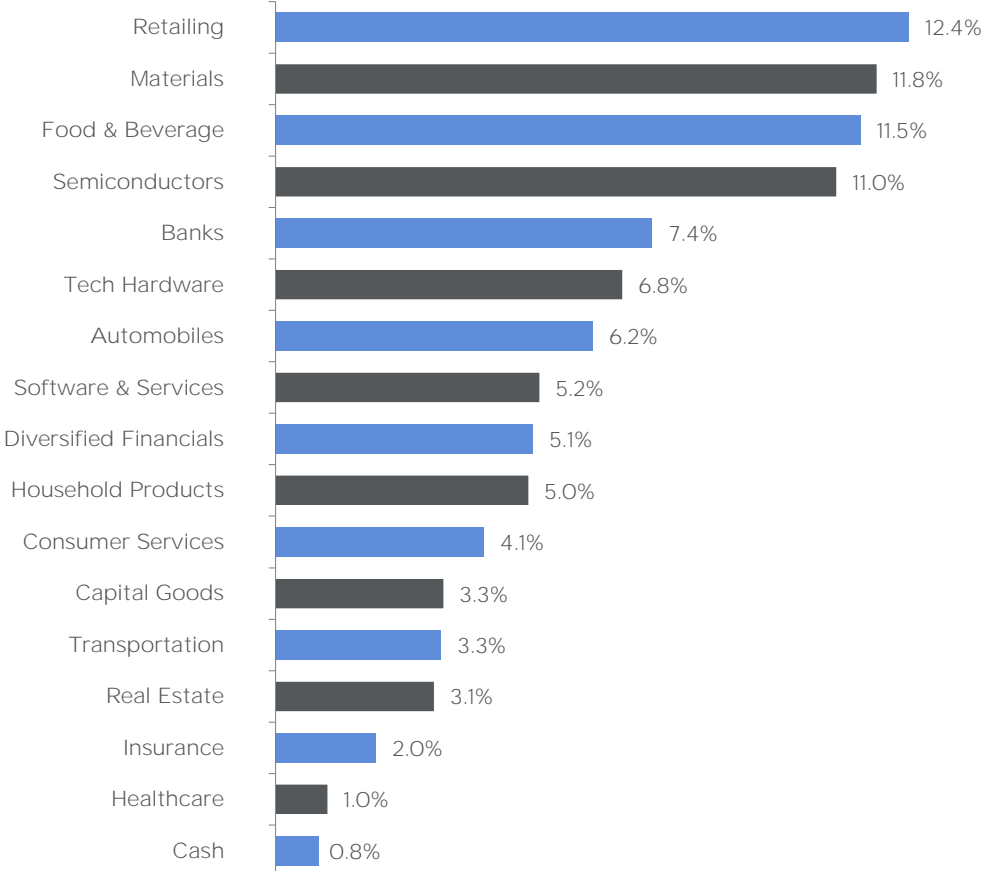
*\*Where the share class has not been running for 3 years, the volatility figure displayed is since the inception of the share class*

TURNOVER**	19.6%	<i>**Average turnover of holdings (annualised) since the fund's inception</i>
------------	-------	---

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, n 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.

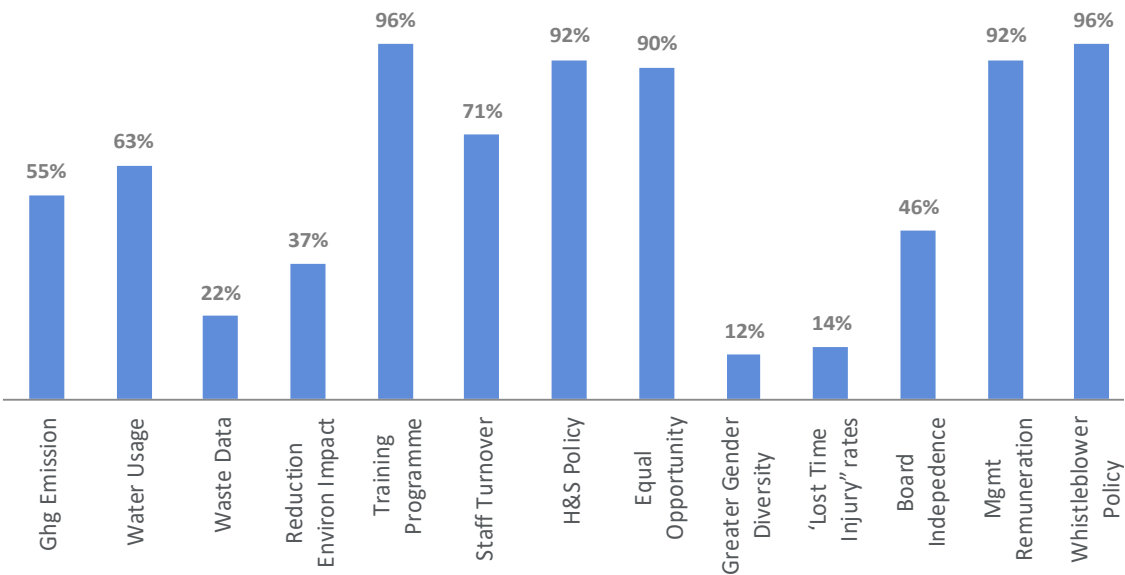
TOP 10 HOLDINGS

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.

