



**Apuano UCITS**

**Apuano Foundation China Fund**

**End of January 2025**





# Contents

- INTRODUCTION 3
- APUANO CAPITAL 14
- FOUNDATION ASSET MANAGEMENT 16
- APUANO FOUNDATION CHINA FUND 19
  - Fund characteristics 19
  - Investment process 31
  - Risk management 32
  - Fund details 35
- EUROPEAN AND GLOBAL INVESTMENTS 40
- BIOGRAPHIES – CONTACTS 41





# INTRODUCTION

## Why having a stable position for China in a portfolio?

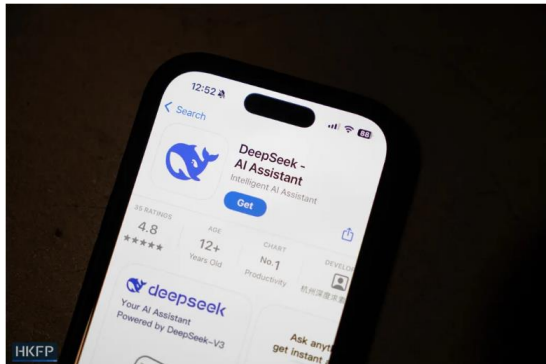
- Number of Chinese companies listed in HK, Shanghai, Shenzhen and ADRs (US) is over 7000. In terms of number of listed companies, it is the world's second largest market after US.
- Combined market cap of HK, Shanghai, Shenzhen and ADRs is over USD 100 trillion. In terms of market cap, it is the world's second largest market after US.
- Monthly trading volume of HK, Shanghai, Shenzhen and ADRs is over USD 1.0 trillion. In terms of market cap, it is the world's second most liquid market after US.
- Number of large cap companies (> USD 10 billion market cap) in HK, Shanghai, Shenzhen and ADRs is more than 1400. The number of large caps is the world's second highest after US.





# INTRODUCTION – Technological landscape

- Advancements in home-grown DeepSeek has caused ripple effects across various industries in China, leading to a global shift in the AI supply chain.



South China Morning Post

## Lenovo reshuffles leadership amid AI-driven growth and DeepSeek adoption

The world's largest PC maker named a new CFO and board members after months of double-digit growth and aggressive AI adoption.



BBC

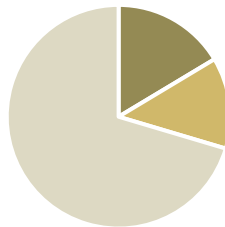
## India AI: As DeepSeek and ChatGPT surge, is Delhi falling behind?

Two years after ChatGPT, China launched DeepSeek, but India doesn't have its own foundational model yet.



- China's existing infrastructure such as cloud service providers, cheap access to electricity, and a world-leading demography of engineers will propel the second-largest economy to the forefront of this technology.

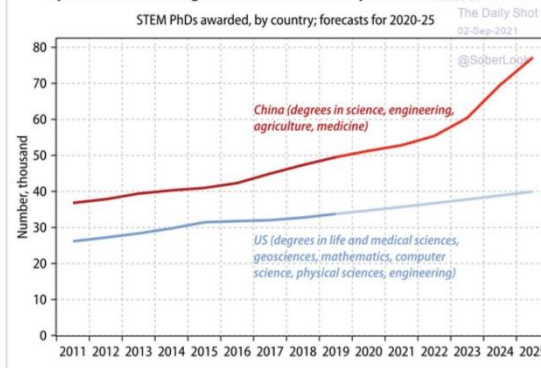
Distribution of AI buyers and sellers in China



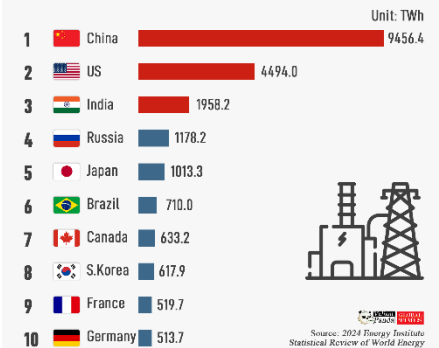
■ Enabler ■ Enabler/Adopter ■ Adopter

Data source: Morgan Stanley

### By 2025, China will graduate twice as many STEM PhDs as the US



### TOP 10 COUNTRIES WITH THE MOST ELECTRICITY GENERATION IN 2023



Source: 2024 Energy Institute Statistical Review of World Energy



# INTRODUCTION – AI applications

- DeepSeek’s seemingly limitless potential has thrust the technology into the growth strategy of almost all firms, with usage applications from **autonomous driving** to **industrial innovation**, **medical diagnosis** and **drug discovery**.

## BYD's 'God's Eye' Takes Autonomous Driving to the Masses



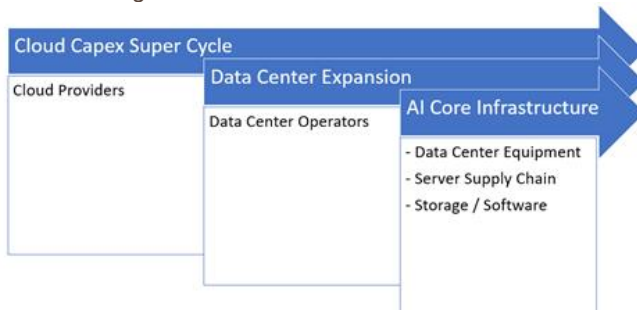
Source: Bloomberg

## Chinese e-scooter brands Ninebot, Niu integrate DeepSeek AI for smarter rides

Ninebot and Niu Technologies both claim to be the first to put DeepSeek tech in electric two-wheelers, following moves from EV makers



Source: SCMP



Source: Morgan Stanley





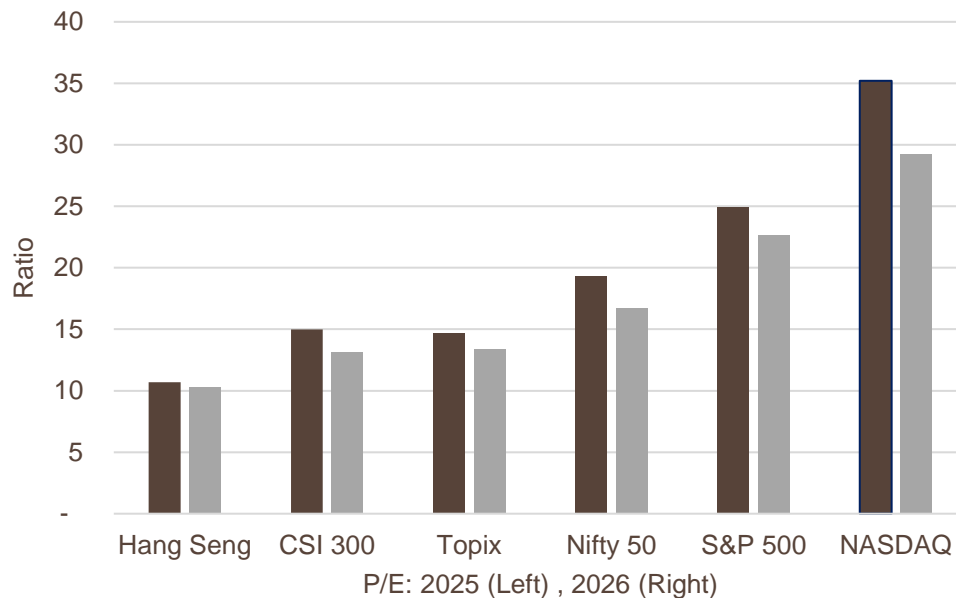
# INTRODUCTION – Attractive valuations

- China continues to reign as the most important region in the MSCI Emerging Markets Index. Inclusion in 2018 followed by FTSE Russell keep the world’s second-largest economy as a keystone part of global equities.

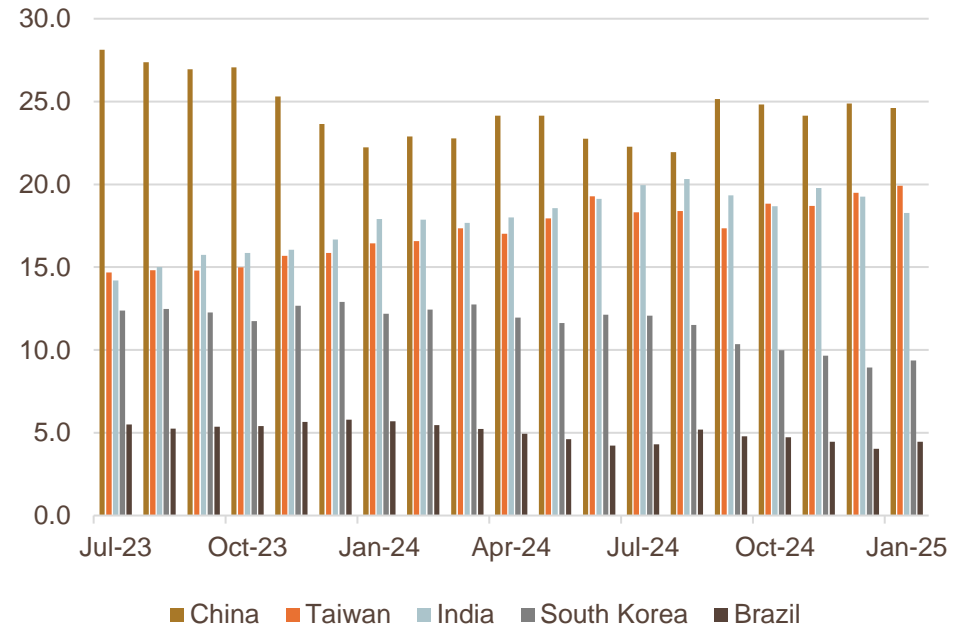
## Market outlook:

- Underperformance has led to cheap valuation of its constituents and an overlooked under-allocation by global investors. Outclassing P/E ratios across global markets places Chinese equities at a competitive advantage in shareholder value.

