



ASCENDERCAPITAL

## FUND STRATEGY

The Fund seeks to invest in a balanced portfolio of high quality businesses across the Asian equity markets not accessible through passive and larger funds.

We focus exclusively on companies with a track record of profitability, capital efficiency and good corporate governance.

The Fund invests with a margin of safety by demanding attractive valuations and a strong financial position.

**Morningstar Rating™ ★★★★★**

## FUND OVERVIEW

<b>Inception Date</b>	June 1, 2017
<b>Portfolio Manager</b>	Edouard Mercier & Jean-Charles Tisserand
<b>Management Fee</b>	Class I - 1%
<b>Performance Fee</b>	15% of profits w/ Highwater Mark
<b>Asset Classes</b>	Equities, Cash, Derivatives
<b>Benchmark</b>	MSCI AC Asia
<b>Minimum Investment</b>	\$100,000 or €100,000
<b>Investing</b>	Weekly Liquidity
<b>Redemption</b>	Weekly Liquidity
<b>Management Company</b>	Degroof Petercam Asset Services
<b>Custodian</b>	Banque Degroof Petercam Luxembourg S.A.
<b>Auditor</b>	Ernst & Young S.A.

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# EQUUS ASCENDER ASIA VALUE FUND

February 2025 FACTSHEET

## PERFORMANCE AS OF 28 February 2025

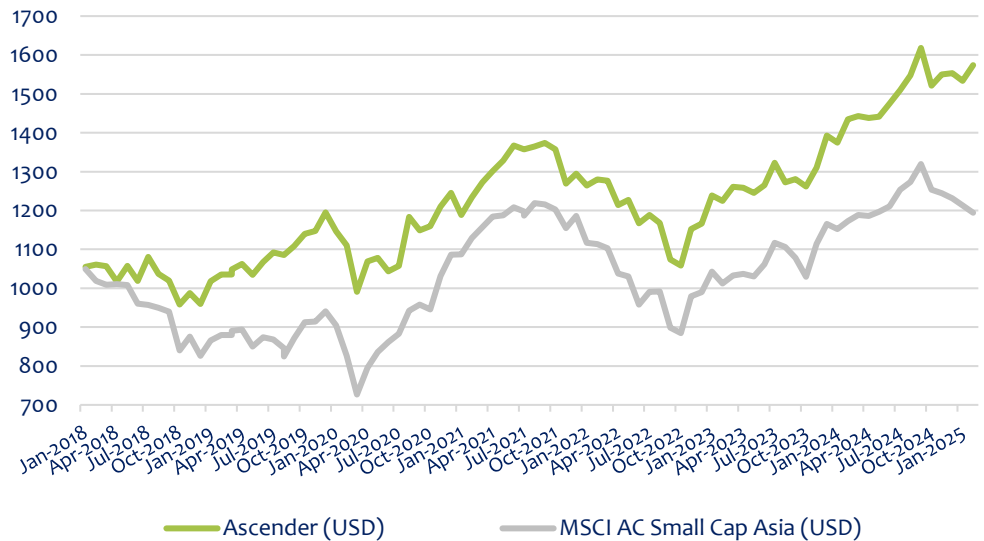
Class	NAV	1 month	YTD	1 Year	Annualized		
					3 Year	5 Year	Launch**
<b>P (USD)</b>	1,647.7	2.7%	1.5%	12.2%	8.7%	-	-
<b>R (USD)*</b>	1,573.6	2.6%	1.3%	9.7%	7.1%	7.2%	6.0%
<b>A (USD)**</b>	1,460.6	2.8%	1.5%	-	-	-	-
<b>MSCI AC SC Asia (USD)</b>		-1.6%	-3.0%	1.8%	2.4%	7.7%	4.3%
<b>I (EUR)</b>	1,765.7	2.6%	0.9%	14.2%	10.0%	-	9.7%
<b>MSCI AC SC Asia (EUR)</b>		-1.6%	-3.4%	5.9%	5.0%	8.8%	7.8%

\*Performance is based on the former Class A – LU1602271337 from 31 May 2017 to 31 January 2023 and on Class R – LU1602271840 from 1 February 2023 onwards as the former Class A (USD) became inactive (both have the same fee structure);

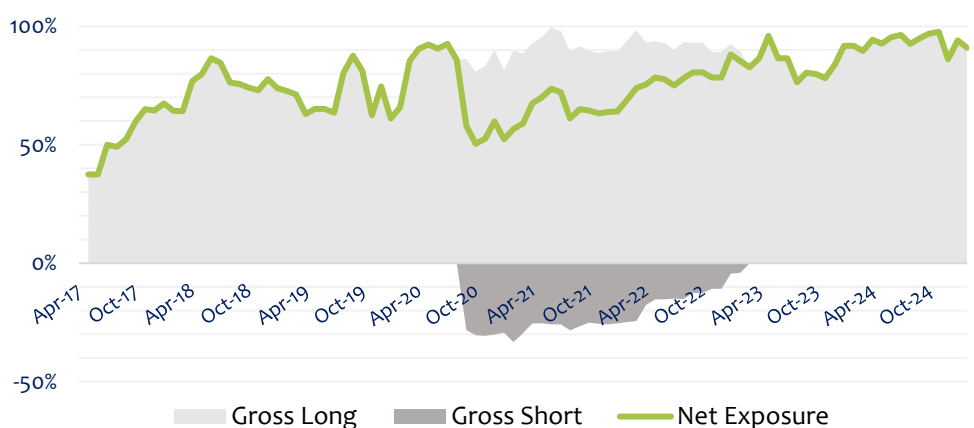
\*\*Class A (USD) – LU1602271337 re-launched on 14 February 2024

