



Active Asia Ex-Japan Funds

Positioning Insights

August 2024

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In this month's report:

Vietnam: 2024 Rotation Drives Record Fund Ownership

Vietnam has reached a new milestone, with over a third of Asia Ex-Japan funds now invested in the country. Average fund weights have hit a record high of 1.01%, led by a rotation into Financials and Technology stocks. Key players like JP Morgan and Fidelity have boosted their exposure, signaling increased confidence in the Vietnamese market.

Real Estate: India/China Rotation Sparks Sector Growth

Real Estate exposure among Asia Ex-Japan funds has increased in 2024, with the percentage of funds invested rising from 73.5% to 81.6%. This shift is driven by a rotation out of Chinese Real Estate and into Indian Real Estate, leading stocks like Phoenix Mills, Macrotech Developers, and DLF Limited to reach new ownership highs. In contrast, China and HK Real Estate continue to experience outflows, with declining fund ownership in China Overseas Land and China Resources Land.

Hong Kong Exchanges & Clearing: Position Cuts Deepen Among Asia Ex-Japan Funds

Asia Ex-Japan fund managers are reducing their positions in Hong Kong Exchanges & Clearing, with both fund participation and average stock weights on a steady decline since early 2023. The stock has fallen to the 7th most widely held in the Financials sector, reflecting a broader shift towards South Korean financial stocks. Major funds like Allianz, T Rowe Price, and Baillie Gifford have exited, leaving a diminished investor base and signaling a significant drop in confidence in this once-favored company.

Copley Fund Research

August 27, 2024

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For further information on our data collection and calculation methodology, as well as how we classify fund Styles, please view the Appendices at the back of this report.

Vietnam

2024 Rotation Drives Record Fund Ownership

Vietnam: 2024 Rotation Drives Record Fund Ownership

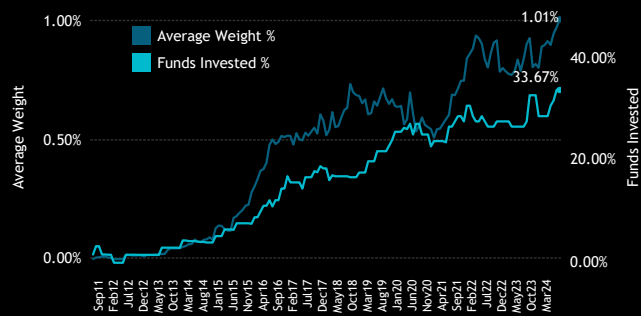
Vietnam has achieved a significant milestone, with over one-third of Asia Ex-Japan funds now invested in the country for the first time in our holdings history. Average fund weights hit a new high of 1.01% last month, as an additional 5.1% of funds opened exposure in 2024. The gains were primarily driven by investments in Financials and Technology stocks, making Vietnam the second largest country overweight in the region.

Despite this growth, Vietnamese stocks are generally lightly held, with only Asia Commercial Joint Stock Bank and FPT Corp owned by more than 10% of funds after recent activity. Meanwhile, momentum for Vietnam Dairy and Mobile World has diminished.

Notable fund-level activity in 2024 includes new positions from JP Morgan and Fidelity, with the most optimistic investors assigning over a 10% weight to Vietnam.

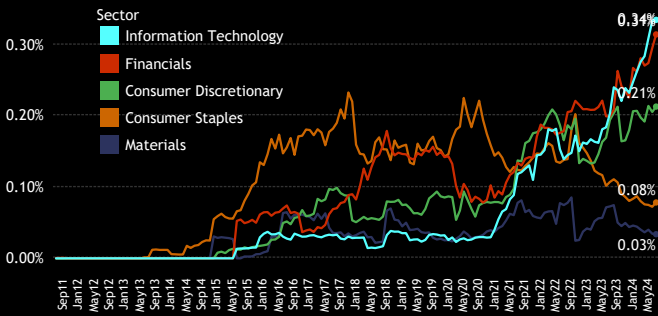
1. Record percentage of funds invested and record average weights.

Vietnam: Average Fund Weight vs Funds Invested



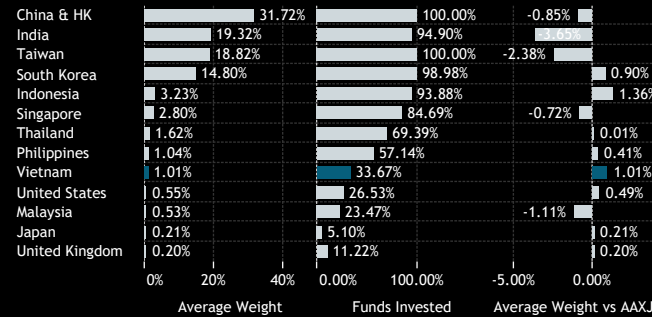
2. Record exposure driven by Financials and Technology sectors.

Vietnam: Average Fund Weight, Key Sectors



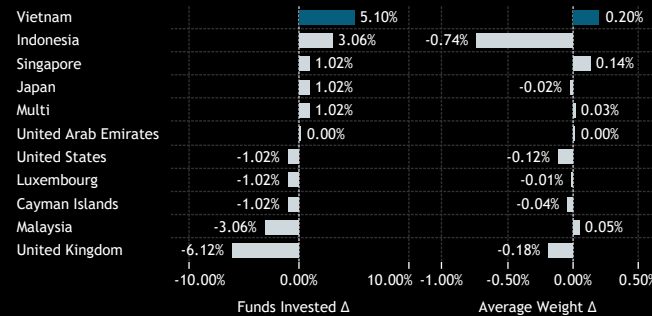
3. Vietnam is the 9th largest country weight, but the 2nd largest O/W.

Average Fund Weight, Funds Invested %, Ave Wgt vs AAXJ by Country



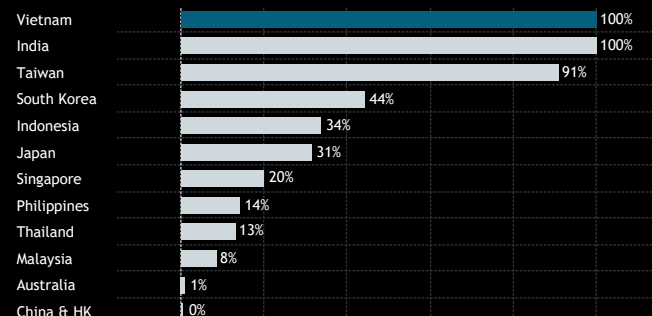
4. Vietnam captures the largest increase in funds invested through 2024

Change in Funds Invested / Average Fund Weight*



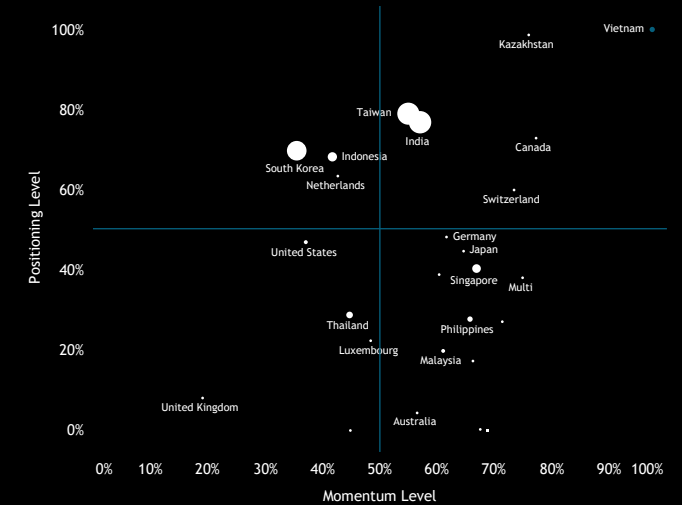
5. Vietnam and India at max ever fund weights, China & HK at all time lows.

