



## 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.

### FUND OVERVIEW

<b>Inception</b>	December 1, 2012
<b>Portfolio Manager</b>	Edouard Mercier & Jean-Charles Tisserand
<b>Management Fee</b>	1%
<b>Performance Fee</b>	20% of profits, with 5% Hurdle Highwater Mark
<b>Asset Classes</b>	Equities, Cash, Derivatives
<b>Minimum Investment</b>	US\$1,000,000
<b>Investing</b>	Monthly
<b>Redemption</b>	Monthly Liquidity No lock-up 5% under 3 mos.
<b>Legal Entity</b>	Stichting (NL)
<b>ISIN</b>	NL0012817183
<b>Administrator</b>	Bolder Group
<b>Custodian</b>	DBS
<b>Auditors</b>	IUS
<b>Legal Advisors</b>	Van Campen Liem

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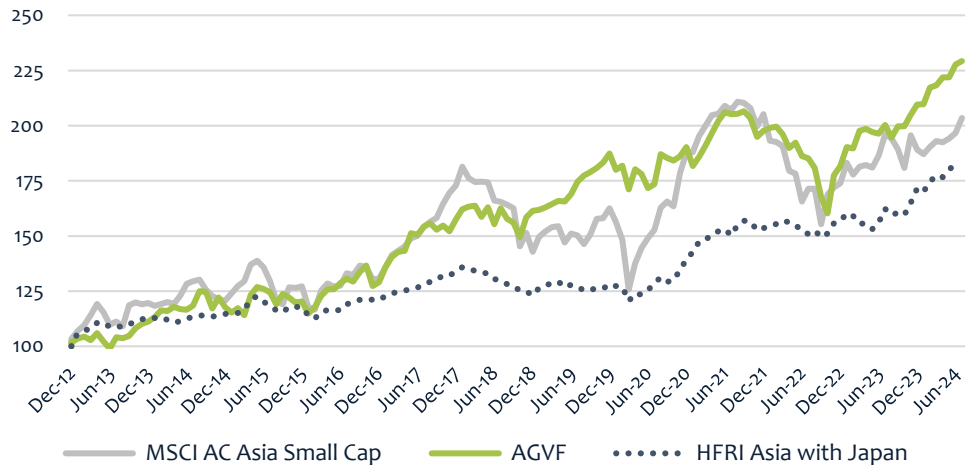
# ASCENDER GLOBAL VALUE FUND

July 2024 FACTSHEET – NAV 145.61

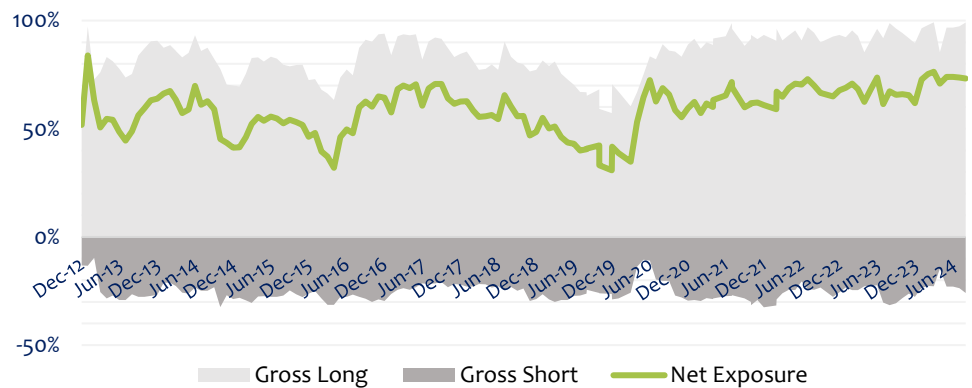
### PERFORMANCE AS OF 31 July 2024

Class	1 month	YTD	1 Year	Annualized		
				3 Year	5 Year	Since Launch
<b>Lead Series - Class B</b>	0.7%	9.4%	14.4%	3.8%	5.6%	7.4%
<b>MSCI Asia Small Cap</b>	3.5%	7.6%	12.3%	1.5%	7.6%	6.9%

### PERFORMANCE CHART (TOTAL NET RETURN)

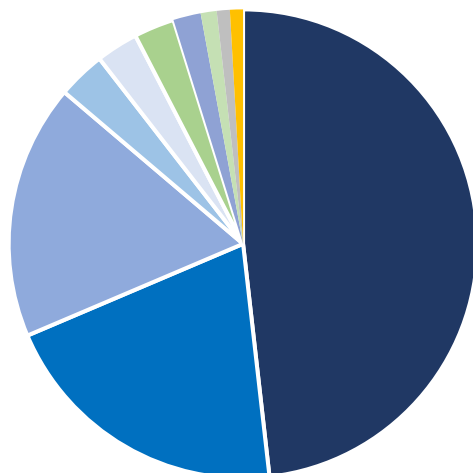


### GROSS/NET EXPOSURE



### GEOGRAPHIC BREAKDOWN

- 48.2% Japan
- 20.4% China
- 17.6% Hong Kong
- 3.3% Philippines
- 2.9% Indonesia
- 2.8% New Zealand
- 1.9% Australia
- 1.1% South Korea
- 0.9% Singapore
- 0.9% Cash





