

FACTSHEET

THE MANAGER

Performance Returns

The SPARX OneAsia Long Short UCITS Fund returned -1.82% in the month of February.

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

In February, top negative contributor was our short position in It's Skin (226320 KS, a Korean cosmetic brand) among others. We first initiated a short position in June 2016 as we believed both single product risk and channel risk posed a significant downside to future sales and earnings. 90% of its sales had come from a single snail product, which faced rising competition from copy cat products. Meanwhile, 50% of the company's sales had come from one parallel importer from mainland China and the other 20% from Korean duty free channels. We saw tighter regulation in China on parallel importing and losing shelf space within Korean duty free channel to be a significant risk to its business model.

The short thesis had materialized with the share price having declined by more than 50% on falling sales and earnings. We added to our short position as the share price fell to maintain a -2% NAV and made 1.2% NAV gain since the inception of the trade.

However, the company in the middle of the month announced a merger with the unlisted parent company (Hanbul cosmetics, who owns a 50% of It's skin). That decision led to a massive recall of borrowed shares, which drove share price up by 40%. Our position was also victimized amid the recall.

Fundamentally, there is very limited incremental value by the merger since the parent co has a 90% of its business and earnings coming from manufacturing It's SKIN product. Furthermore, the challenges the company will face will be exacerbated with the same problems as before and despite the pullback of its share price, we still believe the current market cap remains significantly overvalued.

USD Institutional Class UCITS Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2017	1.26%	-1.82%	-	-	-	-	-	-	-	-	-	-	-0.58%
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 guarantee of future performance or 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 onerous 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 guarantee of future performance or a reliable guide to future performance.

Risk Metrics (% of NAV)

	Historical Risk Metrics [^]
Long Exposure	66.48%
Short Exposure	-62.49%
Gross Exposure	128.97%
Net Exposure	3.99%
No of Longs	23
No of Shorts	24
Beta	0.10

Historical Risk Metrics[^]

Annualised Return	2.70%
Annualised Volatility	5.07%
Sharpe	0.47
Sortino	0.72

[^]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.



Hak Kim is the portfolio manager for the SPARX OneAsia Long Short UCITS Fund. He has over 15 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 a 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	\$15 million
Strategy AUM	\$122 million
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: IE00BYMVZW58/IE00BYMW0S95 CHF: IE00BYMVZN67/IE00BYMW0P64 GBP: IE00BYMVZL44/IE00BYMVZZ89
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

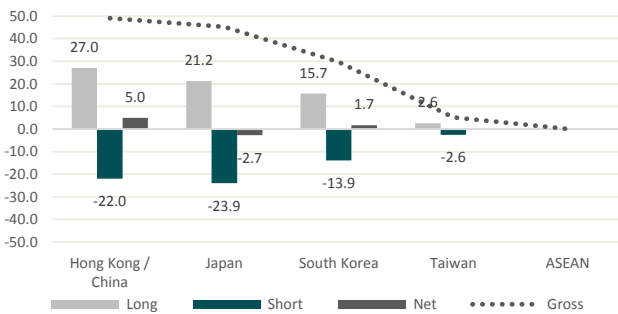
Top 5 Longs (% of NAV)

Nidec Corp	4.67%
Samsonite	4.38%
JD.com	4.36%
Softbank	4.26%
Haier Electronics	4.24%
TOTAL	21.91%

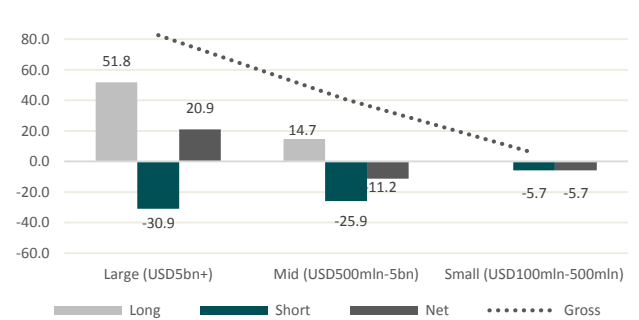
Top 5 Shorts (% of NAV)

Tracker Fund of Hong Kong	-5.63%
KraneShares CSI China Internet ETF	-3.71%
Korean Cosmetics (Korea)	-3.21%
Japanese Cosmetics (Japan)	-3.01%
Department Store (Japan)	-2.95%
TOTAL	-18.51%

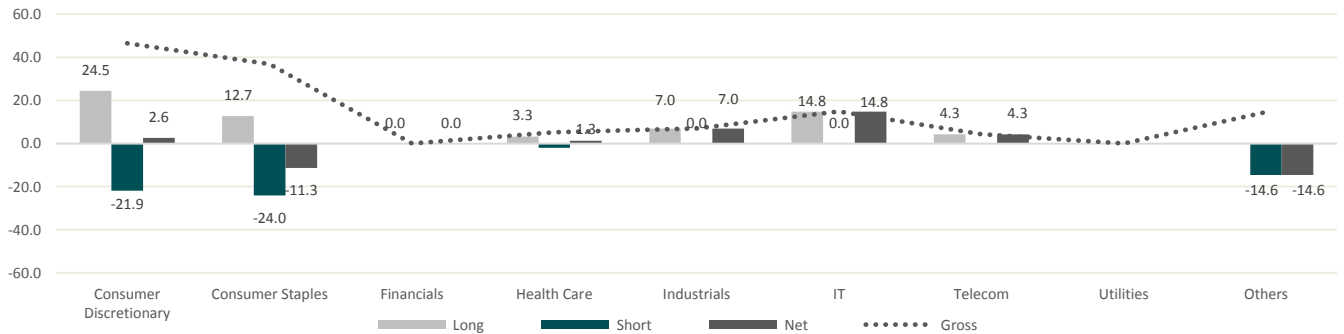
Geographic Analysis (% of NAV)



Market Cap Analysis (% of NAV)



Sector Analysis (% of NAV)



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Disclaimer

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