

JOHCM Asia ex Japan Small and Mid Cap Fund

Fund overview

- Objective: to generate long-term capital growth through active management of a portfolio of Asian (excluding Japanese) equities (stocks with a market capitalisation of typically less than USD4 billion)
- Singapore-based Senior Fund Manager manager Cho-Yu Kooi and her team primarily focus on Asian small and medium-sized companies with sustainable, long-term quality growth characteristics
- These are businesses that can grow over economic and liquidity cycles and which generate high returns on the financial capital that they employ

A USD Class

ISIN: IE00B6R5QW32

Fund details

Fund size	USD 18.82m
Strategy size	USD 24.96m
Launch date	30 September 2011
Benchmark	MSCI AC Asia ex Japan Small Cap NR (12pm adjusted)
No. of holdings	44
Domicile	Ireland
Fund structure	UCITS
Tax status	UK reporting status
Denominations	GBP, EUR, USD
Valuation point	12pm Dublin time

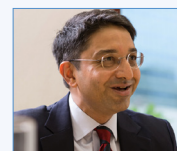
Total strategy assets updated quarterly and shown as at 30 September 2019.

Fund managers



Cho-Yu Kooi
Senior Fund Manager

Cho-Yu has managed the Fund since launch. She joined JOHCM in 2011 and has 26 years of industry experience.

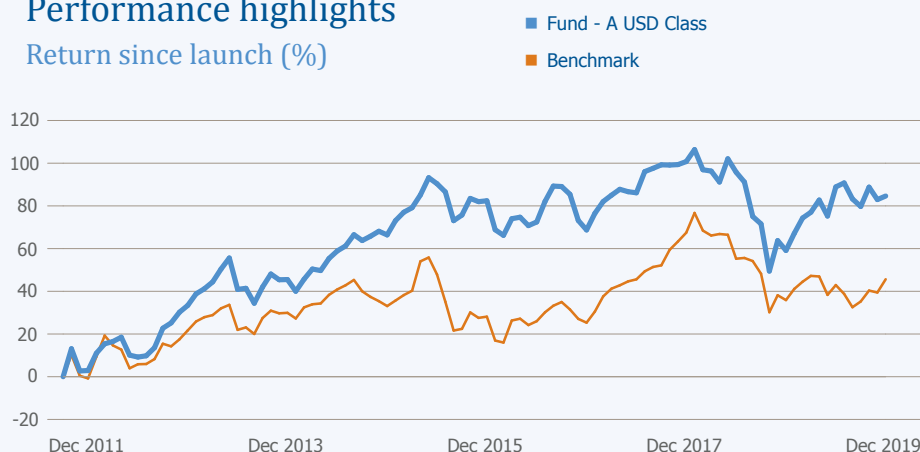


Samir Mehta
Senior Fund Manager

Samir is the alternate fund manager. He joined JOHCM in 2011 and has 29 years of industry experience.

Performance highlights

Return since launch (%)



Return history

	1m	3m	1yr	3yr	5yr	10yr	SL	Annualised*
A USD Class	0.91	2.72	16.03	9.42	10.95	-	84.62	7.71
Benchmark	4.44	7.68	7.18	16.22	9.43	-	45.63	4.66
Quartile**	4	4	3	4	4	-	2	-

Discrete 12 month performance to

	31.12.2019	31.12.2018	31.12.2017	31.12.2016	31.12.2015
A USD Class	16.03	-20.74	18.98	-7.49	9.60

Past performance is no guarantee of future performance.

The value of an investment and the income from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested. Investing in companies in emerging markets involves higher risk than investing in established economies or securities markets. Emerging Markets may have less stable legal and political systems, which could affect the safe-keeping or value of assets. The Fund's investment include shares in small-cap companies and these tend to be traded less frequently and in lower volumes than larger companies making them potentially less liquid and more volatile. We recommend that you read the Prospectus and Key Investor Information Document available from the address overleaf or from our website.

Source: JOHCM/MSCI Barra/Bloomberg, NAV of Share Class A in USD, net income reinvested, net of fees. The A USD Class was launched on 30 September 2011. Benchmark: MSCI AC Asia ex Japan Small Cap NR (12pm adjusted). Performance of other share classes may vary and is available on request.

*Annualised since launch. **Sector quartile ranking: IA Asia Pacific ex Japan, and Lipper Global Equity Asia Pacific ex Japan Small & Mid Cap domiciled in the UK, offshore Ireland, or offshore Luxembourg. Lipper ranking is from A GBP Class.