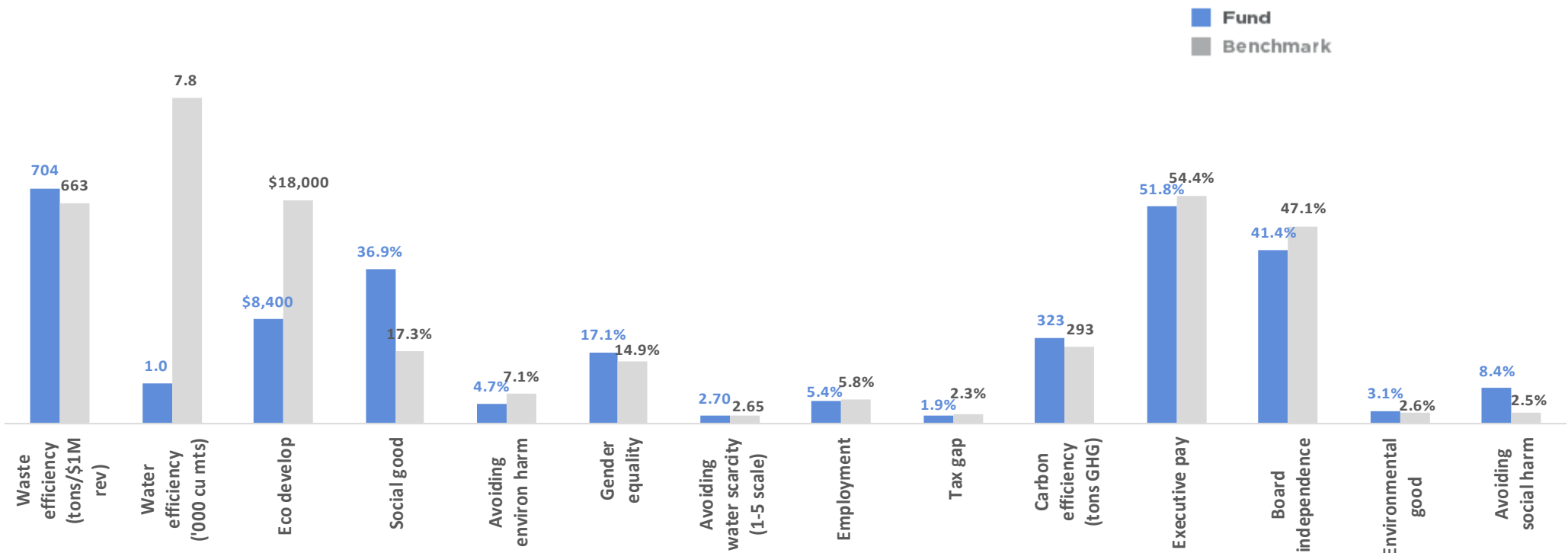
Holdings meeting each KPI standard - % of companies



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 Lampl & 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

Alquity Investment Management Limited  
9 Kingsway, London, WC2B 6XF, UK  
Tel: +44 (0)207 5577 850

Find us online:

alquity.com



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



This document has been issued and approved by Alquity Investment Management Limited which is authorised and regulated by the Financial Conduct Authority. This document is a marketing communication and is intended solely for distribution to investment professionals as defined in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion Order) 2005. If you are an individual who would like more information about Alquity's Funds, please go to [www.alquity.com](http://www.alquity.com).

The Alquity Africa Fund, the Alquity Asia Fund, the Alquity Future World Fund, the Alquity Indian Subcontinent Fund and the Alquity Latin American 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.

This document has been provided for information purposes only and does not constitute an offer or solicitation to purchase or sell interests in the Fund. The information contained in this document shall not under any circumstances be construed as an offering of securities in any jurisdiction where such an offer or invitation is unlawful. The Fund is currently registered for sale in a limited number of countries and the Prospectus should be referred to before promoting a share class of a sub-fund as promotion of the Fund where it is not registered may constitute a criminal offence. The current prospectus and simplified prospectus are available free of charge from Alquity Investment Management Limited, 9 Kingsway, London, WC2B 6XF or by going to [www.alquity.com](http://www.alquity.com).

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.