

ALQUITY LATIN AMERICA FUND: GBP Y
FACTSHEET AS AT: DECEMBER 2019
NAV: 143.58



MONTHLY SUMMARY

- The MSCI Emerging Latin America Net Total Return index increased 10.3% in USD in December.
- The cyclical recovery in Brazil continued and gained further momentum, as annual real GDP growth rose to 1.2% YoY in 3Q19 driven by a broad-based pick-up in economic activity.
- In December, Ultrapar (Brazil, refining), Atacadao (Brazil, retailing) and M Dias Branco (Brazil, cookie and pasta producer) were the top performers in the Alquity Latin America Fund.

PERFORMANCE OVERVIEW

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------|-------|--------|-------|--------|-------|
| JAN | | 0.8% | -0.1% | 0.2% | 13.2% |
| FEB | 0.3% | 4.8% | 4.3% | -3.4% | -5.9% |
| MAR | 2.3% | 6.3% | 2.8% | -4.2% | -4.8% |
| APR | 0.6% | 4.2% | -1.6% | 0.8% | -0.8% |
| MAY | -2.1% | -4.0% | 0.6% | -8.9% | 3.7% |
| JUN | -3.9% | 16.7% | -2.7% | -5.8% | 4.4% |
| JUL | -1.8% | 7.5% | 6.1% | 5.4% | 6.5% |
| AUG | -4.9% | -0.3% | 7.6% | -9.6% | -7.7% |
| SEP | 0.4% | 2.2% | -1.4% | 2.3% | 0.9% |
| OCT | 3.2% | 9.6% | 1.3% | 10.1% | -2.2% |
| NOV | -1.3% | -14.2% | -6.5% | -0.1% | -2.4% |
| DEC | 0.6% | 2.0% | 5.6% | 0.6% | 10.1% |
| ANNUAL | -8.4% | 37.9% | 16.0% | -13.6% | 13.4% |



PERFORMANCE SUMMARY:

| | | | |
|---------------|-------|-------------|-------|
| 1 Month: | 10.1% | 1 Year: | 13.4% |
| 3 Months: | 5.1% | 3 Years: | 13.7% |
| 6 Months: | 4.2% | Inception: | 43.6% |
| Year to Date: | 13.4% | Annualised: | 7.6% |

VOLATILITY

1Y 19.4%

3Y* 18.7%

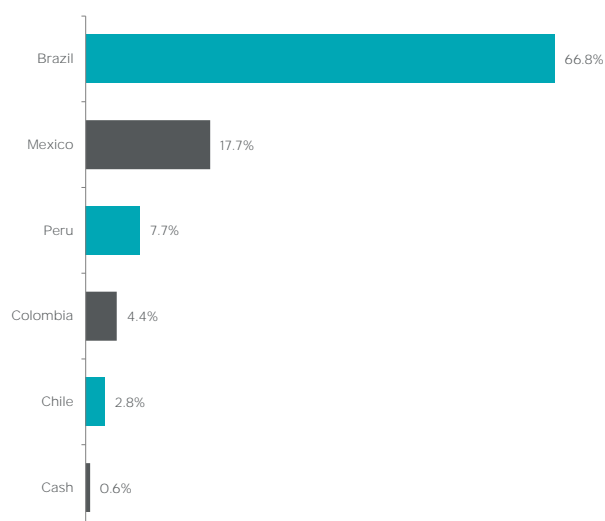
*Where the share class has not been running for 3 years, the volatility figure displayed is since the inception of the share class

TURNOVER**

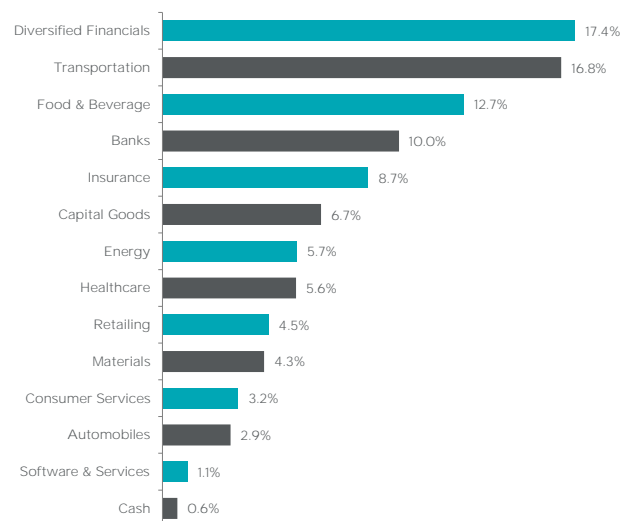
15.7%

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

GEOGRAPHIC ALLOCATION



SECTOR ALLOCATION



MONTHLY UPDATE

The MSCI Emerging Latin America Net Total Return index increased 10.3% in USD in December, as global investor sentiment improved due to the favourable news flow related to the Phase One trade deal between the US and China. In this environment, the Brazilian stock index delivered one of the strongest returns within the region, as the benchmark climbed 11.7% in USD. The Brazilian market was followed by the Chilean index, which bounced in December (+10% in USD), as the civil unrests faded.

According to the latest macroeconomic indicators, the cyclical recovery in Brazil continued and gained further momentum, as annual real GDP growth rose to 1.2% YoY in 3Q19 driven by a broad-based pick-up in economic activity. Manufacturing PMI further strengthened, to 52.9 in November, indicating that business and industrial sentiment have improved. In addition, retail sales volume growth accelerated to 4.2% YoY in October, whilst services PMI was 50.9 in November implying that domestic demand would further strengthen going forward.

