



KING IRVING Sura Pacific Alliance Fund

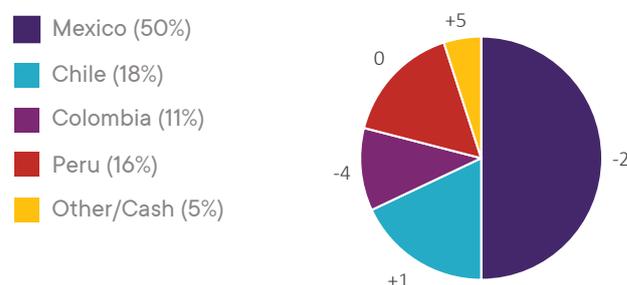
Factsheet - January 2020



Fund Information

Asset Class	Emerging Market Equities
Inception Date	3 September 2015
Fund Size AUD	\$37m

Country Allocation % (versus index)



Top Ten Holdings %

Company	Fund	Index
Grupo Financiero Banorte O	9.98	4.99
Credicorp Ltd	5.94	7.79
America Movil Sab De C Ser L	5.40	8.75
Gruma S.A.B. B	4.95	0.69
Intercorp Financial Services	4.38	0.81
Concentradora Fibra Danhos S	4.25	0.14
Grupo Energia Bogota Sa Esp	3.96	0.85
Grupo Aval Acciones Sa Pf	3.94	0.73
Orbia Advance Corp Sab De Cv	3.49	0.77
Regional Sab De Cv	3.45	0.41

Sector Breakdown %

Sector	Fund	Index
Consumer Discretionary	0.91	2.28
Consumer Staples	9.52	19.17
Energy	0.01	3.67
Financials	38.60	27.96
Health Care	0.00	0.25
Industrials	8.97	7.40
Information Technology	0.00	0.13
Materials	12.15	15.21
Real Estate	7.44	3.91
Telecommunication Services	8.74	11.46
Utilities	8.91	8.57
Cash	4.76	0.00

Market Commentary

Global markets began the new year with a flurry of activity driven mainly by the signing of the phase one deal between China and the US to end their trade stalemate. The second half of the month brought new challenges from an unexpected quarter with the emergence of the Coronavirus in Wuhan, China.

The uncertainty that exists about the evolution of the virus and its possible impacts on the economy increases volatility and nervousness among investors. As such, the second half of January saw a reversal of fortunes from the first half as the rapid spread of the Coronavirus began to impact the stock markets of all regions.

Amongst emerging markets China, and Asia more broadly, were most negatively affected. Latin America was also affected as this region is a big exporter to China, coupled with negative sentiment in the markets. Both copper and oil prices fell as demand from China came into question.

It's now a waiting game as the world waits for the answer to the 'When China sneezes...' question.

Fund Commentary

The King Irving Sura Pacific Alliance Fund had a positive return of 4.40% for the month of January. Alpha for the month was 2.09%.

The Fund's strong positive return was supported by a holding of around 9% in the Telecommunications sector. The sector returned 5.45% for the first month of the year. The Fund has two large holdings in this sector: **America Movil Sab De C Ser L** at 5.40% of the Fund and **Telesites**, just outside the top ten holdings, at 3.2%. Both of these are Mexican holdings.

The Fund has a negligible holding in the Energy Sector at 0.01% and currently holds no assets in Information Technology. Both of these underweight positions helped the Fund during January.

The largest sectors for the Fund are Financials, followed by Materials and Consumer Staples. All three sectors were in positive territory for January. Chilean stock **Multiexport Foods SA** was added during January. This increases the holdings in the Consumer Staples sector. The Fund is holding 40 stocks at the end of January.

Mexico accounts for 50% of the Fund's assets, with Chile 18%, and Peru 16%. The Fund is 4% under index weight in Colombia at 11% of assets. Cash holdings are currently at 5% giving the investment team the opportunity to look to sectors where valuations are currently at attractive levels.



King Irving Sura Pacific Alliance Fund As at 31 January 2020	1 month	3 months	6 months	1 year	2 years	3 years	Since inception
Fund Performance	4.40	3.38	7.25	6.61	2.91	10.45	5.77
Index	2.31	2.32	3.44	2.67	0.16	6.66	4.12
Outperformance	2.09	1.06	3.81	3.94	2.75	3.79	1.65
MSCI GEM Index	-0.04	4.86	5.26	9.87	0.91	9.72	7.75

All numbers in AUD and unhedged. Benchmark is the MSCI LatAm Pacific Alliance Capped Index. The '2 years', '3 years' and 'Since inception' numbers are annualised. Performance figures are gross of fees, reflect the reinvestment of distributions and make no allowance for tax. Past performance is not a reliable indicator of future results.

Investment Objectives

To provide investors with high capital growth and income over the medium to long term of 3-5 years, by investing in equities of companies located in the fast growing Pacific Alliance economic and trade bloc of Mexico, Chile, Colombia and Peru.

Investment Strategy

The Fund will invest in equity securities predominantly listed, or to be listed, on the securities exchanges of countries of the Pacific Alliance. The Fund is relatively benchmark unaware and concentrated. There is a low allocation to cash, as the Investment Manager's aim is to be fully invested in securities.

Investment Philosophy and Process

Emerging Markets are inherently inefficient, with high volatility relative to Developed Markets. The Investment Manager aims to exploit these inefficiencies to generate alpha using a disciplined bottom up process involving fundamental analysis of the companies within the investable universe. This is overlaid with the consideration of top down factors, including specific industry, sector and Environment, Social and Governance issues.

King Irving Funds Management

King Irving Funds Management is the Trustee of the Fund and a specialist fund manager providing investors with access to Emerging Markets not otherwise readily accessible to the Australian market. Managers are selected based on a variety of factors including having a strong regional presence, well-resourced local investment teams, strong risk management processes and importantly, the likelihood of the manager providing new sources of risk adjusted returns and diversification for investor portfolios.

SURA Investment Management

SURA Investment Management is the Investment Manager of the Fund and a subsidiary of SURA Asset Management S.A. (SURA Asset Management).

SURA Asset Management has AUD 200b in assets under management and is the largest provider of mandatory and voluntary pensions in Latin America (by Assets under Management and number of clients).

The Investment Manager and/or its related entities operate as regulated entities under the securities regulatory framework in each of the Pacific Alliance countries of Mexico, Chile, Colombia and Peru.

King Irving Funds Management

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Notes

This fact sheet is issued by King Irving Funds Management Pty Limited ABN 82 600 590 887; AFSL 461981 (King Irving Funds Management). The Investment Manager is SURA Investment Management Mexico, S.A. de C.V. Sociedad Operadora de Fondos de Inversión (SURA Investment Management). It is intended exclusively for wholesale investors as defined under the Corporations Act 2001 (Cth) and is for information only and is not advice. The information in this fact sheet (the Information) may include information provided by third parties and is believed to be reliable, however to the maximum extent permitted by law, no guarantee is given that the Information is accurate or complete and King Irving disclaims liability for any error or omission. The Fund is subject to investment risk; the repayment of capital or payment of income is not guaranteed. All performance data and analytics are current as at 31 January 2020 unless otherwise stated. Asset, securities and country allocation may be changed at anytime. You should read the current Information Memorandum for the Fund available on www.kifm.com.au before you invest.