

# Milltrust Global Emerging Markets Fund

## GEMS Fact Sheet

June 2019

A Global Emerging Markets equity portfolio of high conviction investments hand-picked by country-specialist investment teams.

### Snapshot

<b>Asset Class:</b>	Listed Equities
<b>Investment Style:</b>	Active, Benchmark Agnostic
<b>Geography:</b>	Global Emerging Markets
<b>Liquidity:</b>	Daily
<b>Structure:</b>	Regulated, Open-Ended Fund

### Teams

The investment team consists of specialist managers:

<b>China</b>	Xingtai Capital
<b>China A Shares</b>	China AMC
<b>South Korea</b>	Korea Investment Management
<b>ASEAN</b>	Lion Global Advisers
<b>India</b>	UTI International
<b>Latin America</b>	Itau Global Asset Management
<b>South Africa</b>	Visio Capital
<b>Russia</b>	Prosperity Capital
<b>MENA</b>	Lazard

### Exposures

By Geography	Fund	Difference to Index ETF*
<b>Greater China</b>	41.76%	-0.41%
China	37.47%	+6.09%
Taiwan	4.29%	-6.50%
<b>South Korea</b>	12.41%	+0.12%
<b>India</b>	8.96%	+0.06%
<b>ASEAN</b>	5.42%	-2.91%
Indonesia	1.22%	-0.89%
Malaysia	0.76%	-1.35%
Philippines	0.68%	-0.44%
Thailand	1.24%	-1.72%
Singapore	1.52%	+1.49%
<b>Latin America</b>	13.07%	+0.99%
Brazil	9.08%	+1.61%
Mexico	2.51%	-0.01%
Other	1.48%	-0.61%
<b>South Africa</b>	5.22%	-0.53%
<b>Russia</b>	7.15%	+3.15%
<b>MENA</b>	2.57%	-0.45%
Saudi Arabia	0.85%	-0.53%
Other	1.72%	+0.08%
<b>Other</b>	2.46%	-0.95%

\*Benchmark = iShares MSCI Emerging Markets ETF

By Sectors	Portfolio	Difference to Index ETF
<b>Consumer Disc.</b>	21.58%	+8.21%
<b>Financials</b>	16.15%	-8.97%
<b>Consumer Staples</b>	13.99%	+7.42%
<b>Industrials</b>	10.38%	+5.08%
<b>Real Estate</b>	6.53%	+3.54%
<b>Materials</b>	6.91%	-0.62%
<b>IT</b>	6.09%	-7.69%
<b>Health Care</b>	4.00%	+1.42%
<b>Energy</b>	4.61%	-3.28%
<b>Comm Services</b>	4.86%	-6.75%
<b>Utilities</b>	1.44%	-1.18%

By Market Cap	Portfolio	Difference to Index ETF
<b>Large Cap</b>	40.65%	-47.82%
<b>Mid Cap</b>	24.13%	+14.10%
<b>Small Cap</b>	31.76%	+31.00%

### Strategy

- Follows a multi-specialist approach by selecting locally-based leading investment teams who have both the local penetration and informational edge in their respective markets to run country or regional unconstrained, alpha-seeking strategies.
- Emphasis on fundamental and on-the-ground company research where the investment teams seek out strong growing companies that are well-run and levered to the dominant domestic themes in each region.
- Active asset allocation between the different regional investments teams to the regions in the developing world that provide the most favourable environment.

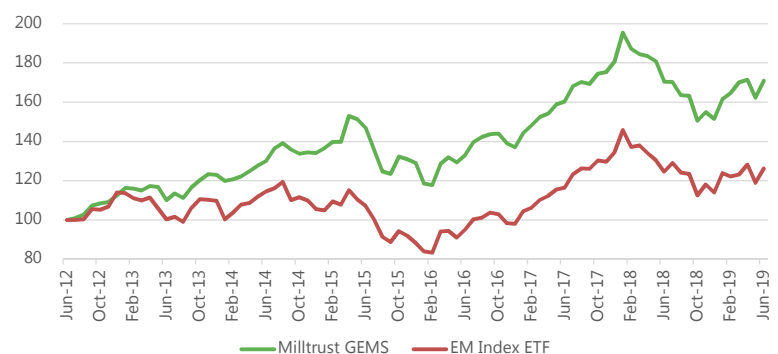
### Key Statistics (Net)

	Portfolio*	Index ETF**
Last Month:	5.32%	6.21%
Year-To-Date:	12.78%	10.70%
Since Inception:	70.85%	26.19%
Annualised Return:	7.95%	3.38%
Annualised Standard Dev:	12.51%	15.22%
Annualised Sharpe Ratio (RFR=4%):	0.61	0.20
Annualised Alpha (RFR=4%):	4.19%	
Beta:	0.73	
Ann Tracking Error:	7.14%	
Down Capture Ratio:	71.74%	
Information Ratio:	0.56	
Annual Portfolio Turnover:	0.23	

