

i Capital ASEAN BTB Fund ARSN 651 424 314



Quarterly Investment Report
For the period from 19 Oct 2023 (Inception) to 29 December 2023

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Investment Objective

To achieve long-term capital appreciation

Who should invest?

Investors seeking a value investing style, exposure to the securities listed on 6 ASEAN exchanges and securities listed in any other stock exchanges but with businesses in the ASEAN economies, who are able to adopt a long-term outlook and endure performance fluctuations.

Entry Fee

Nil

Withdrawal Fee

Nil

Exit Fee

Nil

Transfer Fee

Nil

Bid/Offer Spread

Nil

Performance Fee

15.375% p.a. only chargeable if the following three criteria are met in the same period

1. Fund's NAV per unit exceeds 5% annual rate of return *and*
2. Fund's NAV per unit exceeds 5% annual compound rate of return *and*
3. Both annual and annual compound returns must still be above 5% if a performance fee is chargeable

Management Fee

Approx. 1.5375% p.a. of the NAV

Administration Cost

Approx. 2.0512% p.a. of the NAV. These expenses are paid as and when they occur.

ASEAN FUND AT A GLANCE

Other Expenses

As our direct investor, no commission or additional fees associated with distributors or financial advisers are applicable to you.

A number of other expenses can be paid from the fund if incurred. However, we decided not to recover these expenses from the Fund, e.g.

- Printing of quarterly and annual reports
- Costs associated with establishing the fund
- Professional assistance operating the fund
- Independent performance verification.

Inception Date

19 October 2023

Minimum Investment (AUD)

\$5,000

Additional Investment (AUD)

\$1,000

Income Distribution

Annually (if any)

The table below gives an example of how the fees and costs in the Fund are charged based on your investment over a one year period. The example does not include the performance fee that may apply to your investment as we do not have a reasonable basis for estimating the performance fee.

Example:

Fee charged per year for an investment balance of \$50,000.00.

Management Fee

$\$50,000.00 \times 1.5375\% = \768.75

Administration Cost

$\$50,000.00 \times 2.0512\% = \$1,025.61$

Total Fee Per Year:

\$2,039.95

PERFORMANCE REVIEW

By 29 Dec 2023, the Fund has, from its inception on 19 Oct 2023, delivered a cumulative return of -1.56%, net of expenses. This compares with the MSCI ASEAN index returning -1.31%, resulting in

relative underperformance of 0.25 percentage points by your Fund. The said comparative benchmark figures are shown in **figure 2** and **table 1**.

MARKET REVIEW AND OUTLOOK

This quarterly report is the first for the ASEAN Fund. The next commentary will be the monthly NAV Commentary for the month of January 2024.

As at the time of writing this commentary, your Fund has about 12.1% cash, and invested the rest of its NAV in eight listed companies from five ASEAN stock markets. Around 20% of its total NAV is invested in two Indonesian companies with 25% of its said NAV invested in two semiconductor-related companies.

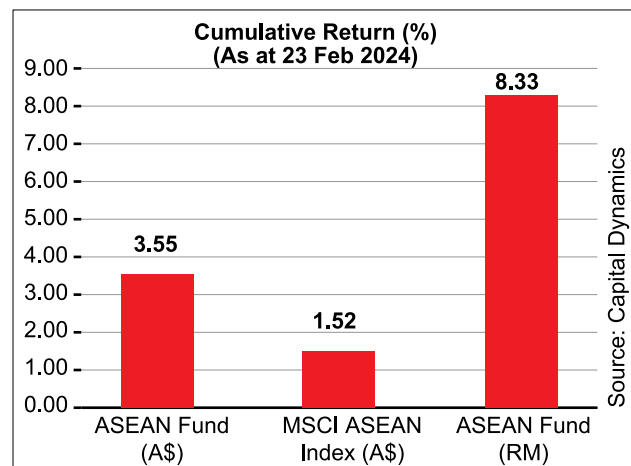
Indonesia successfully concluded its presidential election last month. Prabowo Subianto, 72, incumbent defence minister, won handsomely, far ahead of rivals Anies Baswedan and Ganjar Pranowo. This outcome is extremely significant for Indonesia. First, the election was held peacefully with no violence or major disruptions. Few people realise that Indonesia's democracy has matured very fast and has produced political stability, a condition that developing countries must have before sustained growth and development can be attained. In the last twenty years, the republic has only two presidents, both of whom were extremely capable. Now, with a convincing majority, Prabowo and his deputy, the eldest son of president Jokowi, look set to continue focusing on economic growth and development. For comparison, the UK has 5 prime ministers in just 6 years when Rishi Sunak was appointed in 2022.

The global semiconductor industry suffered a decline starting 2022 but global semiconductor sales have now turned positive. This immensely important global but cyclical industry is on track to grow further in 2024 and 2025. The *i* Capital ASEAN BTB Fund has invested in two companies that will benefit from this trend.

From its inception until 23 Feb 2024, the *i* Capital ASEAN BTB Fund, priced in A\$, has experienced a gain of 3.55%. In comparison, the MSCI ASEAN

index increased only 1.52%. Thanks to the exchange rate, Malaysian investors are enjoying a return of 8.33% in Ringgit-term.

