

Fullerton Lux Funds – Asia Focus Equities - Class I (USD)

November 2024

Investment Objective

The investment objective of the Fund is to achieve competitive risk adjusted returns on a relative basis.

Investment Focus and Approach

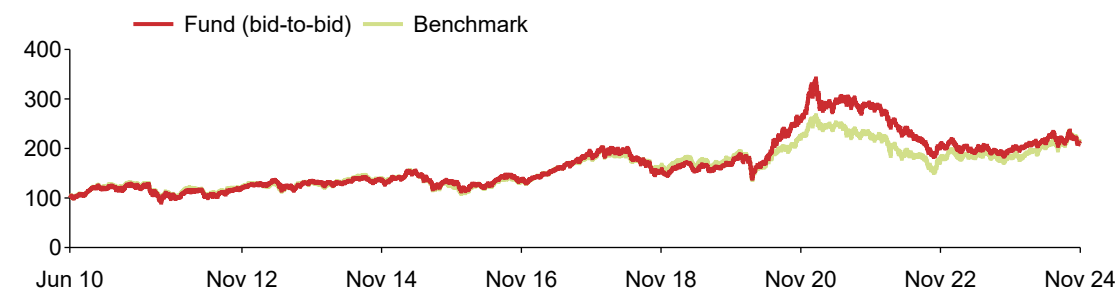
The Fund invests primarily in equities, index futures, cash and cash equivalents. Typically, the Fund will concentrate the investments in a limited number of holdings. The investment universe will include equities listed on exchanges in Asia, as well as equities of companies or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed. Indirect investments in equities may be via P-Notes where the underlying assets would comprise equities defined above. With effect from 17 July 2019, up to 35% of the Fund's NAV may be invested in China "A" Shares via the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time.

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 (%)



	1 mth	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Sl. Ann. Ret.	Sl. Ann. Vol.
Fund (bid-to-bid)	-4.91	-4.25	-1.27	5.41	-9.64	4.40	4.24	5.20	17.31
Fund (offer-to-bid)	-9.43	-8.81	-5.97	0.39	-11.11	3.39	3.73	4.84	NA
Benchmark	-3.29	0.05	6.20	15.72	-1.19	3.87	4.30	5.36	17.23

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.

Benchmark: MSCI AC Asia ex Japan Net Index.

Source : Fullerton Fund Management Company Ltd, MSCI Inc. 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.

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

Inception date

14 Jun 2010

Fund size

USD 246.10 million

Base Currency

USD

Pricing Date

30 Nov 2024

NAV*

USD 20.82

Management fee**

Up to 1.0% 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**

1.15% p.a. (For financial year ended 31 Mar 2024)

Preliminary Charge**

Up to 5% of the subscription amount (equivalent to a maximum 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

HCAIUSA LX

ISIN Code

LU0516423174

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Market Review (Cont'd)

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	25.8%
Hong Kong	4.6%
India	19.8%
Indonesia	2.4%
Japan	3.4%
Korea	8.8%
Singapore	6.2%
Taiwan	15.4%
UK	2.6%
Others	1.0%
Cash and cash equivalents	10.1%

Top 5 Holdings

Taiwan Semiconductor Manufacturing	9.2%
Tencent Holdings Ltd	7.0%
Byd Co Ltd-H	3.4%
E Ink Holdings Inc	3.2%
Sea Ltd-Adr	3.2%

Sector Breakdown

Communication Services	11.9%
Consumer Discretionary	16.3%
Financials	16.3%
Industrial	13.4%
Information Technology	21.6%
Real Estate	3.1%
Utilities	6.5%
Others	0.9%
Cash and cash equivalents	10.1%

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For EU investors:

This is a marketing communication. The investment which is promoted concerns the acquisition of shares in a fund. The Fund is actively managed with reference to the benchmark, "MSCI AC Asia ex Japan Net Index", for performance comparison purpose. You should read the prospectus and the key investor information before making any final investment decision. A summary of investor rights can be found in English at <https://www.lemanikgroup.com/governance-asset-management/>. A copy of the prospectus and the key investor information is available in English and other languages (as applicable), and can be obtained from the registered office of the Fund or at www.fullertonfund.com. Please also refer to https://www.fullertonfund.com/literature/fullerton-lux_funds/?_sft_registered=luxembourg for the sustainability-related disclosures of the Fund. The Management Company of the Fund is Lemanik Asset Management S.A. ("Lemanik"). Please note that Lemanik may terminate the marketing arrangements of the Fund in accordance with Article 93a of Directive 2009/65/EC.

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