**Forward P/E 2025 - 2026**



**MSCI EM Index Weights**





# INTRODUCTION – Market Outlook

## **Property Market Recovery**

- Property sector is the bedrock of the Chinese economy at 29% of GDP
- Property market has already showed signs of recovery
- We expect continued monetary and fiscal support

## **China Reopening**

- China has completely reopened
- Pent up demand evident, especially in domestic services industries

## **Resource Self-sufficiency**

- We expect policy tailwind and continued investment in sectors that are critical for resource self-sufficiency

## **Advance Manufacturing and Renewable Energy**

- China is entering a new wave of industrial revolution – still in the early stages of penetration

# **A** INTRODUCTION – Where we find value opportunities

## **I) High free cash flow & dividend grower**



## **II) Quality growth companies with low valuation**

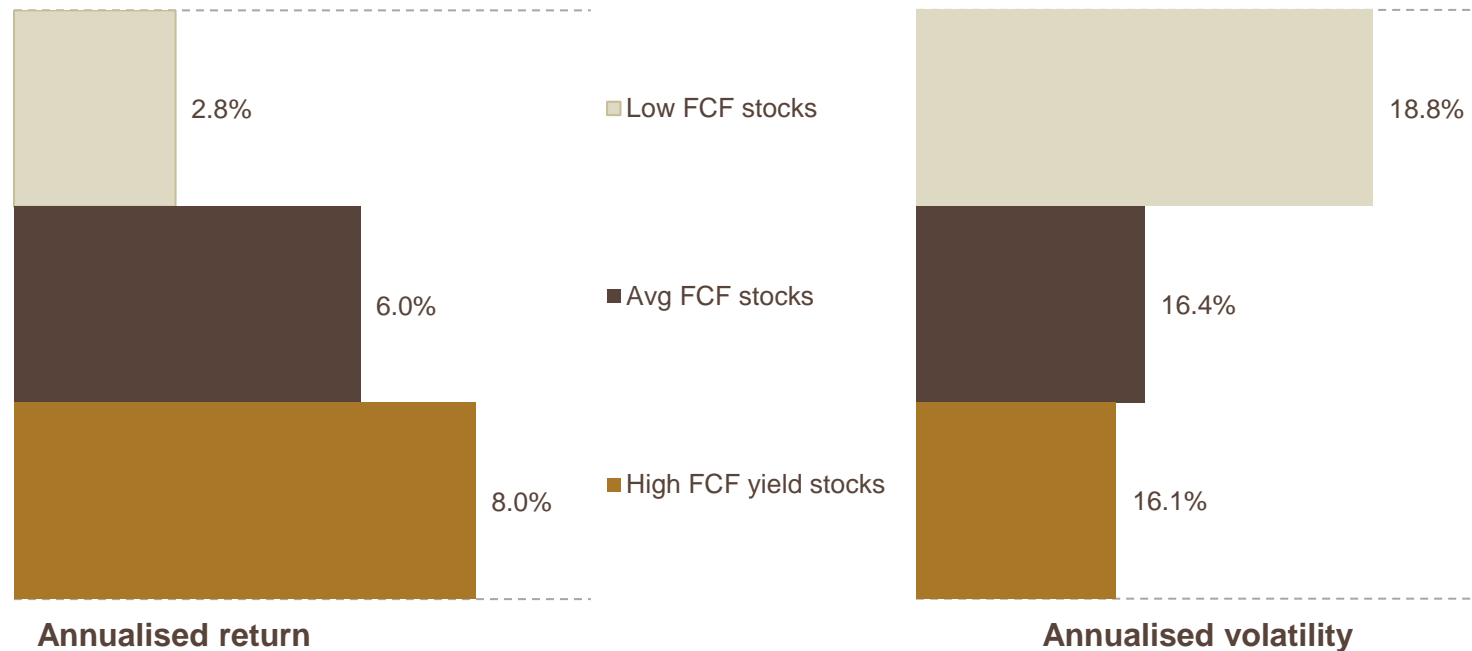






## INTRODUCTION – High free cash flow & dividend grower

- We like quality companies can generate **high free cash flow** and **grow dividends**
- Companies with high free cash flow indicate **good financial health** and **the reliable ability to generate "real" profits**. And **being a dividend grower**, they also demonstrate **a commitment to creating long-term value** for shareholders
- Investors can benefit from **reliable income** and **long-term value growth**





# INTRODUCTION

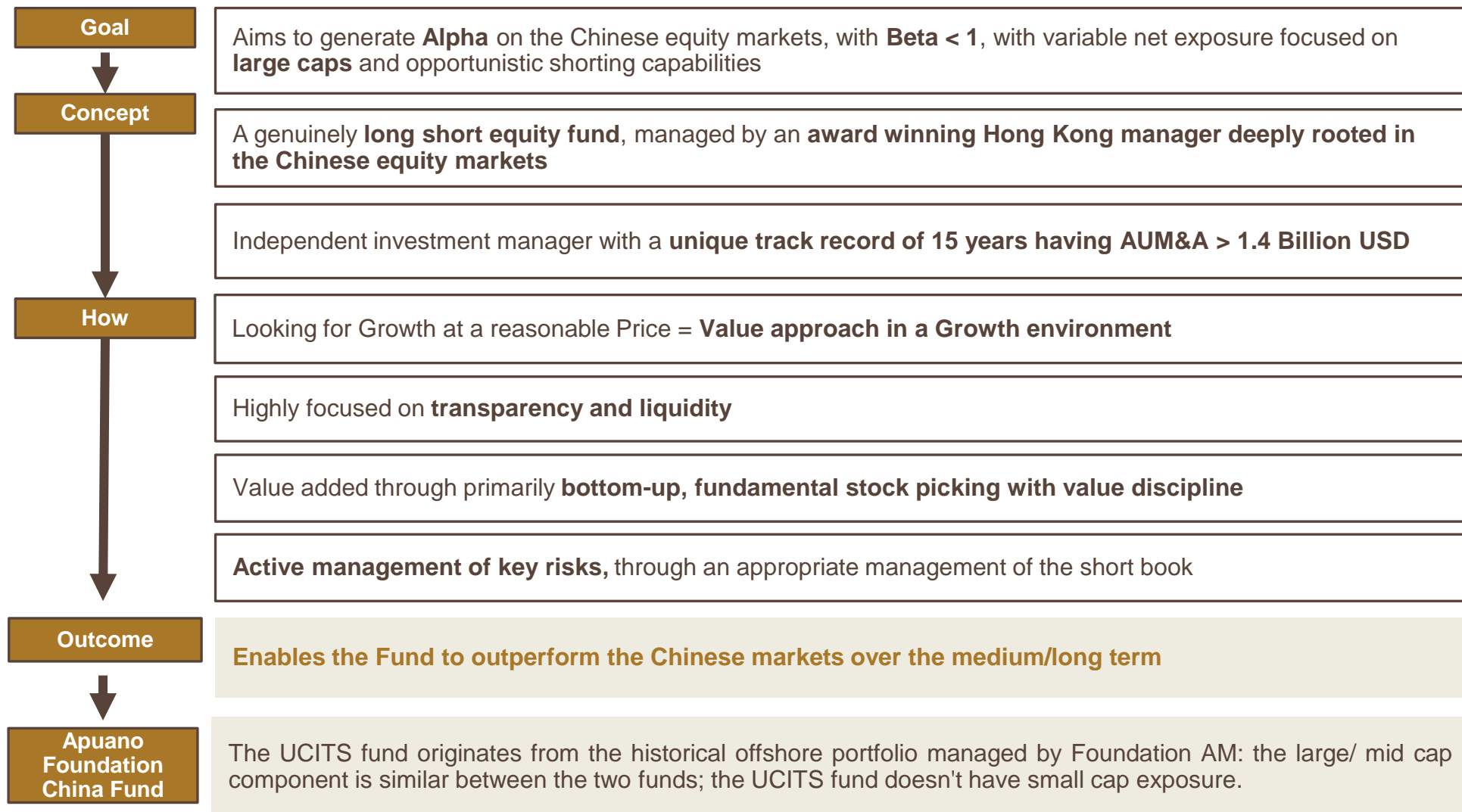
## Product offered – Apuano tailor-made proposal

- Apuano Capital has launched a fund with the following characteristics:
  - Focused on the equity space, with a pure strong opportunistic bias towards Chinese exposure
  - Managed by Foundation Asset Management (FAM); an independent award winning asset management group based in Hong Kong, identified after an in-depth due diligence process in the China equity fund management companies space
  - Seeking to deliver superior risk-adjusted returns, adopting a long short equity approach and providing downside protection with an appropriate risk management process
  - Developed as the UCITS version of an existing successful hedge fund (Foundation China Opportunity Fund – FCOF) with 15 years of track record, with the exclusion of any Small Cap exposure in order to reduce volatility
  - A regulated (UCITS V) and liquid (daily) vehicle
  - Distributed to main EU & off-shore markets, via appropriate local sales forces



# INTRODUCTION

## Apuano Foundation China – Long Short Fund with China markets exposure





# APUANO CAPITAL

Developer, Sponsor and Distributor of the funds

## **Apuano's mission:**

- To identify unique investment opportunities that are not exploited by the market
- To develop and structure these opportunities into optimal solutions for investors
- To distribute directly and indirectly Apuano family of funds

## **Apuano's expertise:**

- To create tailor made funds, capturing unique opportunities through white label solutions, catering for investors' market
- Having more than 20 years of activities, developing products for over 500 Million CHF globally and launching from scratch more than 10 different funds
- Focused on different markets: mostly Italy and Switzerland, France, Monaco, Luxembourg, UAE and Bahamas
- Collaborated with different companies: IAM and Quercus (UK), Metropole Gestion (France), Sal. Oppenheim (Germany), China Southern (China), Maquarie (Australia) and others

## **Apuano has a proven track record in developing a wide range of financial instruments:**

- Hedge funds (Fund of hedge funds / Single manager hedge funds)
- Mutual funds (Bond / Equity / Flexible SICAV and Unit Trusts)
- Structured products and tailor made financial instruments
- Private Equity funds

**Apuano has built a solid reputation through different market cycles and complex legislation environments, developing several best-in-class opportunities**





# APUANO CAPITAL

## Apuano current Family of funds

### Apuano Flexible Bond fund

**Launch:** July 2014

**Type:** Fixed Income Fund

**Objective:** to deliver a superior risk-adjusted return over the medium long term with an emphasis on capital preservation.

