

Man GLG Asia Opportunities Fund

OCTOBER 2023

Fund Overview

ABOUT THE FUND

The Fund is a long only, style agnostic, fundamentally driven strategy. The team's core philosophy is to identify stocks with the best potential to deliver earnings surprises relative to expectations, which has historically been a persistent source of alpha in the region. The majority of risk relative to the benchmark and the majority of returns are expected to be achieved through idiosyncratic, stock specific risk taking. It will invest in Asia ex Japan companies across all market capitalisations and will typically be concentrated across 35-45 stocks. It will invest in equity securities (excluding securities convertible into equity securities) of issuers with a registered office in Asia ex Japan or of issuers which derive the majority of their revenues from activities in Asia ex Japan. Typically, it will invest predominantly in transferable securities, including ordinary shares, preference shares, common stocks, depositary receipts (including ADRs and GDRs), rights, warrants and other similar equity like securities.

GLG Asia (ex-Japan) Equity Strategy

A bottom-up long-only strategy focused on the Asia (ex-Japan) region



Investment philosophy

Fundamental

Bottom-up analysis focused on relative earnings revisions

Concentrated

High conviction all-cap portfolio with preference for mid-caps

Flexible

Style agnostic with flexibility to shift in/out of styles

31 October 2023

FUNDS UNDER MANAGEMENT	\$9.73M
NAV PER UNIT (A\$)	1.0562
REDEMPTION VALUE PER UNIT (A\$)	1.0541

Fund Characteristics

TOP 10 EQUITY HOLDINGS

Company Name	Fund
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	9.23%
SAMSUNG ELECTRONICS CO LTD	5.99%
TENCENT HOLDINGS LTD	5.69%
ICICI BANK LIMITED	5.31%
SK HYNIX INC	4.62%
MAHINDRA & MAHINDRA LIMITED	3.80%
BHARTI AIRTEL LIMITED	3.54%
INFOSYS TECHNOLOGIES LTD	3.52%
HDFC BANK LIMITED	3.36%
BANK MANDIRI	3.30%

HEADLINE EQUITY EXPOSURE

No. of positions: 31

Active share: 71.90%

EQUITY EXPOSURE BY MARKET CAP

	Fund	Benchmark
\$0 - \$0.25Bn	0.00%	0.12%
\$0.25Bn - \$2Bn	0.00%	1.10%
\$2Bn - \$10Bn	11.79%	21.76%
\$10Bn - \$50Bn	32.84%	36.51%
\$50Bn +	49.17%	40.51%

Performance at 31 October 2023

	1 month %	3 months %	6 months %	1 year % pa	3 years % pa	5 years % pa	Since Inception % p.a. ¹
Fund ²	(2.24)	(7.05)	(6.58)	11.46	-	-	5.70
Benchmark ³	(2.01)	(6.82)	(2.21)	14.65	-	-	8.60
Excess Return	(0.23)	(0.23)	(4.37)	(3.19)	-	-	(2.90)

Past performance is not indicative of future results. Returns may increase or decrease as a result of currency fluctuations

1. Inception date: 19 October 2022

2. Fund returns are calculated net of management fees and assume distributions are reinvested

3. MSCI All Country Asia ex Japan Net Index (A\$)

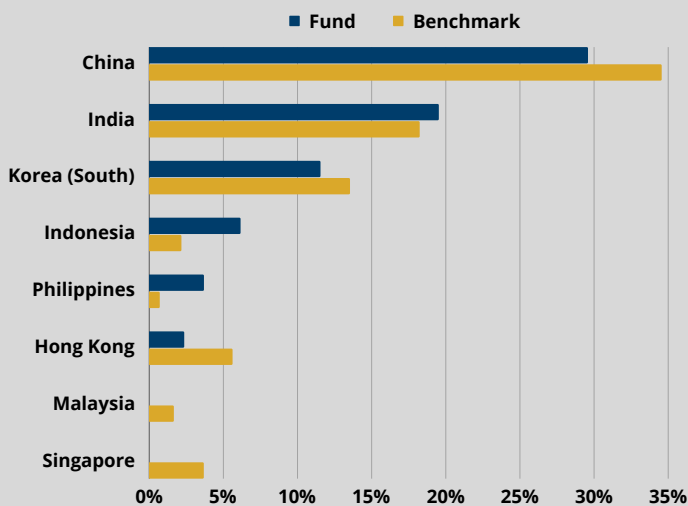
The data presented in these tables and graphs is unaudited and may change at any time. The data is shown for informational purposes only and is not indicative of any future portfolio characteristics.

TOP AND BOTTOM CONTRIBUTORS

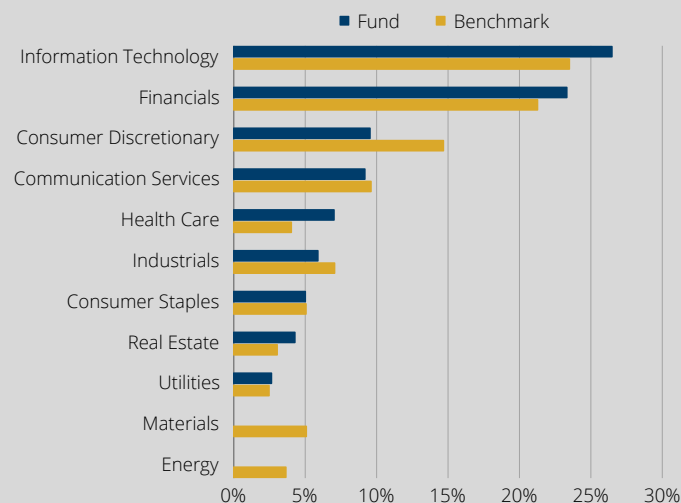
Top 5 Contributors	Contribution to Total Return %
PARADE TECHNOLOGIES, LTD.	0.21%
AIRTAC INTERNATIONAL GROUP	0.20%
SK HYNIX INC	0.18%
SHENZHEN MINDRAY BIO-MEDICAL ELECTRONICS CO., LTD.	0.13%
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	0.11%

