



## MONTHLY SUMMARY

- The MSCI Emerging Latin America Net Total Return index decreased by 2% in USD in May.
- Real GDP growth was 0.5% YoY in Brazil and 1.3% YoY in Mexico in 1Q19.
- In May, CCR (Brazil, infrastructure construction), Atacadao (Brazil, food and drug stores) and Kroton (Brazil, consumer services) were the top performers within the 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%	
JUL	-1.8%	7.5%	6.1%	5.4%	
AUG	-4.9%	-0.3%	7.6%	-9.6%	
SEP	0.4%	2.2%	-1.4%	2.3%	
OCT	3.2%	9.6%	1.3%	10.1%	
NOV	-1.3%	-14.2%	-6.5%	-0.1%	
DEC	0.6%	2.0%	5.6%	0.6%	
ANNUAL	-8.4%	37.9%	16.0%	-13.6%	4.3%



### PERFORMANCE SUMMARY:

1 Month:	3.7%	1 Year:	5.9%
3 Months:	-2.1%	3 Years:	28.3%
6 Months:	4.9%	Inception:	32.1%
Year to Date:	4.3%	Annualised:	6.6%

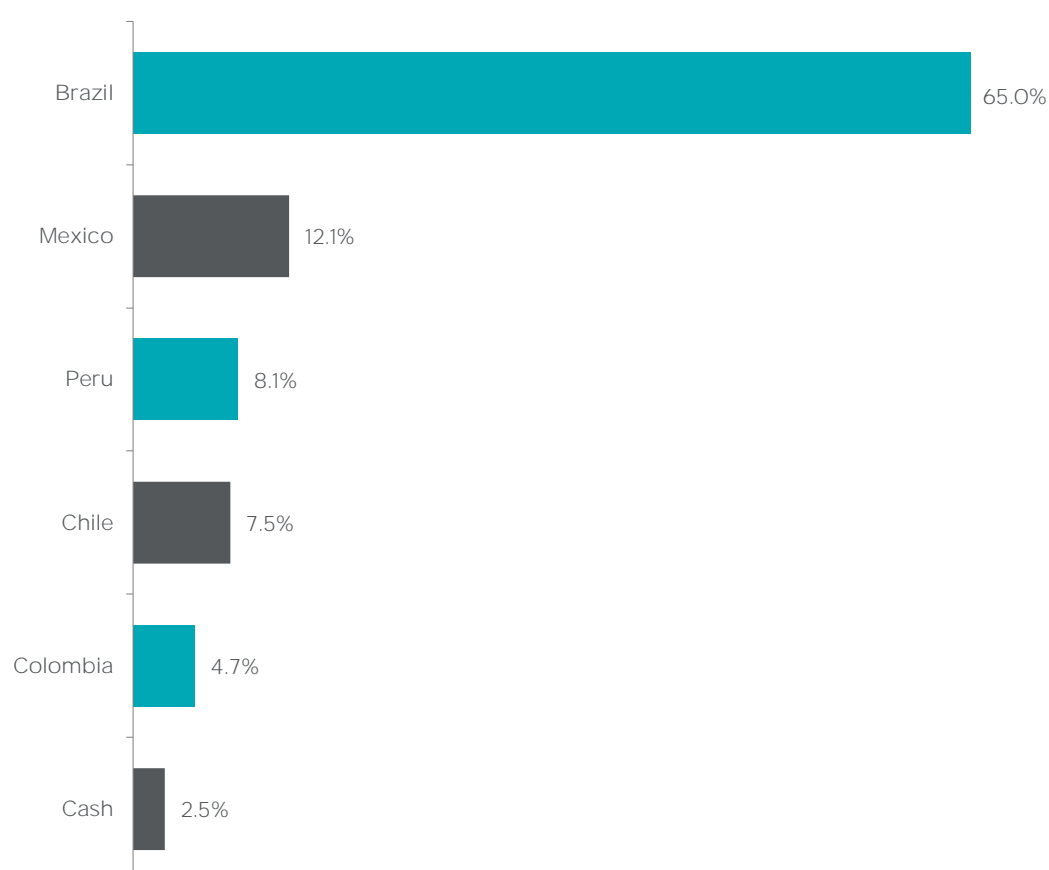
VOLATILITY	1Y	21.1%	3Y*	19.6%
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BETA***	0.71	<i>*Where the share class has not been running for 3 years, the volatility figure displayed is since the inception of the share class</i>
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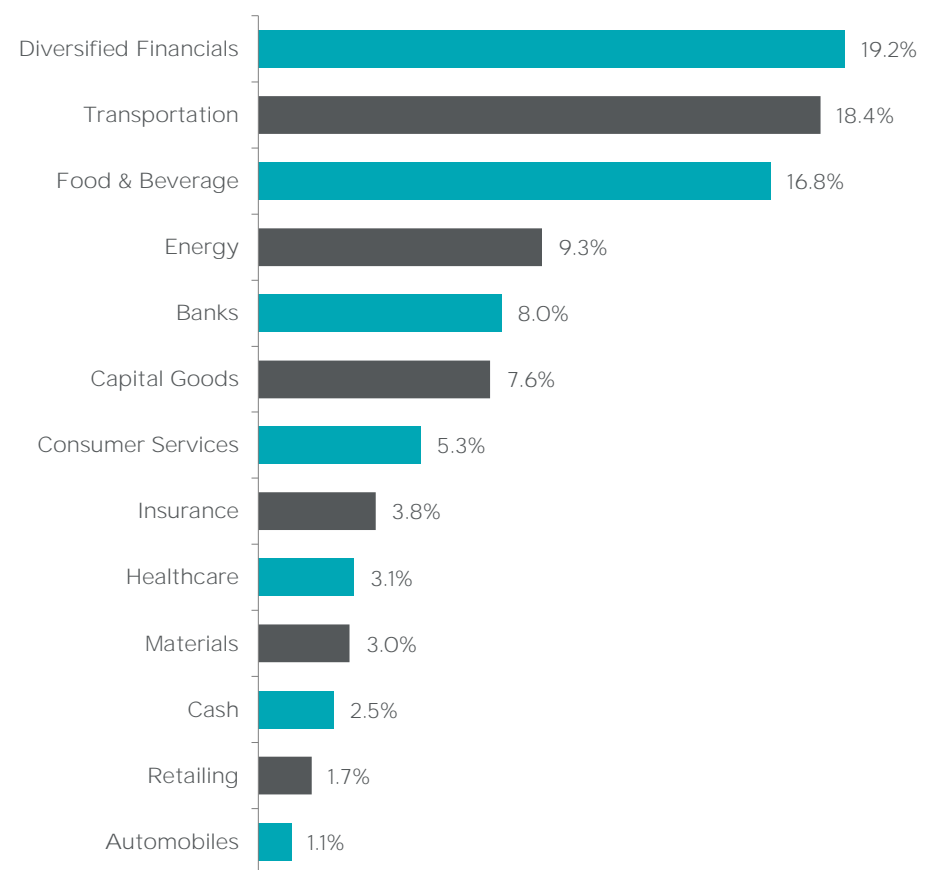
TURNOVER**	16.9%	<i>**Average turnover of holdings (annualised) since the fund's inception</i>
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ACTIVE SHARE***	91.1%	<i>***Index used for reference purposes only - the fund is not benchmarked. See overleaf for details of index used.</i>
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## GEOGRAPHIC ALLOCATION