**Investment Manager:** TwentyFour AM

**Management Company:** EGI

**AuM:** 100 Mio EUR (31.01.2025)

### Apuano Emerging Markets Bond fund

**Launch:** 21<sup>st</sup> of Febr 2024

**Type:** Fixed Income Fund

**Objective:** deliver best in class returns, by moving across different fixed income EM regions

**Investment Manager:** Fullerton FM

**Management Company:** EGI

**AuM:** 30 Mio USD (31.01.2025)

2014

2020

2021

End of 2024

### Apuano Foundation China fund

**Launch:** January 2020

**Type:** Equity Fund

**Objective:** maintain a consistent value-investing approach with a focus on liquidity and high return

**Investment Manager:** Foundation AM

**Management Company:** EGI

**AuM:** 15 Mio USD (31.01.2025)

Apuano Flexible Bond is ESG article 8

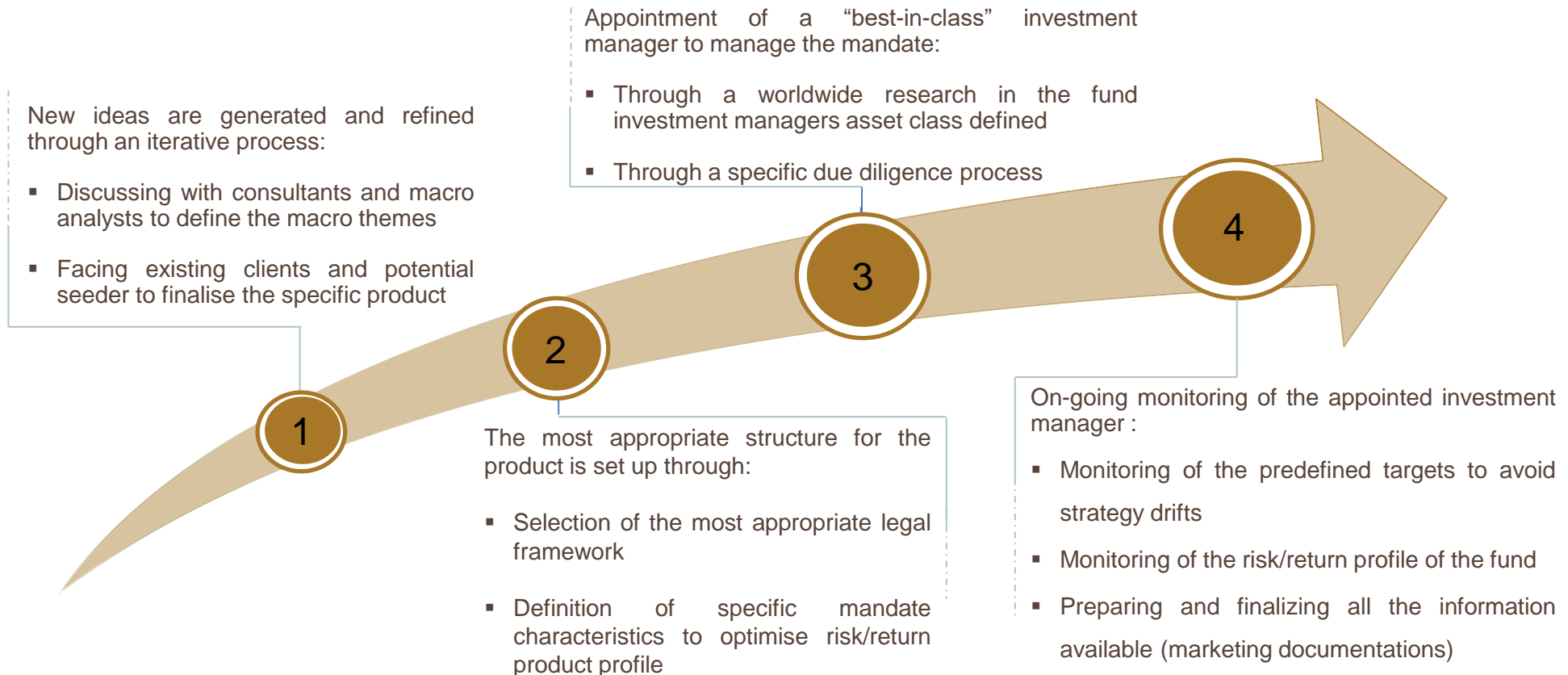
Apuano Emerging Markets Bond is expected to be ESG article 8 by Q1 2025



# APUANO CAPITAL

## Tailor-made family of funds

Apuano offers a tailor-made in-house range of funds, based on an systematic and independent selection and set-up process



**Apuano is committed to deliver its own set of tailor-made products through selected strategic partnership with “boutique” investment managers from across the world, with distinctive skills in different asset classes**

# FOUNDATION ASSET MANAGEMENT

## Background

Founded in 2006



- Top 3 independent asset management firms in HK, AUM exceeding USD 1.4 billion, with 18-year cumulative return of 187%.

Absolute Return



- Offices in HK and Qingdao (China), licensed Type 4 & 9 by HK SFC and WOFE (wholly foreign-owned enterprise) by CSRC.

A Pioneer of Value Investing



- Wide range vehicles: long-only/long-biased mutual funds and UCITS, and market-neutral hedge fund and SMAs.

- CIO, a pioneer of value investing in Asia (Bloomberg), research team with an average experience of 20 years.


Collaborating Institutions





# FOUNDATION ASSET MANAGEMENT

## History and future plans

- 
- **2007:** Mr Michael Liang founded FAM with two institutional partners, initial AUM was USD 4.3 Mio
  - **2008:** China fund demonstrated great downside protection during the global financial crisis, beating market and most peers, lost 16.5% vs Hang Seng Index – 48%, Shanghai Comp – 65% and S&P 500 – 38%
  - **2016:** AUM reached about 200 Mio USD, serving a global client base from institutions, pension funds, FoFs to family offices and HNWs. FAM, won nomination and awards from AsiasHedge etc., has transformed from a start-up boutique firm into a full-fledged, mid-sized asset management firm
  - **2017:** won mainland China QD mandate from China Credit Trust Ltd (one of the top 3 companies in China with AUM RMB 357 Billion / USD 51.9 Billion)
  - **2019:** launched a retail version of FAM China fund with institutional seeders, taking advantage of mutual recognition between HK and China
  - **2020:** a UCITS V version of flagship FAM China fund (but with no exposure to small caps) is launched, mostly dedicated to European markets distribution in collaboration with Swiss boutique Apuano Capital
  - **By 2025-2027:** to become the 2<sup>nd</sup> independent fund house to be listed on HK Stock Exchange (Value Partners was the 1st HK-listed fund house in 2007)





# FOUNDATION ASSET MANAGEMENT

Founder & CIO: Michael Liang



## Qualifications

- ❖ **EMBA** – Peking University
- ❖ **Chartered Financial Analyst (CFA)**

## Educational Background

- ❖ **BA Economics** – Wollongong University, Australia
- ❖ **BA Industrial Economics** – Renmin University of China

- 30 years differentiated research experience and deep understanding of economic cycles:

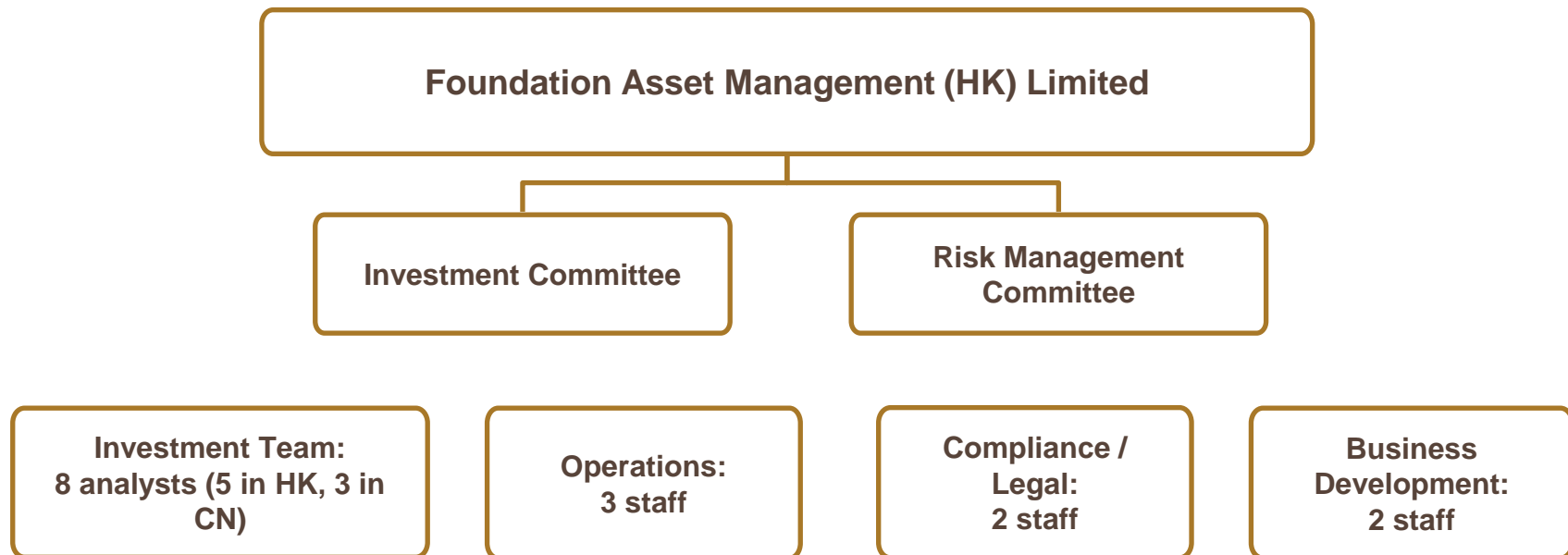




# FOUNDATION ASSET MANAGEMENT

## Organizational chart

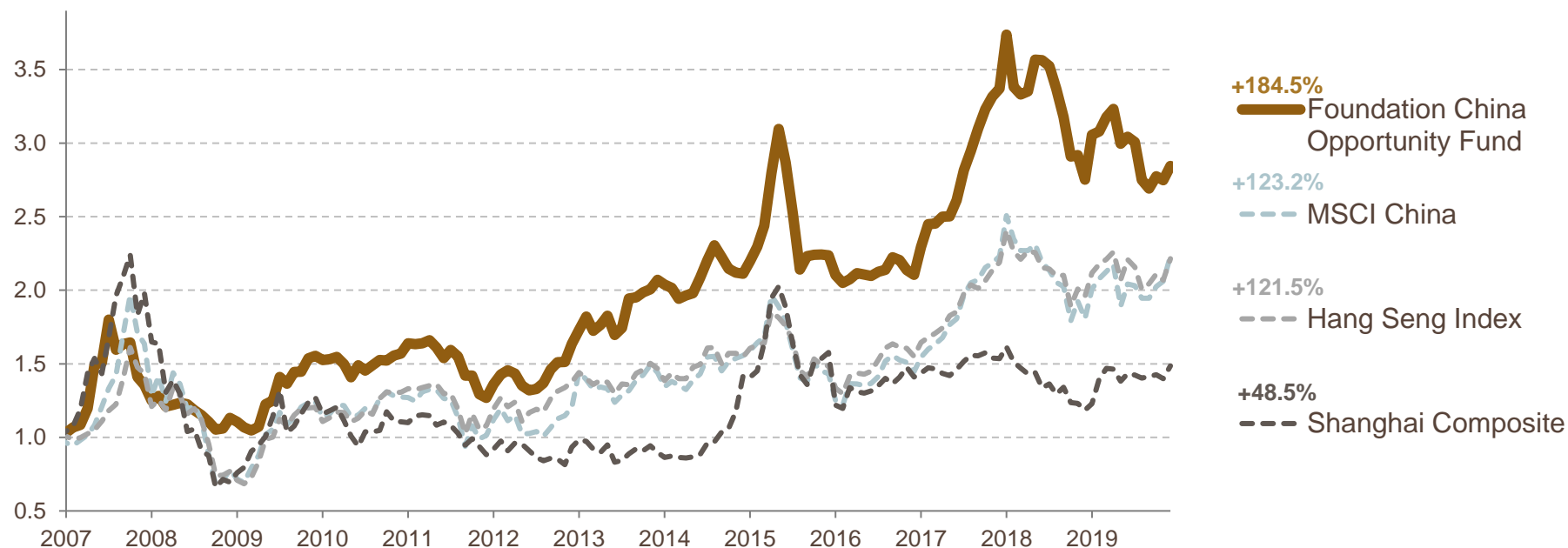
Our team's 13 professionals have an average 20 years of experience. Our key management has significant personal investment in our business and funds, interests of investment manager and investors are best aligned.





