

THE OPTIMA LLOYD GEORGE ASIA FUND Monthly Report December 31, 2020

Investment Objective

- The objective of the Optima Lloyd George Asia Fund (the "Fund") is to generate positive returns over the medium term by investing in Asian equities (excluding Japan and Australia) while seeking to reduce volatility through hedging.
- The Fund will seek to achieve its investment objective by investing up to 100% of its assets directly in Asian equities including Emerging Market equities and/or indirectly through financial derivative instruments.
- It is a more concentrated approach which is expected to consist typically of 30 to 50 equity long positions while shorts consist primarily of options on indices or market futures (certain markets restrict shorting).
- The Fund provides access in a UCITS eligible investment vehicle with daily liquidity and no lock up.

Investment Strategy & Opportunity

- The Optima Lloyd George Asia Fund is an Asia focused long/short equity fund launched in 2019. The Fund is managed by Robert Lloyd George, a highly regarded portfolio manager with more than four decades of experience of investing in Asia.
- Asia is the largest economy in the world based on GDP, and it has been growing at triple the rate of the developed Western economies. Moreover, the region's economy is highly dynamic, as exemplified by the ongoing transformation of both India and China. Although Asia is underrepresented in many institutional portfolios today, it is expected that the flow of capital into the region will accelerate.
- Because the region encompasses such a diverse range of countries, markets, currencies, and valuation levels, the portfolio manager believes that in-depth, bottom-up fundamental analysis and comprehensive top-down research can add value by identifying overlooked and misunderstood companies and industries.
- The portfolio manager believes growth trends in Asia focus around themes such as healthcare, e-commerce, and communications. As a result, the portfolio is expected to emphasize themes, such as the internet, consumer spending, and financial management.

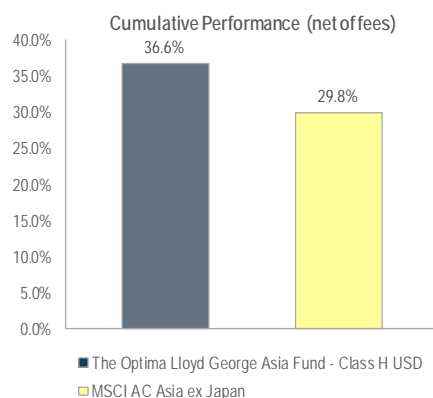
Monthly Performance Since Inception

| Class H - USD | | | | | | | | | | | | | |
|---------------|------|--------|---------|------|--------|-------|--------|--------|--------|------|--------|-------|-------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
| 2020 | 0.6% | (3.6%) | (12.5%) | 8.2% | (0.3%) | 10.3% | 7.4% | 3.9% | (2.7%) | 3.0% | 5.2% | 11.1% | 31.9% |
| 2019 | -- | -- | -- | -- | (2.6%) | 4.1% | (2.2%) | (3.5%) | (0.7%) | 5.3% | (1.0%) | 4.6% | 3.5% |

Performance Summary

| | Inception | NAV | Dec | YTD | TTD |
|---|-----------|-----------|-------|-------|-------|
| The Optima Lloyd George Asia Fund - Class H USD | 3-May-19 | \$136.560 | 11.1% | 31.9% | 36.6% |
| MSCI AC Asia ex Japan | 3-May-19 | -- | 6.8% | 25.0% | 29.8% |

Cumulative Performance Since Inception



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| Net Sector Exposure | | | |
|------------------------|--------------|---------------|--------------|
| | Long | Short | Net |
| Financials | 15.6% | 0.0% | 15.6% |
| Consumer Discretionary | 6.1% | 0.0% | 6.1% |
| Industrials | 11.5% | 0.0% | 11.5% |
| Index | 0.0% | (2.7%) | (2.7%) |
| Information Technology | 21.0% | 0.0% | 21.0% |
| Communication Services | 13.3% | 0.0% | 13.3% |
| Energy | 5.5% | 0.0% | 5.5% |
| Health Care | 13.2% | 0.0% | 13.2% |
| Materials | 4.5% | 0.0% | 4.5% |
| Consumer Staples | 0.0% | 0.0% | 0.0% |
| Total | 90.7% | (2.7%) | 88.0% |

| Net Country Exposure | | | |
|----------------------|--------------|---------------|--------------|
| | Long | Short | Net |
| India | 9.5% | 0.0% | 9.5% |
| China | 50.5% | 0.0% | 50.5% |
| Hong Kong | 9.6% | (2.7%) | 6.8% |
| Singapore | 3.6% | 0.0% | 3.6% |
| Indonesia | 0.0% | 0.0% | 0.0% |
| Thailand | 0.0% | 0.0% | 0.0% |
| Philippines | 0.0% | 0.0% | 0.0% |
| Taiwan | 9.8% | 0.0% | 9.8% |
| South Korea | 5.8% | 0.0% | 5.8% |
| Vietnam | 1.8% | 0.0% | 1.8% |
| Total | 90.7% | (2.7%) | 88.0% |

