

# Market Access Asian Opportunities Fund

## Fund description

The Market Access QIAIF ICAV Asian Opportunities Fund (the "Fund") is a regulated fund authorised by the Central Bank of Ireland, and is subject to the Irish AIFM Regulations. The investment objective of the Fund is to generate capital growth and income over the long term.

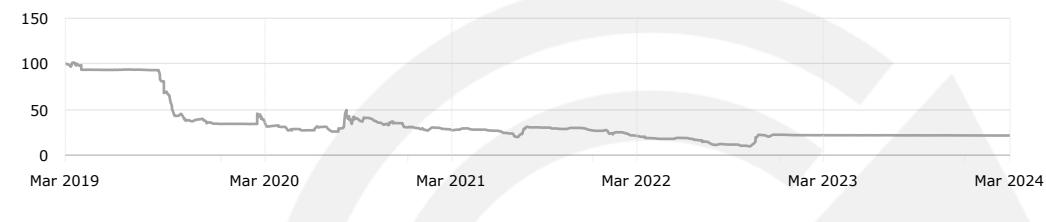
## Investment policy

The fund seeks to achieve its investment objective by investing primarily in shares of Asian financial institutions. The fund may also invest in preference shares, money market instruments, bank commercial deposits, convertible bonds, and/or other eligible financial instruments determined by the Investment Manager. The Investment Manager's approach to building a quality value portfolio employs a robust methodology that utilizes a disciplined value approach and quality metrics. The Investment Manager's objective is to construct a portfolio of the cheapest, highest quality value investments to maximize the alpha of the fund's portfolio.

## Fund details

<b>Fund type</b>	Qualifying Investor Alternative Investment Fund
<b>Legal name</b>	Market Access QIAIF ICAV
<b>Legal form</b>	ICAV
<b>Fund domicile</b>	Ireland
<b>Investment manager</b>	China Post Global (UK) Limited
<b>AIFM</b>	FundRock Management Company S.A.
<b>Depository</b>	European Depository Bank SA Dublin Branch
<b>Administrator</b>	Apex Fund Services (Ireland) Limited
<b>Auditor</b>	Ernst & Young
<b>ISIN</b>	IE00BYV3WD24
<b>Bloomberg Ticker</b>	MAQIAOB Equity
<b>Inception date</b>	29 March 2018
<b>Fund currency</b>	USD
<b>Fund NAV</b>	USD 16.7839
<b>Total Fund assets</b>	USD 68,078,309

## Historical Fund performance



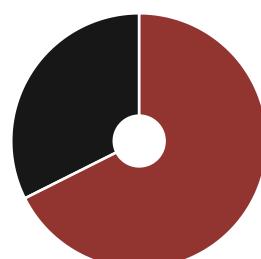
	1M	1Y	3Y	Since inception	Annualised return
<b>Asian Opportunities Fund</b>	-0.16%	-1.61%	-23.28%	-83.22%	-25.71%

Source for all data: CPG and Bloomberg, 28 March 2024

Launch date of the fund was 29 March 2018

**Note: Past performance cannot be relied on as a guide to future performance.**

## Portfolio composition



Asian Preference Shares & Equity Related Securities	67.59%
Cash	32.41%
Asian Equities	0.00%

## To find out more

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Source: CPG and Bloomberg, 28 March 2024

## Market commentary

China's inaugural government work report of March 2024 paints a persistent picture of a contracting housing market juxtaposed against resilient industrial production. Despite a bold mortgage rate cut in late February, core cities continue to witness lacklustre home turnover and price dynamics - with both falling short of market expectations. Projections indicate a further decline of 5-10% in housing investment for 2024. With the housing sector's drag on China's nominal growth expected to decrease below 1%, compared to the previous year's 1.6%. Consequently, without additional policy intervention, economic growth could edge up to 4.6% in 2024, building on the 4% annual expansion compounded annually witnessed from 2021 to 2023. The deployment of the government's special bond program aims to offset local governments' dwindling revenue from land sales, signalling the potential conclusion of the structural transformation initiated in 2021.

Given the context of relatively high down payment ratios, limited speculative activity in the housing market, and manageable impacts on the financial system, the special bond program is poised to alleviate economic strains stemming from weaker local governments and reduced construction demand. While infrastructure spending can aid in navigating the transition to much lower reliance on the housing sector, the crux of the challenge lies in bolstering local government revenues. Fiscal data underscores a significant loss in annual land sale revenue, estimated at 3 trillion CNY from its peak, a gap that could be substantially mitigated by the special bond program. It therefore appears that China's growth is bottoming out.

Following the substantial rate cut in February, China has maintained the status quo with unchanged policy rates and benchmark loan rates. Despite assurances from central bank officials regarding policy flexibility, money market rates are being carefully managed to remain above the policy rate. Meanwhile, the yield curve remains flat, although the ultra-long end is experiencing heightened volatility as select market participants hedge their equity exposure with ultra-long rates. While many onshore investors attribute the central bank's pause to cautionary cues from the Federal Reserve, we believe that the People's Bank of China may prioritise shoring up market confidence through rhetorical support rather than resorting to further rate cuts. Thus, even in the event of rate cuts by the Fed mid-year, the PBoC may opt to diverge if domestic growth indicators maintain a positive trajectory.

## Key risks

Investors in the fund are exposed to fluctuations in equity prices which can go down as well as up and may be subject to significant volatility due to market conditions. Investors can lose up to the amount initially invested. Changes in foreign exchange rates may affect the value of your investments. The fund carries the risks associated with investing in the Asian stock markets. Investors in the fund may be affected by local market conditions including political, economic and regulatory developments in Asia. A fund may hold equity and equity like interests in entities. Equity is subordinate to all other claims into an underlying investment and therefore can experience a low or zero recovery in the event of an insolvency or winding up of the underlying business or entity. A fund may invest up to 100% of its net assets in one or more securities or cash. In the event that inflation rises significantly over the medium to long term the nominal value of a fund's assets may decrease and inflation may diminish the real value of the fund's investments over time.

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