# FOUNDATION ASSET MANAGEMENT

Foundation China Opportunity – Track record before Apuano Foundation China fund launch  
Strong performance and downside protection



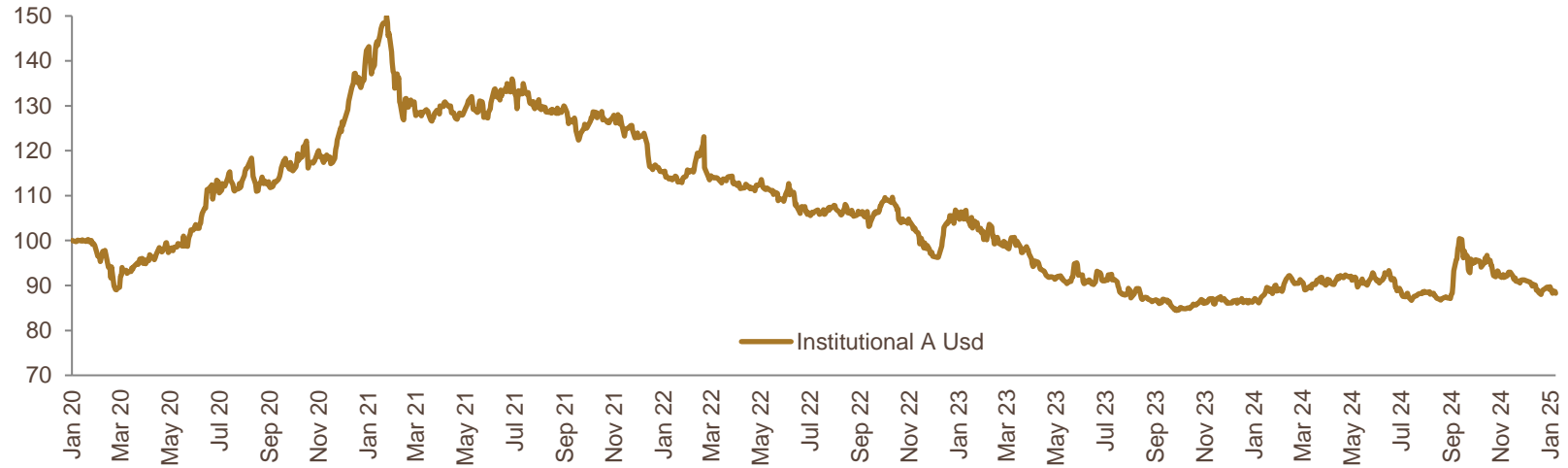
Net return	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2007 - 2019
<b>Foundation China Opportunity Fund</b>	35.6%	-16.5%	37.4%	1.0%	-19.2%	29.0%	26.6%	2.0%	5.9%	-5.8%	60.0%	-18.3%	3.4%	<b>184.5%</b>
<b>MSCI China</b>	66.2%	-50.8%	62.3%	4.6%	-18.4%	22.7%	3.6%	8.0%	-7.8%	0.9%	54.1%	-18.9%	23.5%	<b>123.2%</b>
<b>Hang Seng Index</b>	43.4%	-46.4%	56.6%	8.6%	-17.4%	27.5%	6.6%	5.5%	-3.9%	4.3%	41.3%	-10.5%	13.0%	<b>121.5%</b>
<b>Shanghai Composite</b>	98.0%	-64.9%	82.6%	-12.8%	-20.2%	5.8%	-3.9%	58.0%	11.2%	-10.5%	8.8%	-22.7%	25.3%	<b>48.5%</b>

Source: Foundation China Opportunity Inst. Class  
Data from inception, 2007 - updated end of December 2019



# APUANO FOUNDATION CHINA – Performance since Inception

## Over 5 years fund track record



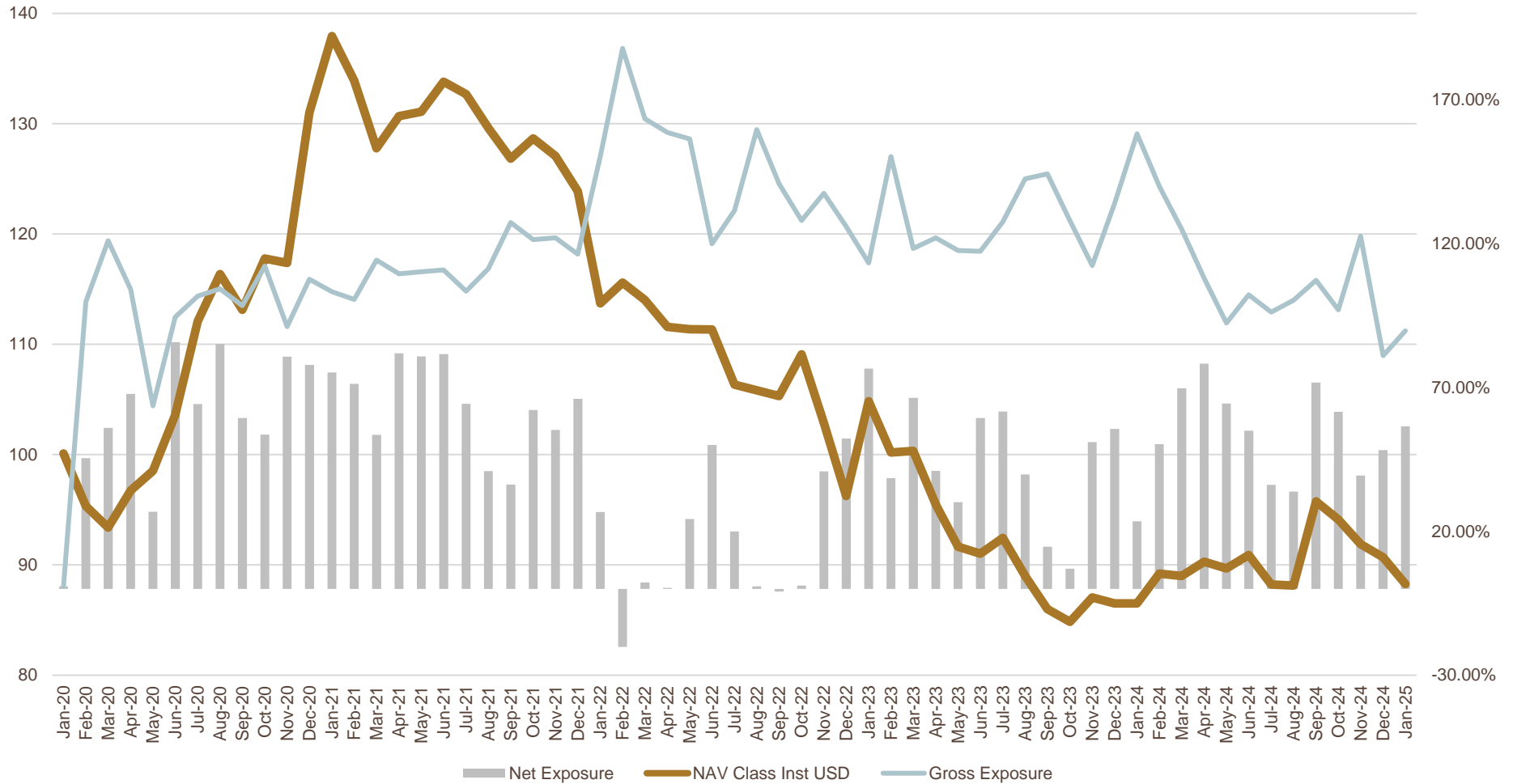
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	0.11	-4.77	-2.03	3.57	1.85	5.15	8.21	3.81	-2.78	4.11	-0.35	11.63	31.02
2021	5.28	-2.93	-4.58	2.27	0.31	2.09	-0.85	-2.31	-2.14	1.44	-1.25	-2.51	-5.45
2022	-8.20	1.64	-1.37	-2.12	-0.2	-0.01	-4.49	-0.49	-0.48	3.58	-5.70	-6.42	-22.30
2023	8.91	-4.42	0.14	-4.84	-4.01	-0.69	1.56	-3.72	-3.39	-1.33	2.62	-0.62	-10.12
2024	-0.02	3.12	-0.23	1.45	-0.68	1.35	-2.93	-0.11	8.65	-1.71	-2.38	-1.28	4.83
2025	-2.68												-2.68



# APUANO FOUNDATION CHINA

## Gross vs Net historical exposure

Apuano Foundation China Fund Gross / Net Exposure Since Inception





# APUANO FOUNDATION CHINA – Fund characteristics

## Objectives and limits

### Objectives Universe Constraints

- Investment objective: The Fund aims to maintain a consistent value-investing approach with a focus on liquidity and high return. The Fund may temporarily include cash and cash equivalents, up to 70% of its Net Asset Value, under exceptional market conditions for capital protection and risk management.
- Target net return/volatility: about 10% p.a. / <6% p.m. over the medium to long term
- Investment universe: primarily investing in equities issued by companies that are incorporated in China or companies which have significant operations in or derive a significant portion of revenue or profits from China.
- Investment approach: primarily by strong stock picking ability and discipline (focused on strong Free Cash Flow companies with attractive valuations) and unique portfolio construction (e.g. c20% in utility-like companies with low but stable growth between 5-10%); Short highly-leveraged companies with accounting, governance issues and growth story only supported by subsidies and M&A (negative Free Cash Flow); Supported by top-down systematic and dynamic shorting/hedging (gross exposure <200% & net exposure between 0% and 60%)

### Portfolio Exposure levels Long portfolio Short portfolio

- Number of core holdings: 25-50
- Single name maximum exposure: 10%
- Maximum long exposure: up to 100%
- Expected gross exposure: 100 to 120% (max 200%)
- Use of future: for hedging purpose only
- Additional UCITS concentration and limit exposure rules apply:  
e.g. total positions >5% account for <40% of fund NAV

# APUANO FOUNDATION CHINA – 3 C

<b>C</b>	<b>1. CAPTURE</b> Strong upside capture whilst limiting downside
<b>C</b>	<b>2. CAPITAL</b> Value investing drives disciplined capital allocation
<b>C</b>	<b>3. CONTROL</b> 'Quantamental' model controls portfolio risks