| Top Five Long Positions | | |
|-------------------------|------------------------|--------------|
| | Sector | Percent |
| Wuxi Biologics | Health Care | 8.2% |
| Samsung | Information Technology | 5.8% |
| Taiwan Semiconductor | Information Technology | 5.2% |
| Bilibili | Communication Services | 5.1% |
| Innovent Biologics | Health Care | 5.0% |
| | | 29.3% |

| Market Cap Exposure | | | |
|-----------------------|--------------|---------------|--------------|
| | Long | Short | Net |
| Small (< \$2 bill) | 5.2% | 0.0% | 5.2% |
| Mid (\$2 - \$10 bill) | 17.3% | 0.0% | 17.3% |
| Large (> \$10 bill) | 68.2% | (2.7%) | 65.4% |
| Total | 90.7% | (2.7%) | 88.0% |

| Historical Long/Short Exposure | | | | | | | | | | | | | | |
|--------------------------------|-------|---------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--|
| | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
| 2020 | Long | 91.9% | 96.5% | 87.0% | 78.7% | 87.6% | 89.8% | 89.7% | 94.5% | 95.7% | 93.6% | 92.0% | 90.7% | |
| | Short | (25.2%) | 0.0% | 0.0% | 0.0% | (8.1%) | (2.2%) | (2.9%) | (2.8%) | (5.6%) | (6.4%) | (2.4%) | (2.7%) | |
| | Net | 66.6% | 96.5% | 87.0% | 78.7% | 79.5% | 87.6% | 86.8% | 91.7% | 90.1% | 87.1% | 89.6% | 88.0% | |
| 2019 | Long | -- | -- | -- | -- | 78.7% | 88.0% | 82.9% | 84.4% | 87.1% | 90.1% | 87.0% | 95.7% | |
| | Short | -- | -- | -- | -- | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | |
| | Net | -- | -- | -- | -- | 78.7% | 88.0% | 82.9% | 84.4% | 87.1% | 90.1% | 87.0% | 95.7% | |

| Monthly Sector Attribution (gross) | | | |
|------------------------------------|--------------|---------------|--------------|
| | Long | Short | Net |
| Communication Services | 1.9% | 0.0% | 1.9% |
| Consumer Discretionary | -0.1% | 0.0% | (0.1%) |
| Energy | -0.1% | 0.0% | (0.1%) |
| Financials | 1.2% | 0.0% | 1.2% |
| Health Care | 5.1% | 0.0% | 5.1% |
| Industrials | 2.0% | 0.0% | 2.0% |
| Information Technology | 2.8% | 0.0% | 2.8% |
| Materials | 0.3% | 0.0% | 0.3% |
| Real Estate | 0.0% | 0.0% | 0.0% |
| Consumer Staples | 0.0% | 0.0% | 0.0% |
| Index | 0.0% | (0.2%) | (0.2%) |
| Total (gross) | 13.1% | (0.2%) | 12.9% |

| Monthly Geographic Attribution (gross) | | | |
|--|--------------|---------------|--------------|
| | Long | Short | Net |
| China | 8.9% | 0.0% | 8.9% |
| Hong Kong | 0.7% | (0.2%) | 0.5% |
| India | 0.5% | 0.0% | 0.5% |
| Indonesia | 0.0% | 0.0% | 0.0% |
| Philippines | 0.0% | 0.0% | 0.0% |
| Singapore | 0.3% | 0.0% | 0.3% |
| Taiwan | 1.0% | 0.0% | 1.0% |
| Thailand | 0.0% | 0.0% | 0.0% |
| South Korea | 1.3% | 0.0% | 1.3% |
| Vietnam | 0.3% | 0.0% | 0.3% |
| Total (gross) | 13.1% | (0.2%) | 12.9% |

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| | | Historical Long/Short Attribution | | | | | | | | | | | |
|------|-------|-----------------------------------|-------|--------|-------|-------|--------|--------|--------|-------|--------|--------|--------|
| | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| 2020 | Long | -0.8% | -1.5% | -12.2% | -0.3% | -0.3% | 10.9% | 8.9% | 4.8% | -3.2% | 2.5% | 6.5% | 13.1% |
| | Short | 2.1% | -2.0% | 0.0% | 0.2% | 0.2% | (0.3%) | (0.1%) | (0.1%) | 0.2% | (0.1%) | (0.5%) | (0.2%) |
| | Net | 1.2% | -3.5% | -12.2% | -0.1% | -0.1% | 10.6% | 8.8% | 4.7% | -3.0% | 2.5% | 5.9% | 12.9% |
| 2019 | Long | -- | -- | -- | -- | -2.4% | 4.6% | -2.4% | -3.4% | -0.4% | 5.7% | -0.9% | 5.8% |
| | Short | -- | -- | -- | -- | 0.0% | 0.0% | 0.0% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Net | -- | -- | -- | -- | -2.4% | 4.6% | -2.4% | -3.3% | -0.4% | 5.7% | -0.9% | 5.8% |

Commentary

Monthly Review

The year 2020 finished with an extraordinary month of performance for the Fund, rising 11.10%, the best month we have ever recorded. Much of this was due to stock selection, with the 6 biggest positions (Wuxi Biologics, Bilibili, Shenzhen Innovance, Innovent Biologics, Samsung Electronics, and TSMC) accounting for 35% of the Fund and contributing largely to the outperformance. At the end of the year, the portfolio was approximately 50% invested in China, 10% in Hong Kong and Taiwan, around 10% in India, and 6% in Korea. We have only one position in Southeast Asia, SEA Limited (listed in Singapore), which has also risen nearly 400% last year.

