

支柱能力2：執行與績效

1.

投資組合限制：基金是否有明確的投資組合限制，例如，但不限於單一國家、單一行業、單一證券、單一資產類別、證券之間的相關性或其他明確規定的限制。

我們是受限基金，投資組合經理可以通過以下方式偏離明確的限制：(We are a Constrained Fund, and the portfolio manager can deviate from the explicit limits by:)

如有附加說明，限250字以內

General Guidelines

General portfolio construction guidelines of our strategy include:

- Number of holdings: 70-100
- Sector and geographic diversification
- Companies with sustainable earnings power at a discount to intrinsic value
- Stock weightings: +/-8% active weighting
- Country weightings: +/-15% active weighting
- Sector weightings: +/-15% active weighting
- Typically fully invested
- Typically no active use of derivatives
- Five-year investment horizon and low turnover

The fund has various internal risk management constraints in place with regards to position sizing, country and sector allocation, among others. Some constraints are hard, with no deviation allowed, while others are meant to initiate a discussion between portfolio management, investment risk, and potential other parties regarding the underlying investment thesis driving the current positioning. This discussion can result in a positioning shift, or an agreement that the current positioning is justified and requires no action.

2. 投資組合層面的 ESG 特徵[iv]：我們已決定將 ESG 標準作為我們的投資組合特徵，其中包括：

*持有對ESG有不利影響的特定行業、板塊和地區 (exposure to specific industries, sectors, and geographies with adverse impacts on ESG issues)

4. 持有證券數[i]：過去三年內基金平均持有多少證券？請應用備註的公式計算並選擇適用項。

75 - 89

5. 證券權重：決定每個證券比重的因素是什麼？請選擇所有適用項目。

- *證券層面的流動性 (Liquidity at the security level)
- *投資組合層面的流動性 (Liquidity at the portfolio level)
- *與投資組合中其他證券的相關性 (Correlation with other securities in the portfolio)
- *相對於投資組合中該證券經風險調整後的潛在回報 (Potential risk-adjusted returns relative to other securities in the portfolio)
- *產生超額報酬的潛力 (Potential to produce alpha)
- *被投資對象良好的ESG (Material[ii] ESG merits of the investee)
- *投資組合限制 (明確限制或軟性指導) 例如單一發現者、單一證券等。(Portfolio limits (explicit limits or soft guidelines) such as single issuer, single security, etc.)

6.

投資組合在正常市場條件下的流動性：在構建投資組合時，我們考慮了正常市場條件下投資組合層面的短期至中期流動性。請單選最接近的選項。

是，我們目標是在5個交易日內變現投資組合的30% - 40% (Yes, we aim to be able to liquidate 30-40% of the portfolio in 5 trading days)

7. 在壓力市場中的投資組合流動性:

當我們構建投資組合時，我們考慮的一個關鍵因素是在壓力市場條件下投資組合層面的流動性。請單選最接近的選項。

是，如果交易量減半，我們的目標是在5個交易日內變現投資組合的30%-40% (Yes, we aim to be able to liquidate 30-40% of the portfolio within 5 trading days if trading volume halves)

8. 主動投資比率的目標[iii]: 該策略或基金的主動投資比率的目標比例是多少？

請使用公式 (見註釋 iii) 並選擇一個符合的答案。

我們沒有主動投資比率目標 (We do not have a target)

9. 實際的主動投資比率[iiii]: 該策略或基金的主動投資比率的目標比例是多少？(過去12個月平均)

請使用公式 (見註釋 iii) 並選擇一個符合的答案。

81%或以上主動投資比率 (81% or above active shares)