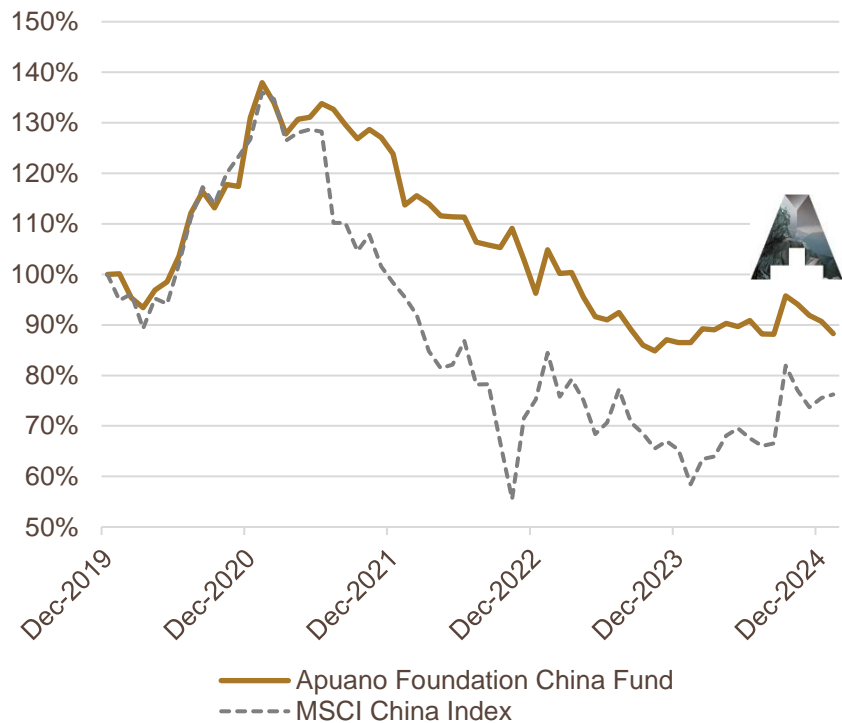


# APUANO FOUNDATION CHINA – 3 C

## 1. Capture – Up & Downside

The Fund's outperformance comes in 2 parts:

1. Strong upside capture vs low downside exposure, especially on a net exposure-adjusted basis
2. Proactive adjustments to deliver differentiation against market risks coupled with effective volatility management.



	<u>Apuano Foundation China Fund</u>	MSCI China Index
Return	<b>-11.73%</b>	-23.78%
Volatility	<b>13.21%</b>	27.37%
Beta	<b>0.39</b>	-
R-Squared	<b>0.15</b>	-





# APUANO FOUNDATION CHINA – 3 C

## 2. Capital - Value Investing

### A. Pioneers of adopting value investing in China

- CIO Michael Liang was one of the pioneers of value investing in HK, brought over from his experiences at Macquarie Bank, Australia

### B. Value investing in the past decade

- Past decade was difficult for value investing as money was free
- Value investors pushed away as new wave of investors chased growth and duration

### C. Interest rates returning to normalcy

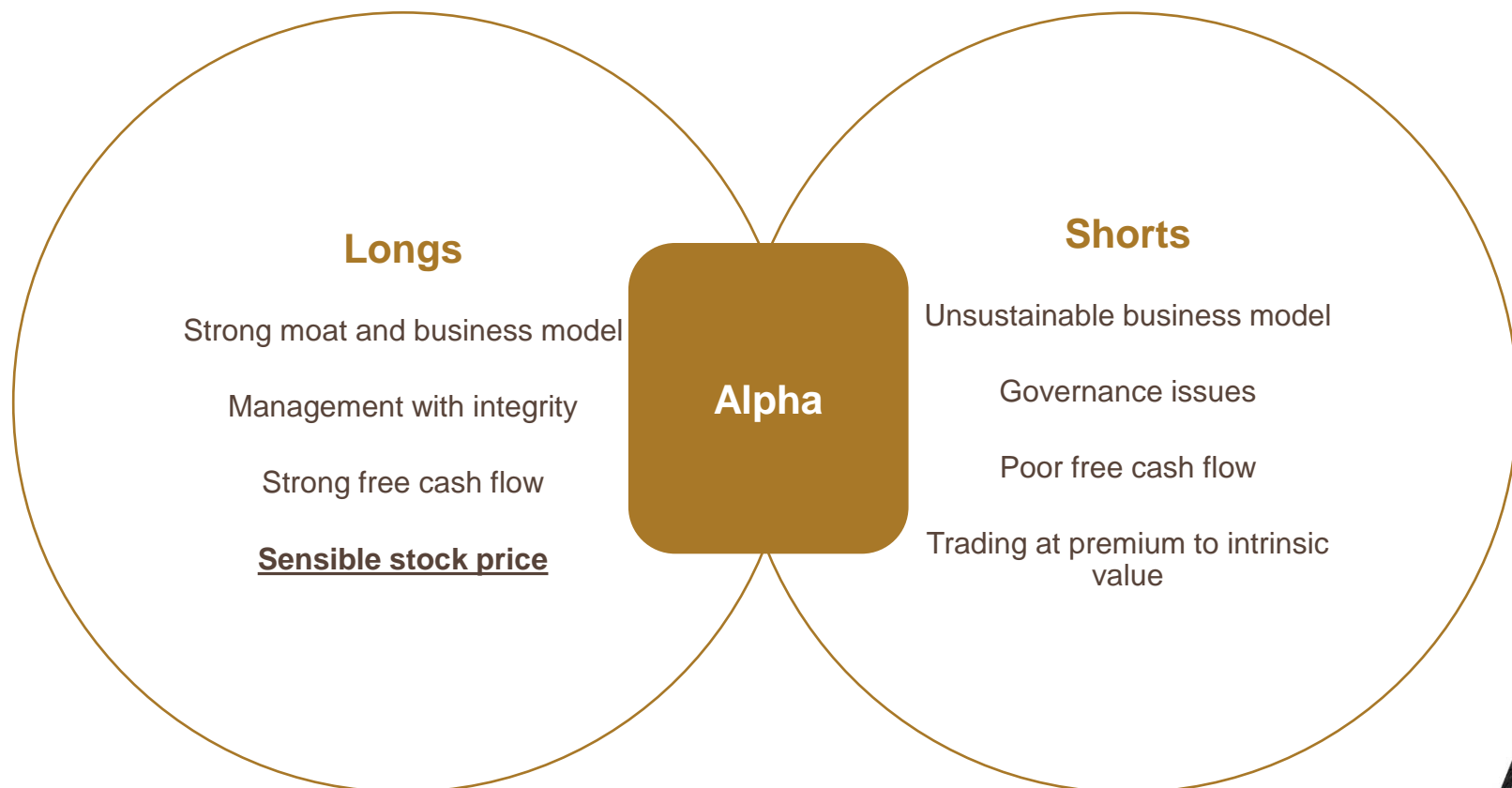
- Interest rates unlikely to go back to zero-bound
- Successful track record during these type of periods is key



# APUANO FOUNDATION CHINA – 3 C

## 2. Capital - Bottom-Up Analysis

- **Top holdings are potential multi-baggers**, often underfollowed and out of consensus
- Private equity-like approach ensures **differentiation and discipline**



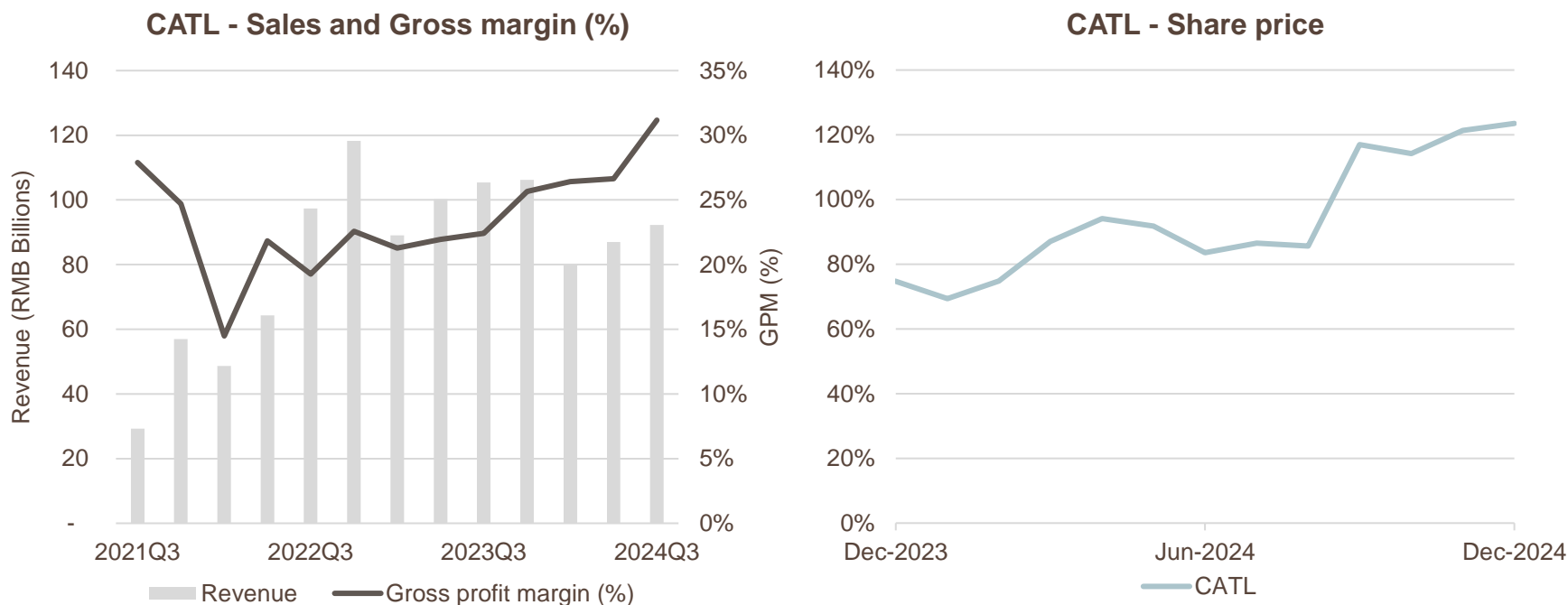


# APUANO FOUNDATION CHINA – 3 C

## 2. Capital: Long Example

CATL (300750 CH):

- 8-year long leadership in manufacturing of high-end batteries with **c37.9% global market share**, exceeding that of the **next 2-5 combined**.
- Strong, predictable sales growth while maintaining margins above peers.
- Trading at **1x SD below historical** average PE.





