

FACTSHEET

Performance Returns

The SPARX OneAsia Long Short UCITS Fund returned 0.78% for the month of August and -0.40% 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

During the month, **Sony Corp** (6758 JP, Long) was one of the positive contributors. The company recorded JPY 8,544bn sales with JPY 726bn of operating profit (OPM 8.5%) during FY03/18.

Sony's colossal entertainment assets are driving the growth of its earnings and cash flow: (1) game and network business (PlayStation hardware and gaming software, 23% of sales) continues to thrive on a structural shift of console game industry into rising digital downloads / subscription services for multi-player features; (2) music business (9.4%), as the second largest music label company in the world, grows steadily with expanding margin thanks to a booming music streaming; (3) motion pictures business (11.8%) went through a significant restructuring with JPY 112bn goodwill write-off in FY03/17 and resumes earnings contribution since last year. Entertainment businesses collectively accounted for 48% of operating profit during last fiscal year and its share keeps growing.

Another driver was its semiconductor business, i.e., imaging sensor. With rising adaptation of higher pixel and dual cameras to smartphones and more camera features into auto sector, the company continues to expand its capacity to meet the demand of its high-end camera sensors, where the company commands the biggest global market share (c.50%+) with high teens OPM. Semiconductor business accounted for 10% of sales and 22% of operating profit during last fiscal year.

While its consumer hardware businesses (TV, audio, camera, 22% of sales) enjoys a decent profit margin (7~11% OPM) with the exception of its ailing smartphone business (8% of sales), a mix in shift from hardware to more IP-driven entertainment businesses will likely continue to propel free cash flow generation. The company's current market cap of JPY 7,926bn in our view is still very attractive given JPY 1,161bn free cash flow until June 18 LTM.

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%	-	-	-	-	-0.40%
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)

		Historical Risk Metrics [▲]	
Long Exposure	98.85%	Annualised Return	5.29%
Short Exposure	-19.73%	Annualised Volatility	6.45%
Index Hedge	-43.53%	Sharpe	0.71
Gross Exposure	162.11%	Sortino	1.03
Net Exposure	35.60%	Beta	0.44
No of Longs	26		
No of Shorts	22		

[▲]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.

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	\$11.9 million
Firm AUM	\$10.1 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/IE00BYMW0S95 CHF: IE00BYMVZN67/IE00BYMW0P64 GBP: IE00BYMVZL44/IE00BYMVZ89
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

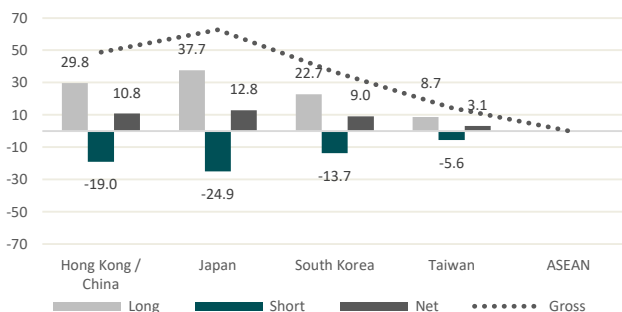
Top 5 Longs (% of NAV)

Samsung Electronics	7.00%
Bandai Namco	5.94%
Sony	5.77%
Baidu	5.30%
Softbank	5.23%
TOTAL	29.24%

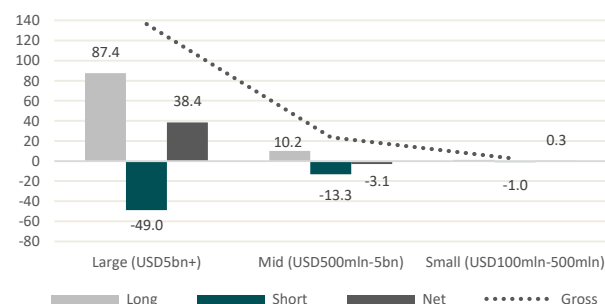
Top 5 Shorts (% of NAV)

Japanese Retailer	-2.50%
Japanese Education Centre	-1.87%
Japanese Beverage Maker	-1.48%
Japanese Fast Foods	-1.48%
Korean Mobile	-1.45%
TOTAL	-8.77%

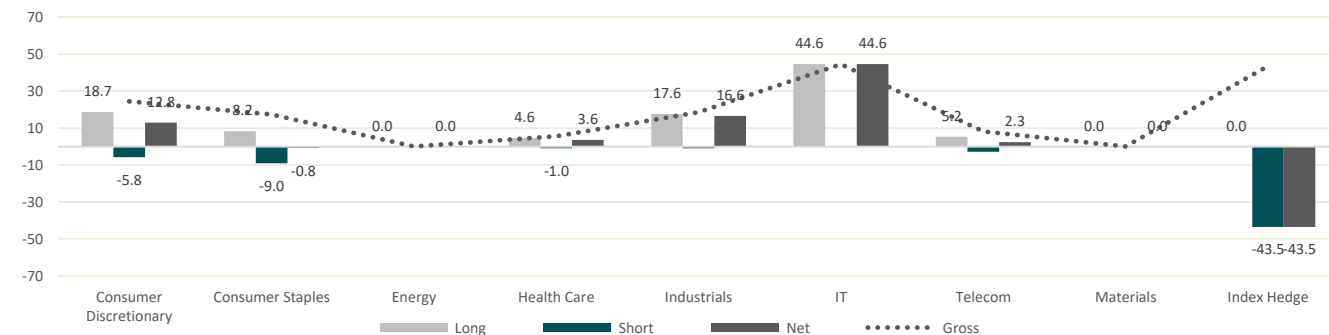
Geographic Analysis (% of NAV)



Market Cap Analysis (% of NAV)



Sector Analysis (% of NAV)



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Disclaimer

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