\*\*\*Starting date : P (USD): 30 April 2020; former A (USD): 31 May 2017 (until 31 January 2023); new Class A: 14 February 2024; I (EUR): 31 December 2018; MSCI (USD): shown from 31 May 2017; MSCI (EUR): shown from 31 December 2018

## USD PERFORMANCE CHART (TOTAL NET RETURN)



## GROSS/NET EXPOSURE

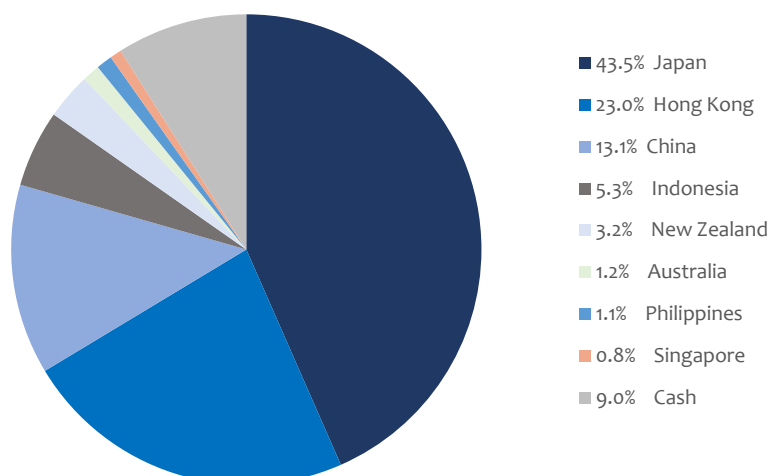




# EQUUS ASCENDER ASIA VALUE FUND

February 2025

## GEOGRAPHIC BREAKDOWN



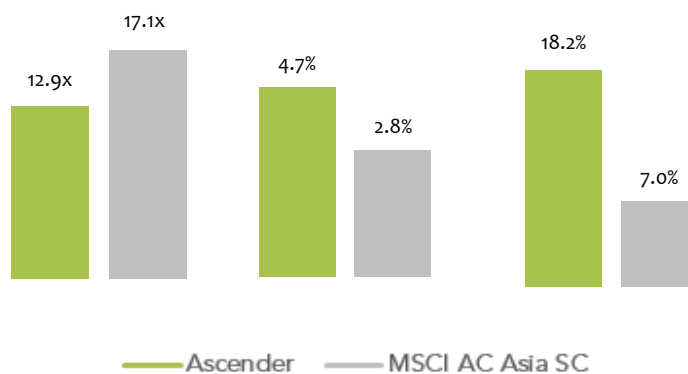
## PORTFOLIO CHARACTERISTICS

## PRICE/EARNINGS

## DIVIDEND YIELD

## RETURN ON EQUITY

P/E Ratio (TTM)	12.9x
EV/EBIT Ratio (TTM)	7.7x
Dividend Yield	4.7%
Return on Equity	18.2%
P/B	2.2x
7 Year EBIT Growth	10.5%
Median Mkt Cap	\$576m
Number of Holdings	29
Gross Long	91.0%
Cash	9.0%



## TOP 3 MONTHLY CONTRIBUTORS AND DETRACTORS FOR EQUITY POSITIONS

Contributors	Contribution (bps)
Alibaba	1.6%
Weilong	1.1%
Binjiang	0.4%

Detractors	Contribution (bps)
ITFOR	-0.4%
Sky Network	-0.4%
United Tractors	-0.4%

## MONTHLY COMMENTARY

### China rerating

February was marked by strong southbound investment flows from Mainland China to Hong Kong-listed companies, which we tend to own, driving a re-rating to more reasonable valuations. We also benefited from averaging down our position in **Alibaba** and an investment in two Chinese beer companies, **China Resources Beer** and **Budweiser APAC**, in mid-January.



# EQUUS ASCENDER ASIA VALUE FUND

February 2025

## Alibaba: A Timely Exit

We kept our investment in **Alibaba** simple. After years of dubious investments in a range of brick-and-mortar retail companies, including Sun Art, which led to a lack of focus on its core e-commerce operations, a new CEO came in and started to improve capital allocation by selling non-strategic assets and committing to strong share buybacks. Our average entry valuation was 13x PE, which we thought was too low for the company's strong position in cloud services coupled with a management team focused on righting the ship with a focus on execution in its core business. We also noticed that the company was added to the Stock Connect list in September. In the end, the re-rating of Alibaba coincided with the DeepSeek announcement and a delayed AI "craze" in China, culminating in a meeting between President Xi Jinping with technology entrepreneurs on the 17<sup>th</sup> of February which included Jack Ma. We sold our position on February 26<sup>th</sup> when it became apparent that share buybacks had fallen off significantly in the fourth quarter and before the company announced US\$52 billion in data infrastructure investments, contradicting our initial investment thesis.