10a. 投資基礎：我們的投資決策主要基於以下幾點。請選擇所有適用項：

- *估值 (Valuation)
- *目標價格 (Target price)
- *該證券相對於組合的其它倉位的風險 / 報酬狀況 (Risk/return profile of a security relative to other positions in the portfolio)
- *被投資對象的現金流 (Investee's cash flow)
- *被投資對象從行業結構變化中獲益的能力 (The ability of investee to benefit from structural changes in its industry)
- *被投資對象的主要管理層的歷史紀錄 (Investee's key management's track record)
- *我們投資論斷的有效性 (Validity of our investment thesis)
- *ESG因素改善 (ESG factors improving)
- *被投資對象對我們基金/公司ESG參與的回應 (Investee's response to our fund's/firm's ESG engagement)
- *環境因素已經(或可能會)對被投資對象的收益、現金流、競爭力、業務彈性、聲譽和其他風險收益平衡產生重大[ii]影響 (Environmental factors have (or likely will have) a material* impact on the investee's earnings, cash flow, competitiveness, business resilience, reputation, and other risk-return balance)
- *社會因素已經(或可能會)對被投資對象的收益、現金流、競爭力、業務彈性、聲譽和其他風險收益平衡產生重大[ii]影響 (Social factors have (or likely will have) a material[ii] impact on the investee's earnings, cash flow, competitiveness, business resilience, reputation, and other risk-return balance. In the case of investing, the material impact is positive.)
- *公司治理因素已經(或可能會)對被投資對象的收益、現金流、競爭力、業務彈性、聲譽和其他風險收益平衡產生重大[ii]影響 (Governance factors have (or likely will have) a material[ii] impact on the investee's earnings, cash flow, competitiveness, business resilience, reputation, and other risk-return balance. In the case of investing, the material impact is positive.)

10b. 撤資基礎：我們撤資決策基於以下幾點。請選擇所有適用項：

- *估值 (Valuation)
- *目標價格 (Target price)
- *該證券相對於組合的其它倉位的風險 / 報酬狀況 (Risk/return profile of a security relative to other positions in the portfolio)
- *被投資對象的現金流 (Investee's cash flow)
- *被投資對象從行業結構變化中獲益的能力 (The ability of investee to benefit from structural changes in its industry)
- *被投資對象的主要管理層的歷史紀錄 (Investee's key management's track record)
- *我們投資論斷的有效性 (Validity of our investment thesis)
- *ESG因素改善 (ESG factors improving)
- *被投資對象對我們基金/公司ESG參與的回應 (Investee's response to our fund's/firm's ESG engagement)
- *環境因素已經(或可能會)對被投資對象的收益、現金流、競爭力、業務彈性、聲譽和其他風險收益平衡產生重大[ii]影響 (Environmental factors have (or likely will have) a material* impact on the investee's earnings, cash flow, competitiveness, business resilience, reputation, and other risk-return balance)
- *社會因素已經(或可能會)對被投資對象的收益、現金流、競爭力、業務彈性、聲譽和其他風險收益平衡產生重大[ii]影響 (Social factors have (or likely will have) a material[ii] impact on the investee's earnings, cash flow, competitiveness, business resilience, reputation, and other risk-return balance. In the case of investing, the material impact is positive.)
- *公司治理因素已經(或可能會)對被投資對象的收益、現金流、競爭力、業務彈性、聲譽和其他風險收益平衡產生重大[ii]影響 (Governance factors have (or likely will have) a material[ii] impact on the investee's earnings, cash flow, competitiveness, business resilience, reputation, and other risk-return balance. In the case of investing, the material impact is positive.)

11.

投資組合經理的流動率：過去12個月內，投資組合經理的流動率是多少？請提供負責本策略的投資組合經理的流動率，包括提前退休的經理。

<30%

12.

