



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

Inception	December 1, 2021
Portfolio Manager	Edouard Mercier & Jean-Charles Tisserand
Management Fee	1.5%
Performance Fee	20% of net alpha vs. MSCI AC Asia Small Cap
Asset Classes	Equities & Cash
Minimum Investment	US\$1,000,000
Investing	Monthly Liquidity
Redemption	Monthly Liquidity Early redemption fee for first 3 years
Legal Entity	Open ended investment fund incorporated in Cayman Islands
Administrator	Bolder Group
Custodian	DBS
Auditors	Grant Thornton
Legal Advisors	Ogier Global

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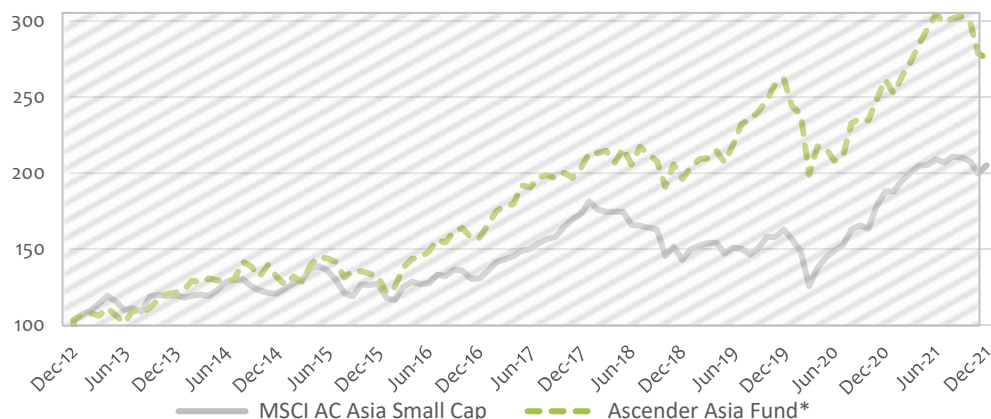
ASCENDER ASIA FUND

Decemeber 2021 FACTSHEET – NAV 98.82

PERFORMANCE AS OF 31 December 2021

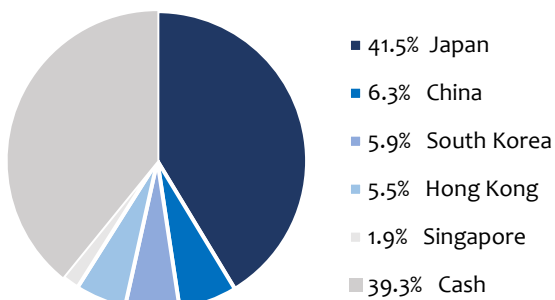
Class	1 month	YTD	1 Year	Annualized		
				3 Year	5 Year	Since Launch
Lead Series - Class B	-1.2%	5.4%*	5.4%*	12.1%*	11.9%*	11.8%*
MSCI Asia Small Cap	2.8%	9.2%	9.2%	12.8%	9.4%	8.2%

PERFORMANCE CHART (TOTAL NET RETURN)



*Note the shaded area and dotted line reflects AAF performance estimates, net of costs & fees. This has been calculated by removing cash and short positions from the Ascender Global Value Fund. Performance shown assumes investment of 95% and 5% in cash. Calculated after fund's costs and fees

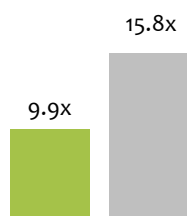
GEOGRAPHIC BREAKDOWN



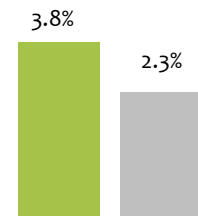
PORTFOLIO CHARACTERISTICS

P/E Ratio (TTM)	9.9x
EV/EBIT Ratio (TTM)	4.0x
Dividend Yield	3.8%
Return on Equity	13.4%
Net Cash to Mkt Cap	48.0%
Median Mkt Cap	\$270m
# of Holdings	25
Gross Long	60.6%

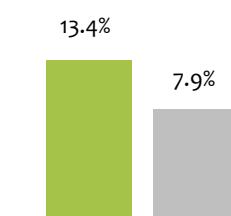
PRICE/EARNINGS



DIVIDEND YIELD



RETURN ON EQUITY



TOP 3 MONTHLY CONTRIBUTORS AND DETRACTORS FOR AAF EQUITY POSITIONS

Contributors	Contribution (bps)	Detractors	Contribution (bps)
Papyless	+0.2%	Autohome	-0.3%
Akatsuki	+0.2%	I Mobile	-0.2%
Yamazen	+0.1%	Seikitokyu Kogyo	-0.1%



ASCENDER ASIA FUND

December 2021 – NAV 98.82

MONTHLY COMMENTARY

The Ascender Asia Fund launched on 01 December and had invested 60.6% of assets by year-end. The IDs required to trade in select markets (including South Korea and Taiwan) were approved at the end of December, so we expect to reach the target exposure of 95% shortly. Capital is deployed swiftly as the fund is replicating the positions held by our existing vehicle AGVF.

