

### FACTSHEET

#### Performance Returns

The SPARX OneAsia Long Short UCITS Fund returned -2.07% for the month and -8.88% YTD.

#### 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

Throughout the year, the average net and gross exposure of the fund were 28% and 159%, respectively. By country, gross exposure of Japan was about 50%, followed by China 30~50%, Korea 30%~40% and Taiwan 10~15%. Net exposure ranged between 0% and 10% in each country. A sharp drawdown in the market and the fund in the early part of 4Q18 led us to reduce gross and net exposure to prevent further losses and as a result, our net and gross exposure were at 7% and 126%, respectively by the end of the year.

In terms of performance attribution by country, Japan was up +5.44%, Taiwan -1.46%, Korea -3.25%, and our allocation in China/HK lost -8.00%. By long and short attribution, long positions lost -17.50% with average long exposure of 93% while short positions gained 10.25% with average short exposure of 66%. Of note, MSCI Asia excluding Australia/New Zealand (MXAS index) was down -15.6%.

Our negative performance was mainly driven by our long exposure in technology and consumer discretionary sectors. Long positions in Chinese internet names were hit particularly hard during the year. Top negative contributors include YY.COM (YY US), JD.COM (JD US), Naver (035420 KS), LG Electronics (066570 KS) and Baidu (BIDU US). Meanwhile, top positive contributors include Bandai Namco (7832 JP, Long), Weibo (WB US – exited early in 2018 before the meltdown in Chinese internet names), Hite Jinro (000080 KS – a short position which we exited at a gain).

Despite market headwinds, we see durable investment opportunities in the areas where Asia's nominal GDP growth is driven by: (1) digital lifestyle (e-commerce, entertainment, advertising, digitization of off-line businesses); (2) smart machines (automation, robots and sensors, electrification of cars); and (3) a rise and fall in brands within the Asian consumer space. To that end, we will aim to make sizable bets with potential winners while we continue to exploit opportunistic shorts through bottom-up fundamental research across Asia.

#### 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%	3.46%	0.60%	-2.47%	0.78%	-1.15%	-7.67%	2.35%	-2.07%	-8.88%
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 17<sup>th</sup> 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)

Risk Metrics (% of NAV)	Value	Historical Risk Metrics <sup>▲</sup>	Value
Long Exposure	66.40%	Annualised Return	2.79%
Short Exposure	-20.65%	Annualised Volatility	6.81%
Index Hedge	-38.92%	Sharpe	0.28
Gross Exposure	125.96%	Sortino	0.41
Net Exposure	6.84%	Beta	0.16
No of Longs	24		
No of Shorts	22		

<sup>▲</sup>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 1<sup>st</sup> September 2015 to 30<sup>th</sup> 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.

3. Firm AUM is in reference to SPARX Group total AUM.

### 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	\$10.9 million
Firm AUM	\$10.0 billion
Inception	17 <sup>th</sup> September, 2015
Share Class	<b>Institutional/Institutional Pooled</b>
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.50%
Perf. Fee	15%
Min Init. Sub.	1,000,000
ISIN Codes	EUR: IE00BYMVZK37/IE00BYMVZX65 USD: IE00BYMVZW58/IE00BYMW0S95 CHF: IE00BYMVZN67/IE00BYMW0P64 GBP: IE00BYMVZL44/IE00BYMVZZ89
Share Class	<b>Institutional Founder/Retail Pooled</b>
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

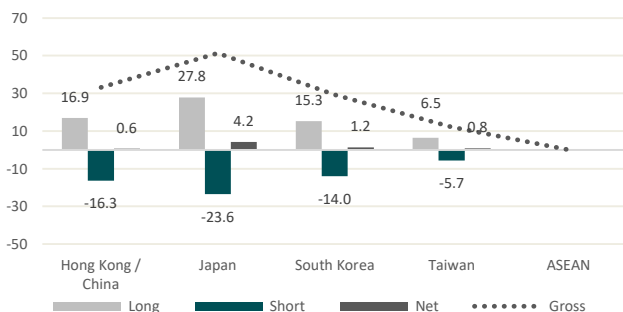
#### Top 5 Longs (% of NAV)

Sony (Japan)	4.22%
Kao (Japan)	4.22%
Terumo Corp (Japan)	4.21%
Samsung Electronic (Korea)	3.82%
Recruit (Japan)	3.62%
<b>TOTAL</b>	<b>20.08%</b>

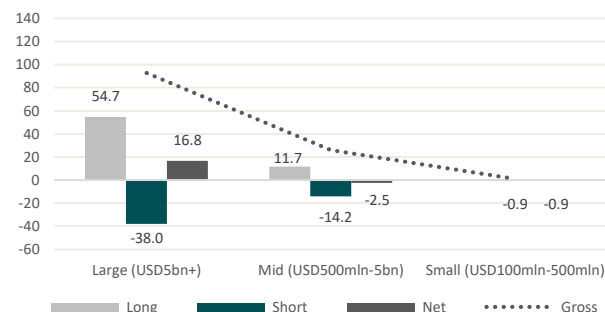
#### Top 5 Shorts (% of NAV)

Japanese Retailer	-2.46%
Korean Telecom	-1.77%
Korean Security Services	-1.74%
Japanese Education Center	-1.66%
Japanese Beverage Maker	-1.64%
<b>TOTAL</b>	<b>-9.27%</b>

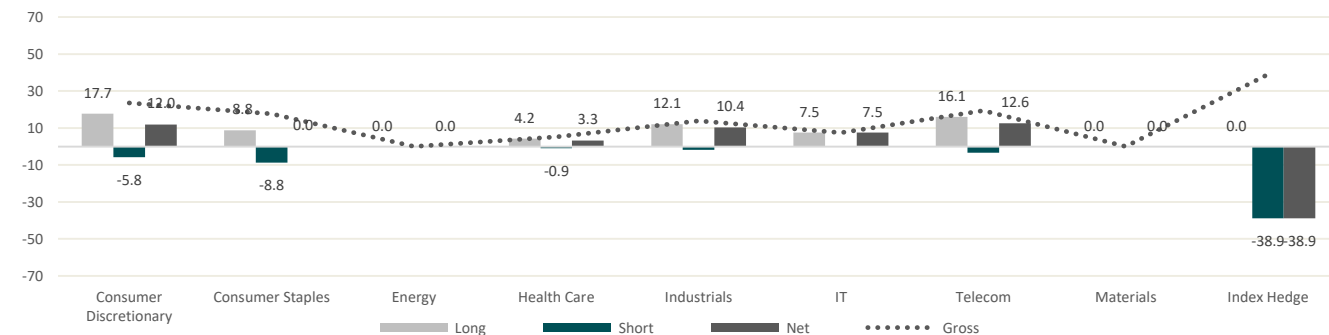
### Geographic Analysis (% of NAV)



### Market Cap Analysis (% of NAV)



### Sector Analysis (% of NAV)



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### Disclaimer

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