

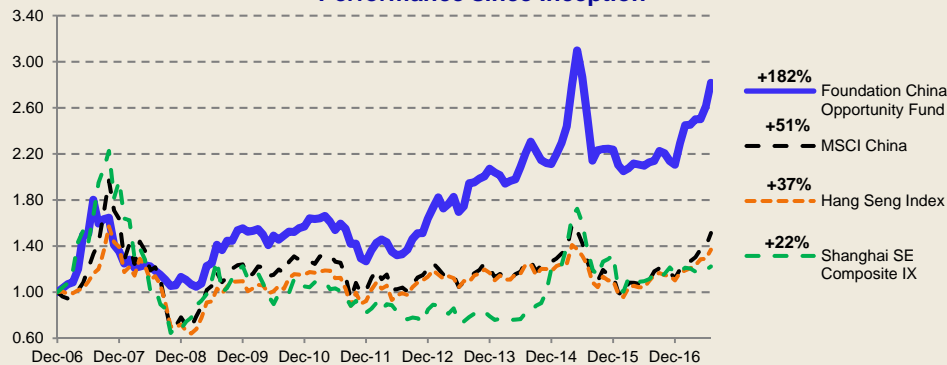
FOUNDATION CHINA OPPORTUNITY FUND

Monthly Factsheet

Fund Description

An equity long/short fund, launched in December 2006, is the firm's 1st flagship fund. The Fund maintains a consistent investment approach with a focus on liquidity, low directional exposure to equity markets. The Fund has three core investment strategies: value recovery, growth-at-a-reasonable-price equity and alpha shorts. Each underlying strategy aims to exploit inefficiencies primarily in the Greater China markets. Since the Fund's inception, a disciplined approach to managing the investment process and portfolio risk, combined with a policy of stable strategy biases, has ensured that the Fund has produced solid compounded returns. Those returns exhibit low volatility as well as a low beta to equity markets and have provided meaningful downside protection in difficult market environments.

Performance since Inception



Performance Comparison

(NAV, %)	Month to Date	Year to Date	1 Year	3 Year	5 Year	Since Inception
The Fund	7.9	33.8	32.5	27.7	112.1	181.7
MSCI China	8.4	35.0	37.5	19.8	45.6	51.3

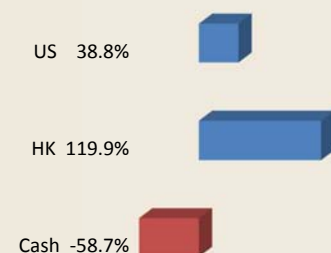
Portfolio Highlights

Company Description	Change of Recommendation ?	Reasons for the change or news / comment on price alert	MTD (incl div)	FY0 Forecast PB	FY0 Forecast DY	Market Cap (US\$m)
Automotive retailers	No	<ul style="list-style-type: none"> like other Chinese auto dealers, company posted positive profit alert ahead of 1H17 interim results expect interim profit to grow over 60% yoy supported by stead increase in new vehicle sales volume and gp margin, rapid revenue growth of after-sales services, finance and insurance services 	28%	2.6	2.8%	2,207
Telecom carrier	No	<ul style="list-style-type: none"> weak 1H17 interim results, top & bottom line declined 6% & 10% yoy when consensus was expecting 3% growth mobile dragged back by mobile ARPU drop of 3% yoy, plus decline in smartphone sales; yet fixed line EBITDA grew 2% yoy on the back of strong corporate segment company confirms fixed line disposal at price tag tilted towards our high end estimation, yet no special dividend announced, with EGM vote ahead to confirm the deal 	9%	1.3	3.5%	1,851
Insurance	No	<ul style="list-style-type: none"> 1H17 results strong beat in most major metrics, i.e. value of new business (VONB +39% yoy, versus management guidance 36%), net profit (+16% yoy), and dividends (+17% yoy) driven by strong China & HK segment (grew 54% & 64%), plus further cost structure improvements to widen margins up 1.5 ppts 	8%	2.5%	1.7%	95,148
Payment & data process	No	<ul style="list-style-type: none"> management guides a moderation of HK's growth in 2H17, owing to reduced mainland biz 2Q17 profit 8% ahead of forecast and company guidance, revenue grew 20% yoy in line healthy results backed by payment volume growth of 26% yoy, plus 6.5m net adds of active accounts qoq management raised full year guidance for both top & bottom line, expect top line 18-19% growth 	9%	4.7	0%	70,400

Performance since Inception (NAV, %)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	8.90	6.79	0.16	1.90	0.10	4.38	7.88						33.8
2016	-6.00	-2.54	1.23	2.04	-0.47	-0.47	1.42	0.55	4.02	-0.84	-3.07	-1.50	-5.8
2015	4.07	4.48	6.15	14.75	10.71	-7.42	-12.2	-14.9	4.27	0.39	0.12	-0.32	5.9
2014	-1.56	-1.11	-3.68	1.18	0.76	5.39	5.74	4.54	-3.50	-3.56	-1.21	-0.38	2.0
2013	5.82	5.25	-5.28	2.30	3.46	-7.13	2.84	11.44	0.44	1.67	1.05	3.22	26.6
2012	7.32	4.88	2.05	-1.62	-5.72	-2.29	0.63	3.00	6.80	3.39	0.12	8.15	29.0
2011	4.48	-0.33	0.35	1.24	-3.00	-4.50	3.68	-2.84	-8.40	0.07	-9.01	-1.90	-19.2
2010	-1.89	0.44	1.00	-3.24	-5.90	5.77	-2.36	2.45	2.35	-0.27	2.27	0.90	1.0
2009	-2.26	-3.44	-1.99	2.48	14.28	1.92	12.88	-3.25	5.90	0.03	6.33	1.14	37.4
2008	-7.90	2.61	-5.55	0.89	1.05	-0.76	-3.16	-2.92	-3.90	-4.78	0.55	6.82	-16.5
2007	3.29	3.31	1.65	10.37	24.90	0.80	19.47	-11.4	2.33	0.78	-14.3	-3.86	35.6

Listing Regional Distribution



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