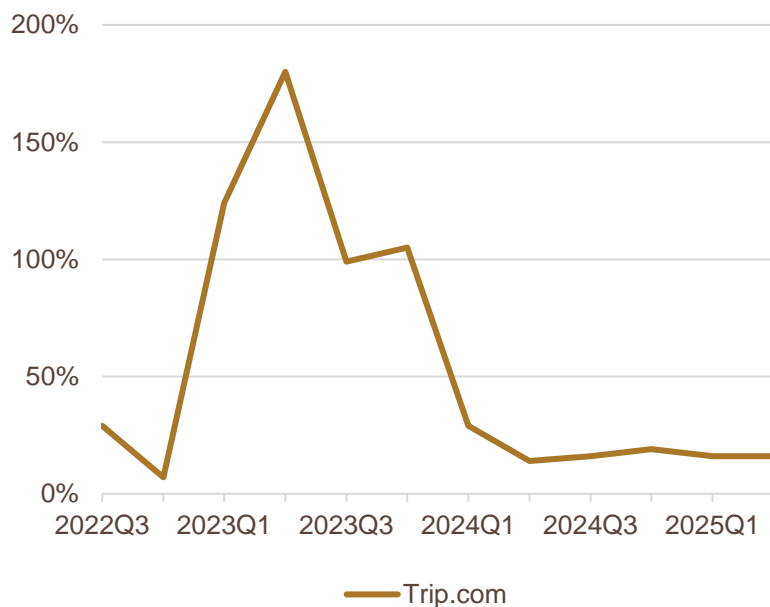
# APUANO FOUNDATION CHINA – 3 C

## 2. Capital: Long Example

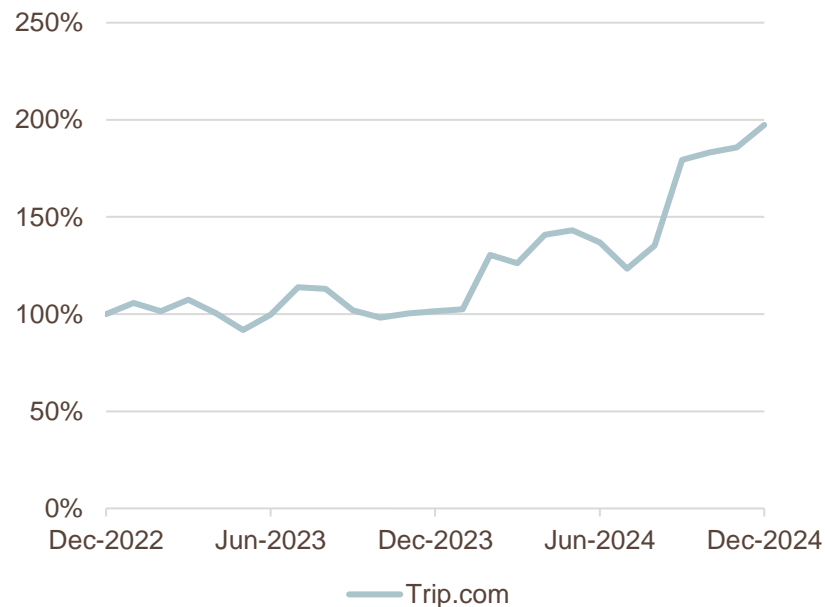
Trip.com (9961 HK):

- A dominant travel site in China with **c50% market share** rewarded by early-mover advantage in the online travel booking industry.
- Post-Covid recovery, strong results/guidance with predictability.
- Trading at **1x SD below historical** average PE.

Trip.com - Sales growth (YOY)



Trip.com - Share price



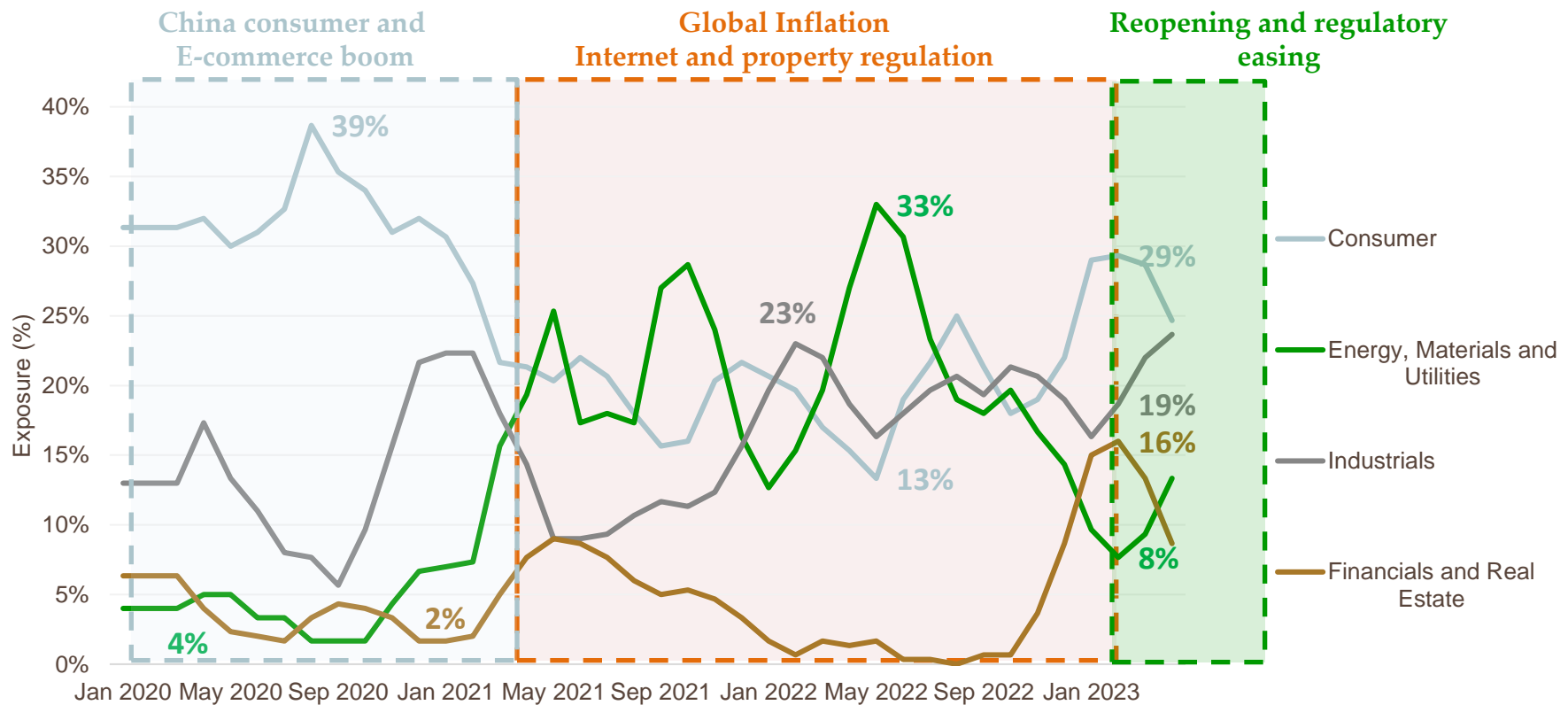


# APUANO FOUNDATION CHINA – 3 C

## 3. Control - 'Quantamental' Model

- CIO oversees 4 specialist analysts – dedicated coverage in consumer, cyclicals, technology and health care

Historical Long Sector Allocation



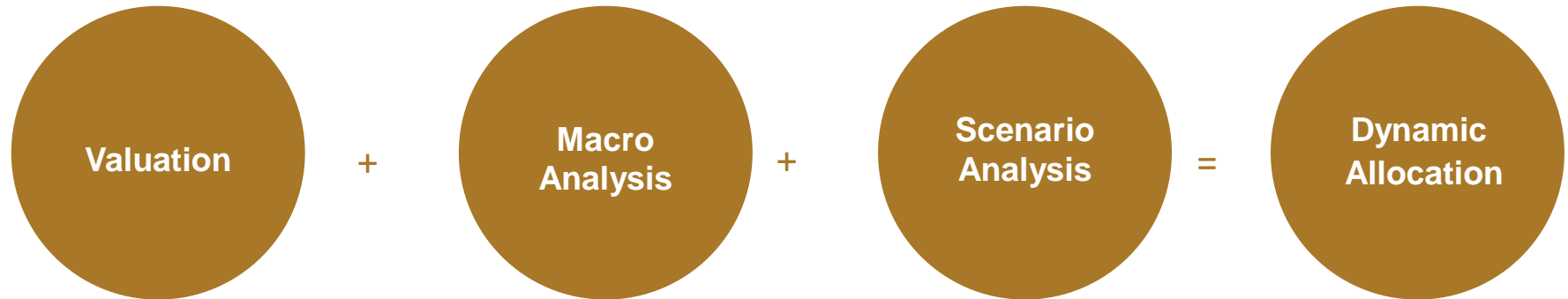
Source: FAM, Bloomberg as at end of April 2023



# APUANO FOUNDATION CHINA – 3 C

## 3. Control - Top-Down 'Quantamental' analysis

- Intrinsic valuation approach based on asset value, profitability, or earnings growth
- Beyond fundamentals, other macro indicators that assist in the prediction of market movements
- Study of asset price performances when assumption changes
- Dynamic portfolio allocation to increase or reduce net exposures according to results from proprietary quantitative analysis



- Market valuation
- Peers valuation
- Up/downstream valuation
- Company valuation
- E.g. When asset valuation is one standard deviation below its historical average, the asset price downside risk is likely to be limited

- Macro economy data
- Foreign reserves
- Market liquidity indicators
- E.g. When PMI records a substantial increase from previous months, that implies manufacturing orders improved, indicating possible upside in market valuations

- Historical scenario
- Virtual scenario
- Mixed scenario
- Sensitivity analysis
- E.g. To test out how asset value reacts to different scenarios, such as interest rate up by 25 bps, or surge in raw material prices

- Asset allocation
- Gearing
- Hedging
- Net exposure
- E.g. Hedging to limit downside exposure when market shoots up with support of volume, as these are signs of short term optimism



# APUANO FOUNDATION CHINA – Investment Process

Disciplined and rigorous process



## Bottom-Up Value Investing



## Top-down Analysis



## Portfolio Construction



## Risk Management

### Intrinsic value as our foundation

- Anticipate revisions, identify mispricing
- Deep dive fundamental research: company calls, visits, conferences, channel checks
- Financial statements and valuation analysis
- Ideas forced-ranked and reviewed continuously

### ‘Quantamental’ investment process

- Market valuation analysis
- Macro analysis
- Scenario analysis
- Proprietary quantitative analysis

### Define portfolio subject to portfolio constraints

- Create or fine-tune recommendation list of securities
- ESG at our core
- Sector diversification, position limits, liquidity etc
- Risk/return characteristics of all portfolios

### Monitoring portfolio risk and compliance

- Risk reporting
- Operational risk management
- Monitor position sizes
- Stop loss
- Value-at-Risk and stress test
- Realized and implied volatility control



# APUANO FOUNDATION CHINA – Risk Management

## Disciplined and rigorous process

- Independent risk manager - no investment role (COO – Vivian Mui)
- It is not possible to avoid risk, we make sure we are paid properly to take it
- Long clean companies with strong balance sheets; short highly-leveraged companies with accounting and governance issues and deteriorating prospects
- Aggregate long portfolio of companies (ex finance stocks) are generally in net cash
- Hedge event risks by the means of shorting index futures or long cash
- Single position percentage control; focus on investment portfolio liquidity
- Stop loss discipline for shorts, +10% reduce ½ position, +20% fully covered
- Reduced or no allocation to small caps (<1 Billion USD market cap) compared to FCO fund







