



## Fullerton Lux Fund - Asia Absolute Alpha Class A (USD) Acc

November 2024

### Investment Objective

The investment objective of the Fund is to generate long term positive return, which include both capital appreciation and income.

### Investment Focus and Approach

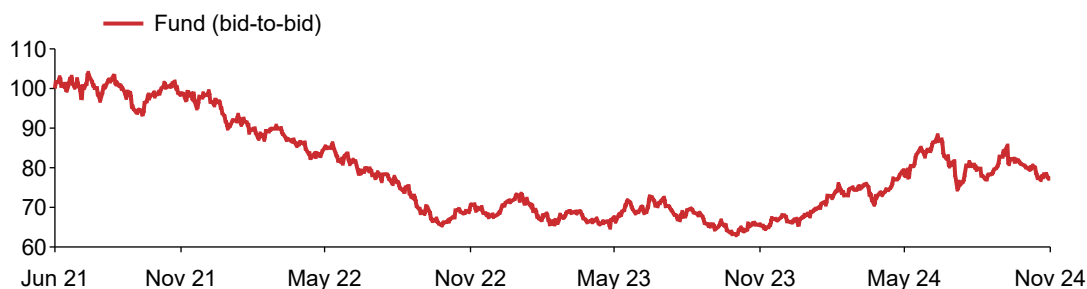
The Investment Manager seeks to achieve the objective of the Fund by investing primarily in, but not limited to, equities, stock warrants, index futures, cash and cash equivalents. The investment universe will include, but not limited to, equities and equities-related securities listed on exchanges in the Asia Pacific region, as well as equities and equities-related securities of companies which have operations in, exposure to, or derive part of their revenue from the Asia Pacific region, wherever they may be listed. The Investment Manager may also make indirect investments in equities via participatory notes and other eligible access products (where the underlying assets would comprise equities defined above). The Fund's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of the Fund's net asset value.

SFDR Classification:

Article 8 fund.

In line with its ESG methodology, the fund promotes environmental characteristics but does not commit to make environmentally sustainable investments as defined in the taxonomy regulation.

### Performance (%)



### Performance Statistics

<b>2024 YTD Return</b>	<b>13.69%</b>	<b>Sharpe Ratio*</b>	<b>-0.72</b>
		<b>Sortino Ratio*</b>	<b>-1.32</b>
		<b>Maximum Drawdown*</b>	<b>-38.79%</b>

	1 mth	3 mths	6 mths	1 yr	3 yrs	Sl. Ann. Ret.	Sl. Ann. Vol.
<b>Fund (bid-to-bid)</b>	-3.48	-3.19	-0.76	17.60	-7.84	-7.22	15.14
<b>Fund (offer-to-bid)</b>	-8.07	-7.80	-5.49	12.00	-9.34	-8.52	NA

\*Since Inception

Returns of more than 1 year are annualised. Returns are calculated on a single pricing basis in USD with net dividends and distributions (if any) reinvested. Offer-to-bid returns include an assumed preliminary charge of 5% which may or may not be charged to investors. Past performance is not indicative of future returns.

Source: Fullerton Fund Management Company Ltd and Bloomberg.

### Market Review

During November, global equity markets rebounded with MSCI All Country World Index climbing 3.8% taking year-to-date returns to 20.9% in dollars. MSCI Asia ex-Japan however, experienced negative returns for second month in a row, declining 3.3% in dollars. November was a challenging month for the region as markets grappled with potential impacts of a Trump presidency which may include increased tariff and a stronger U.S. dollar.

Korea, China and Taiwan were the worst performing markets in the region, 6.0%, 4.4% and 4.6% respectively in dollars. Chinese markets continued to decline as the stimulus package underwhelmed market expectations. Additionally, Trump's victory and the Republican sweep heightened concerns about tariff hikes on China's exports to the US and the impact on regional supply chain activity. Additionally, Taiwan's slowdown was attributed due to concerns over slower growth in the semiconductor sector. Korea was also dragged down by similar concerns.

### Inception date

24 Jun 2021

### Fund size

USD 194.75 million

### Base Currency

USD

### Pricing Date

30 Nov 2024

### NAV\*

USD 7.73

### Management fee\*\*

Up to 1.50% p.a.

