



MONTHLY SUMMARY

- Brazil's economic recovery from the bottom seen in 2Q20 remained on track, as retail sales rose 8% MoM and industrial production rose 8.9% MoM in July.
- In Mexico, the central bank found room to ease domestic financial conditions by cutting the key interest rate by 50bp to 4.50% as inflation remained benign at 3.6% YoY in July.
- The combination of increasing political instability and spread of the pandemic in Peru pose significant downside risks to the economy as well as the market, in our opinion.

PERFORMANCE OVERVIEW

	2016	2017	2018	2019	2020
JAN	-3.1%	1.6%	4.4%	16.8%	-3.5%
FEB	2.9%	3.1%	-5.1%	-4.9%	-12.4%
MAR	9.6%	3.3%	-2.0%	-6.8%	-36.0%
APR	6.1%	1.7%	-1.1%	-0.9%	6.0%
MAY	-4.7%	0.3%	-12.1%	0.2%	3.1%
JUN	7.1%	-2.3%	-6.8%	5.3%	7.3%
JUL	6.7%	7.5%	4.6%	2.3%	9.6%
AUG	-1.7%	4.4%	-10.5%	-8.2%	-5.4%
SEP	1.4%	2.2%	2.6%	1.9%	
OCT	3.0%	0.2%	7.8%	2.4%	
NOV	-12.3%	-4.1%	-0.3%	-2.5%	
DEC	0.8%	4.6%	0.3%	12.7%	
ANNUAL	14.6%	24.5%	-18.7%	16.5%	-34.1%



PERFORMANCE SUMMARY:			
1 Month:	-5.4%	1 Year:	-24.5%
3 Months:	11.3%	3 Years:	-35.8%
6 Months:	-22.1%	Inception:	-31.5%
Year to Date:	-34.1%	Annualised:	-5.7%