The portfolio manager is striving to maintain this outperformance in the coming year, and believes that some of the positive trends – a weaker US dollar, the outperformance of Asia and the emerging markets relative to the S&P 500, a recovery in commodity prices, especially oil – will continue. There is a real potential for a healthy, extended cyclical recovery in Asia more than anywhere else in the world. There has been less growth in government debt, and far less transfer payments, in Asia compared to Europe and the United States.

Outlook

We believe that we are now entering a 5-year period of outperformance for Asia and Emerging Markets, comparable to the 2002 – 2007 period, which was also characterized by a weaker US dollar, rising global inflation, and stronger economic growth in the developing world. Nominal GDP in Asia will be rising in double digits in 2021-2022 compared to, at best, 5% in Europe and the USA. To take India as an example, we expect nominal GDP to rise 17.2% (real GDP 13.2%) in the year to March 2022, with corporate earnings rising by 37%. India's Covid cases have now fallen by nearly 80%, and Return on Equity is rising, not only in India but in Southeast Asia. There is a slight risk that China tightens its monetary and lending policies as their debt to GDP has risen; but on the other hand, China's economy will grow over 8% in the coming year, and China's 10-year bond yields 3.2%, compared to negative, or very low interest rates, in Europe and the US 10-year Treasury at 1%.

Foreign holdings of Chinese bonds have now risen to over US\$500 Bn. and are still growing rapidly. The shift of capital from West to East will continue, and accelerate, in 2021. Within economic sectors, there will be some shift away from the outperformance of IT and e-commerce towards neglected sectors, such as banks, oils, cyclicals, and consumer staples. We are monitoring this trend carefully in order to anticipate market shifts. We hope that investors will now take comfort in the portfolio manager's 5-year track record in this strategy, which has consistently proven the durability of our investment approach and strategy, in concentrating on the best 25 Asian companies, as core holdings, with minimum turnover.

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Summary of Terms

| | |
|-------------------------------|--|
| Investment Manager | Optima Asset Management LLC |
| Sub-Investment Manager | Lloyd George Management (HK) Limited |
| Legal Structure | Irish ICAV – UCITS V |
| Inception Date | May 3, 2019 |
| Availability | US and Non-US Investors |
| Minimum Investment | <u>US Investors:</u> Class H (USD): \$500,000 <u>Non-US Investors:</u> Institutional Classes: G (EUR) €1,000,000; H (USD) \$1,000,000 Retail Classes: A (EUR) €5,000; B (USD); \$5,000 |
| Management Fee | 1.50% per annum (Institutional: Classes G and H) 1.75% per annum (Retail: Classes A and B) |
| Performance Fee | 15% of profits with a high water mark |
| Subscriptions | Daily, 2 business days notice by 4 PM Irish time |
| Redemptions | Daily, 2 business days notice by 4 PM Irish time |
| Payout | Full redemption payout normally within 3 business days after trade date |
| Depository | Northern Trust Fiduciary Services (Ireland) Limited |
| Administrator | Northern Trust International Fund Administration Services (Ireland) Limited |
| Auditor | Grant Thornton |
| Legal | Walkers Ireland |
| Global Distributor | Albemarle Asset Management Limited (London) |
| ISIN | Class A (EUR): IE00BJCW XV85 Class H (USD): IE00BJCW XW92 |

+ **DISCLAIMER: *Past performance is no guarantee of future results.*** The Optima Lloyd George Asia Fund (the "Fund") is a sub fund of Apsley Fund ICAV. Class H shares of the Optima Lloyd George Asia Fund commenced operations on May 3, 2019. The performance record shown here reflects the actual results of the Fund and performance calculations reflect the change in the Net Asset Value per Share for an investor who made an initial investment at the inception of the Fund (or Class as applicable) and who has made no additional subscriptions to, or redemptions from, the Fund since that date. Performance is net of all fees and expenses. Investors who made an initial investment after the inception of the Fund may have slightly different performance. The returns given for the MSCI AC Asia ex Japan Index (the "Index") are total returns in US Dollars which include the reinvestment of dividends. The investment program of the Fund differs significantly from the Index. The returns of the Index are only included for illustrative purposes. This is not an offer to subscribe for Shares in the Fund. The offering is made only by means of the Prospectus and Supplement issued by the Fund which describes, among other things, the risks of making an investment in the Fund and the qualifications subscribers must meet before making an investment. Further information regarding the Fund is available from the registered office of the ICAV at 5th Floor, The Exchange, George's Dock, IFSC, Dublin 1, Ireland during normal business hours on any business day. Information also available at www.optima.com.