Major Countries: Z-Score of Fund Weights



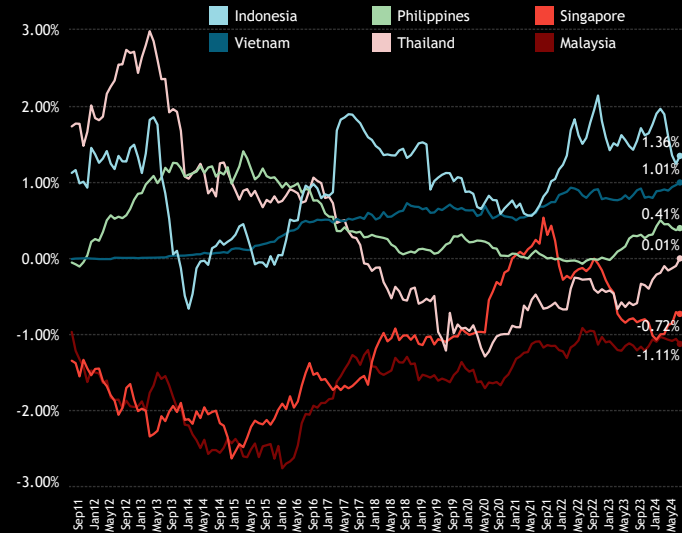
6. Investor sentiment towards Vietnam is highly positive, with record positioning and strong momentum versus regional peers.

Country Level Sentiment Grid*



7. Vietnam and Indonesia overweights are funded by Malaysia and Singapore underweights.

ASEAN Countries: Average Fund Weight vs AAXJ



Source: Factset, Copley Fund Research
* Between 12/31/2023 and 7/31/2024

Vietnam: 2024 Rotation Drives Record Fund Ownership

8. Most Vietnamese companies reside on the right-side of the Grid, indicating positive momentum in relation to Asia Ex-Japan peers.

Vietnam: Stock Level Sentiment Grid



9. Stock-level fund flows are small. Largest Inflows for Mobile World Investment Corp, outflows for Hoa Phat Group.

Vietnam: Largest Aggregate Fund Flows by Stock, \$*

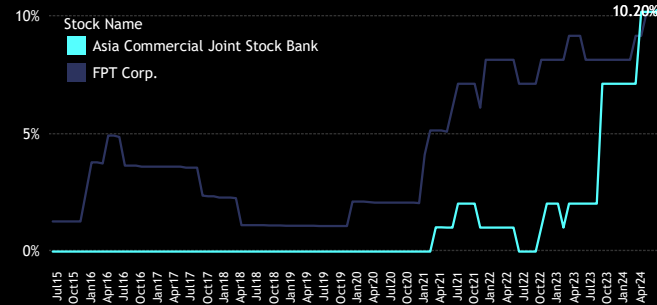


Source: Factset, Copley Fund Research

* Between 12/31/2023 and 7/31/2024

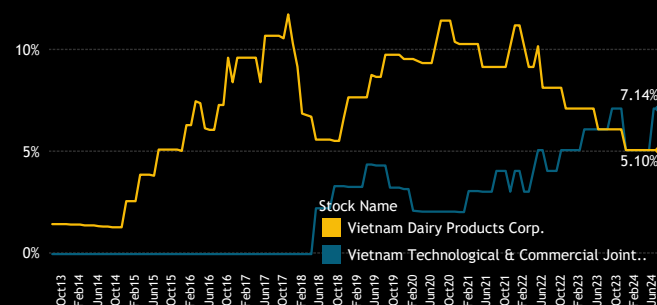
10. FPT and ACB hit record levels of fund ownership

Percentage of Funds Invested: FPT Corp vs Asia Commercial Joint Stock Bank.



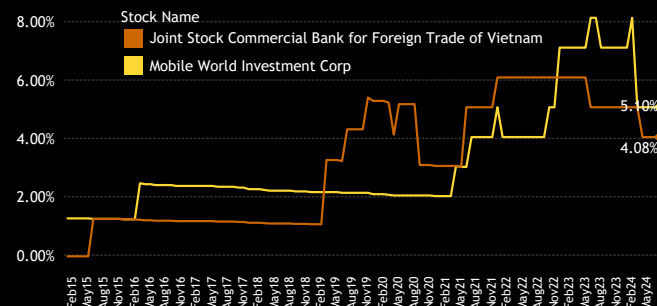
11. VNM losing investors, TCB moves to 3rd most widely owned company.

Percentage of Funds Invested: Vietnam Dairy vs Vietnam Technological Bank.



12. MWG and VCB move off the highs. Both are lightly held.

Percentage of Funds Invested: Mobile World Investment vs Bank for Foreign Trade



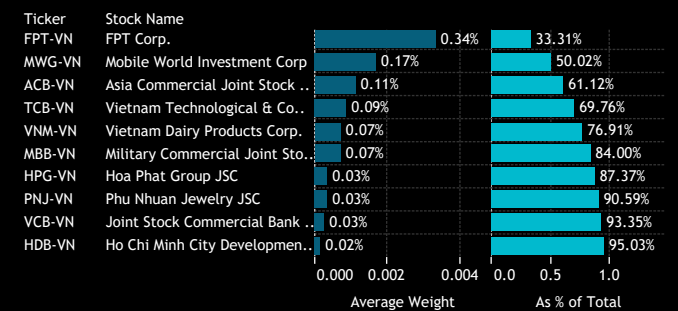
13. Most stocks lightly held. Only FPT and ACB held by > 10% of funds.

Vietnam: Aggregate Stock Ownership Statistics

Ticker	Stock Name	Funds Invested %	Average Weight %	Average Weight vs..	Fund AUM \$
FPT-VN	FPT Corp.	10.20%	0.34%	0.34%	\$46M
ACB-VN	Asia Commercial Joint St..	10.20%	0.11%	0.11%	\$47M
TCB-VN	Vietnam Technological & ..	7.14%	0.09%	0.09%	\$17M
VNM-VN	Vietnam Dairy Products C..	5.10%	0.07%	0.07%	\$12M
MWG-VN	Mobile World Investment ..	5.10%	0.17%	0.17%	\$69M
VCB-VN	Joint Stock Commercial B..	4.08%	0.03%	0.03%	\$38M
MBB-VN	Military Commercial Join..	4.08%	0.07%	0.07%	\$56M
HPG-VN	Hoa Phat Group JSC	4.08%	0.03%	0.03%	\$57M
PNJ-VN	Phu Nhuan Jewelry JSC	2.04%	0.03%	0.03%	\$3M
VHM-VN	Vinhomes JSC	1.02%	0.00%	0.00%	\$1M
VHC-VN	Vinh Hoan Corp	1.02%	0.00%	0.00%	\$14M
VGC-VN	Viglacera Corp.	1.02%	0.00%	0.00%	\$13M

14. Top 10 stocks account for 95% of total Vietnam allocation

Vietnam: Average Weight / % of Total



15. FPT and ACB see ownership rise, MWG and VCB lose investors in 2024.

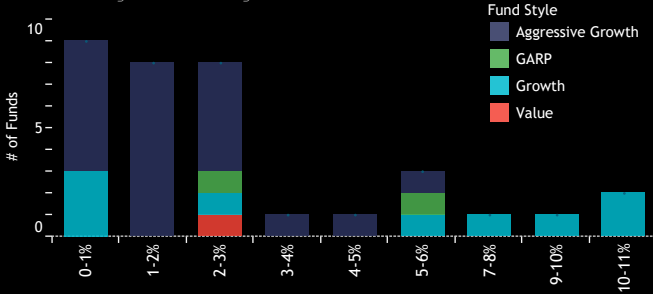
Vietnam: Largest changes in stock ownership*

Ticker	Stock Name	Funds Invest..	Ave Wgt % Δ	Fund Flows, \$
ACB-VN	Asia Commercial Joint Stock ..	3.06%	0.04%	\$15M
FPT-VN	FPT Corp.	2.04%	0.10%	(\$10M)
TCB-VN	Vietnam Technological & Co..	2.04%	0.05%	(\$1M)
NLG-VN	Nam Long Investment Corp.	1.02%	0.01%	\$0M
YEG-VN	Yeah1 Group Corp.	0.00%	0.00%	\$0M
XFVT-DE	Xtrackers FTSE VIETNAM SWA..	0.00%	0.00%	\$0M
116461-LU	Vietnam Resource Investment..	0.00%	0.00%	\$0M
VPB-VN	Vietnam Prosperity Joint-Sto..	-1.02%	0.00%	(\$11M)
VHM-VN	Vinhomes JSC	-1.02%	-0.01%	(\$3M)
BMP-VN	Binh Minh Plastics JSC	-1.02%	0.00%	(\$5M)
VCB-VN	Joint Stock Commercial Bank ..	-1.02%	-0.01%	(\$8M)
MWG-VN	Mobile World Investment Corp	-2.04%	0.04%	\$22M