### Management company^ fee\*\*

Up to 0.04% p.a. subject to a minimum monthly fee of EUR 750.00 per Fund per month applied at the Company level

### Expense Ratio\*\*

1.67% p.a. (For financial year ended 31 Mar 2024)

### Preliminary Charge\*\*

Up to 5% of subscription amount (equivalent to a max. of 5.26315% of the Net Asset Value per share)

### Dealing day

Daily

### Deadline

1pm (CET); 5pm (Singapore time) on each Business Day

### Bloomberg Code

FUAAAAU LX

### ISIN Code

LU0979878070

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## Market Review (Cont'd)

India outperformed other regions but still delivered mildly negative return of 0.4% in dollars. In the first half of the month, the market declined over global economic factors, mixed festive season, local policy changes and subdued earnings dampened investor sentiment. However, towards the end of the month, equities staged a recovery in anticipation of policy continuity post state elections which saw the BJP-led Mahayuti secure a win in Maharashtra state election.

Economic data points varied across the region. Manufacturing PMIs across China, Singapore, South Korea, Taiwan, Thailand and Philippines expanded. On the other hand, India, Indonesia and Malaysia contracted. In October, China's CPI came in at 0.3% marking the 9th consecutive month of consumer inflation but was the lowest reading since June. On the other hand, India's CPI soared to 6.2% in October amid moderate wage growth but saw Q2FY25 GDP slide to 5.4%, well below market expectations of a 6.5% to record the softest pace of growth since the December quarter of 2022. In terms of policy action, Bank of Korea made a surprise interest rate cut of 25bps to 3.0% towards the end of November as economic growth dampened and policy makers stay wary of Trump 2.0.

## Investment Strategy

We remain positive on Asian equity markets as both top down and bottom-up factors are supportive.

From a top-down perspective, we expect financial conditions to improve as central banks across the region are likely to pursue more growth-oriented policies. From, a bottom-up perspective we remain positive on growth across key geographies/sectors.

Chinese equities are likely to remain volatile, but the synchronized monetary and fiscal stimulus unveiled by China in end September should put a floor on Chinese equities. However, risk of tariffs and continuing deflationary pressures on the economy imply that the market direction will be dependent on further stimulus measures.

Outside of China we expect earnings for the Information Technology sector to remain supported, driven largely by AI thematic and associated capital expenditure.

Lastly, India is experiencing a near-term downward adjustment in growth expectations, but its medium-term structural story, driven by rising investments remains intact. Following the recent GDP slowdown due to a sharp reduction in government capital expenditure and gross capital formation, we expect the government to increase spending in the second half of the year with a strong emphasis on infrastructure. Additionally, we expect the RBI to officially shift its stance to neutral, which is expected to boost market liquidity.

Valuations for Asia are also supportive as MSCI Asia ex-Japan Index is still trading near its 5 year mean PER valuations of around 13x which is reasonable for the mid-teens earnings growth expectations for the region.

\* Figures have been truncated to 2 decimal places. The official price is published on Fullerton's website.

\*\*The list of cost is not exhaustive and the fund may incur other expenses. Please refer to the Prospectus/KIID for more information.

^Management Company of the Fund is Lemanik Asset Management S.A.

### Geographical Breakdown

China	16.0%
India	15.7%
Indonesia	5.8%
Japan	4.1%
Korea	4.6%
Malaysia	1.5%
Philippines	1.5%
Singapore	13.8%
Taiwan	12.8%
Thailand	2.0%
US	8.1%
Cash and cash equivalents	14.1%

### Top 5 Holdings

Taiwan Semiconductor Manufacturing	9.2%
Broadcom Inc	4.6%
Bharti Airtel Ltd	4.1%
Sea Ltd-Adr	4.1%
NVIDIA Corp	3.5%

### Sector Breakdown

Communication Services	17.9%
Consumer Discretionary	12.1%
Energy	1.8%
Financials	13.1%
Health Care	1.5%
Industrial	9.8%
Information Technology	22.8%
Real Estate	3.3%
Utilities	3.4%
Cash and cash equivalents	14.1%

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