

Fund Managers: Ewan Markson Brown & Damian Taylor

CRUX Asia ex-Japan Fund

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Fund Performance

The CRUX Asia ex-Japan Fund returned -8.4% underperforming the MSCI Asia ex-Japan Index this which fell 6.3% over the quarter; this was due to poor performance in our consumer discretionary, materials and energy names.

In terms of company specific attribution over the third quarter, the main detractors to fund performance were copper mining company MMG, Chinese robotic home appliance manufacturer Ecovacs, and Chinese technology stock Dada Nexus.

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*Source: FE FundInfo 30.06.22-30.09.22 Bid-Bid in GBP, TR, net income re-invested.

Attribution Stock Level Q3 2022

Top 5 Contributors (%)	Bottom 5 Contributors (%)
ICICI Bank +0.93	MMG -0.95
Bank Negara Indonesia +0.37	Kuaishou Technology -0.86
Telkom Indonesia +0.29	Ecovacs Robotics -0.81
Aneka Tambank +0.25	Dada Nexus -0.74
Indusind Bank +0.25	Ganfend Lithium -0.62

Source: Bloomberg

Portfolio Changes

Over the quarter, we increased our exposure to Chinese consumer discretionary names and companies exposed to the electric vehicle value chain. We funded this by reducing our exposure to technology hardware names. We also increased our exposure to India, adding to our banks and industrials exposures.

Highlighted new stock buys:

Thunder Software Technology: We are increasingly of the belief that the next great opportunity in the huge shift to electric vehicles will be in the software space, and

Important Information

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specifically in the operating systems developed for the next generation of semi-autonomous and fully autonomous electric vehicles. Thundersoft is a Chinese provider of “middleware” solutions. It is using its experience in mobile phone solutions to build a formidable moat in this highly specialised space in the automotive industry.

Starpower Semiconductor: Starpower is a leading Chinese Insulated Gate Bipolar Transistor (IGBT) designer specializing in industrial and new energy applications. We believe that power semiconductors will have a much more important role in automotive and industrial products as the electrification of everything trend continues. Starpower is also building a capability in Silicon Carbide (SiC) modules, which will see increasing demand in the NEV space over the next couple of years.

Market Cap

	Fund
>\$50bn	35.5%
\$15bn-50bn	18.7%
\$2bn-15bn	28.5%
<\$2bn	16.6%

Source: CRUX Asset Management as at 30.09.22

Outlook

The key questions facing investors as we enter the fourth quarter of 2022 have changed little from the end of Q1. We continue to find economies and markets hinging on the actions of three key characters: Putin, Xi, and Powell. The debates about the decisions they make, each so intertwined with each other, has whipsawed markets around, increasing volatility in all asset classes.

However, over the course of the last quarter we have seen developments in the spheres where our three main protagonists operate which gives us slightly more clarity into the shape of the new investing regime we find ourselves. Powell has elucidated his resolve to bring inflation under control and deflate hopes of a monetary pivot (and in so doing is increasing the chance of recession and negative financial events). Xi has continued to pursue zero-Covid policies and rein in capitalistic exuberance in the name of Common Prosperity (albeit, a pathway towards partial-Covid normality is highly likely to have appeared before year-end). Putin has seen his grip on Ukraine slip (with short-term implications of significant military escalation and longer-term outcomes surrounding the end of the Russian empire).

Important Information

Please note: Due to rounding the figures in the holdings breakdown may not add up to 100%. Unless otherwise indicated all figures are sourced from Financial Express, Datastream, State Street and CRUX Asset Management Ltd. Third party data is believed to be reliable, but its completeness and accuracy is not guaranteed.

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