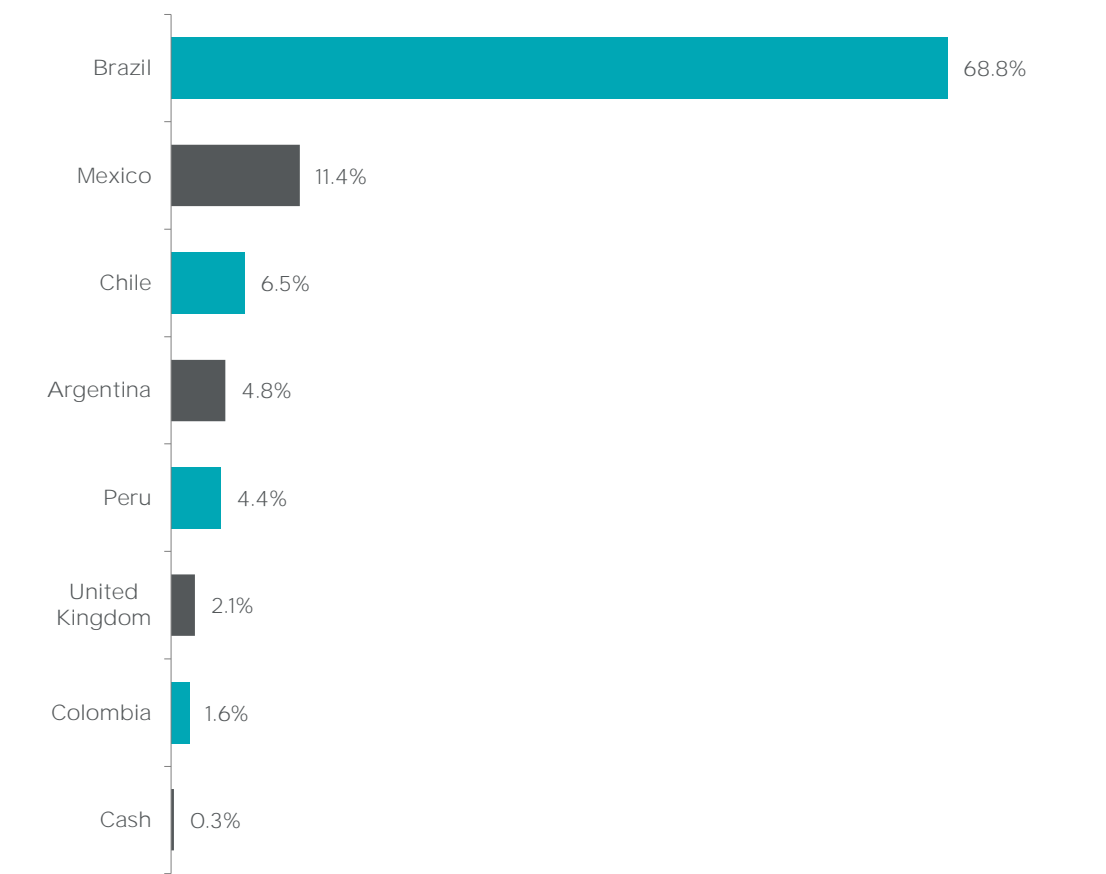
VOLATILITY	1Y	39.2%
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3Y*	26.9%
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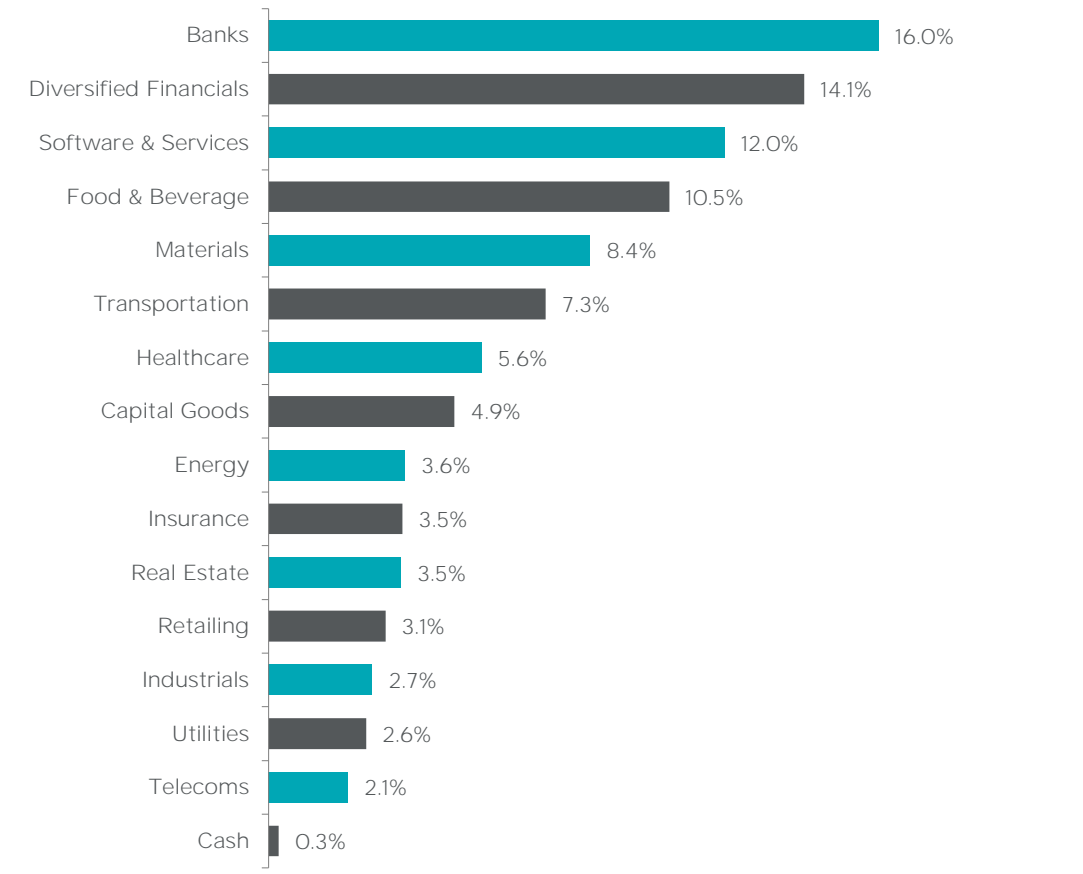
*Where the share class has not been running for 3 years, the volatility figure displayed is since the inception of the share class

TURNOVER**	15.3%	**Average turnover of holdings (annualised) since the fund's inception
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GEOGRAPHIC ALLOCATION



SECTOR ALLOCATION



MONTHLY UPDATE

Despite the improvement in global investor sentiment, regional stock indices painted a mixed picture in the Latin American region. The Colombian (+7.1% in USD) and Peruvian indices (+5.6% in USD) were among the best performers, whilst the Chilean (-8.5% in USD) and Brazilian benchmarks (-9% in USD) declined.