Vietnam: 2024 Rotation Drives Record Fund Ownership

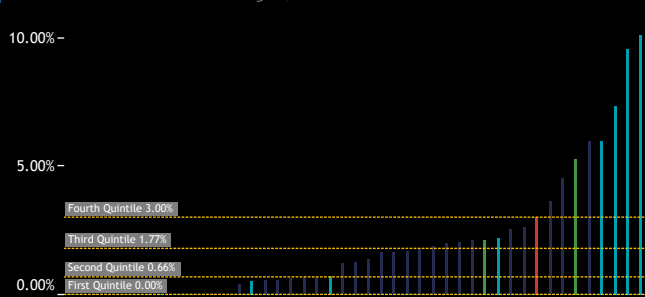
16. Bulk of holders below 3%, tail extends to 10%

Vietnam: Histogram of Fund Weights



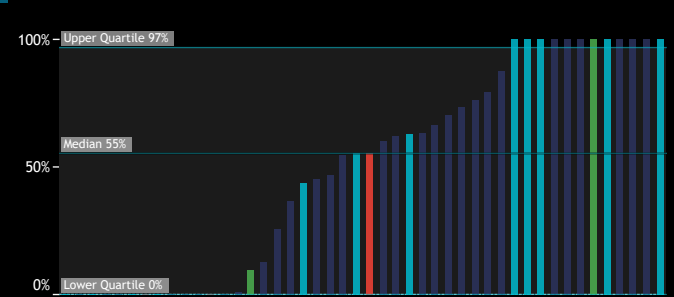
19. 80% of the investor base holds less than a 3% weight in Vietnam.

Vietnam: Distribution of Fund Weights, %



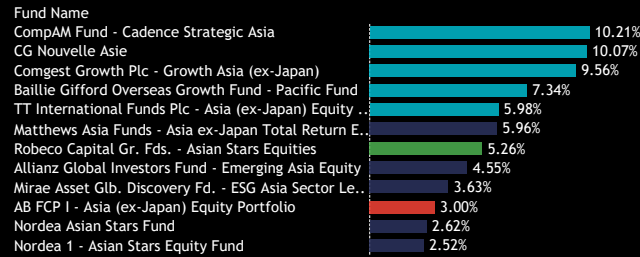
22. 12 funds at their maximum ever weight in Vietnam.

Vietnam: Z-Score of Fund Allocations



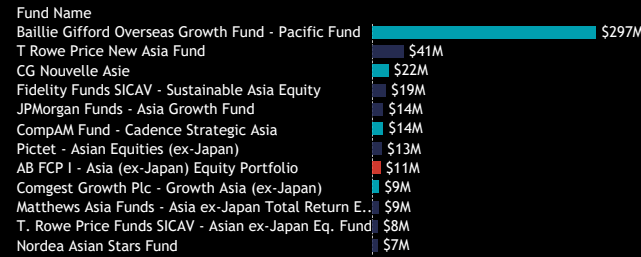
17. CompAM and CG Nouvelle top the fund holdings list at >10%.

Vietnam: Top Fund Allocations, %



20. Baillie Gifford dominate the AUM table.

Vietnam: Top Fund Allocations, \$



23. FPT Corp a high-conviction holding among selected funds.

Vietnam: Top stock Level Fund Allocations, %



Funds Invested Δ*

5.10%

Average Weight Δ*

0.20%

New Positions*

6

Closed Positions*

1

Funds Buying*

13

Funds Selling*

12

Estimated Net Fund Flows, \$*

(\$25.9M)

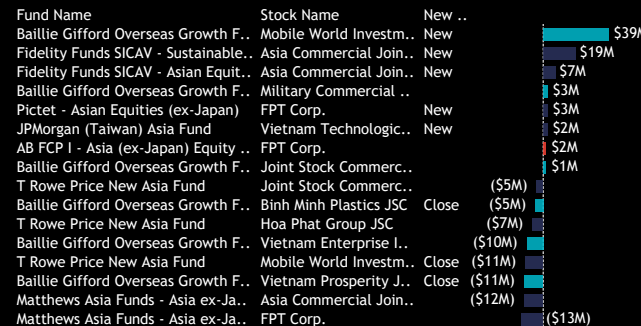
18. 6 new positions versus 1 closure. JP Morgan among the new investors.

Vietnam: Largest Change in Fund Weight*



21. Baillie Gifford invest in MWG, Fidelity opens ACB positions.

Vietnam: Top Stock-Level Fund Inflows and Outflows, *



24. JP Morgan open TCB positions, AB close Vinhomes exposure.

Vietnam: Largest Changes in Stock-Level Fund Weights, *



Source: Factset, Copley Fund Research

* Between 12/31/2023 and 7/31/2024



Real Estate

India/China Rotation Sparks
Sector Growth

Real Estate: India/China Rotation Sparks Sector Growth

The percentage of Asia Ex-Japan funds with Real Estate exposure has increased in 2024. While average fund weights remain at the lower end of the long-term range at 2.59%, the proportion of funds with exposure has risen from a low of 73.5% at the end of 2023 to 81.6% today.

This recent uptick is driven by a shift towards Indian Real Estate stocks, which has outweighed reductions in exposure to China & HK Real Estate. At the stock level, three names stand out: Phoenix Mills, Macrotech Developers, and DLF Limited, all of which have seen ownership rise to record levels. In contrast, only KE Holdings has maintained a strong investor base in China, with fund ownership declining in China Overseas Land and China Resources Land.

Allocations in the Real Estate sector remain below 4% for most funds, but in 2024 reflect a clear rotation from India and in to China & HK. New positions in Indian Real Estate by Allianz and JKC have been offset by closures in Chinese Real Estate by LO Funds and SEB, among others.

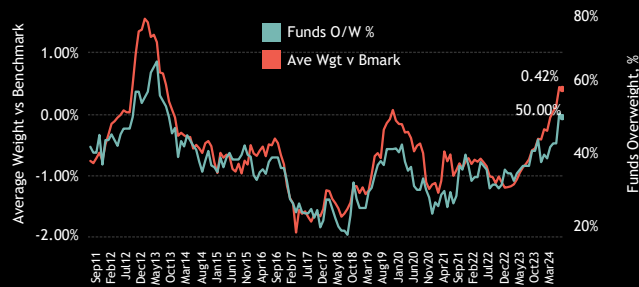
1. Subdued Real Estate exposure, but fund ownership on the rise.

Real Estate: Average Fund Weight vs Funds Invested



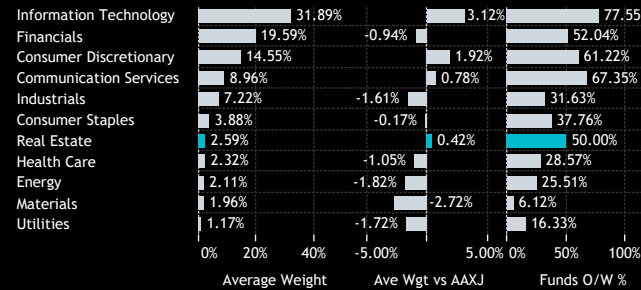
2. 10-year high in the net overweight as more funds make the switch from underweight.

Real Estate: Average Weight vs AAXJ vs Funds Overweight



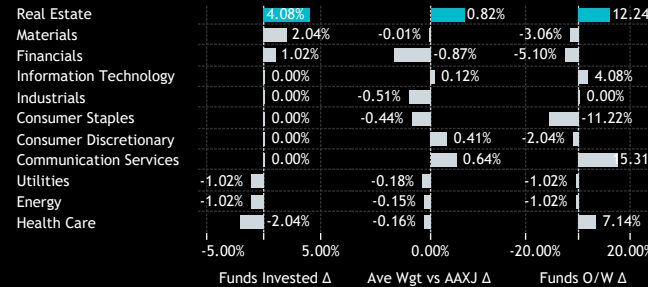
3. Real Estate is the 7th largest sector allocation, but one of 4 sectors positioned overweight versus the benchmark.