# APUANO FOUNDATION CHINA – Risk Management

## Main guidelines

Parameter	Guidelines
Investment Themes	Emphasis on dynamicity and decorrelation to adapt fund's portfolio facing different market scenarios
Concentration	Long book: maximum 100% of NAV exposure Short book: maximum 30% of NAV exposure
Leverage	ca. 0% (0% long and 0% short)
Liquidity	No single position to exceed 10% No single position to exceed 300% of ADV 90% of the portfolio should be liquidate within 5 days being at most 30% of ADV
Currency Exposure	The master fund is USD denominated / investors classes in different currencies (Euro) will be fully hedged
Volatility (annualized)	Expected 12% to 18% ex post
Monthly turnover	0-20%



# APUANO FOUNDATION CHINA – Risk Management

## Multi-layered process

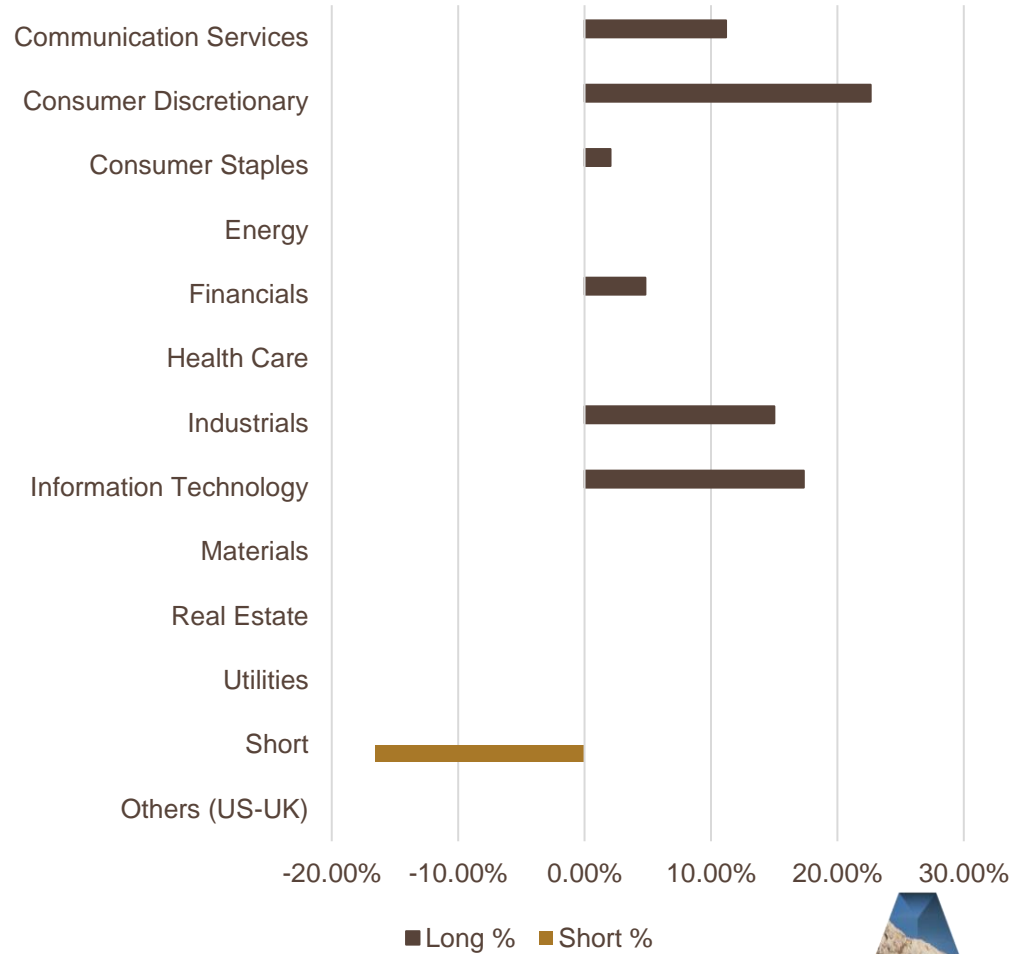
<b>Approach</b>	<ul style="list-style-type: none"><li>• Given the low complexity of the investment instruments the focus is on:<ul style="list-style-type: none"><li>– Liquidity and size of the single positions</li><li>– Respect of regulatory and internal limits</li><li>– Volatility and Drawdown control</li></ul></li></ul>
<b>Responsibility</b>	<ul style="list-style-type: none"><li>• Ex-ante:<ul style="list-style-type: none"><li>– Investment Manager (Foundation Asset Management)</li></ul></li><li>• Ex-post:<ul style="list-style-type: none"><li>– Management Company (European and Global Investments)</li></ul></li></ul>
<b>Control</b>	<ul style="list-style-type: none"><li>• 3 levels:<ul style="list-style-type: none"><li>– Compliance with UCITS regulations</li><li>– Compliance with Prospectus guidelines</li><li>– Compliance with Internal guidelines</li></ul></li></ul>



# APUANO FOUNDATION CHINA – Fund details

## Apuano Foundation China Fund – Sector Exposure

Sector	Long %	Short %
Communication Services	11.20%	0.00%
Consumer Discretionary	22.64%	0.00%
Consumer Staples	2.06%	0.00%
Energy	0.00%	0.00%
Financials	4.82%	0.00%
Health Care	0.00%	0.00%
Industrials	15.01%	0.00%
Information Technology	17.34%	0.00%
Materials	0.00%	0.00%
Real Estate	0.00%	0.00%
Utilities	0.00%	0.00%
Short	0.00%	-16.61%
Others (US-UK)	0.00%	0.00%
<b>Total</b>	<b>73.08%</b>	<b>-16.61%</b>



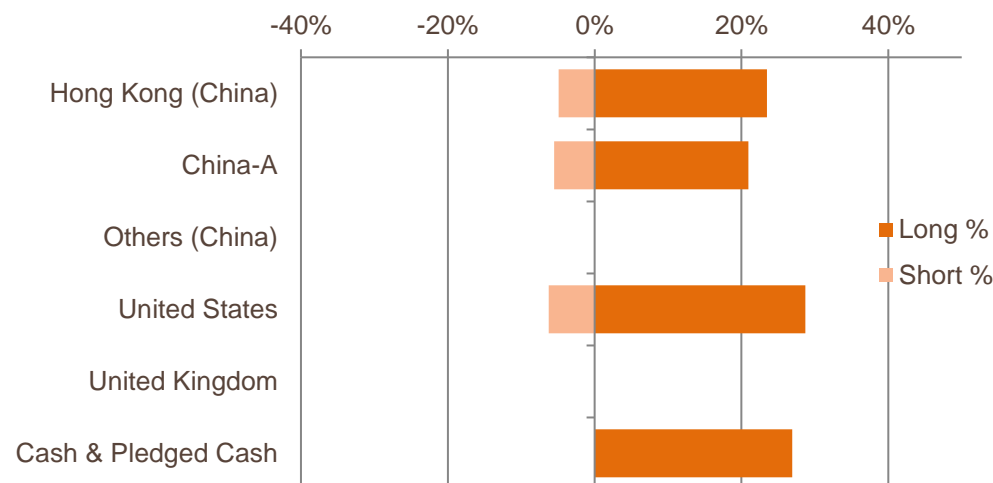


# APUANO FOUNDATION CHINA – Fund details

## Geographical & Market Cap Exposure

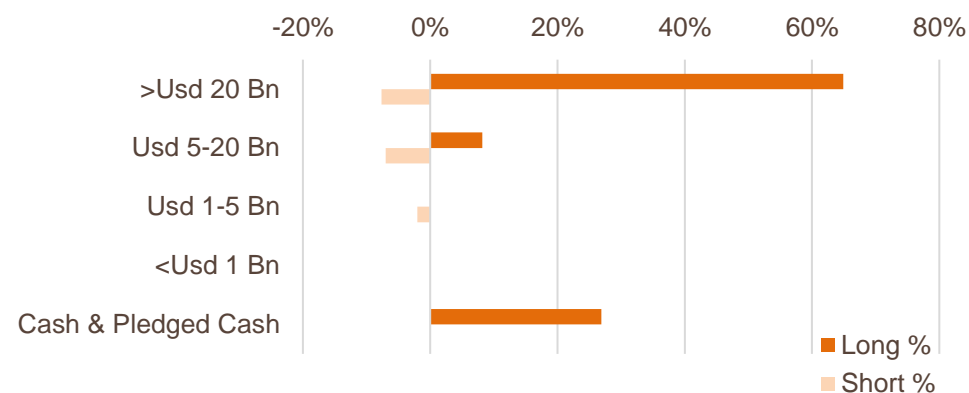
### Geographical Exposure

Country	Long %	Short %
Hong Kong (China)	23.45%	-4.9%
China-A	20.94%	-5.51%
Others (China)	0.00%	0.0%
United States	28.68%	-6.24%
United Kingdom	0.00%	0.0%
<b>Cash &amp; Pledged Cash</b>	<b>26.92%</b>	<b>0.00%</b>



### Market Capitalisation Exposure

Market	Long %	Short %
>Usd 20 Bn	64.90%	-7.64%
Usd 5-20 Bn	8.18%	-6.97%
Usd 1-5 Bn	0.00%	-2.00%
<Usd 1 Bn	0.00%	0.00%
<b>Cash &amp; Pledged Cash</b>	<b>26.92%</b>	<b>0.00%</b>



**Net exposure 56.46% / Short -16.61% / Long exposure 73.08%**



# APUANO FOUNDATION CHINA – Fund details

## Main characteristics

<b>Inception Date</b>	<ul style="list-style-type: none"> <li>• First day NAV: 24<sup>th</sup> January 2020</li> </ul>
<b>Structure</b>	<ul style="list-style-type: none"> <li>• Umbrella Fund: Apuano Funds, an open-ended unit trust established as a UCITS</li> <li>• Sub-fund: Apuano Foundation China Fund</li> <li>• Domicile: Ireland</li> <li>• Base Currency: EUR</li> <li>• Benchmark: NA</li> <li>• NAV: Daily</li> <li>• Manager and Global Distributor: European and Global Investments Ltd</li> <li>• Portfolio Manager: Foundation Asset Management Ltd</li> <li>• Developer and Sponsor: Apuano Capital SA</li> </ul>
<b>Service Providers</b>	<ul style="list-style-type: none"> <li>• Administrator: CACEIS Ireland Ltd</li> <li>• Trustee: CACEIS Ireland Ltd</li> <li>• Auditors: Deloitte &amp; Touche</li> <li>• Legal Advisors: Dillon Eustace, Dublin</li> </ul>
<b>Fee Structure</b>	<ul style="list-style-type: none"> <li>• Class A Institutional EUR: 1.50% management fee, 15% performance fee with HWM</li> <li>• Class A Institutional USD: 1.50% management fee, 15% performance fee with HWM</li> <li>• Class A Institutional ES EUR: 1.50% management fee, 15% performance fee with HWM</li> <li>• Class A Retail Premium EUR: 2.25% management fee, 15% performance fee with HWM</li> <li>• Class A Retail Plus EUR: 2.25% management fee, 15% performance fee with HWM with an up-front fee up to 3%</li> <li>• Class A Retail EUR: 2.40% management fee, 15% performance fee with HWM</li> <li>• Class A Retail ES EUR: 2.50% management fee, 15% performance fee with HWM</li> </ul>