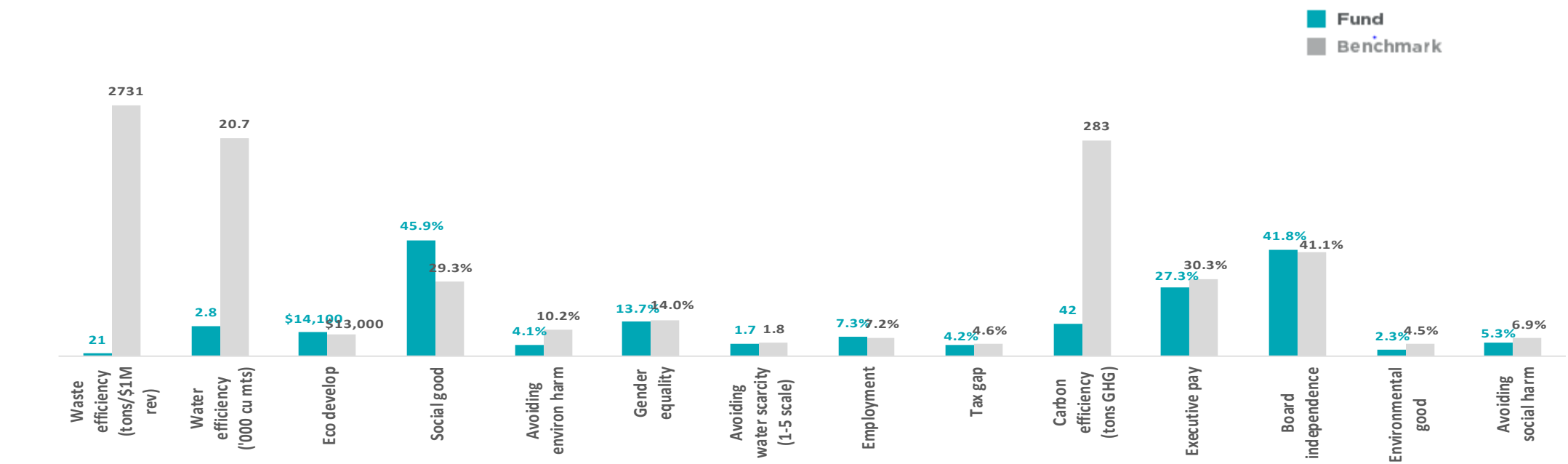
Investors in the Brazilian stock market were primarily focussing on domestic political developments in August. During the month plenty of headlines were released on the relationship between President Bolsonaro and his technocrat Economy Minister, who is in charge of public finances and the fiscal reform agenda. Both the President and the Economy Minister claimed that they had a good working relationship and they agreed on the importance of continuing the execution of fiscal reforms, playing down the news flow claiming the opposite. The concerted pro-reform messages helped sooth the increasingly negative investor sentiment. Brazil's economic recovery from the bottom seen in 2Q20 remained on track, as retail sales rose 8% MoM and industrial production rose 8.9% MoM in July. The central bank delivered a 25bp rate cut, lowering the policy rate to 2% to provide as much impetus to the economy as possible.

Meanwhile, in Mexico the President stuck to his austere view on budgetary matters and thus refrained from delivering an economic relief package to aid the economy despite the steep GDP decline of 18.7% YoY in 2Q20. The central bank found room to ease domestic financial conditions by cutting the key interest rate by 50bp to 4.50% as inflation remained benign at 3.6% YoY in July. Elsewhere within the region, political noise in Peru became louder, as Finance Minister Alva came under attack by opposition parties planning to submit a censure against her to Congress. Furthermore, the virus continued to spread at a worrying pace, whilst the death rate remained the highest globally. The combination of increasing political instability and spread of the pandemic in Peru pose significant downside risks to the economy as well as the market, in our opinion.

In August, we exited CCR (Brazil, infrastructure developer) following the elevation of risks stemming from the Brazilian political environment and a re-assessment of the company's ESG characteristics. We also exited from Asur (Mexico, airport operator), Ferreycorp (Peru, construction conglomerate) and Alicorp (Peru, food producer), due to mounting sectoral concerns and macro risks.