Bottom 5 Contributors	Contribution to Total Return %
BAIDU, INC.	-0.43%
SAMSUNG ENGINEERING CO LTD	-0.38%
SANDS CHINA LTD	-0.38%
TENCENT HOLDINGS LTD	-0.30%
MAHINDRA & MAHINDRA LIMITED	-0.27%

TOP 10 COUNTRY EXPOSURE



SECTOR EXPOSURE



PERFORMANCE STATISTICS (SINCE INCEPTION)

	Fund	Benchmark	Relative
Annualised Return	7.50%	8.59%	-1.09%
Annualised Volatility	16.38%	16.81%	-0.43%
Sharpe Ratio	0.23	N/A	N/A
Correlation	0.98	N/A	N/A
Beta	0.95	N/A	N/A
Information Ratio	-0.32	N/A	N/A
Tracking Error	4.4%	N/A	N/A

TOP ACTIVE EQUITY POSITIONS

Top 5 Overweights	Relative Exposure
ICICI BANK LIMITED	4.26%
SK HYNIX INC	3.76%
MAHINDRA & MAHINDRA LIMITED	3.50%
PARADE TECHNOLOGIES, LTD.	3.11%
BHARTI AIRTEL LIMITED	3.09%

Top 5 Underweights	Relative Exposure
ALIBABA GROUP HOLDING LIMITED	-3.08%
AIA GROUP LIMITED	-1.84%
RELIANCE INDUSTRIES LIMITED	-1.53%
MEITUAN	-1.31%
PDD HOLDINGS INC	-1.11%

Manager Commentary

Asia ex Japan equities fell in October as geopolitical concerns and higher US yields weighed on returns to beta despite signs of stability emerging within the Chinese economy. China reported above consensus GDP growth for the third quarter, indicating recent easing measures were starting to support the economy. While household spending data was particularly strong, this was against a backdrop of slower income growth, which raises questions around the sustainability of the consumption recovery. By market, Indonesia materially underperformed as IDR hit multi-decade lows while South Korea recorded its worst October on record led by losses across the EV battery supply chain. Semiconductors were the notable outperformer on further evidence of a turnaround in the sector despite tightening US chip controls into China.

Consensus 2024e EPS was revised down by -1.6% as MSCI Asia ex Japan returned -3.65% in AUD.

Last month was a better month for the fund in relative terms, with positive active returns driven by the portfolio's semiconductor exposure and stock selection in the industrials sector. Against the backdrop of tightening export controls, the fund's top contributor was Sk Hynix, which rallied early in the month on the news the company had been granted a waiver to supply chip equipment into China. These gains were pared back post-results on guidance around slightly higher levels of capex for 2024, although in our view, the market reaction was overdone since this will be used to expand high bandwidth memory capacity, a critical input for powering AI. Another semiconductor holding, Parade Technologies, performed well led by further evidence of inventory destocking in the fabless manufacturing space. The company has been tentative in providing guidance around the inventory correction but offered a positive outlook on revenue drivers for next year after announcing a small beat to consensus. We remain constructive on the opportunity set going into 2024. Airtac also outperformed on better-than-expected Chinese manufacturing data and improving linear guide sales and pneumatics demand.

Turning to detractors, Baidu, a frontrunner in AI development in China, struggled on the news of tightening chip controls from the US. AI optimism surrounding the stock has cooled as the focus has turned to the upfront costs and export constraints associated with building out of the company's AI capabilities. We decided to exit the stock on earnings downgrades risks. In the consumer sectors, Tsingtao fell following a negative PR-related incident and a slight miss to revenue on weaker beer consumption. With premiumisation trends remaining intact, we are less concerned about industry-wide beer volumes and believe the company's pricing power in deflationary environment makes a strong fundamental case for the stock. However, given the uncertainty of the market share impact after the PR incident, we have decided to trim the position and are in the process of reconsidering our exposure in the beverage industry. Sands China also underperformed despite robust gross gaming revenues and reporting better-than-expected operating earnings.

In terms of portfolio construction, the most notable change last month was the decision to diversify part of our semiconductor exposure - the portfolio's biggest factor bet - trimming the overweight to Sk Hynix and using the proceeds to initiate a position in Samsung Electronics.

Unlike Samsung, Sk Hynix is entirely leveraged to the anticipated memory upcycle, and the addition of Samsung provides us with a slightly more diversified tilt to the overall chip recovery. Sk Hynix remains our largest active holding at +3.8% overweight versus the benchmark. Loadings to earnings revisions remains high with over 70% of the portfolio having better 3-month EPS revisions compared to the benchmark.

Fund Facts

INVESTMENT MANAGER

GLG Partners LP

APIR CODE

GSF6910AU

INCEPTION DATE

19 October 2022

DISTRIBUTIONS

Generally annually

RESPONSIBLE ENTITY

GSFM Responsible Entity Services Limited

MANAGEMENT FEE

0.95% p.a.

PERFORMANCE FEE

15.0% of the amount by which the return of the Units exceeds the Benchmark, subject to HWM p.a.

BUY / SELL SPREAD

Buy 0.20% / Sell -0.20%



ANDREW SWAN

Head of Asia (ex-Japan) Equities

IMPORTANT INFORMATION

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GSFM Responsible Entity Services has produced a Target Market Determination (TMD) in relation to the Fund. The TMD sets out the class of persons who comprise the target market for the Fund and is available at www.gsfc.com.au

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