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Portfolio analysis (%)

Data as at 31 December 2019

Top 10 holdings

	Absolute	Relative
Li-Ning	6.2	6.2
PT Bank Tabu Pens Nasional	5.2	5.1
Sumber Alfaria Trijaya	3.9	3.9
China Education Group	3.7	3.7
Medikaloka Hermina	3.6	3.6
Arwana	3.6	3.6
Poya	3.4	3.3
Douzone Bizon	3.4	3.1
Ausnutria Dairy	3.3	3.2
Philippine Seven	3.2	3.2
Total	39.5	

Sector breakdown

	Absolute	Relative
Consumer Staples	33.2	28.2
Consumer Discretionary	31.8	17.7
Financials	9.5	0.9
Energy	0.0	-1.9
Utilities	0.0	-2.6
Information Technology	15.8	-3.3
Health Care	5.8	-3.4
Communication Services	0.0	-4.4
Materials	0.0	-9.0
Industrials	3.6	-9.3
Real Estate	0.0	-13.2
Cash	0.3	0.3

Active bets

Top 5	Relative
Li-Ning	6.2
PT Bank Tabu Pens Nasional	5.1
Sumber Alfaria Trijaya	3.9
China Education Group	3.7
Medikaloka Hermina	3.6
Bottom 5	Relative
Mapletree Logistics	-0.5
Mapletree Industrial Trust	-0.5
Minth	-0.4
Hysan Development	-0.4
Xinyi Glass	-0.4

Country breakdown

	Absolute	Relative
China	28.5	15.7
Indonesia	26.7	24.2
Taiwan	11.6	-12.9
Hong Kong	10.4	2.3
Philippines	10.0	8.9
India	3.4	-12.4
South Korea	3.4	-15.3
Malaysia	2.4	-1.6
Singapore	1.5	-5.7
Other	1.9	-3.6
Cash	0.3	0.3

Market cap breakdown

	Absolute	Relative
Large (>USD 4bn)	17.6	17.6
Mid (USD 1 - 4bn)	54.4	34.7
Small (<USD 1bn)	27.9	-52.4
Cash	0.3	0.3

Attribution & contribution (%)

Stock attribution

Top contributors	Relative return
Luckin Coffee	0.39
Douzone Bizon	0.32
Ausnutria Dairy	0.31
PT Bank Tabu Pens Nasional	0.22
Synagie Corp	0.11
Top detractors	Relative return
Li-Ning	-0.72
Jonjee Hi-Tech	-0.49
Arwana	-0.36
Philippine Seven	-0.31
China Education Group	-0.29

Country attribution*

	Relative return
India	0.45
Thailand	0.22
Singapore	0.19
Pakistan	0.01
Non Benchmark Countries	-0.06
Korea	-0.32
Taiwan	-0.46
Philippines	-0.63
Indonesia	-0.67
China	-1.47

*Excludes cash

Source: JOHCM/MSCI Barra/Bloomberg. Benchmark: MSCI AC Asia ex Japan Small Cap NR (12pm adjusted). Please note that due to rounding breakdowns may not add to 100.00%. All Attribution figures are as at end of day and are calculated on a gross basis. Other includes non-benchmark countries.



Fund manager's commentary

- Asian equities rallied to close on a high note in December.
- The Fund underperformed in December as several of our consumer names in China/Hong Kong, Indonesia and the Philippines posted lacklustre returns.
- We recently initiated a position in Ping An Healthcare and Technology.

Investment background

Asian equities rallied to close on a high note in December. The key driver was the announcement that the US and China have reached an agreement on their 'phase one' trade negotiation. The US will delay indefinitely the new tariffs that were set to take effect on the 15th of December on an additional US\$160 billion of Chinese imports. And, for the first time since the trade tensions erupted in July 2018, the tariff on US\$120 billion of Chinese imports will be cut from 15% to 7.5%. Adding to the positive sentiment are tentative signs of a recovery in China's growth outlook on the back of a broad-based improvement in November's economic activity indicators.

Fund review

The Fund underperformed in December as several of our consumer names in China/Hong Kong, Indonesia and the Philippines posted lacklustre returns, while the technology sector in Taiwan, Korea and China, where our exposures are less significant, has continued to perform strongly. We are more selective in the technology sector where we favour stocks which will benefit from the structural trend of market share gains from US vendors as China diversifies its technology supply chain to reduce its reliance on the US. We also like those which are geared to the increasing adoption of enterprise software services by the Chinese government and corporates. We took profits on a few of our consumer stocks and deployed the cash in a few of these technology stocks in the last couple of months. We have also initiated a position in Ping An Healthcare and Technology recently which we highlight below.