Figure 1 ASEAN Fund Cumulative Return (%)



Our ASEAN Fund is ideal for investors looking for ASEAN-focused low-risk, high-return fund. Investors should consider investing more in the *i* Capital ASEAN BTB Fund. Its NAV can be viewed in either www.funds.icapital.biz or www.capitaldynamics.com.au

Best wishes.

陳鼎武

Tan Teng Boo
Managing Director
Capital Dynamics (Australia) Limited
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29 February 2024.

FUND PERFORMANCE 1

Figure 2 Total return (%)

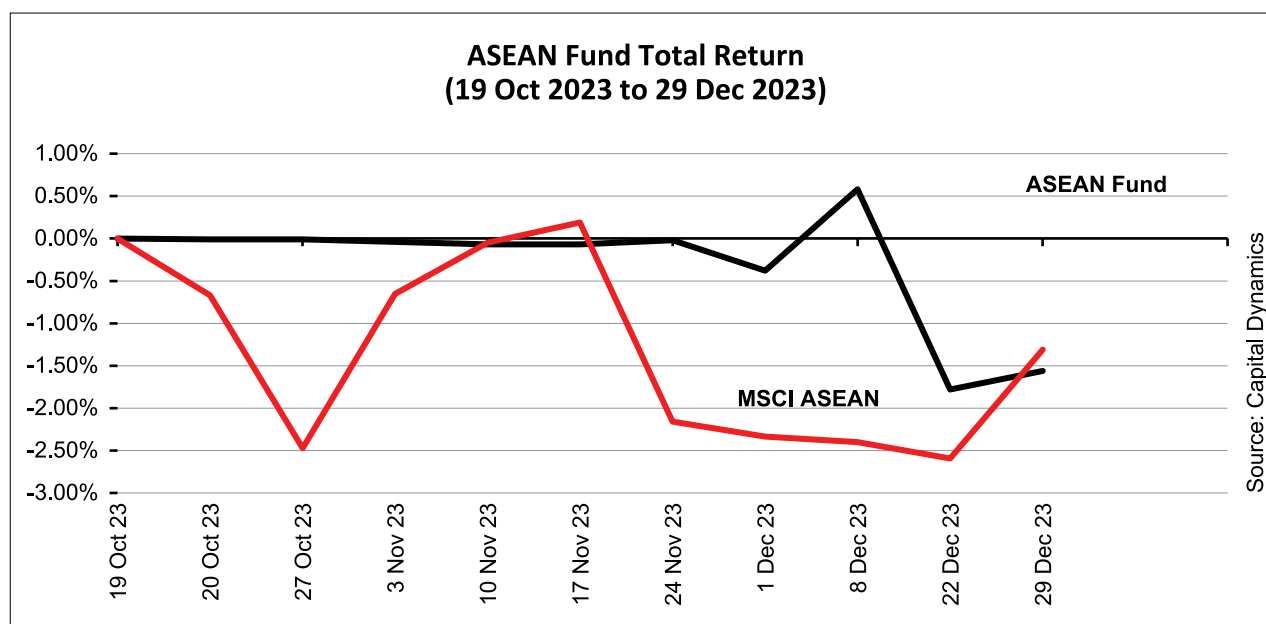


Table 1 Cumulative Total Return and Compound Return

	Cumulative Total Return (%)		
	1-Year-Return	2-Year-Return	Since Inception
ASEAN Fund (AUD)	N/A	N/A	-1.56
MSCI ASEAN (AUD)	N/A	N/A	-1.31

FUND PERFORMANCE 2

Table 2 Top 4 performing stocks in local currency (holdings held over the quarter)

	Quarter ending 29 Dec 2023 (% of change)
Bank Rakyat Indonesia	9.05%
Dutch Lady Milk Industries Bhd	2.48%
Fraser And Neave Holdings Bhd	1.12%
Century Pacific Food Inc	0.86%

The table above presents the top 4 performing stocks your fund held at sometime within the referenced quarter. The stocks do not necessarily need to be bought at the start of the quarter (i.e. 19 October 2023), and held till the end of the quarter (i.e. 29 December 2023). Stock performance will only be measured over the specific period that your fund held the stock in the referenced quarter. This

means that, for example, if Bank Rakyat Indonesia was bought on 23 October 2023 and sold on 8 December 2023, its performance is only measured over 23 October 2023 to 8 December 2023 and not over the full quarter. Similarly, if it was bought on 16 November 2023 and sold on 29 December 2023, its performance is measured over the period 18 November 2023 to 29 December 2023.

FUND PERFORMANCE 3

Table 3 shows the percentage gain or loss of each company held by your Fund as at 29 December 2023. This table assumes no impact from currency movements or constant exchange rates.

Table 3 Percentage gain or loss arising from stock price changes.