Key Ownership Statistics per Sector



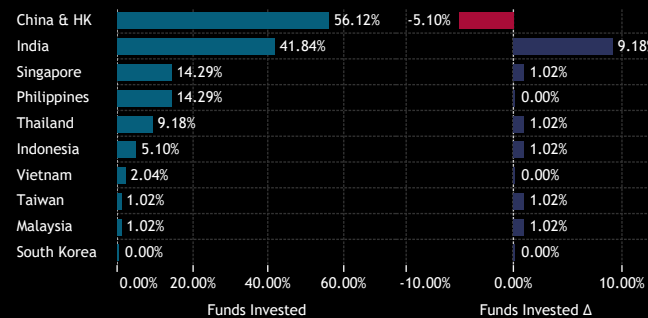
4. Real Estate captured the largest rise in funds invested and average overweight in 2024

Sectors: Change in Funds Invested, Ave Wgt vs AAXJ, Funds O/W



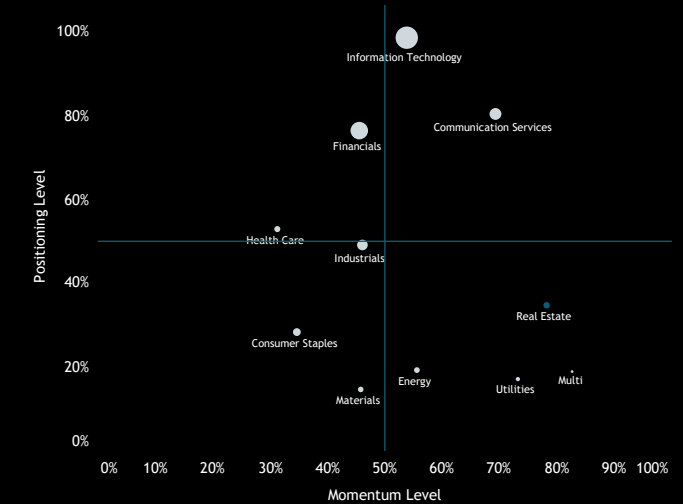
4. China & HK and India Real Estate the most widely held countries. Investment rises in India Real Estate, falls in China & HK through 2024.

Real Estate Country Exposure: Funds Invested, Change in Funds Invested*



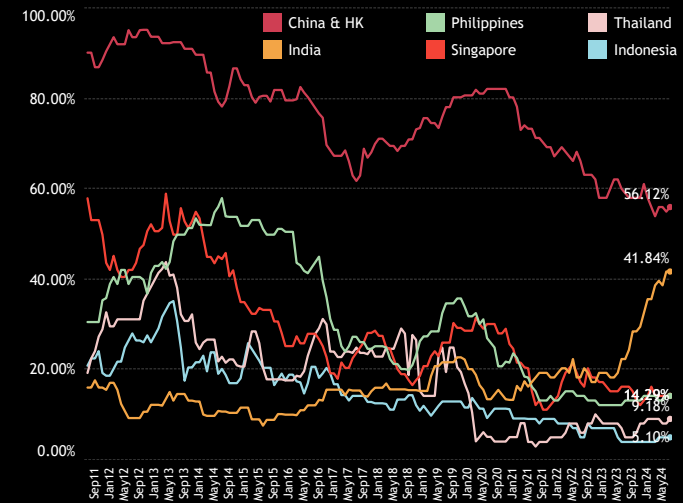
6. Bottom-right Grid position indicative of a swing in momentum coupled with low positioning vs history.

Sector Level Sentiment Grid. *



5. Longer-term rotation out of China & HK Real Estate and into India Real Estate. Multi-year decline in all other countries.

Percentage of Funds Invested: Key Real Estate Country Exposures

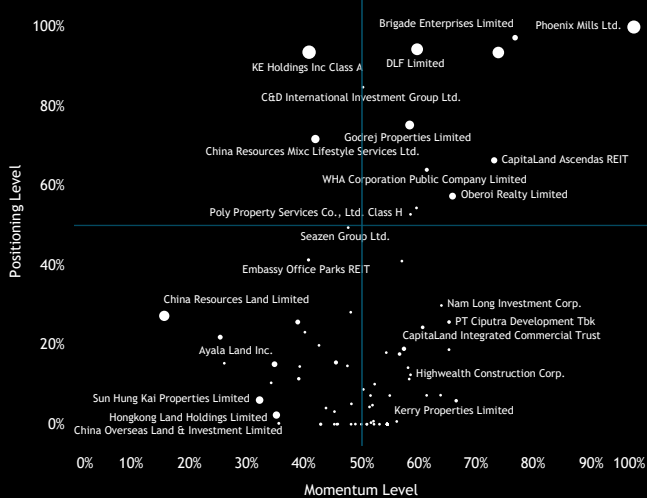


Source: Factset, Copley Fund Research
* Between 12/31/2023 and 7/31/2024

Real Estate: Underweight Hits Record Highs

8. Sentiment Grid shows India/China divergence. Indian names clustered in the top-right of Grid, key China & HK stocks in the bottom left.

Real Estate: Stock Level Sentiment Grid*



9. China Overseas Land inflows, Embassy Office Parks REIT and China Resources Land fund outflows.

Real Estate: Largest Aggregate Fund Flows by Stock, \$*

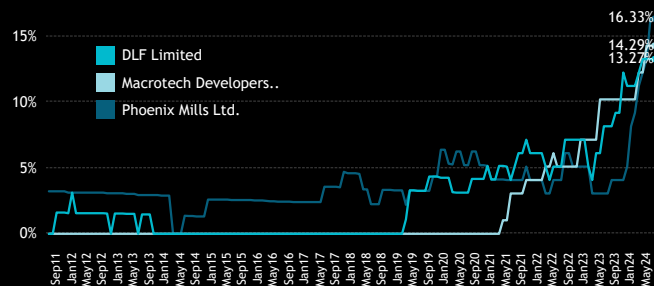


Source: Factset, Copley Fund Research

* Between 12/31/2023 and 7/31/2024

10. DFL, Macrotech and Phoenix Mills soar to record levels of fund ownership.

Funds Invested %: DLF Limited, Macrotech Developers Ltd., Phoenix Mills Ltd.



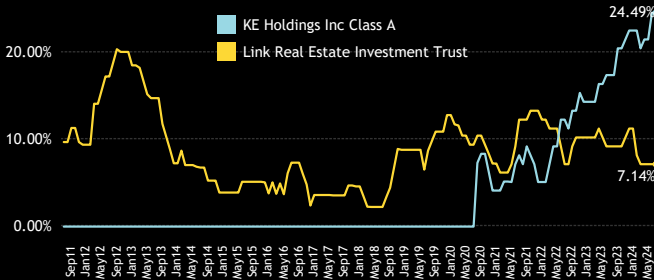
11. Falling ownership in China Overseas Land and China Resources Land

Funds Invested %: China Overseas Land vs China Resources Land



12. KE Holdings the bright spot in China Real Estate. Like REIT sees recent drop towards the lows.

Funds Invested %: KE Holdings vs Link Real Estate Investment Trust.



13. KE Holdings the most widely held stock, but the 3 Indian names muscle their way into the top 5.

Real Estate: Aggregate Stock Ownership Statistics

Ticker	Stock Name	Funds Invested %	Average Weight %	Average Weight vs..	Fund AUM \$
2423-HK	KE Holdings Inc Class A	24.49%	0.33%	0.19%	\$277M
1109-HK	China Resources Land Li..	19.39%	0.19%	0.04%	\$108M
503100-IN	Phoenix Mills Ltd.	16.33%	0.31%	0.25%	\$231M
543287-IN	Macrotech Developers Ltd.	14.29%	0.24%	0.17%	\$49M
532868-IN	DLF Limited	13.27%	0.25%	0.13%	\$140M
16-HK	Sun Hung Kai Properties L..	12.24%	0.10%	-0.08%	\$36M
1209-HK	China Resources Mixc Lif..	10.20%	0.12%	0.10%	\$76M
ALI-PH	Ayala Land Inc.	9.18%	0.06%	0.01%	\$80M
688-HK	China Overseas Land & In..	9.18%	0.10%	0.00%	\$65M
823-HK	Link Real Estate Investme..	7.14%	0.04%	-0.13%	\$9M
A17U-SG	CapitaLand Ascendas REIT	6.12%	0.07%	-0.04%	\$15M
960-HK	Longfor Group Holdings L..	5.10%	0.04%	0.00%	\$19M

14. Phoenix Mills and KE Holdings the top overweights. Link REIT and CK Asset Holdings the main underweights.

Real Estate: Top overweight and underweight positions

Ticker	Stock Name	Average Weight vs..	Funds Invested %	Average Weight %	Fund AUM \$
503100-IN	Phoenix Mills Ltd.	0.25%	16.33%	0.31%	\$231M
2423-HK	KE Holdings Inc Class A	0.19%	24.49%	0.33%	\$277M
543287-IN	Macrotech Developers Ltd.	0.17%	14.29%	0.24%	\$49M
532868-IN	DLF Limited	0.13%	13.27%	0.25%	\$140M
1209-HK	China Resources Mixc Lif..	0.10%	10.20%	0.12%	\$76M
9CI-SG	CapitaLand Investment Li..	-0.07%	3.06%	0.01%	\$5M
16-HK	Sun Hung Kai Properties L..	-0.08%	12.24%	0.10%	\$36M
C38U-SG	CapitaLand Integrated Co..	-0.10%	3.06%	0.03%	\$3M
1113-HK	CK Asset Holdings Limited	-0.11%	1.02%	0.01%	\$2M
823-HK	Link Real Estate Investme..	-0.13%	7.14%	0.04%	\$9M

15. Phoenix Mills and Macrotech Developers capture largest increases in funds invested. China Resources Land and Link REIT see ownership fall.