## Chinese Beer and Snack Industry

As you may remember, we had spent some time studying the Chinese beer and snack industry back in August and September. Our meeting with the Executive Chairman of **China Resources Beer** in December during his trip to Hong Kong left a very positive impression of their ability to optimize the Carlsberg premium brand, owned in a joint venture, in what is now a fully consolidated industry. **Budweiser APAC's** share price jumped after the announcement of a change of CEO, a clearing of their channel inventory and what looks like a more nuanced approach to their premiumization strategy. Their leading market share in South Korea and strong growth in India in 2024 also supported the re-rating.

Likewise, our investment in **Weilong Delicious**, an entrepreneurial company with a range of popular and (very) spicy snacks, started to re-rate on the news that they will be shortly included in the Southbound Connect scheme.

## Six engagement campaigns with Japanese System Integrators

In the meantime, we announced that we had increased our stake in **Nippon Computer Dynamics (NCD)** over the key 5% ownership level on the 7<sup>th</sup> of February while adding to our stake in our largest position, another Japanese System Integrator (SI) with a higher-quality business not properly understood by the market. With 160 System Integrators listed and analysts only covering the top 10, market inefficiencies are widespread in this sector ripe for consolidation.

We now have 6 ongoing engagement campaigns in the sector, leading up to the end-of-June Shareholders Meetings (AGM) season. The ability to file Shareholder Proposals with only 1% of voting rights or even 300 shares as long as they have been held for at least six consecutive months is the most potent activist tool offered by the Tokyo Stock Exchange to improve capital allocation and corporate governance. As more funds in our activist eco-system make the most of it, the speed of improvements in management team's behavior is accelerating.

## Active fundraising

Our ability to get our recommendations implemented grows with the size of our investments in target companies. We are therefore actively fund-raising. Please contact us if you have an interest in either increasing your investment with us or initiating a new one.



## MONTHLY PERFORMANCE (%) – Class R (USD)\*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY	MSCI Asia SC
2025	-1.2	2.6											1.3%	-3.0%
2024	-1.3	4.4	0.5	-0.3	0.2	2.3	2.4	2.5	4.6	-6.0	1.9	0.2	11.5%	5.7%
2023	6.2	-1.1	3.0	-0.2	-1.1	1.6	4.6	-3.8	0.7	-1.5	3.8	6.3	19.4%	17.7%
2022	-2.3	1.2	-0.3	-4.9	1.1	-4.9	1.9	-1.7	-8.0	-1.5	8.9	1.3	-9.9%	-16.6%
2021	-4.5	3.8	3.2	2.2	2.1	2.9	-0.7	0.5	0.7	-1.2	-6.5	2.0	3.9%	9.2%
2020	-4.1	-3.1	-10.7	7.8	0.9	-3.2	1.3	11.9	-2.9	1.0	4.3	3.0	4.2%	15.5%
2019	6.1	1.7	1.3	1.4	-2.7	3.2	2.3	-0.6	2.2	2.8	0.6	4.2	24.6%	13.8%
2018	4.2	0.5	-0.4	-3.7	4.0	-3.6	6.0	-4.0	-1.7	-6.0	3.0	-2.8	-5.3%	-17.4%
2017						-1.3	0.7	-1.3	-1.0	1.8	0.0	2.4	1.2%	15.2%

\*Performance is based on the former Class A – LU1602271337 from 31 May 2017 to 31 January 2023 and on Class R – LU1602271840 from 1 February 2023 onwards as the former Class A (USD) became inactive (both have the same fee structure)

## SHARE CLASSES

EQUUS INVESTMENT SICAV	Management Fees / Performance Fees	Min. Investment (USDk)
<b>Institutional</b> – USD, EUR, GBP, CHF and EUR hedged	<b>1.0% and 15%</b>	<b>100</b>
Ascender Asia Value Fund I USD	LU2712561591	
Ascender Asia Value Fund I EUR	LU1602271683	
Ascender Asia Value Fund I GBP	LU2712561328	
Ascender Asia Value Fund I CHF	LU2712561245	
Ascender Asia Value Fund I EUR [H]	LU2106836740	
<b>Retail</b> – USD, EUR, GBP, CHF and EUR hedged	<b>1.5% and 15%</b>	<b>10</b>
Ascender Asia Value Fund R USD	LU2712561914	
Ascender Asia Value Fund R EUR [H]	LU2106836666	
Ascender Asia Value Fund R GBP	LU2712561757	
Ascender Asia Value Fund R CHF	LU2712561831	
Man.Co website and Funds documents	<a href="http://www.dpas.lu/fund-information/">www.dpas.lu/fund-information/</a>	
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Investment Manager Ascender Capital Ltd	Suite 3001, W50 50 Wong Chuk Hang Hong Kong	T: +852 3758 2608 F: +852 2693 8870 <a href="mailto:info@ascendercapital.com">info@ascendercapital.com</a>



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