# APUANO FOUNDATION CHINA – Fund details

## Main characteristics (cont'd)

<b>Subscriptions Redemptions</b>	<ul style="list-style-type: none"> <li>• Minimum Initial Subscription:             <ul style="list-style-type: none"> <li>– Class A Institutional EUR: EUR 100,000 (*)</li> <li>– Class A Institutional USD: USD 100,000 (*)</li> <li>– Class A Institutional ES EUR: EUR 100,000 (*) (***)</li> <li>– Class A Retail Premium EUR: EUR 1,000</li> <li>– Class A Retail Plus EUR: EUR 1,000</li> <li>– Class A Retail EUR: EUR 1,000 (*)</li> <li>– Class A Retail ES EUR: EUR 1,000 (*) (***)</li> </ul> </li> <li>• Minimum Additional Investment: no minimum amount required</li> <li>• Subscriptions / Redemptions: daily</li> </ul>
<b>ISIN codes</b>	<ul style="list-style-type: none"> <li>• Class A Institutional EUR: IE00BKTNRB94</li> <li>• Class A Institutional USD: IE00BKTNRG40</li> <li>• Class A Institutional ES EUR: IE0006NINYT4 (***) / Retail ES EUR: IE000050PXM0 (***)</li> <li>• Class A Retail Premium EUR: IE00BKTNRC02</li> <li>• Class A Retail Plus EUR: IE00BKTNRD19</li> <li>• Class A Retail EUR: IE0009US87U6</li> </ul>
<b>Bloomberg codes</b>	<ul style="list-style-type: none"> <li>• Class A Institutional EUR: APAFCAI ID</li> <li>• Class A Institutional USD: AFAFCAI ID</li> <li>• Class A Institutional ES EUR: TBD (***) / Class A Retail ES EUR: TBD (***)</li> <li>• Class A Retail Premium EUR: APAFCAR ID</li> <li>• Class A Retail Plus EUR: AFAFCAR ID</li> <li>• Class A Retail EUR: TBD</li> </ul>
<b>Notes</b>	<p>Available platforms: (*) AllFunds            All classes are authorized to be sold to retail investors in Italy and to qualified investors in Switzerland            (***) Authorized to be sold in Spain</p>



# Why APUANO FOUNDATION CHINA fund?

## Outperform Return

In different market scenarios  
**-11.73%\*** delivered net returns since  
inception vs HSI **-27.81%**  
vs MSCI China **-23.79%**

## Proven

15 years Investment Manager track record –  
More than 4 years track record of Apuano  
Foundation China fund

## Team

Core members have 10+ years experience of  
managing Foundation strategies

### Why Apuano Capital?

Apuano Capital identifies unique investment opportunities:

- through tailor-made dedicated funds
- with «best-in-class» investment manager partners
- having a dedicated pan-European sales force
- providing a unique and fully transparent connection between clients and investment manager partners

### Why FAM?

Foundation Asset Management stood out for:

- proven 15 years of track record
- a deep understanding of China with global perspective and local presence
- showing outperformance of their funds
- a unique team culture and background
- ability to conduct an independent and differentiated analysis

### Why Apuano Foundation China fund?

Apuano Foundation China has outperformed in a tough environment, protecting capital and minimizing downside, compared to its reference indexes:

**Net Return since inception\*:**

AFC Inst USD **-11.73%** vs HSI **-27.81%** vs MSCI China **-23.79%**





# EGI - EUROPEAN AND GLOBAL INVESTMENTS

Management Company and Global Distributor of the fund

- EGI is an independent fund management company established by investment professionals to provide tailored solutions to asset managers and investors.
- Compliant with UCITS V requirements and regulated by the Central Bank of Ireland.
- EGI was founded in Ireland in 2000. The current structure of the company is 85% owned by Management, with stakes in the hands of Italian and international financial institutions.
- EGI provides the following services to the Apuano funds:
  - Management: it acts as the Management Company of the umbrella
  - Risk Management: it provides all risk calculations, checking of the compliance with the Prospectus and regulatory limits
  - Legal services and compliance: it supports in the preparation and filing with regulatory authorities of all the legal documents required
  - Operations: it coordinates the funds portfolio manager, funds administrators, custodians, trustees and regulatory authorities
  - Distribution: it acts as funds global distributor in several different jurisdiction across Europe and facing different distribution platforms





# BIOGRAPHIES

## **Andrea Favilla (Apuano Capital)**



Andrea is the founder and CEO of Apuano. He started his career almost 30 years ago as a financial analyst with some Italian private banks. In 1998 he moved to Switzerland where he worked for 5 years for Arner Bank as hedge fund specialist and later as head of the Family Office team. In 2002 he funded Bullet CM and lately in 2011 he set up Quercus Advisors, supporting international asset management companies in the placement of their products mainly in Switzerland, Italy, and assisting HNW private clients via his family office department. During this period, he started to build and issue various financial products dedicated to institutional clients mostly in the hedge fund space. In 2012 he set up Apuano focused on developing in-house financial investment solutions to connect superior asset managers to institutional clients, catering for their specific interests; during his career Andrea developed and issued almost 13 funds in various and different asset classes / structures. Andrea holds a MSc degree in Management Engineering from “Politecnico Milano” with Finance specialization. As of January 2024, he is registered as a client advisor in RegFix (The Swiss Register of Advisers pursuant to the FinSA). He is Italian national / Swiss resident.

## **Lara Zanella (Apuano Capital)**



Lara is working as Head of Marketing & Legal at Apuano since 2018. Lara oversees Apuano's partners / investors relations and has been particularly involved in the company's move toward greater automation of marketing, reconciliations, accounting, and internal processes. Prior she was working in Milan and in Paris, where she lived for 4 years, as a Marketing Manager and joined the Alumni Bocconi Community of Paris as a Webmaster for their website. Lara graduated in Economics at Bocconi University, with a major in Marketing Management and attended a 6 months program with the HEC University of Montreal in Canada.

She is Italian national / Italian resident

## **Antonio Luise (Mizar Capital)**



Antonio is the founder and CEO of Mizar Capital (CH). Mizar acts as a consultant to Apuano Capital on Emerging Markets Due Diligence and Research activities and has sourced Foundation Asset Management as Investment Manager of Apuano Foundation China fund. Mizar is also instrumental in the business development of the fund. Antonio has a long buy side experience in the selection, monitoring and due diligence of Alternative Investments, with a unique track record in investing in China since 2006 with long-short equity and macro managers. Antonio spent 10 years until 2013 as CEO of Sagres Advisory (CH), a family office investing in alternative investments based in Switzerland. He has coordinated the launch of several vehicles investing in Hedge Funds, Private Equity and Private Debt funds, directly or through a proprietary managed account platform. Antonio is an Economist by formation: he holds a Master's degree in Economics at Bocconi University, Milan. He is a professional journalist in Italy having contributed to Bloomberg and Il Corriere della Sera among other publications. He is Italian national / Swiss resident.



# BIOGRAPHIES – cont'd

## **Michael Liang (Foundation Asset Management)**



Michael founded Foundation Asset Management in 2006 with two institutional partners.

He has been the firm's CIO from the start and he is in charge of the firm's business and corporate activities. Under his responsibilities, Foundation Asset Management AuM and AuA have reached about US\$1.1billion with several funds and corporate awards won, building up a global client base. As one of the pioneers in creatively applying value investing to regional markets he regularly presents at media and conferences including CNN, Bloomberg TV, AsianInvestor and HK's most popular financial journal as Economic Digest and Ming Pao, sharing his view on the economy, markets, investment strategy and ideas. Prior to Foundation Asset Management Michael career in finance started with Macquarie Bank in Australia in 1993 as an investment analyst and then held various senior positions of major financial institutions responsible for securities broking and research. He has an MBA degree from Peking University, a Bachelor Degree in Economics from Renmin University of China and Wollongong University in Australia; he is also a CFA. Michael is Chinese national / Chinese resident

## **Nathan Gao (Foundation Asset Management)**



Nathan has 12 years of experience as an Analyst covering industrials such as machinery, automobiles, power equipment, and renewable energy.

Prior to joining Foundation, he held roles at Ping An Securities and among other brokers and multiple buy-side entities. Nathan holds a Bachelor's degree in Mechanical Engineering from the Wuhan University of Technology; and obtained a Master's degree in Industrial Economics from Central University of Finance and Economics. He is Chinese national / Chinese resident.

## **Danny Jen (Foundation Asset Management)**



Danny serves as an Analyst at Foundation with a focus is on technology. Prior to joining Foundation, he was an equity research associate at CLSA. He also once worked as investor relations for a sizable listed company. Danny holds a Master of Finance degree from The University of Hong Kong and a B.B.A in Finance at National Central University. He is a Taiwanese national / Taiwanese resident.

## BIOGRAPHIES – cont'd



### **Leo Leng** (Foundation Asset Management)

Leo serves as an Analyst and Business Development Manager at Foundation with a focus on Consumer. He has a family background in one of China's state-owned banks dating back generations. He has previous experience at Bank of China, close relationship with financial regulators and SOEs. Leo is Responsible for structured financing at Huarong during state bailout amid US\$16bn loss, witnessed first hand the issues in Chinese financial companies. Leo is Chinese national / Chinese resident.

### **Max Wong** (Foundation Asset Management)

Max serves as an Analyst and Business Development associate at Foundation with a focus on Healthcare. Prior to joining Foundation, he was a sales trader at CITIC Bank International trading China fixed income securities. Max holds a Bachelor's degree in Pharmacology from the University of Edinburgh, and a Master's degree in Finance from Chinese University of Hong Kong. Max is a Chinese national / Chinese resident.

### **Julian Alworth** (European and Global Investments)

Julian Alworth is Chairman of EGI, a position he assumed in December 2002, prior to which he was Managing Director of the Company from January 2001.

Before joining the Company Mr. Alworth worked as Managing Director of Mediolanum International Funds (Dublin) from 1997 to 2000 as well as Managing Director of both Vicenza Funds Ltd. and Mediolanum AM.

Mr. Alworth designed and had prime responsibility for launching Fondamenta, the first Italian private equity fund of funds. Prior to Mediolanum, Mr. Alworth worked in the Monetary and Economics department of the Bank for International Settlements (1981-93) and was responsible for research on international capital markets and the BIS quarterly report. Mr. Alworth has taught in several universities.

Lately, from 2003 to 2010 he lectured on Taxation and Business Strategy at Oxford Said Business School where he was also Associate Fellow. His main research focuses on taxation and finance with more than fifty academic publications. he has also been a consultant to the OECD, the European Commission, the IMF, the World Bank and the Inter-American Development Bank, as well as for the government of Chili, Mexico and Peru. In 2004 he founded a consulting company in Milan, European Investment Consulting Srl. He holds a D.Phil. from Oxford University, an M.Sc. from the University of Maryland and graduated summa cum laude from the Università di Roma.

He is Italian and U.S. national / Italian resident.



European and Global  
Investments Limited

## European and Global Investments Ltd

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