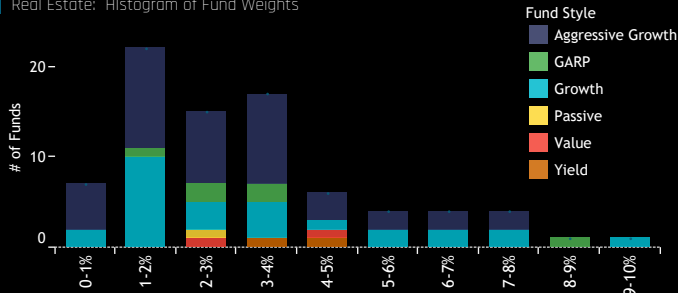
Real Estate: Largest changes in stock ownership*

Ticker	Stock Name	Funds Invest..	Ave Wgt % Δ	Fund Flows, \$
503100-IN	Phoenix Mills Ltd.	11.22%	0.23%	\$6M
543287-IN	Macrotech Developers Ltd.	4.08%	0.03%	(\$5M)
A17U-SG	CapitaLand Ascendas REIT	3.06%	0.02%	\$9M
532929-IN	Brigade Enterprises Limited	3.06%	0.05%	\$12M
532868-IN	DLF Limited	2.04%	0.00%	(\$1M)
683-HK	Kerry Properties Limited	2.04%	0.00%	\$8M
533150-IN	Godrej Properties Limited	-2.04%	0.02%	(\$11M)
H78-SG	Hongkong Land Holdings Limi..	-2.04%	-0.01%	(\$10M)
2669-HK	China Overseas Property Hold..	-2.04%	-0.02%	(\$7M)
9CI-SG	CapitaLand Investment Limited	-3.06%	-0.04%	(\$9M)
823-HK	Link Real Estate Investment T..	-4.08%	-0.07%	(\$19M)
1109-HK	China Resources Land Limited	-5.10%	-0.12%	(\$69M)

Real Estate: Underweight Hits Record Highs

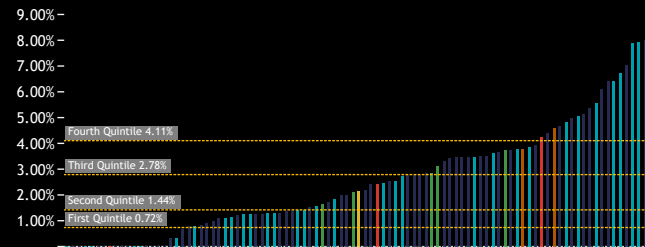
16. Typical allocation below 4%, with the upside tail stretching to 9%.

Real Estate: Histogram of Fund Weights



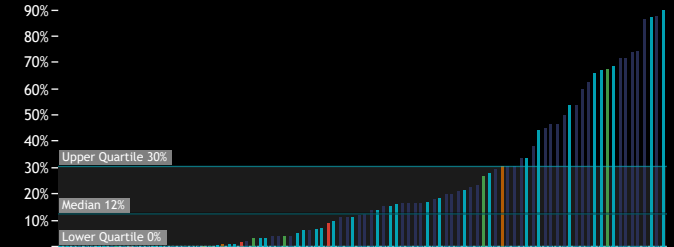
19. 80% of Asia Ex-Japan funds hold less than a 4.1% weight in the Real Estate sector.

Real Estate: Distribution of Fund Weights, %



22. Historical exposure on a fund-level at the bottom of the range for the majority of funds.

Real Estate: Z-Score of Fund Allocations



17. Allianz and Nomura among the top holders.

Real Estate: Top Fund Allocations, %

Fund Name	Allocation (%)
Allianz Global Investors Choice Fund - Asian	9.15%
Nomura Asset Asia Attractive Div. Equity Investmen..	8.11%
Wellington Mgmt. Fds. (LU) - Asian Opportunities F..	7.98%
Allianz Global Investors Fund - Total Return Asian E..	7.93%
Allianz Intl. Invnt. Fds. - Total Return Asian Equity F..	7.87%
C Worldwide - Asia	7.02%
Schroder Asian Growth Fund	6.71%
Baillie Gifford Overseas Growth Fund - Pacific Fund	6.40%
Lansforsakringar Asienfonden	6.38%
Skandia Asia	6.11%
Fullerton Lux Funds - Asia Focus Equities	5.57%
Morgan Stanley Instl. Fund - Asia Opportunity Portf..	5.34%

20. Baillie Gifford Pacific Fund tops the AUM list. 4 Funds above \$100m.

Real Estate: Top Fund Allocations, \$

Fund Name	AUM (\$)
Baillie Gifford Overseas Growth Fund - Pacific Fund	\$259M
Morgan Stanley Invnt. Fds. - Asia Opportunity Fund	\$195M
Schroder ISF - Asian Opportunities	\$153M
Schroder Asian Growth Fund	\$112M
Fidelity Funds SICAV - Sustainable Asia Equity	\$81M
T Rowe Price New Asia Fund	\$67M
Value Partners High Dividend Stocks Fund	\$59M
C Worldwide - Asia	\$44M
Allianz Global Investors Choice Fund - Asian	\$43M
Handelsbanken Asien Tema	\$28M
Fidelity Funds SICAV - Asian Equity Fund	\$28M
Allianz Global Investors Fund - Total Return Asian E..	\$27M

23. Phoenix Mills and KE Holdings among the high conviction positions.

Real Estate: Top stock Level Fund Allocations, %

Fund Name	Stock Name	Allocation (%)
Schroder Asian Growth Fund	Phoenix Mills Ltd.	4.52%
Morgan Stanley Instl. Fund - Asia Opp..	KE Holdings Inc Class A	3.88%
Wellington Mgmt. Fds. (LU) - Asian O..	Macrotech Developers Ltd.	3.88%
iFAST-DWS Asia Premier Trust	Godrej Properties Limited	3.81%
Morgan Stanley Invnt. Fds. - Asia Opp..	KE Holdings Inc Class A	3.80%
Fullerton Lux Funds - Asia Focus Equi..	Godrej Properties Limited	3.55%
Allianz Global Investors Fund - Total ..	Phoenix Mills Ltd.	3.54%
Allianz Intl. Invnt. Fds. - Total Return..	Phoenix Mills Ltd.	3.52%
Nikko AM Global Umbrella Fund - Asi..	Godrej Properties Limited	3.28%
Allianz Global Investors Choice Fund ..	Phoenix Mills Ltd.	3.23%
UBS (CH) Equity Fund - Emerging Asi..	DLF Limited	2.79%
Asian Equity Income Fund	CapitaLand Integrated Co..	2.74%

Funds Invested Δ*

4.08%

Average Weight Δ*

-0.12%

New Positions*

5

Closed Positions*

1

Funds Buying*

27

Funds Selling*

30

Estimated Net Fund Flows, \$*

(\$157.3M)

18. India/China Real Estate rotation evident on a fund level.

Real Estate: Largest Change in Fund Weight*

Fund Name	Country	New or..	Change (%)
Allianz Global Investors Choice Fund - Asian	India	New	5.99%
JKC Fund - La Francaise JKC Asia Equity	India	New	4.99%
Allianz Global Investors Fund - Total Return ..	India	New	3.64%
Allianz Intl. Invnt. Fds. - Total Return Asian E..	India	New	3.59%
SEB Asia (ex-Japan) Fund	Singapore	New	2.10%
Natixis Intl. Fds. (Lux) I - Natixis Asia Equity ..	India	New	2.08%
C Worldwide - Asia	India	New	1.67%
Fidelity Asia Fund	China & HK	New	1.48%
Fidelity Funds SICAV - Asian Equity Fund	India	Close	-1.59%
Fidelity Funds SICAV - Sustainable Asia Equity	India	Close	-1.60%
Fidelity Funds SICAV - Asian Equity Fund	China & HK	Close	-1.62%
BlackRock Asia Fund	China & HK	Close	-1.63%
Fidelity Funds SICAV - Sustainable Asia Equity	China & HK	Close	-1.72%
Nomura Asset Asia Attractive Div. Equity Inv..	China & HK	Close	-2.21%
SEB Asia (ex-Japan) Fund	China & HK	Close	-2.95%
LO Funds - Asia High Conviction	China & HK	Close	-3.39%