ESG : KEY PROGRESS INDICATORS

The performance of Alquity’s Latin America fund against the benchmark ²



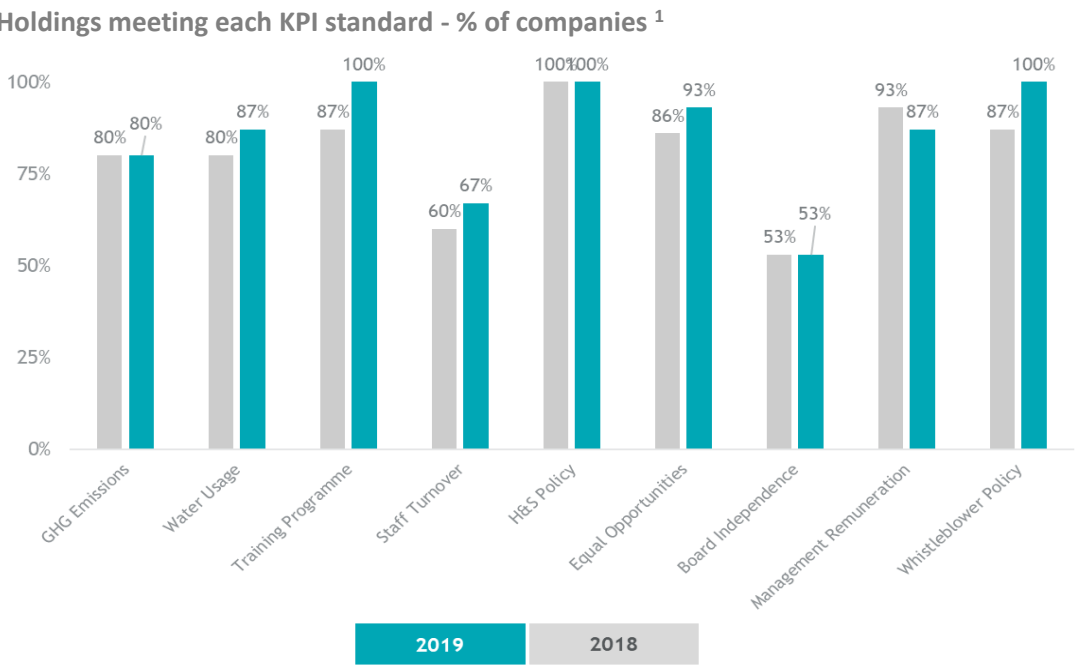
² Impact Cubed Assessment, Impact Cubed (March 2020)

TOP 10 HOLDINGS

1.	Brasil Bolsa Balcao	6.6%
2.	Klabin	6.3%
3.	Rumo	5.1%
4.	MercadoLibre	4.8%
5.	M Dias Branco	4.7%
6.	Locaweb	4.5%
7.	Credicorp	4.4%
8.	Itau Unibanco	4.3%
9.	Fomento Economico Mexicano	4.2%
10.	Odontoprev	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.



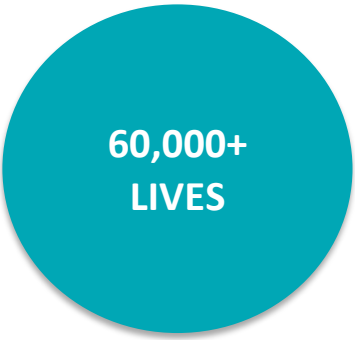
¹ Source: Alquity. Portfolio overview as of 31 July 2020

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 LATIN AMERICA FUND:	\$173,514
LIVES TRANSFORMED DIRECTLY:	255
LIVES TRANSFORMED INDIRECTLY:	148

Total Lives Transformed by Alquity



Total Donations generated by Alquity



Data correct at 31 Jan 20

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 :	M Class
Inception Date :	02/04/2014
Fund AUM :	US\$ 3.9m
Number of Holdings :	30
Fund Structure :	UCITS IV SICAV
Domicile :	Luxembourg
Liquidity :	Daily
Fund Manager :	Roberto Lampl
Morningstar Rating :	★★
Minimum Investment :	US\$2,000
Annual Management Fee :	1.60%
Performance Fee :	15% (with hurdle & high watermark)
ISIN :	LU1049766030
SEDOL :	BLDYY92
Bloomberg Ticker :	ALQLAMU

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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