

SHINING A LIGHT ON THE.....
Nomura Asia ex Japan High Conviction Fund

AT A GLANCE

Investment Objective	
The investment objective of the Sub-Fund is to achieve long-term capital growth through investment in a concentrated, actively managed portfolio of Asian (excluding Japan) equity securities.	
Inception Date	4 th September 2013
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000QIMT

Management	
Manager Name	Start Date
Vipin Kapoor	12 th May 2015

FUND PERFORMANCE

Performance from 1st January 2016 to 30th September 2020:

	2016	2017	2018	2019	2020
Nomura Asia ex Japan High Conviction Fund	28.09%	39.28%	-14.83%	20.93%	23.85%
iShares MSCI AC Far East ex Japan	27.34%	28.84%	-10.18%	13.60%	8.95%

Performance over 12 months, 3 years, 5 years and since launch:

	1 year	3 years	5 years	Since launch
Nomura Asia ex Japan High Conviction Fund	28.44%	41.16%	152.66%	166.51%
iShares MSCI AC Far East ex Japan	13.78%	18.63%	93.99%	88.34%

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.

Tracking Error	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
5.83	130.77	107.40	55.56	1.44	5.44	Growth/Large

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Volatility Measurements	
3-Yr Std Dev (volatility)	17.53%
3-Yr Mean Return (average)	12.18%

Investment Style Details	
Giant	81.34%
Large	5.11%
Medium	6.31%
Small	1.04%
Micro	0.00%

Top 5 Holdings – 32 holdings		
Tencent Holdings Ltd	Communications Services	9.99%
Alibaba Group Holding Ltd ADR	Consumer Cyclical	9.28%
Taiwan Semiconductor Manufacturi...	Technology	8.37%
Samsung Electronics Co Ltd Parti...	Technology	6.40%
JD.com Inc ADR	Consumer Cyclical	4.08%

Top 5 Sectors	
Technology	28.10%
Consumer Cyclical	23.84%
Financial Services	16.33%
Communication Services	12.81%
Consumer Defensive	11.31%

Top 5 Regions	
China	52.87%
Taiwan	13.82%
South Korea	13.33%
India	8.41%
Hong Kong	6.41%

UPDATE....

These updates have been written at the time of the Coronavirus Pandemic of 2020, which has impacted the global financial markets in a way that has never been seen before.

This was part of a Nomura investor day with an introduction to a range of funds and strategies. This is a global high conviction fund with 32 holdings. Looking at the high-level data the fund seems to be strong in a rising market but protects less on the downside. The batting average is above 50 and probably reflects the weaker performance in down markets. Having said that the performance is strong, but it is worth comparing to other strategies.

They feel that Asia as a region has made the concept of investing in emerging markets redundant because this region is the key driver of returns. They believe there are plenty of opportunities and the region is recovering at a faster pace to the rest of the world. It is at its cheapest level for over a decade and continues to see outflows from investors.

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Although regions and sectors do not drive the fund there is a natural overweight to China, Korea, Taiwan and Singapore, with sectors being consumer and technology. The fund is positioned to benefit from those areas which are leading the economic recovery. They have no exposure to Thailand, Malaysia, and the Philippines.

They believe their strength is having people based locally and managers specialising across markets and regions. The fund is about having the best companies across the region. Their filtering process reduces the choice to around 80 companies and from this they look to own 30 to 35 companies.

Some of the holdings and companies they like include China Tourism Group, which is the largest duty free operator in China with a 90% market share, TSMC who are the leading semiconductor foundry in the world and are now bigger than Intel, and SEA Ltd who are the leading online gaming and ecommerce platform in South East Asia.

In summary, this fund has delivered strong out performance by focusing on a few high-quality Asian companies. Clearly having experts in the field is an important part of that strategy. We would want to understand more about how they select companies, their holding period and sell side before making any final decision on this fund.

The source of information in this note has been provided by Nomura and is correct as at September 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.