21. Fidelity Sustainable Asia outflows. Allianz open new India positions.

Real Estate: Top Stock-Level Fund Inflows and Outflows, *

Fund Name	Stock Name	New ..	Change (\$)
Fidelity Funds SICAV - Sustainable..	KE Holdings Inc Class A	New	\$13M
Allianz Global Investors Choice Fu..	DLF Limited	New	\$12M
Allianz Global Investors Choice Fu..	Phoenix Mills Ltd.	New	\$12M
Fidelity Funds SICAV - Asian Spect..	China Overseas Land ..	New	\$12M
Fidelity Asia Fund	China Overseas Land ..	New	\$12M
Fidelity Invnt. Funds - Asia Fund	China Overseas Land ..	New	\$11M
T Rowe Price New Asia Fund	WHA Corporation Pub..	New	\$10M
T Rowe Price New Asia Fund	China Resources Mixc..	New	\$10M
Vontobel Fund - mtb Sustainable ..	China Resources Land..	Close	(\$10M)
Schroder ISF - Asian Opportunities	China Overseas Land..	Close	(\$11M)
BlackRock Global Funds - Asian D..	Godrej Properties Li..	Close	(\$11M)
Fidelity Funds SICAV - Asian Equit..	Embassy Office Parks..	Close	(\$18M)
Baillie Gifford Overseas Growth F..	Phoenix Mills Ltd.	Close	(\$24M)
Fidelity Funds SICAV - Sustainable..	Sun Hung Kai Propert..	Close	(\$26M)
Fidelity Funds SICAV - Sustainable..	China Resources Land..	Close	(\$29M)
Fidelity Funds SICAV - Sustainable..	Embassy Office Parks..	Close	(\$56M)

24. Phoenix Mills among larger opening trades. Link REIT sees closures.

Real Estate: Largest Changes in Stock-Level Fund Weights, *

Fund Name	Stock Name	New o..	Change (%)
Allianz Global Investors Fund - Tot..	Phoenix Mills Ltd.	New	3.54%
Allianz Intl. Invnt. Fds. - Total Retu..	Phoenix Mills Ltd.	New	3.52%
Allianz Global Investors Choice Fu..	Phoenix Mills Ltd.	New	3.23%
JKC Fund - La Francaise JKC Asia ..	Obero Realty Limited	New	2.61%
Allianz Global Investors Choice Fu..	DLF Limited	New	2.54%
JKC Fund - La Francaise JKC Asia ..	Phoenix Mills Ltd.	New	2.37%
Allianz Global Investors Fund - Tot..	Brigade Enterprises L..	New	1.86%
Allianz Intl. Invnt. Fds. - Total Retu..	Brigade Enterprises L..	New	1.84%
Fidelity Funds SICAV - Asian Equity..	Embassy Office Parks..	Close	-1.59%
Fidelity Funds SICAV - Sustainable ..	Embassy Office Parks..	Close	-1.60%
Sydinvest Fjernosten	DLF Limited	Close	-1.60%
SEB Asia (ex-Japan) Fund	KE Holdings Inc Class A	Close	-1.61%
Allianz Intl. Invnt. Fds. - Total Retu..	Obero Realty Limited	Close	-1.66%
Allianz Global Investors Fund - Tot..	Obero Realty Limited	Close	-1.67%
Matthews Asia Funds - Asia ex-Jap..	Link Real Estate Inve..	Close	-1.67%
LO Funds - Asia High Conviction	Link Real Estate Inve..	Close	-1.95%

Source: Factset, Copley Fund Research

* Between 12/31/2023 and 7/31/2024

An aerial photograph of London, England, featuring the River Thames and the Tower Bridge. The image is overlaid with a semi-transparent teal color. The text is positioned in the upper right quadrant of the image.

Hong Kong Exchanges & Clearing Ltd.

Position Cuts Deepen Among Asia Ex-Japan Funds

Hong Kong Exchanges & Clearing Ltd.: Position Cuts Deepen Among Asia Ex-Japan Funds

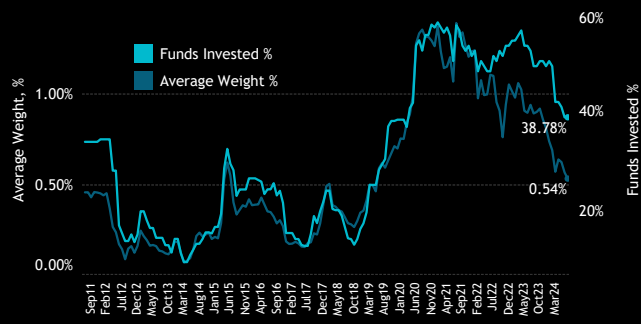
Asia Ex-Japan fund managers continue to reduce their positions in Hong Kong Exchanges & Clearing. Both the percentage of funds invested and the average weight of the stock in portfolios have been on a downward trend since the recent peak in early 2023. For the first time since 2020, Asia Ex-Japan managers are now net underweight in the stock.

Hong Kong Exchanges has dropped to the 7th most widely held stock in the Financials sector, following a 10.2% decline in fund ownership in 2024. Within the Financials sector, there's been a noticeable rotation, with both Hong Kong Exchanges and AIA Group losing investors, while several South Korean names have gained traction from a previously low investor base.

A wave of position closures in 2024 by Allianz, T Rowe Price, and Baillie Gifford has resulted in over half of the historical investor base exiting the stock. Most remaining investors now hold less than a 2% stake, reflecting a significant decline in sentiment towards what was once a highly favored company.

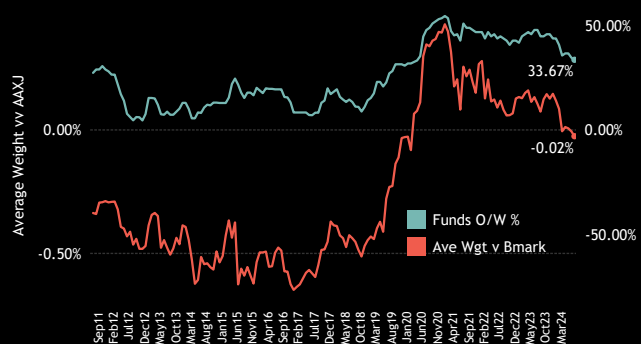
1. HK Exchanges ownership continues to move lower from the 2021 highs.

Hong Kong Exchanges & Clearing Ltd.: Average Fund Weight vs Funds Invested



2. Positioning moves to net underweight for first time since 2020.

Hong Kong Exchanges & Clearing Ltd.: Ave Wgt vs AAXJ vs Funds O/W %



3. HK Exchanges falls to the 7th most widely held stock in the Financials sector.

Financials: Aggregate Stock Ownership Statistics

Ticker	Stock Name	Funds Invested %	Average Weight %	Average Weight v..	Fund AUM \$
1299-HK	AIA Group Limited	72.45%	1.73%	0.58%	\$1,111M
500180-IN	HDFC Bank Limited	63.27%	1.87%	1.05%	\$1,434M
532174-IN	ICICI Bank Limited	56.12%	2.21%	1.07%	\$1,599M
BBCA-ID	PT Bank Central Asia Tbk	54.08%	1.27%	0.74%	\$521M
D05-SG	DBS Group Holdings Ltd	52.04%	1.17%	0.36%	\$412M
2318-HK	Ping An Insurance (Group) Co..	50.00%	0.71%	0.27%	\$301M
388-HK	Hong Kong Exchanges & Clear..	38.78%	0.54%	-0.02%	\$283M
BMRI-ID	PT Bank Mandiri (Persero) Tbk	35.71%	0.53%	0.31%	\$423M
BBRI-ID	PT Bank Rakyat Indonesia (Pe..	33.67%	0.48%	0.18%	\$220M
532215-IN	Axis Bank Limited	33.67%	0.89%	0.39%	\$611M
3968-HK	China Merchants Bank Co., Lt..	33.67%	0.56%	0.31%	\$191M
BDO-PH	BDO Unibank, Inc.	27.55%	0.29%	0.21%	\$115M
105560-KR	KB Financial Group Inc.	23.47%	0.55%	0.18%	\$304M

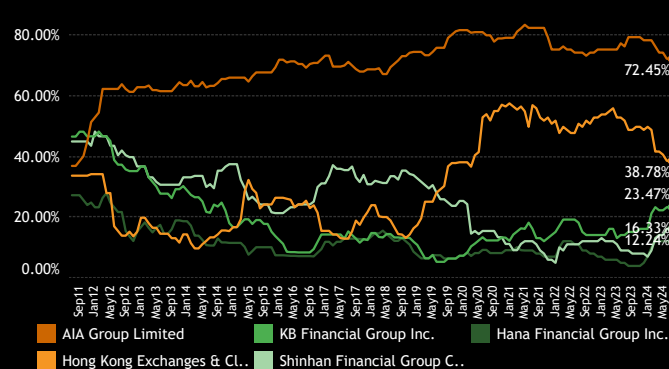
4. HK Exchanges is losing investors along with Prudential and AIA Group. South Korean Financials see big ownership uptick.