Elsewhere, economic activity indicators in Mexico exhibited weakness, as manufacturing and services PMIs remained well below 50. According to the latest monthly macroeconomic dataset, economic activity in Mexico remained weak, as industrial production contracted 3% YoY, whilst retail sales volume virtually stagnated in October. In November, the central bank reduced the key policy rate by 25bp to 7.25%.

Meanwhile, retail sales volume in Colombia continued to grow strongly, 7.4% YoY, whilst industrial output rose 3.1% YoY in October. Economic activity indicators in Peru remained solid, as the monthly GDP growth proxy rose 2.1% YoY in October. Due to the prolonged period of civil unrests in Chile, economic activity significantly weakened in 4Q19, when the monthly economic activity index declined (-3.4% YoY in November).

In December, Ultrapar (Brazil, refining), Atacadao (Brazil, retailing) and M Dias Branco (Brazil, cookie and pasta producer) were the top performers in the Alquity Latin America Fund. In contrast, Orbia (basic and diversified chemicals), Terpel (Colombia, fuel products and lubricants) and Nutresa (Colombia, packaged food) were the greatest detractors.

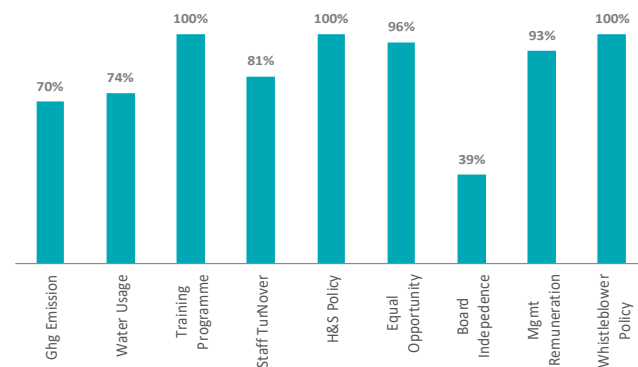
TOP 10 HOLDINGS

| | | |
|-----|---------------------------------|------|
| 1. | CCR | 7.4% |
| 2. | BB Seguridade | 7.1% |
| 3. | Itau Unibanco | 6.7% |
| 4. | Grupo Aeroportuario del Sureste | 5.5% |
| 5. | Genera | 4.8% |
| 6. | Porto Seguro | 4.8% |
| 7. | Ultrapar | 4.7% |
| 8. | Weg | 4.1% |
| 9. | IRB Brasil Resseguros | 3.9% |
| 10. | Localiza Rent a Car | 3.9% |

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.

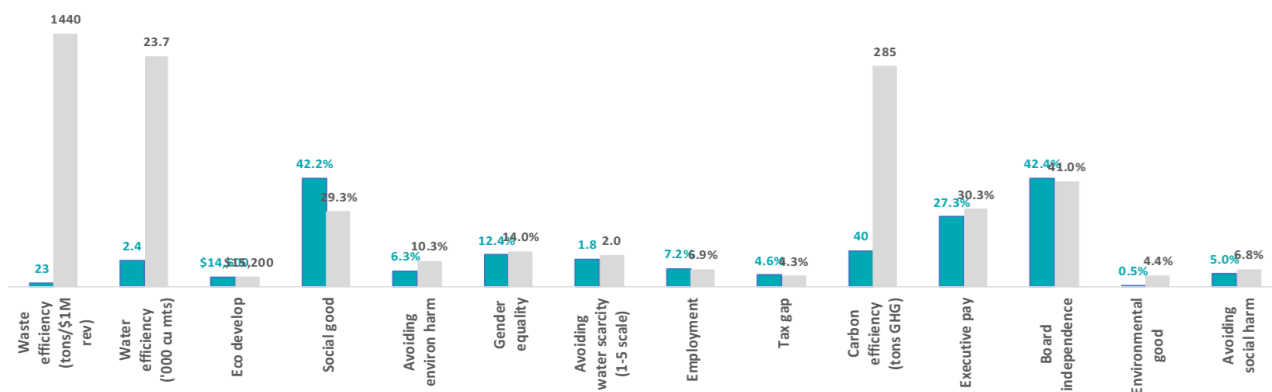
Holdings meeting each KPI standard - % of companies



Source: Alquity. Portfolio overview as of 30 September 2019

ESG : KEY PROGRESS INDICATORS

The performance of Alquity's Latin America fund against the benchmark ¹



¹ Impact Cubed Assessment, Impact Cubed (November 2019)

TRANSFORMING LIVES

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

| | |
|---|------------------|
| DONATIONS GENERATED BY THE INDIAN SUBCONTINENT FUND: | \$173,514 |
| LIVES TRANSFORMED DIRECTLY: | 255 |
| LIVES TRANSFORMED INDIRECTLY: | 148 |

Total Lives Transformed by Alquity



Total Donations generated by Alquity



Data correct at 28 Feb 19

Source: Alquity Transforming Lives Foundation

For more information about the Alquity Transforming Lives Foundation please visit www.alquityfoundation.org



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FUND FACTS

| | |
|-------------------------|----------------------------|
| Fund : | Alquity Latin America Fund |
| Share Class : | Y Class |
| Inception Date : | 30/01/2015 |
| Fund AUM : | US\$ 14.6m |
| Number of Holdings : | 29 |
| Fund Structure : | UCITS IV SICAV |
| Domicile : | Luxembourg |
| Liquidity : | Daily |
| Fund Manager : | Roberto Lampi |
| Morningstar Rating : | No Rating |
| Minimum Investment : | £2,500,000 |
| Annual Management Fee : | 0.90% |
| Performance Fee : | None |
| ISIN : | LU1070051294 |
| SEDOL : | BTJRGQ2 |
| Bloomberg Ticker : | ALQLAGY |

FUND OBJECTIVE

The Alquity Latin America Fund is equity focused and targets attractive risk-adjusted returns over the long-term by investing in public companies across Latin America. 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.

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