

Fund Details

Currency: USD

Investments: Local Equities

Target Portfolio: 15 Best Ideas

Co-Managed by: Portfolio Advisors
& Accuvest Global Advisors

Portfolio Investments Team

Munir M. Yakubov

Director

Degree: International Economic
Relations at The University of
World Economy and Diplomacy in
Uzbekistan

Languages: English, Russian,
Turkish, Uzbek, Tajik

Accuvest Global Advisors Team

David Garff, CIMA

President and

Chief Investment Officer

Degree: MBA with concentration in
finance, Haas School of Business, UC
Berkeley

Responsibilities: Portfolio
construction and management

Languages: English, Spanish

James Calhoun, CFA

Portfolio Manager

Degree: Finance & Economics at the
University of Nevada

Responsibilities: Performance
attribution, investment analysis and
economic modeling

The Opportunity

Uzbekistan is a country teeming with opportunity. In the heart of Asia, along the famed “Silk Road”, Uzbekistan boasts rapid GDP growth, plentiful natural resources, a youthful population of over 34 million, an excellent education system, state-of-the-art infrastructure, and a burgeoning middle class. Unfortunately, Uzbekistan has historically been largely inaccessible to foreign investors. Until now.

Since 2017, the government has embarked on ambitious market-oriented reforms aimed at integrating the country into the world economy through trade and finance.

The size and scale of the government’s pro-market reforms is impressive. Reforms and improvements thus far include:

- FX market, Price and Trade liberalization
- Decreased import duties
- Significant tax cuts for both firms and individuals
- Increased access to credit
- Investment climate improvement
- Improved transparency of state budget operations
- Restructuring of monopoly State Owned Enterprises (SOEs)

Uzbekistan’s extraordinary progress has begun to get the recognition it deserves. Indeed, The Economist magazine deemed Uzbekistan their “Country of the Year” in 2019.

The Challenge

While frontier markets such as Uzbekistan offer the opportunity for explosive growth, outsized returns and portfolio diversification, investors have historically run into many hurdles. These include:

- Local financial reporting rules make global comparisons challenging
- Brokerage account ownership rules and ownership limitations for foreign investors make direct investments difficult
- State-Owned Enterprises have different objectives than traditional financial investors
- Contacts in the Government and in local markets are essential to protecting investor interests

The Product

- The Uzbek Capital Markets Fund is Uzbekistan’s first Local Market Open-Ended Mutual Fund
- The fund provides access to a diversified portfolio of local Uzbek equities and is denominated in US dollars
- The Fund is managed as a total return vehicle
- No custody fees are charged if purchased directly. No upfront subscription fees
- The Fund has weekly liquidity



SHARE CLASS	ISIN	MANAGEMENT FEE	MINIMUM INVESTMENT
CLASS A	BSP965081099	1.25%	\$10,000
CLASS C	BSP965081172	2.00%	\$10,000
CLASS I	BSP965081255	1.00%	\$10,000

The Process

Thoughtfully constructed Portfolio of Companies with:



Large Addressable Market Opportunities



Strong Business Leadership and Corporate Management



Attractive Blend of Fundamentals, Value, and Low Risk



Strong and Increasing trading volume

....That are:



Aligned with Macroeconomic Trends & "Tailwinds"



Benefiting from Legislation and Policy Initiatives

Portfolio Holdings



JSC Qizilqumsement

INDUSTRY: Cement Production

FORMED: 1977

TICKER: QZSM

Qizilqumsement is the largest cement company in Uzbekistan, producing nearly 4 million tons of cement per year.



JSC Kvarts

INDUSTRY: Glass Production

FORMED: 1975

TICKER: KVTS

Kvarts produces colored, tinted and tempered glass and is one of the largest glass producers in Central Asia. In 2005, the company received a certificate of conformity of the ISO-9001 quality management system and received the "Best Enterprise of Uzbekistan" award.



JSC Uzmetkombinat

INDUSTRY: Metallurgy

FORMED: 1944

TICKER: USMK

Uzmetkombinat is the leading ferrous metallurgy enterprise in the country. They have steadily increased their capacity and market share in an industry that represents 7.6% of the country's GDP.



JSC Alskom

INDUSTRY: Insurance

FORMED: 1996

TICKER: ALSM

Alskom is one of the leading Uzbek insurance companies in Uzbekistan with 20 subsidiaries and 128 branches throughout the country. Alskom's strong reputation is reflected in its high financial reliability rating by the national rating agency SAIPRO.



JSC Jizzakh Plastics

INDUSTRY: Plastics

FORMED: 1994

TICKER: JIPL

In terms of output, Jizzakh Plastics is the second largest plastic producer in the former USSR. Jissakh is the primary supplier of film and pipes for the agricultural and construction sectors in Uzbekistan and was the third Uzbek company to go public on the Tashkent Stock Exchange.



JSC Uzbek Republican Commodity Exchange

INDUSTRY: Financial Services

FORMED: 1944

TICKER: URTS

The Uzbek Republican Commodity Exchange is the biggest trading platform in Central Asia. The Exchange is engaged not only in price quotation, but also settlement, execution and the organization of government and corporate purchases.

The Team

Portfolio Investments Uzbekistan

- Local Presence & Expertise
- Understanding of Economic & Industry Development
- Access to Corporate Management & Data
- Ongoing Government Relations
- Connection to pipeline of upcoming SPOs

Accuvest Global Advisors United States of America

- US Registered Investment Advisor
- Global Multi-Asset Investment Solutions
- Institutional oversight and risk management

Mosaic Financial Bahamas

- Bahamian Fund Sponsor and Broker/Dealer
- Service Provider to Global Institutions and High Net Worth Families
- Over 30 years of operating history



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