Security	Average Cost (A\$)	Price Dec 2023 (A\$)	% Change
Bank Rakyat Indonesia	0.52	0.50	-4.02%
Century Pacific Food Inc	0.83	0.81	-2.70%
Dutch Lady Milk Industries Bhd	7.41	7.21	-2.69%
Fraser And Neave Holdings Bhd	9.04	8.88	-1.75%

Table 4 shows the percentage gain or loss arising from currency movements as at 29 December 2023. This table assumes no change in stock prices or constant stock prices.

Table 4 Percentage gain or loss arising from currency movements.

Security	Average Cost (A\$)	Price Dec 2023 (A\$)	% Change
Bank Rakyat Indonesia	0.52	0.57	9.05%
Century Pacific Food Inc	0.83	0.84	0.86%
Dutch Lady Milk Industries Bhd	7.41	7.59	2.48%
Fraser And Neave Holdings Bhd	9.04	9.14	1.12%

PORTFOLIO INFORMATION

Table 5 Percentage of assets held as cash

	Cash (%)	Equities (%)
End of Oct 23	100.00%	0.00%
End of Nov 23	84.24%	15.76%
End of Dec 23	63.38%	36.62%

Table 6 Top 4 holdings as at 29 Dec 2023

	36.62%
Bank Rakyat Indonesia	10.67%
Fraser And Neave Holdings Bhd	10.55%
Century Pacific Food Inc	9.62%
Dutch Lady Milk Industries Bhd	5.78%

Table 7 Portfolio breakdown for equities by region as at 29 Dec 2023 (in AUD)

	100.00%
Malaysia	44.60%
Indonesia	29.13%
Philippine	26.27%

FUND INFORMATION

About *i* Capital ASEAN BTB Fund

The *i* Capital ASEAN BTB Fund invests in securities listed on selected exchanges throughout 6 reputable ASEAN exchanges and securities listed in any other stock exchanges but with businesses in the ASEAN economies.

The strategy is driven by an intelligently eclectic “Bamboo value investing” philosophy with an emphasis on the margin of safety created by stock selections based on divergences between market prices and the underlying intrinsic values of the companies.

The objective of Capital Dynamics (Australia) Limited (CDAL) is to seek long-term capital appreciation whilst reducing the margin of error when investing. This is achieved with a rigorous, innovative and well-defined value investing approach.

Unlike conventional value investing, CDAL adopts a bottom-up approach to portfolio construction, overlaid with a macro view. The objective of CDAL is to obtain a sound investment framework that allows for a clear perspective of how economies, markets and sentiment interact and how this interaction influences its investments.

About the Group

Capital Dynamics is an independent global fund manager and investment adviser, not tied to any bank, insurer, stockbroker or political organisation.

Our managed funds and investment advisory service are all directly accessible by individual, corporate and institutional investors around the world, and we also offer individually managed accounts to wholesale investors. Currently we manage over US\$300m, from our offices in Kuala Lumpur, Singapore, and Sydney. Our investment advisory service is provided via *i* Capital newsletter, a weekly publication, and www.icapital.biz. It is available in English and Chinese.

Philosophies

Independence, intelligence and integrity drive all business and investment decisions at Capital Dynamics. Integrity is central to our corporate culture, and to our loyal clients of many years, our word has proven to be our bond. Capital Dynamics has some of the most stringent compliance policies in the industry.

As a global fund manager, our “Bamboo value investing” philosophy is unique, and has enabled Capital Dynamics to generate sustained superior returns. Based on long-only investment principles, our value investing approach is given flexibility with the addition of macroeconomic factors and further investment intelligence from our team of fund managers and analysts. We go behind the commercial veneer of companies, travelling globally to research first hand.

1. Cyclical industry

A cyclical industry is a type of industry that is sensitive to the business cycle, such that revenues generally are higher in periods of economic prosperity and expansion and are lower in periods of economic downturn and contraction.

2. MSCI ASEAN index

The MSCI AC ASEAN Index captures large and mid cap representation across 4 Emerging Markets countries* and 1 Developed Market country. With 127 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

NOTES

Past performance is not a reliable indicator of future performance. Performance is calculated in Australian dollars, net of ongoing fees and expenses and assumes reinvestment of distributions.

Capital Dynamics (Australia) Limited (CDAL) (ABN 53 129 846 260 | AFSL 326283) is the responsible entity and issuer of *i* Capital ASEAN BTB Fund (“Fund”). The Product Disclosure Statement (“PDS”), the Additional Information Booklet (“AIB”) and the Target Market Determination (“TMD”) dated 30 September 2023 are the current offer documents for the Fund. You can obtain a copy of the PDS, AIB and TMD from CDAL’s website www.capitaldynamics.com.au, or contact CDAL at 1300 798 655, or email CDAL at info@capitaldynamics.com.au.

Before making any investment decision you will need to consider your particular investment needs, objectives and financial circumstances.

You should also consider the PDS, AIB and TMD in deciding whether to acquire, or continue to hold, units in the Fund.

Disclaimer: The information in this Quarterly Investment Report is not intended to provide advice. It has not been prepared taking into account any particular investor’s or class of investor’s investment objectives, financial situation or needs, and should not be used as the basis for making investment, financial or other decisions. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. None of CDAL nor any of its related entities guarantees the performance of the Fund or the repayment of capital or any particular rate of return or any distribution.

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