\*Inception date of strategy = July 1 2012

\*\*Index ETF = iShares MSCI Emerging Markets ETF

### Cumulative Returns



### Top Positions

By Company	Sector	Country	Weight
China Overseas Property	Real Estate	China	3.25%
Ausnutria Dairy	Consumer Staples	China	3.21%
Bosideng Intl Hldgs	Consumer Discretionary	China	2.16%
361 Degrees	Consumer Discretionary	China	2.06%
A-Living Services	Industrials	China	1.49%
Yihai International	Consumer Staples	China	1.48%
Anta Sports	Consumer Discretionary	China	1.43%
Colour Life Services	Real Estate	China	1.39%
Health & Happiness	Consumer Staples	China	1.33%
Car Inc	Industrials	China	1.31%
New World Dept Store	Consumer Discretionary	China	1.30%
China Aircraft Leasing	Industrials	China	1.10%
Xtep International	Consumer Discretionary	China	1.10%
Samsung Electronics	Information Technology	South Korea	1.08%
Banco Bradesco	Financials	Brazil	0.97%
Banco Do Brasil	Financials	Brazil	0.81%
Bajaj Finance	Financials	India	0.79%

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## Portfolio Manager Commentary: Monthly Recap

In June, Emerging Market stocks and currencies posted their best month since January amid optimism Presidents Trump and Xi Jinping will make progress on finding common ground on trade between the world's two biggest economies. Emerging Markets are also being supported by a dovish tilt from the Federal Reserve and European Central Bank which should help limit the impact of trade-related pressure on economic growth. Global macro observers have now shifted their attention to the US economic data that could give some clue on the Fed's rate path.

In equity markets, the MSCI Asia Index (June +6.35%, YTD +9.72%), MSCI Latin America (June +6.16%, YTD +12.64%) and MSCI Europe & Middle East (June +5.53%, YTD +14.56%) were all up. Within Asia, South Korea (June +8.77%, YTD +3.90%) led the way, followed by the China A shares (June +8.51%, YTD +34.57%) and the China Hong Kong market (June +8.03%, YTD +12.97%). Elsewhere, Russia (8.72%), Colombia (+10.25%), Brazil (6.17%) and South Africa (6.31%) all posted positive performance in June.

The Fund posted a +5.38% net return for the month of June. From a geographical allocation perspective, the portfolio's overweight to China, Russia and Latin America proved beneficial to overall monthly returns. Indian and MENA equities lagged the other regional markets during the month but the Fund has been underweight those two regions so the impact was limited. Stock selection was strongest in our Latin America exposure (+7.69% versus +6.16% for index) led by the exposure to Brazil where the Financials led the rally. From a position-level, the main drivers came from our exposures to our Chinese consumer names, including, Ausnutria (Chinese goat milk formula producer), Bosideng (Chinese down apparel producer) and China Overseas Property (Chinese property management company). Sector-wise, we continue to be overweight the Consumer sectors which had a strong month and contributed the most to performance. This was followed closely by Financials which continued to post solid earnings improvement in both absolute and relative terms.

In terms of positioning going forward, the Fund remains overweight China, Latin America (Brazil, Colombia and Peru) and Russia. These countries and regions offer good value across the board, generally positive price momentum and stabilising or improving growth forecasts. Meanwhile we continue to be underweight South Africa and ASEAN while moving up to neutral in India despite the expensive valuations.

**Eric Anderson**  
**June 2019**

# Milltrust Global Emerging Markets Fund

## Structure

<b>Type:</b>	Open-Ended Fund
<b>Regulatory:</b>	Irish ICAV
<b>Domicile</b>	Ireland

## Fund Terms

	Class A	Class B
<b>Management Fee:</b>	0.80%	0.40%
<b>Performance Fee:</b>	None	10% over Hurdle Rate
<b>High Water Mark</b>	N/A	Yes
<b>Hurdle Rate:</b>	N/A	MSCI Emerging Markets Index
<b>Subscription Frequency:</b>	Daily	Daily
<b>Min. Initial Subscription*:</b>	USD 1,000,000	USD 1,000,000
<b>Redemption:</b>	Daily with 5 days' notice	Daily with 5 day's notice
<b>ISIN:</b>	IE00BYWJSR58	IE00BYWJSS65

\*Minimum Regulatory Subscription = €100,000 or its USD equivalent

## Service Providers

<b>Administrator:</b>	MUFG Alternative Fund Services (Ireland) Ltd.
<b>Custodian:</b>	Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A.
<b>Auditor:</b>	KPMG
<b>Legal:</b>	William Fry

## Contact Details

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## Additional Notes & Disclaimer

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