

Valverde ASEAN Fund

Manager Commentary and Investment Review

The HF Valverde ASEAN Fund launched on 30 March 2026 against a backdrop of acute short-term uncertainty, driven by geopolitical conflict, but with a far more constructive medium- to long-term outlook supported by compelling growth prospects and attractive valuations across Southeast Asia.

In March, ASEAN markets declined sharply alongside global markets as conflict erupted in the Persian Gulf and the Strait of Hormuz effectively closed overnight. At launch, we judged that elevated near-term uncertainty warranted maintaining a meaningful cash buffer and deploying capital gradually. Our intention was to reach 50% invested within the first two weeks, followed by incremental deployment of approximately 10% per week, while remaining responsive to evolving conditions.

In hindsight, this approach proved overly cautious. Global markets bottomed on the day of the Fund's launch and led by the Nasdaq, staged a strong recovery. As a result, the Fund lagged during the month due to excess cash exposure, remaining only two-thirds invested when markets began to pull back. The Fund declined by 0.63% over the period, compared with a 3.07% gain for the MSCI ASEAN Index.

By month-end, the Fund was 71% invested across 20 stocks in five markets, with cash at 29%. We remain somewhat surprised by the resilience of regional markets given the risks stemming from the Middle East conflict. Southeast Asian economies are particularly vulnerable due to their reliance on energy imports from the Persian Gulf, where oil represents a disproportionately large share of energy consumption.

A key component of the investment case for Thailand, the Philippines, and Indonesia is a recovery in consumer spending—now at risk from rising energy costs and the resulting pressure on disposable income. Higher inflation further constrains central banks' ability to ease policy, while increased energy subsidies threaten fiscal discipline and weigh on currencies.

Markets appear to be pricing in a short-lived conflict and a rapid normalization of energy prices. Ten weeks into the crisis, we see a meaningful risk of correction should expectations shift toward a prolonged conflict or a "higher for longer" energy environment. Accordingly, we maintain a 29% cash position.

Performance

The fund was launched on 30 March 2026. Performance data will be available once a meaningful track record is established.

Past performance is not an indicator of future returns

Period Performance	Fund	Reference Benchmark [^]
1 Month	-0.63%	3.07%
3 Months	n.a.	n.a.
6 Months	n.a.	n.a.
YTD	-0.64%	3.07%
1 Year	n.a.	n.a.
3 Years	n.a.	n.a.
5 Years	n.a.	n.a.
Since Inception*	-0.64%	3.07%

Calendar Year Performance	Fund	Reference Benchmark [^]
2026*	-0.64%	3.07%

*From inception on 30 March 2026

[^]Reference benchmark: MSCI ASEAN Net Return USD Index (Bloomberg code: M1ASEAN)

Since Inception	Fund	Benchmark
Volatility	n.a.	n.a.
Sharpe Ratio	n.a.	n.a.
Information Ratio	n.a.	n.a.
Tracking Error	n.a.	n.a.
Beta	n.a.	n.a.

Country Exposure	(%)
Vietnam	27.2
Thailand	15.7
Malaysia	8.2
Philippines	5.8
Indonesia	5.7
Singapore	4.6
Others	3.4
Cash	29.6

Top 10 Holdings	(%)
Frasers Property Limited	4.6
Malayan Banking Bhd	4.1
Hong Leong Financial Group	4.1
HDBank	3.6
Mobile World Investment	3.6
Krungthai Card	3.5
Hoa Phat Group	3.5
Techcombank	3.4
Vietnam Prosperity	3.4
DFI Retail Group Holdings	3.4

Sector Exposure	(%)
Financials	28.2
Consumer Staples	9.2
Real Estate	7.7
Communication Services	6.0
Healthcare	6.0
Consumer Discretionary	3.6
Materials	3.5
Information Technology	3.3
Industrials	2.9
Cash	29.6

Fund Information

Investment Objective

The Fund seeks long-term capital growth in USD by investing primarily in equities and equity-linked securities of ASEAN companies. Using a bottom-up, research-driven process, the manager maintains a concentrated portfolio of 25–35 high-conviction ideas across all market capitalizations. Investors should refer to the "Risk Warning" section of the prospectus for special risk considerations applicable to this Sub-Fund.