Financials: Largest changes in stock ownership*

Ticker	Stock Name	Funds Invested % Δ	Ave Wgt % Δ	Fund Flows, \$
055550-KR	Shinhan Financial Group Co., ..	8.16%	0.17%	\$57M
3968-HK	China Merchants Bank Co., Lt..	8.16%	0.19%	\$26M
105560-KR	KB Financial Group Inc.	7.14%	0.32%	\$6M
086790-KR	Hana Financial Group Inc.	7.14%	0.09%	\$54M
402340-KR	SK Square Co., Ltd.	6.12%	0.09%	\$52M
000810-KR	Samsung Fire & Marine Insura..	6.12%	0.08%	(\$4M)
500247-IN	Kotak Mahindra Bank Limited	-3.06%	-0.08%	(\$62M)
BBRI-ID	PT Bank Rakyat Indonesia (Pe..	-4.08%	-0.40%	(\$46M)
2388-HK	BOC Hong Kong (Holdings) Li..	-4.08%	-0.05%	(\$17M)
BBL-TH	Bangkok Bank Public Compan..	-4.08%	-0.07%	(\$8M)
1299-HK	AIA Group Limited	-6.12%	-1.01%	(\$283M)
PRU-GB	Prudential plc	-6.12%	-0.17%	(\$117M)
388-HK	Hong Kong Exchanges & Clear..	-10.20%	-0.28%	(\$135M)

5. Rotation from well-owned HK Exchanges and AIA Group in to under-owned South Korean Financial stocks.

Select Asian Financial Stocks: Funds Invested %



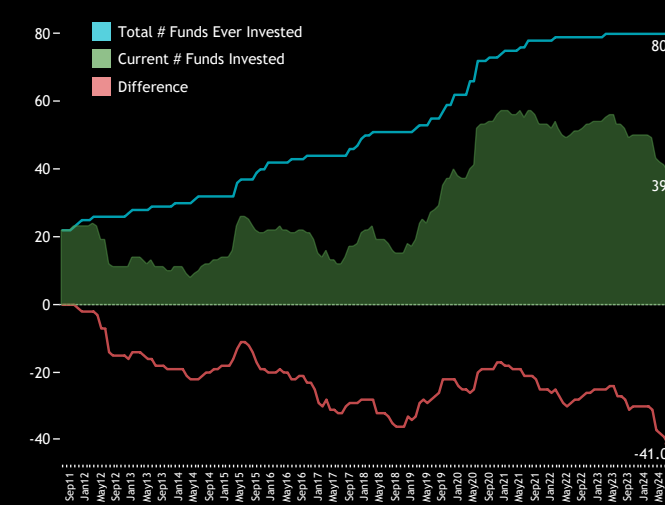
6. Clear momentum shift for HK Exchanges, with positioning well off the highs.

Financials Sector: Stock Level Sentiment Grid*



7. Over half of the historical investor base has closed out of their positions in HK Exchanges.

Hong Kong Exchanges & Clearing Ltd.: Gap Analysis

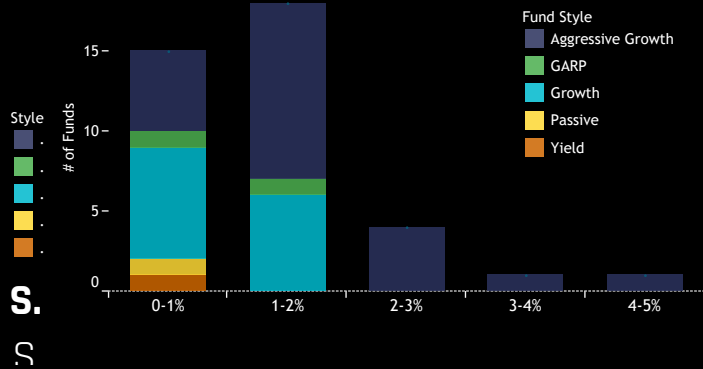


Source: Factset, Copley Fund Research
* Between 12/31/2023 and 7/31/2024

Hong Kong Exchanges & Clearing Ltd.: Position Cuts Deepen Among Asia Ex-Japan Funds

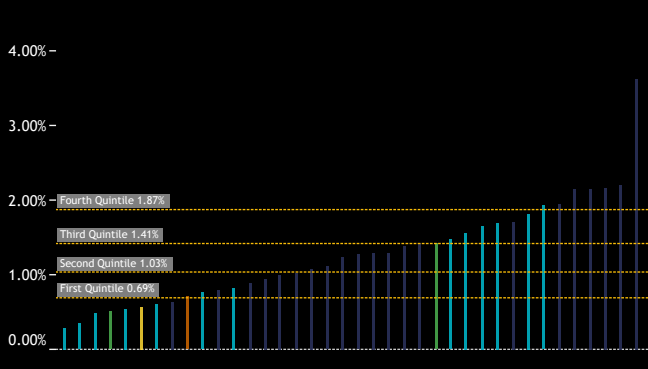
8. Most common holding weight is between 1% and 2%, tail extends to 5%.

Hong Kong Exchanges & Clearing Ltd.: Histogram of Fund Weights



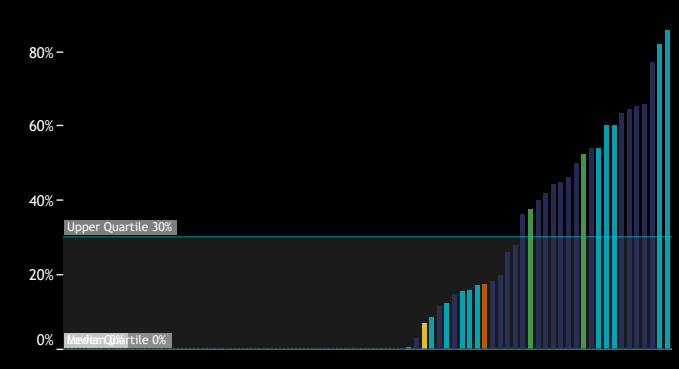
9. Majority of holders choose less than a 2% weight in HK Exchanges.

Hong Kong Exchanges & Clearing Ltd.: Distribution of Fund Weights, %



10. Individual funds are at the lower end of their historical weight in HK Exchanges.

Hong Kong Exchanges & Clearing Ltd.: Z-Score of Fund Allocations



Funds Invested Δ*

Average Weight Δ*

New Positions*

Closed Positions*

Funds Buying*

Funds Selling*

Estimated Net Fund Flows, \$*

-10.20%

-0.28%

2

12

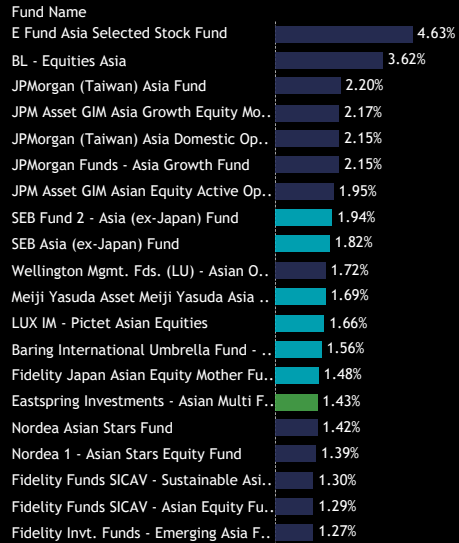
7

25

(\$134.9M)

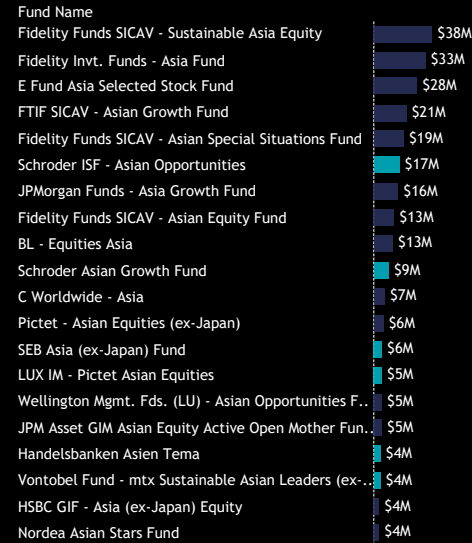
11. JP Morgan's Asian funds are among the top holders on a fund weight basis.