The MSCI Asia Small Cap Index was up +9.2% in 2021, in part buoyed by the stellar performance of Indian small caps (MSCI India Small Cap Index was +52.8% in 2021). Single country indices capturing similar market cap bands in China (-6.3%) and Japan (-1.9%) did not perform as well but were still sheltered from the dramatic selloffs that impacted the blue chip Chinese benchmarks.

The Hang Seng China Enterprises Index, which captures Chinese companies listed in Hong Kong, was down -23.3% in 2021, officially entering bear market territory. The Nasdaq Golden Dragon China index of US-listed Chinese companies was down -42%, closing the year only 20% above its price in August 2014 (the month before Alibaba went public).

Unsurprisingly, given this dramatic shift in sentiment, Ascender's bottom-up investment process started identifying attractive China-based businesses early in the year. Exposure currently stands at 6.3% (with Hong Kong listed companies comprising a further 5.5%) while we are still acquiring one existing position. This includes holdings in a number of exciting high-quality opportunities such as a **monopolistic educational publisher in Sichuan**, a **toll-road operator in Guangdong** and the **leading national portal for car classifieds controlled by Ping An**. The number of mispriced Chinese securities has accelerated in Q4. Ascender's contrarian model allows us to remain focused on the underlying fundamentals of the businesses whilst ignoring the wider negative headlines. For what it's worth, as part of our due diligence on a company we analysed the recent regulatory intervention and observed that the new changes are broadly pragmatic and constructive. We also think that China is implementing them from a position of strength, and not out of expediency or a sense of weakness.

It would be remiss (although fitting) to ignore the Japanese small-cap market, which is competing with China to be the most shunned and unpopular amongst international investors. While corporate governance and operating margins have markedly improved since 2012, the participation of foreign shareholders has returned to its previous low of 12%. Local investors seem to be more interested in investing in US technology stocks than their own compounders. As a result, we focused on Japan for much of 2021, and it currently comprises 41.5% of the portfolio. This includes high-quality companies such as another **portal for classified cars** (a business model we like), a **mobile advertising agency**, a **call-center operator** and a **smart-phone gaming company**.

Early in 2021, we deployed the latest set of upgrades to our portfolio allocation and management tools. These improvements allow us to more efficiently manage the growing number of companies that have undergone our rigorous due diligence and classification process. This allows us to more easily manage the mix of lower quality companies at more attractive valuations with higher quality businesses that are relatively more expensive. It is also helpful in supporting the force-ranking of investment candidates and existing portfolio companies, a process normally riddled with human biases. Finally, the tools enable us to be more agile when navigating the current volatile markets, with the valuations of portfolio companies and investment candidates changing rapidly.

The combination of our improved portfolio management tools and a larger and growing pool of mispriced high-quality Japanese, Chinese and Korean investment candidates bodes well for 2022.

Happy New Year!



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MONTHLY PERFORMANCE (%)*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
2021	-3.5	4.6	3.5	4.2	3.7	3.0	-1.6	0.9	0.4	-1.0	-7.1	-1.2	5.4*
2020	7.0	-2.0	-16.7	9.5	-0.7	-3.8	1.6	10.1	1.4	-0.5	5.8	5.2	-0.2
2019	3.9	2.6	0.3	2.3	-3.5	5.5	6.3	1.3	2.2	3.0	4.4	1.3	33.6
2018	4.8	0.0	0.6	-3.6	4.5	-4.9	5.7	-2.3	-2.1	-8.1	7.8	-4.7	-3.6
2017	5.6	5.1	2.1	0.5	7.0	-0.6	3.4	0.8	-1.0	1.8	-1.6	3.3	29.3
2016	-8.6	3.6	10.1	4.2	0.7	2.7	5.1	-0.9	4.8	1.2	-4.0	0.0	19.1
2015	-4.3	4.5	-2.6	8.3	4.0	-0.6	-1.7	-7.2	3.1	0.1	-1.3	-1.2	0.1
2014	1.5	4.9	-0.5	1.8	-1.0	0.0	0.5	8.9	-2.0	-4.8	5.9	-5.6	8.8
2013	2.8	1.4	-1.5	4.9	-4.7	-4.5	8.3	-1.5	3.	5.1	2.9	0.8	17.3
2012												3.4	3.4

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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.