Managed by Valverde Investment Partners, a Singapore-based specialist with deep regional expertise, the Fund targets high-quality companies with strong earnings growth, sound governance, and attractive valuations over a three-to-five-year horizon.

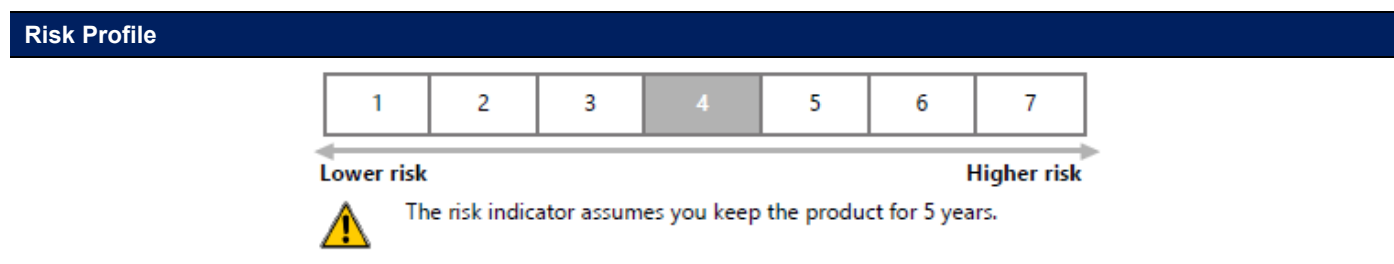
Fund Details		Fund Codes		Key Information	
SFDR Classification	Article 6	Bloomberg	HVALA1I LX	Fund Launch Date	30/3/2026
Reference Benchmark	MSCI ASEAN Net Return USD	ISIN	LU3075137227	L1I Share Class NAV	99.365
Dealing	Daily at 16:00 CET	Sedol	BS3L7H2	Fund Base Currency	USD
Dividends	Reinvested				

Share Class Information					
Share Class	ISIN	Min. Investment	Management Fee	Entry Fee	Exit Fee
L1 Institutional USD	LU3075137227	\$100,000	0.25%	0%	0%
L1 Retail USD	LU3075137656	\$100,000	0.25%	0%	0%

Investment Manager	Auditor	Legal Advisers
Valverde Investment Partners Pte Ltd. 390 Orchard Road #14-02 Palais Renaissance Singapore 238871	Deloitte Audit S.à r.l. 20 Boulevard de Kockelscheuer, L-1821 Luxembourg	Elvinger, Hoss & Prussen 2 Place Winston Churchill, L- 1340 Luxembourg

Management Company	Depository Bank	UCI Administrator
HF Arode Asset Management S.A. 93 Route d'Arlon, L-1140 Luxembourg	Bank Pictet & Cie (Europe) AG 15A Avenue John F Kennedy, L-1855 Luxembourg	FundPartner Solutions (Europe) S.A. 15 Avenue John F Kennedy, L- 1855 Luxembourg

Registration	Data	Order Transmission Information
Please see http://herefordfunds.com/library/country-registrations	All data in this factsheet is provided by Pictet & Cie (Europe) AG, FundPartner Solutions (Europe) S.A. and Valverde Investment Partners Pte. Ltd.	FundPartner Solutions (Europe) S.A. 15 Avenue John F Kennedy, L-1855 Luxembourg via Fax +352 4671 71 7667 or SWIFT PICTLULXTAS



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Past performance does not predict future returns.

Tax treatment depends on individual circumstances and may change.

Currency risk: Returns may increase or decrease due to currency fluctuations.

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