

**SHINING A LIGHT ON THE.....  
Alquity Asia Fund**

**AT A GLANCE**

<b>Investment Objective</b>	
The aim of the fund is long term capital appreciation by the investing of at least two-thirds of its net assets in-i) equity securities listed on the Regulated Markets of countries in Asia (the "Asian Region"); (ii) equity securities listed on the Regulated Market outside of the Asian Region whose issuers either have more than 50% of their revenue, net income and /or operating profit, in the Asian Region.	

<b>Inception Date</b>	31 March 2014
<b>Fund Factsheet Link</b>	<a href="http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000VA68">http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000VA68</a>

<b>Management</b>	
<b>Manager Name</b>	<b>Start Date</b>
Mike Sell	31 March 2014

<b>Investment Style Details</b>	
<b>Equity Style</b>	
<b>Market Capitalisation</b>	<b>% of Equity</b>
Giant	14.94%
Large	33.27%
Medium	21.22%
Small	26.77%
Micro	3.89%

<b>Top 10 Holdings</b>		
<b>Total number of holdings</b>	40	
<b>Assets in Top 10 Holdings</b>	35.22%	
<b>Name</b>	<b>Sector</b>	<b>% of Assets</b>
Xtep International Holdings Ltd	Consumer Cyclical	4.48%
Vietnam Dairy Products JSC	Consumer Defensive	3.98%
HeidelbergCement India Ltd	Basic Materials	3.62%
Ping An Insurance (Group) Co. of Chin...	Financial Services	3.61%
V-Mart Retail Ltd	Consumer Cyclical	3.35%
Mahindra & Mahindra Financial Service...	Financial Services	3.32%
Dali Foods Group Co Ltd	Consumer Defensive	3.30%
Escorts Ltd	Industrials	3.28%
Shimao Property Holdings Ltd	Real Estate	3.24%
Escorts Ltd	Industrials	3.91%
Hero MotoCorp Ltd	Consumer Cyclical	3.06%

<b>Volatility Measurements</b>	
<b>3-Yr Std Dev (volatility)</b>	-1.49%
<b>3-Yr Mean Return (average)</b>	12.86%

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## FUND PERFORMANCE

Performance from 31<sup>st</sup> March 2014 to 29<sup>th</sup> February 2020:

	2014	2015	2016	2017	2018	2019	2020
<b>Alquity Asia Fund</b>	11.88%	1.67%	13.80%	15.22%	-12.77%	6.06%	-5.52%
<b>iShares MSCI AC Far East ex JPN ETF</b>	11.41%	-5.92%	27.34%	28.84%	-10.18%	13.60%	-5.23%
<b>MSCI EM Asia</b>	8.74%	-5.83%	6.87%	35.89%	-13.12%	16.47%	-5.95%

Performance over 12 months, 3 years and since launch:

	1 year	3 years	Since launch
<b>Alquity Asia Fund</b>	-1.67%	-4.40%	30.38%
<b>iShares MSCI AC Far East ex JPN ETF</b>	2.43%	14.77%	66.28%
<b>MSCI EM Asia</b>	0.25%	16.03%	27.28%

*You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

## UPDATE....

**This update has been written at the time of Coronavirus Pandemic in 2020 which has impacted the global financial markets in a way that has never been seen before.**

From previous communications we have indicated this is a fund we have followed for a number of years and has a focus on the Asia domestic growth story. It also invests in the frontier markets of Asia. The challenge is that however good the manager is the performance has not matched this. We came into this call on the back of the recent events around Coronavirus.

Mike started by explaining that he feels valuations are close to their bottom with them almost touching all time lows. In this environment he is looking to add to the portfolio. There is no doubt there will be a recession and he does not feel it will be a v sharp recovery.

He is finding opportunities in North Asia. China remains the largest part of the fund and they are finding opportunities in H Shares, especially in consumer discretionary. Korea is another place they have been adding to and in Taiwan they have been adding to Tech names. They have taken down positions in India and Indonesia who are slightly behind the curve.

In terms of India the markets had already reacted to the virus before it arrived, so they think much is already priced into the markets. Long term the drop in oil prices will benefit India. This is good for the consumer.

He feels some companies will not survive but their focus is always on solid balance sheets, and these will be the survivors. We talked about what happens if the US get it wrong and Mike feels this does not really matter. Only 19% of China growth is exports and the focus is on domestic.

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The area they no longer invest in is Malaysia, with its negative exposure to oil. They feel the virus is here to stay and it will come up again. They do not feel we are facing a depression based on the level of fiscal stimulus.

Moving forward Mike feels positive about the opportunities that are opening up and is using the cash within the fund to add to positions.

*The source of information in this note has been provided by Alquity and is correct as at March 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*