分析師的流動率：過去12個月內，分析師的流動率是多少？請提供負責本策略的分析師流動率，包括提前退休的分析師。

<30%

13. 研究資源：對本基金/策略所涵蓋的證券，每一位分析師平均負責研究多少證券？

低於50 (Fewer than 50)

14. 研究深度：您的研究決定是仰賴哪一種研究而做出的？請選擇所有適用項：

- *我們專有的財務模型 (Our proprietary financial models)
- *對被投資企業的實地考察：我們觀察運營員工的效率、生產力、態度和主動性。(Site visits to investees' facilities: We observe operational employees' effectiveness, productivity, attitude, initiative)
- *對被投資企業的實地考察：我們觀察被投資對象的競爭力具有顯著影響的關鍵流程或項目生產。
 - (Site visits to investees: We observe the key processes or production of items that are salient to the investees' competitiveness)
- *在所有投資分析師的預定會議之外與被投資企業的管理層進行一對一的對話 (One-to-one conversations with investees' management outside of scheduled conferences for all investment analysts)
- *我們與知情的第三方核實被投資企業的宣稱，包括但不限於供應商、客戶、分銷商、競爭對手和行業專家 (We verify investees' claims with informed third parties, including but not limited to suppliers, customers, distributors, competitors, and industry specialists)
- *為所有投資分析師安排的季度電話會議或與被投資方管理層的會議 (Earnings conference calls or meetings with investees' management which are scheduled for all investment analysts)
- *專門從事特定行業、科技技術、地域、經濟、因素等獨立顧問 (Independent consultants specializing in specific sectors, technologies, geographies, economies, factors, etc.)
- *賣方經紀商的研究 (Sell-side brokers' research)

15. 實例說明：請提供一個實際的例子來說明您如何執行下列選項之一

您對於確定證券權重，對特定證券投資或者撤資，是經過怎樣的考慮的？ (What was your thought process behind security weight/investment/divestment into specific securities)

請以500字內簡要描述主要挑戰、採取的操作、結果和吸取的經驗：

We retained our conviction in the long-term outlook with Xinyi continuing to build capacity while many players are not having expansion plans in the next few years. Hence we did not change our position, which benefited the portfolio because in the next quarter the company experienced a sharp share price rebound which we took advantage of by trimming our position to take profit.

FTEME's portfolio construction and management process seeks to build a high-conviction stock-centric portfolio that is primarily driven by company-specific factors and focused on the long term. A key competitive advantage of our Small Cap investing is the deep and locally-based investment bench of the FTEME platform (over 60 public equity investment professionals across 14 countries) enabling us to source overlooked and under-researched Small Cap opportunities ahead of international investors. We aim to build a portfolio that is primarily driven by stock selection while seeking sufficient diversification at the portfolio level with low country, currency and style tilt factors. To do so our position sizes are carefully managed, with a typical active weighting of +/-8%. Security sizing is determined by: Stock-specific considerations including risk profile, analyst and portfolio manager conviction, and liquidity. Portfolio context and considerations, including the marginal risk and return of adding the position to the portfolio, overarching investment themes, and what makes sense for the portfolio at a given point in time. Validation via independent risk analysis to assess risk/return tradeoff. This serves as an additional input and check aimed at corroborating or challenging our sizing decisions relative to upside determined by the analyst, and the specific risk of the stock. We seek to tap into the long-term secular drivers of Emerging Markets of consumption, digitalization, and disruption by the new economy, and transformation of the old economy. An example of a portfolio position that exemplifies our thought process behind stock selection and sizing is Xinyi Solar, the largest solar PV glass manufacturer globally. We initiated our position Xinyi Solar in Q2 2016, which is a top 10 contributor for the portfolio over the trailing 5y period (as of end September 30, 2021). Xinyi is a beneficiary of the climate change goal with solar installation being one of the key initiatives to achieve the goal. For e.g., China has pledged to carbon neutral by 2060. We built our position in Xinyi Solar over time adjusting the size with the share price movements. Our boots on-the-ground gives us an edge to draw rich insights from company management and other undertake channel checks with competitors and/or suppliers. For example: Xinyi Solar experienced a sharp share price correction in Q1 2021 on the back of a large solar glass price cut came, which earlier than expected. Xinyi's management believe that a normalizing solar glass price would help stimulate solar demand and is also healthy for long-term