May 2020
For institutional investors only.
This document is not suitable for retail investors.

Market Access
Mutual Funds

Market Access QIAIF ICAV PAT Global Income Fund

Fund description

The Market Access QIAIF ICAV PAT Global Income 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

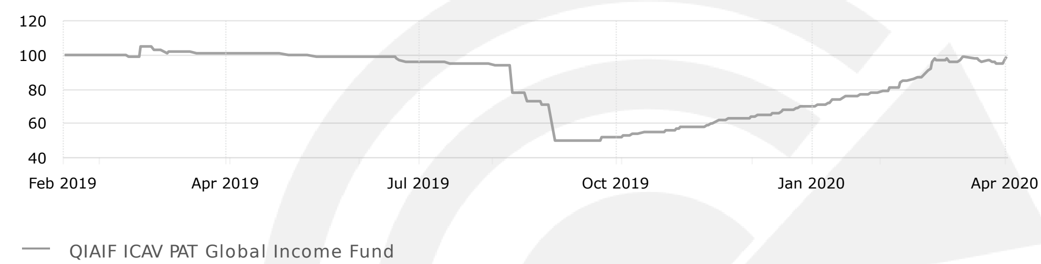
The Fund seeks to achieve its investment objective by investing primarily in high yielding fixed income securities, preference shares, contingent convertible bonds and other securities, fixed income, debt and money market instruments issued predominantly by Chinese companies or their international subsidiaries and affiliates.

The Investment Manager's approach to building a quality credit portfolio employs a robust methodology that utilizes disciplined credit research and quality metrics. The Investment Manager uses its in-depth market knowledge to optimise asset allocation, and duration/yield curve positions are derived from key economic factors such as growth, inflation and interest rates.

Fund details

Fund type	Qualifying Investor Alternative Investment Fund
Legal name	Market Access QIAIF ICAV
Legal form	QIAIF ICAV
Fund domicile	Ireland
Investment manager	China Post Global (UK) Limited
AIFM	FundRock Management Company S.A.
Depository	European Depository Bank SA Dublin Branch
Administrator	Apex Fund Services(Ireland) Limited
Auditor	Ernst & Young
ISIN	IE00BG0CV938
Bloomberg Ticker	MAQGUNV Equity
Inception date	12 February 2019
Investment Manager Fee	0.62%
Fund currency	USD
Fund NAV	USD 99.0480
Total Fund assets	USD 116,876,662

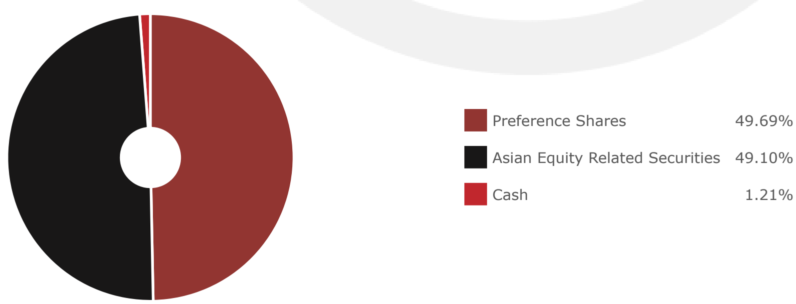
Historical Fund performance



	1M	1Y	3Y	Since inception	Annualised return
QIAIF ICAV PAT Global Income Fund	2.61%	-1.99%	N/A	-0.95%	-0.79%

Source for all data: CPG and Bloomberg, 29 April 2020
Launch date of the fund was 12 February 2019
>Note: Past performance cannot be relied on as a guide to future performance.

Portfolio composition



Source: CPG and Bloomberg, 29 April 2020

To find out more

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Market commentary

The shock of the epidemic paralyzed China's economy in 20Q1 but introduces a friendly environment after it ends. Growth has only showed signs of recovering from domestic structural reforms and external shocks when there are favourable developments on both sides. Policies are set to turn accommodative to support small and medium enterprises and achieve the goal of eliminating poverty. The US-China phase one deal also offers some relief, and hopefully could alleviate the uncertainty and promote manufacturers' confidence.

Inflation indices in recent months are distorted, and thus meaningless, when production comes to a standstill and demand for certain products surges. Inflation is an indication of tightness of supply and demand under normal circumstances and implies a policy stance, especially with regards to monetary policy. Now production is halted due to the extension of the public holiday in many sectors, and it is guided by administrative directives instead of market signals in certain sectors where demand surges are driven by panic and anxiety, leading to the conclusion that inflation measures are pointless for the current period. Before the epidemic, rising pork prices pushed consumer inflation to its highest level since the 2011 stimulus-induced peak, while the core series remained close to its historic low, implying sluggish aggregate demand in the last quarters. Producer inflation has been rising to positive territory due to cyclical forces. After the epidemic, all inflation gauges may trend higher before moving lower when producers return to work, but the rise is unlikely to trigger a monetary policy tightening.

PBoC is shifting to deal with the uncertainty by lowering borrowing costs and halting the tightening of financial regulation. Open Market Operations rate was lowered by 10bps on the first trading day after the Lunar New Year holiday, a step up from the previous cut of 5bps. The latest speech of PBoC officials implies a further cut of policy rates and guides down the Loan Prime Rate as well. For existing loans, banks are advised to remit or delay interest charges on borrowers from certain areas and sectors. A lower funding cost does help the economy, but a slower pace of tightening regulation is more effective. Implementing new asset management rules has squeezed non-standard financing to 85% of its peak level by the end of 2019 and its transition period may be extended for another year from the end of 2020. More structural policies targeting the easing of financing problems of small and private firms can be expected, however large scale monetary stimulus is out of the question as experience of 2015-2016 shows it would only stimulate asset markets.

Fund statistics

Return since launch	-0.95%
Annualised return	-0.79%
Annualised volatility	35.76%
Sharpe ratio	0.07
Max drawdown	53.08%
Current yield	1.60%
Weight average maturity	1.79

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 Asia region. Investors in the fund may be affected by local market conditions including political, economic and regulatory developments in Asia.

The Fund may invest in securities which are rated below investment grade. The lower rated securities in which the Fund may invest will have a significantly greater risk of default in payments of interest, principal, or both, than the risk of default for investment grade bonds. The secondary market for lower rated securities is typically much less liquid than the market for investment grade bonds, frequently with significantly more volatile prices and larger spreads between bid and asked price in trading.

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.