

FACTSHEET

Performance Returns

The SPARX OneAsia Long Short UCITS Fund returned -2.11% in the month of April.

Investment Objective & Strategy

The investment objective of the fund is to maximise risk-adjusted returns regardless of the market cycle by investing in equity within Asia including Japan. The strategy aims to capitalize on Asia's growth dynamics by identifying potential winners and losers through bottom-up fundamental research.

Market Commentary

Our long positions in internet and tech names dragged down the fund's performance during the month. Among those, JD.COM (JD US, USD 53bn market cap) was the top negative contributor.

The market is worried about the company's short-term margin pressure due to its aggressive investment in logistics and technology. Results may indeed at first instance lead to a downward revision in its earnings but in our view, any short term correction should not be misinterpreted as an indication of deterioration in its future earnings capacity.

We believe the company is still in its early stage of building and leveraging on its technology-driven by its retail ecosystem in e-commerce and logistics platform in China. Aggressive investment in technology should, in our view, rapidly propel growth for its highly profitable service revenue (esp., digital advertising and commissions). Growing GMV via continuous category expansion from electronics, appliances to FMCG, and groceries to general merchandise, would bring a scale benefit with margin expansion. While JD's logistics was the main culprit contributing to slower margin expansion due to the company's massive upfront investment, it should narrow losses over time and turn profitable in a few years given its rapid market share gain. Furthermore, we should observe a consolidation within the highly fragmented 3rd party logistics industry in China.

Lastly, JD generates significant cash flow. It generated USD 4.0bn in operating cash flow and spent USD 1.7bn capex in 2017. The company will generate larger contributions from its highly profitable service revenue which will lead to continuous margin expansion. We expect the company's free cash flow to reach over USD 4bn within a few years. Hence, current USD 53bn market cap is still very attractive based on our assessment of the business.

USD Institutional Class UCITS Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2018	1.42%	1.39%	-3.28%	-2.11%	-	-	-	-	-	-	-	-	-2.64%
2017	1.26%	-1.82%	3.07%	1.03%	4.18%	0.18%	1.08%	0.68%	0.57%	1.29%	2.40%	0.27%	15.02%
2016	-1.66%	0.81%	-0.08%	2.79%	-0.10%	-1.86%	-0.20%	3.32%	-1.56%	0.19%	-2.07%	-1.51%	-2.09%
2015	-	-	-	-	-	-	-	-	-0.51%	0.87%	0.50%	-1.08%	-0.23%

The performance figures quoted above represent the performance of the SPARX OneAsia Long Short UCITS Fund since launch on 17th September 2015. These performance figures refer to the past and past performance is not a reliable guide to future performance.

SPARX OneAsia Long Short Representative Strategy

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2015	0.07%	1.36%	1.59%	-0.11%	-1.43%	1.02%	4.57%	-3.11%	-	-	-	-	-
2014	-	-	-	-	-	0.41%	1.78%	0.92%	-1.19%	2.27%	0.90%	0.68%	5.88%

The above performance pertains to the performance since inception of the SPARX OneAsia Long Short Representative Strategy and is not of the SPARX OneAsia Long Short UCITS Fund. UCITS Funds have to abide by investment restrictions and consequently the performance of the SPARX OneAsia Long Short UCITS Fund may not be similar to that presented above. These performance figures refer to the past and past performance is not a reliable guide to future performance.

Risk Metrics (% of NAV)

Long Exposure	104.94%
Short Exposure	-20.05%
Index Hedge	-48.10%
Gross Exposure	173.09%
Net Exposure	36.79%
No of Longs	25
No of Shorts	18

Historical Risk Metrics[^]

Annualised Return	4.59%
Annualised Volatility	6.06%
Sharpe	0.65
Sortino	1.16
Beta	0.42

[^]The above historical risk metrics pertain to the daily statistics since inception of the SPARX OneAsia Long Short Representative Strategy, merged with the statistics of combined share classes SPARX OneAsia Long Short UCITS Fund from 1st September 2015 to 30th December 2016.

1. Arithmetic means of 1 Month USD LIBOR interest rate was used as the Risk Free Rate of Returns for the calculation period.

2. Downside deviation refers to standard deviation of negative daily returns during the period.

THE MANAGER



Hak Kim is the portfolio manager for the SPARX OneAsia Long Short UCITS Fund. He has over 18 years of experience in the fund management business and is responsible for coordinating SPARX's fundamental research

activities across Asia. Prior to becoming a founding member of the OneAsia team, Mr. Kim was a portfolio manager at SPARX's Korean subsidiary where he ran the award winning Korea long short fund. Before this, he was an analyst covering various sectors and also played a key role in creating the firm's investment outlook and strategy. Mr. Kim holds a B.A. in Business Administration from Seoul National University and attended an MBA program in International Finance at the graduate school of Seoul National University. He is a CFA charter holder.

FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
Fund AUM	\$11.6 million
Firm AUM	\$10.6 billion
Inception	17 th September, 2015
Share Class	Institutional/Institutional Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.50%
Perf. Fee	15%
Min Init. Sub.	1,000,000
ISIN Codes	EUR: IE00BYMVZK37/IE00BYMVZX65 USD: IE00BYMVZV58/IE00BYMWOS95 CHF: IE00BYMVZN67/IE00BYMWOP64 GBP: IE00BYMVZL44/IE00BYMVZZ89
Share Class	Institutional Founder/Retail Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.00%/2.00%
Perf. Fee	10%/15%
Min Init. Sub.	10,000,000/10,000
ISIN Codes	EUR: IE00BZ03QD85/IE00BYQF1X69 USD: IE00BZ03QH24/IE00BYQF2000 CHF: IE00BZ03QG17/IE00BYQF1Z83 GBP: IE00BZ03QF00/IE00BYQF1Y76

Composition of UCITS Fund

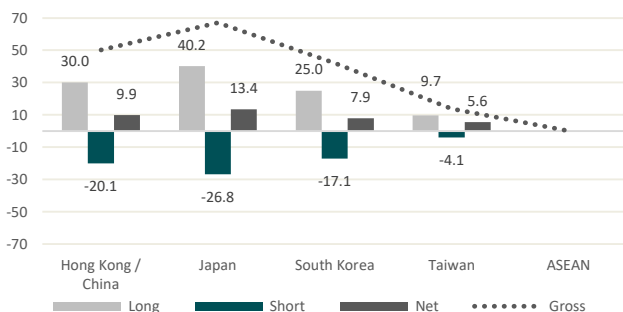
Top 5 Longs (% of NAV)

Samsung Electronics	8.19%
Bandai Namco	6.70%
Recruit	5.68%
YY-Inc	5.45%
JD.com	5.20%
TOTAL	31.22%

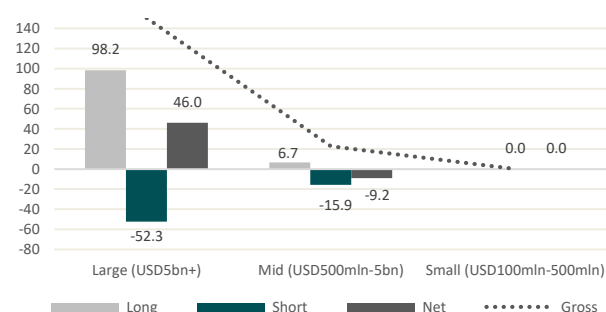
Top 5 Shorts (% of NAV)

Japanese Retailer	-3.12%
Korean Brewery	-2.58%
Japanese DSLR Manufacturer	-2.39%
Japanese Education Centre	-2.23%
Korean Cosmetics	-1.95%
TOTAL	-12.27%

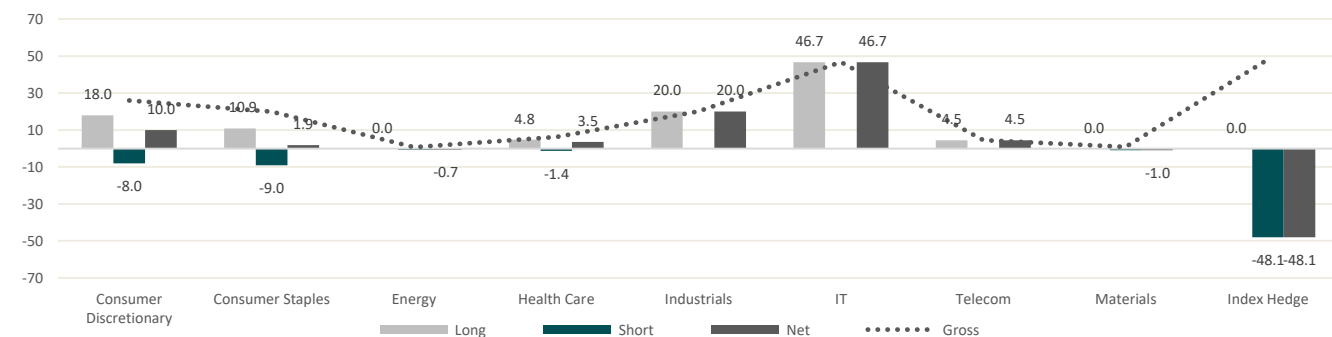
Geographic Analysis (% of NAV)



Market Cap Analysis (% of NAV)



Sector Analysis (% of NAV)



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Disclaimer

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