Ping An Healthcare and Technology (PAHT) operates the largest internet healthcare platform in China, Ping An Good Doctor, with 289 million registered users and 62.7 million average monthly active users in the first half of 2019. The company provides healthcare services such as online medical consultation and prescription, offline medical care referrals, pharmacy services, health check-ups, beauty care, and fitness and wellness services. With an in-house medical team of 1,193 professionals supported by self-developed artificial intelligence technology, PAHT has seen its daily online consultations increase 77% in two years to 656,000 as of H1 2019. It has also built up an extensive nationwide network of healthcare service providers by collaborating with 3,000 hospitals, 1,600 health check-up centres, 1,700 clinics and 32,000 pharmacy stores to enhance its healthcare ecosystem and create customer stickiness on its platform.

Leveraging its parent company's huge customer base (it is the second largest insurance company in China), its strong branding, effective distribution network and user acquisition, PAHT has a head start in monetisation opportunities and scaling up its business. For example, in August 2019, PAHT successfully launched a paid membership programme, Private Doctor, priced at Rmb499/year for the entry level service plan which includes a 24/7 private family doctor and online consultation services, personalised health management with active interactions, and priority pass of offline hospital visits. It signed up Rmb300 million worth of Private Doctor subscriptions on the first day. Furthermore, we expect PAHT to benefit from the Chinese government's increasingly supportive reimbursement policy for online medical consultations. Provincial governments have been tasked with overseeing the reimbursement process. PAHT has secured a reimbursement rate of Rmb20 per online consultation from Jiangsu and Rmb6 for Shandong, and is seeking to engage with other provinces.

Performance over 1 month	%
Fund - A USD Class	0.91
Benchmark	4.44

Statistics

	Annualised since launch
Active share* (%)	97.82
Fund volatility (%)	14.48
Benchmark volatility (%)	13.57
Alpha	3.58
R squared	0.73
Correlation	0.86
Tracking error (%)	7.57
Information ratio	0.40
Sharpe ratio	0.48

Source: JOHCM/MSCI Barra/Bloomberg (calculated weekly).

*The proportion of stock holdings in a fund's composition is different from the composition found in its benchmark. The greater the difference between the composition of the fund and its benchmark, the greater the active share.

Fund awards & ratings



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Country registration

	A GBP	B GBP	A EUR	B EUR	A USD	B USD
Austria	✓	✓	✓	✓	✓	✓
Denmark	✓	✓	✓	✓	✓	✓
Finland	✓	✓	✓	✓	✓	✓
France	✓	✓	✓	✓	✓	✓
Germany	✓	✓	✓	✓	✓	✓
Ireland	✓	✓	✓	✓	✓	✓
Luxembourg	✓	✓	✓	✓	✓	✓
Netherlands	✓	✓	✓	✓	✓	✓
Norway	✓	✓	✓	✓	✓	✓
Singapore	✓	✓	✓	✓	✓	✓
Spain	✓	✓	✓	✓	✓	✓
Sweden	✓	✓	✓	✓	✓	✓
Switzerland	✓	✓	✓	✓	✓	✓
UK	✓	✓	✓	✓	✓	✓

Swiss representative and paying agent

Copies of the fund's current prospectus, key investor information document (KIID) and financial statements can be obtained free of charge from the Swiss Representative and Paying Agent, RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Bleicherweg 7, 8027 Zurich.

Share class details (Further details on additional share classes are available on request)

	ISIN	SEDOL	Bloomberg	WKN	Initial charge	Annual charge	Ongoing charge	Minimum investment*
A USD Class	IE00B6R5QW32	B6R5QW3	JXJSMUI ID	A1JT3E	Up to 5%	0.90%	1.40%	£1,000
B USD Class	IE00B6R5YM91	B6R5YM9	JXJSMUR ID	A1JT3B	Up to 5%	1.50%	2.00%	£1,000

Performance fee: 15% on excess if Fund outperforms benchmark, calculated daily. Any underperformance carried forward.

Ongoing Charge is as at 31 December 2019.

*Other currency equivalents apply.

Important information

This document is for professional investors only. It should not be circulated to or relied upon by retail investors.

Sources for all data: JOHCM/FTSE International/Bloomberg (unless otherwise stated).

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