## SECTOR ALLOCATION



## MONTHLY UPDATE

The MSCI Emerging Latin America Net Total Return index rose 0.4% in USD in April. Colombia (-3.5% in USD) and Brazil (-1% in USD) detracted the benchmark index, whilst the Mexican index gained (+5.6% in USD).

The Bolsonaro-led government in Brazil submitted the Pension Reform bill to the Lower House. The Constitutional and Justice Committee passed the bill without overriding the originally planned amount of savings (BRL 1tn over the next 10 years). Monthly macroeconomic indicators in Brazil suggested that the economy had gained further growth momentum in February, as industrial production growth was 2% YoY and retail sales growth hit 3.9% YoY. In contrast, economic activity was frail in Mexico, as real GDP growth slowed to 1.4% YoY (-0.2% QoQ SA) in 1Q19. Broad economic activity indicators in Chile and Peru implied that real GDP growth was maintained at a decent pace in February. Meanwhile, Colombian retail sales growth strengthened in February, as it accelerated to 5.7% YoY.

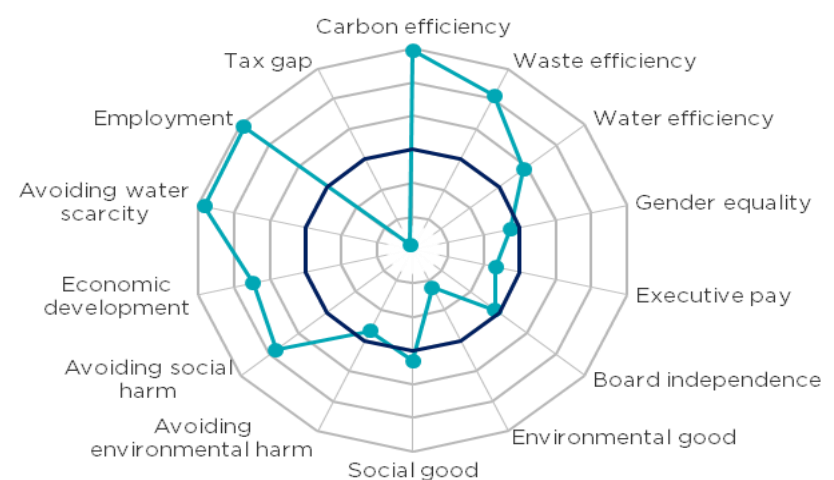
In April, Grupo Aeroportuario del Pacifico (Mexico, airport), Genera (Mexico, insurance) and Localiza (Brazil, car rental) were the top performers within the Alquity Latin America Fund. In contrast, Ultrapar (Brazil, oil and gas), Kroton (Brazil, consumer services) and Grendene (Brazil, shoe manufacturer) were the greatest detractors.