Hong Kong Exchanges & Clearing Ltd.: Top Fund Allocations, %



12. Fidelity's Asian funds dominate the larger holders on an AUM basis.

Hong Kong Exchanges & Clearing Ltd.: Top Fund Allocations, \$



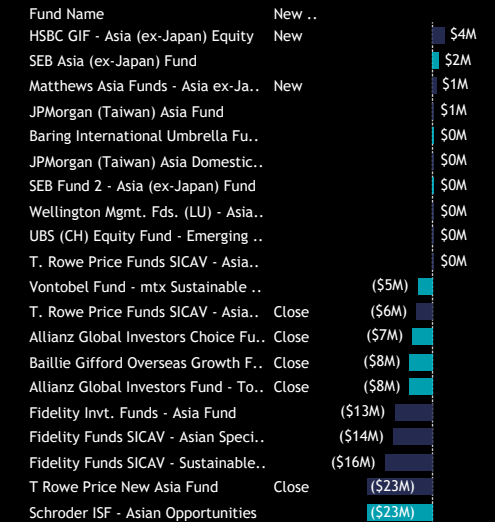
13. 12 closed positions versus 2 open. Allianz and abrdn among the closures.

Hong Kong Exchanges & Clearing Ltd.: Largest Change in Fund Weight*



14. A net \$134m of fund outflows, led by Schroders and T Rowe Price.

Hong Kong Exchanges & Clearing Ltd.: Top Fund Inflows and Outflows. *



Source: Factset, Copley Fund Research

* Between 12/31/2023 and 7/31/2024

Methodology

Copley uses Factset Ownership data for the majority of its source holdings. This data benefits from various inputs such as fund interim and monthly statements, 13F Forms, and other timely sources utilized by Factset. For US funds, data is usually updated quarterly with varying degrees of lag. However, due to agreements with asset management firms and the incorporation of press releases, Factset often provides updates more quickly. By leveraging these additional sources, Factset ensures a shorter time lag for many data points beyond the standard quarterly fund statements. Copley uses the latest published holdings for each fund and adjusts weights based on price movements between the last filing and the end of the most recent month. The typical average lag ranges from 60 to 90 days depending on the time of year.

For benchmark comparisons, we use the iShares Tr. - MSCI All Country Asia ex-Japan ETF, proportionally adjusted to remove any cash holdings. All Fund Flow calculations are on a best estimates basis. We use monthly position changes and month end prices to estimate the net buying and selling value for each stock within each fund in our analysis.

Calculations

Copley uses 6 key measures of fund ownership throughout our analysis. Our chart packs presents these metrics in formats such as time series, snapshots at specific points, or comparisons between two time periods.

Average Weight: The sum of all fund weights in any dimension (region, country, sector, industry, stock) divided by the total number of funds (98) in the analysis.

Average Weight vs AAXJ: The average weight minus the weight in the iShares Tr. - MSCI All Country Asia ex-Japan ETF (cash removed and weights adjusted).

Funds Invested %: The total number of funds with any exposure to a dimension divided by the total number of funds (98) in the analysis.

Funds O/W: The total number of funds with a larger weight in any dimension than the iShares Tr. - MSCI All Country Asia ex-Japan ETF, divided by the total number of funds (98) in the analysis.

AUM, \$: The combined AUM allocated to a particular dimension across the 98 active Asia Ex-Japan funds in our analysis, in US Dollars

Estimate Fund Flows, \$: The difference in share quantity between 2 periods for each stock in a fund multiplied by the price. These figures are rolled up to provide aggregate fund flows across countries, sectors and stocks.

Style Classifications

Each fund is split into a Style category based on the P/E and P/B ratios of their portfolio compared to the benchmark

Aggressive Growth: At least 70% of the portfolio in stocks with a higher P/E than the iShares Tr. - MSCI All Country Asia ex-Japan ETF average, and at least 70% with a higher P/B ratio.

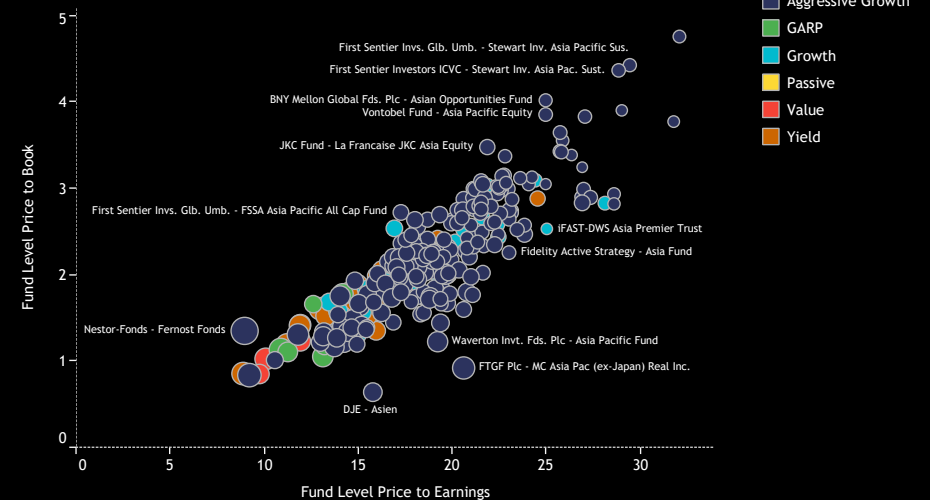
Growth: At least 50% of the portfolio in stocks with a higher P/E than the iShares Tr. - MSCI All Country Asia ex-Japan ETF average, and at least 50% with a higher P/B ratio.

Value: Either by the fund description, or at least 50% of the portfolio in stocks with a lower P/E ratio than the iShares Tr. - MSCI All Country Asia ex-Japan ETF average, and at least 50% with a lower P/B ratio

Yield: As per the fund description only (i.e Yield, Dividend, Income funds).

GARP: All other iterations that do not fit under the above classifications.

Fund P/E vs P/B
Size of Bubble = Dividend Yield



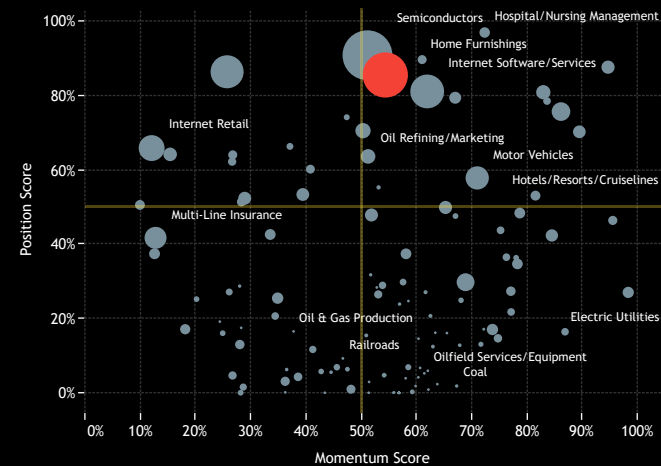
Sentiment Grid

We use the Sentiment Grid in our analysis as a way of combining long-term positioning with shorter dated manager activity across all dimensions (country, sector, stock). Here we outline the metrics that go in to the Sentiment Grid calculation.

The Y-Axis measures where today's ownership levels in each dimension sit relative to the long-term range. We calculate the Z-Score of today's average weight, funds invested % and funds o/w % relative to all monthly observations in our fund history (going back to 7/31/2011). A figure close to 100% would indicate today's positioning is close to its maximum ever level, a figure close to zero, the lowest.

The X-axis provides a measure of short-term fund activity, or 'Momentum', by looking at the changes in average weight, funds invested %, funds o/w % and the net buyers vs sellers between 12/31/2023 and 7/31/2024, relative to each dimension. A figure above 50% means a dimension has seen relative increases in ownership, a figure below 50% indicates a relative decrease in positioning. The size of the bubble represents the average weight of each dimension

Country Sentiment Grid
Momentum Measure Between 12/31/2023 - 7/31/2024



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