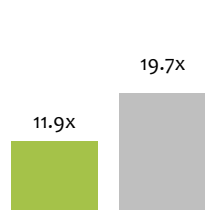
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July 2024 – NAV 145.61

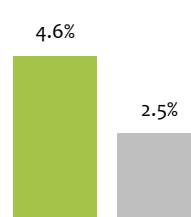
## PORTFOLIO CHARACTERISTICS

P/E Ratio (TTM)	11.9x
EV/EBIT Ratio (TTM)	6.3x
Dividend Yield	4.6%
Return on Equity	17.1%
Net Cash to Mkt Cap	25.4%
7 Year EBIT Growth	11.4%
Median Mkt Cap	\$447m
# of Holdings	30
Gross Long	99.1%
Gross Short	25.9%

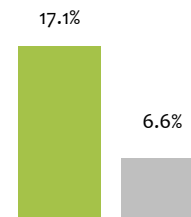
## PRICE/EARNINGS



## DIVIDEND YIELD



## RETURN ON EQUITY



— Ascender — MSCI AC Asia SC

## LONG/SHORT CONTRIBUTION YTD 2024

Asset Class	YTD Contribution
Equity (Long)	18.1%
Equity (Unrealized FX)	-2.5%
Futures (Short)	-2.0%

## TOP 3 MONTHLY CONTRIBUTORS AND DETRACTORS (AGVF EQUITY POSITIONS)

Contributors	Contribution (bps)	Detractors	Contribution (bps)
Beenos	1.0%	JNBY	-1.0%
Argo Graphics	0.6%	Crystal Intl'	-0.4%
ITFOR	0.5%	MCJ	-0.3%

## MONTHLY COMMENTARY

This month, the fund performance was +0.7%.

We take pride in our ability to establish a dialogue with management teams. In a region where most companies have limited quality disclosure on their business model and strategic positioning, these meetings provide us with valuable insights on both fronts.

One key focus for us is identifying the percentage of revenues that can be broadly defined as recurring. This gives us better visibility on past earnings track records and, more importantly, on the predictability of future earnings streams. For instance, in Japan, the term "stock-based" revenues may include de facto recurring revenues in addition to contractually agreed ones. This data is usually not published. As an example, understanding the strong relationship between System Integrators and their customers remains a significant differentiator in our portfolio selection.

These meetings also offer an opportunity to gauge management's openness. We value straightforward and clear answers to our questions, especially concerning noticeable positive or negative changes to earnings. We promptly reassess our investments when management clearly withholds important information about new income sources or potential losses of contracts or licenses.

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We sold **CITIC Telecom** in early July after a series of interactions with management, which led us to believe they had not been forthcoming about the exact source of a major increase in international messaging revenues that turned out to be from low-quality spamming service providers. We also grew suspicious of delays in renewing its mobile and broadband licenses in Macau.

Although we regret not recognizing the lack of clarity from management earlier, we sold ahead of a profit warning on July 19th, which caused the share price to dive 20% the following day. The profit warning disclosure was written in such an obfuscated way that it will serve as a helpful example of what not to expect from our management teams!

Our hedge ran against us this month and cost -2.0% of performance. Some commentators have drawn parallels to 2000 when value investors were able to make successful investments in small caps which had not participated in the technology bubble of previous years. Unfortunately, small caps in the US today remain very highly valued, 38% of them remain unprofitable and their ROIC sits at 4% (vs 11% for larger caps). The outperformance of US vs Global Equities has continued to run. Any mean-reversion in either of these factors should ensure that our hedge continues to offer an asymmetrical protection to our fully invested portfolio of high-quality companies in Asia.

### MONTHLY PERFORMANCE (%)

[illegible]



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*The performance chart (net total return) does not include the current months' HFRI index data as that is only released after five business days of the month and then modified again after all participants share their data. Therefore, we use accurate all accurate HFRI data points until the month preceding the current factsheet.*

*The past performance information of the market, manager and investments and any forecasts on the economy, stock market, bond market or the economic trends of the markets which are targeted by the fund(s) are not indicative of future performance. The value of an investment in the Fund may go down or up. The Fund does not offer any performance or capital guarantee. The Prospectus should be read for further details including the risk factors. The Fund may invest in derivatives for hedging purpose only. Investment in derivatives is subject to additional risks, including credit risk of the issuer, liquidity risk, counterparty risk and valuation risk. In adverse situation, the Fund's use of derivatives may become ineffective in hedging and the Fund may suffer losses. Additional risk factors are described in the prospectus. Investors are advised to be aware of any new risks that may have emerged in the prevailing market circumstances before subscribing in the Fund.*