## TOP 10 HOLDINGS

1.	CCR	8.1%
2.	Ultrapar	7.4%
3.	BB Seguridade	7.4%
4.	Itau Unibanco	6.8%
5.	Kroton Educacional	5.3%
6.	Localiza Rent a Car	4.9%
7.	Inversiones La Construccion	4.6%
8.	Grupo Aeroportuario del Sureste	4.5%
9.	Brasil Bolsa Balcao	4.3%
10.	Weg	4.2%

## ESG: IMPACT MEASURES

The impact chart below compares the performance of Latin America Fund holdings (purple line) versus the MSCI EM Latin America Index (blue line). Any score inside the blue circle indicates a factor in the portfolio is worse than the index.

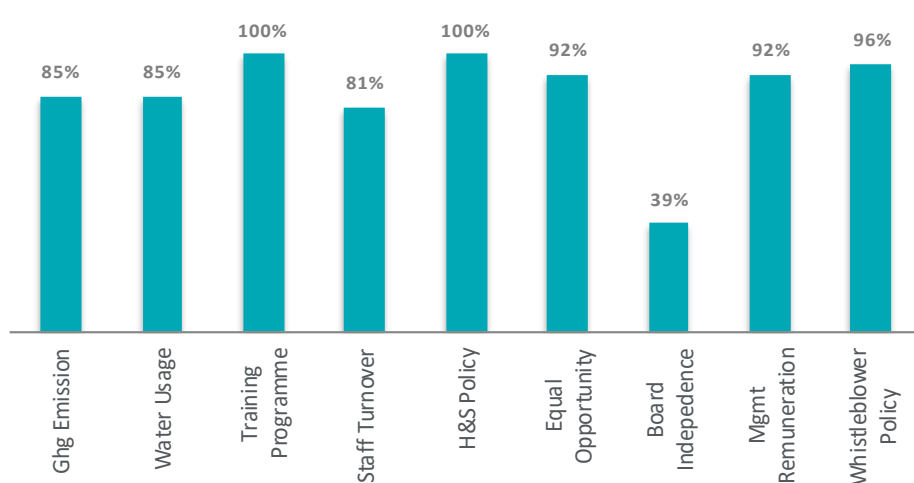


The table below reports the quantitative impact of the Latin America Fund relative to the MSCI EM Latin America Index on our ESG metrics in the chart above.

Metrics	Fund	Index	Based on company reported	Estimated	SDG Relevance
Carbon efficiency	0.08	0.28	tons of GHG (Scope 1 & 2) emissions per unit revenue	28%	7
Waste efficiency	0.06	1.51	tons of waste generated per unit revenue	36%	6, 12, 14, 15
Water efficiency	2.57	22.76	litres fresh water used per unit revenue	30%	6
Gender equality	12.6%	12.8%	percentage of women in boards and top management	5%	5
Executive pay	35.1	34.8	ratio of executive level pay to median employee pay	100%	10
Board independence	39.9%	40.2%	independent board members	5%	10, 16
Environmental good	0.0%	4.6%	portfolio allocated to environmental solutions	n/a	most SDGs
Social good	30.3%	29.0%	portfolio allocated to help alleviate social issues	n/a	most SDGs
Avoiding environmental harm	11.1%	10.2%	portfolio allocated to environmentally destructive industries	n/a	most SDGs
Avoiding social harm	3.4%	6.8%	portfolio allocated to industries aggravating social issues	n/a	most SDGs
Economic development	\$ 13,800	\$ 15,300	median income of portfolio weighted geography of economic activity	n/a	16, 17
Avoiding water scarcity	1.72	2.05	geographic water use (World Resource Institute scale 0-5 from most to least water scarce areas)	n/a	16, 17
Employment	7.3%	6.9%	unemployment in portfolio weighted area of economic activity	n/a	1, 8, 11, 12, 16
Tax gap	4.83%	3.71%	estimated % tax avoided by corporate tax mitigation schemes	n/a	1, 9, 10, 16

## ESG : KEY PROGRESS INDICATORS

Percentage of Latin America Fund holdings meeting each KPI standard



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.

Source: Alquity

Source: Impact Cubed. Please contact us for details of full methodology

## 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.

<b>DONATIONS GENERATED BY THE INDIAN SUBCONTINENT FUND:</b>	<b>\$173,514</b>
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

## FUND FACTS

Fund :	Alquity Latin America Fund
Share Class :	Y Class
Inception Date :	30/01/2015
Fund AUM :	US\$ 15.9m
Number of Holdings :	26
Fund Structure :	UCITS IV SICAV
Domicile :	Luxembourg
Liquidity :	Daily
Fund Manager :	Roberto Lampl
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.

## CONTACT US

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



Index used for Beta: MSCI EM Latin America  
Index used for Active Share: iShares MSCI EM Latin America  
(Index is used for reference purposes only - the fund is not benchmarked)

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