



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

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# ASCENDER ASIA FUND

January 2022 FACTSHEET – NAV 95.04

## PERFORMANCE AS OF 31 January 2022

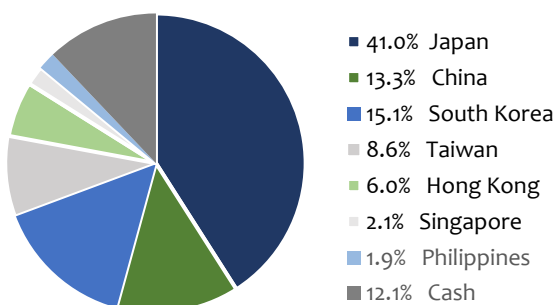
Class	1 month	YTD	1 Year	Annualized		
				3 Year	5 Year	Since Launch
<b>Lead Series - Class B</b>	-3.8%	-3.8%	5.2%*	9.2%*	9.8%*	11.2%*
<b>MSCI Asia Small Cap</b>	-5.9%	-5.9%	2.8%	8.9%	7.3%	7.4%

## 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

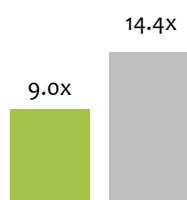
## GEOGRAPHIC BREAKDOWN



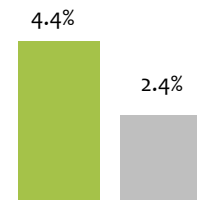
## PORTFOLIO CHARACTERISTICS

P/E Ratio (TTM)	9.0x
EV/EBIT Ratio (TTM)	3.9x
Dividend Yield	4.4%
Return on Equity	14.0%
Net Cash to Mkt Cap	46.0%
Median Mkt Cap	\$249m
# of Holdings	38
Gross Long	87.9%

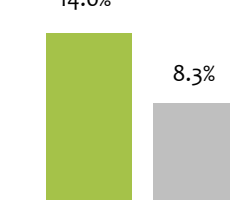
## PRICE/EARNINGS



## DIVIDEND YIELD



## RETURN ON EQUITY



## TOP 3 MONTHLY CONTRIBUTORS AND DETRACTORS FOR AAF EQUITY POSITIONS

Contributors	Contribution (bps)	Detractors	Contribution (bps)
Autohome	+0.4%	I Mobile	-0.4%
China Mobile	+0.3%	Korea Alcohol	-0.3%
GMA Networks	+0.1%	Quick Co	-0.3%



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## MONTHLY COMMENTARY

The Ascender Asia Fund's NAV was down -3.8% in January, while the MSCI AC Asia Small Cap Index was down -5.9%.

After equity valuations in the US reached all-time highs last year, in January markets were impacted by what many expect to be the start of more prolonged drawdowns. In contrast, a number of geographies and sectors in Asia are already in deep bear market territory, with high quality companies trading significantly below their intrinsic valuations. The Japanese Mothers Index, which acts as a good proxy for local internet services companies, is down just short of 50% since the beginning of 2021, with a sharp 23% drawdown incurred this month.

Market corrections always present our investment process with new opportunities, as they lead to a dislocation between valuation and company fundamentals. At present, we have identified a number of high-quality Japanese **internet and software businesses**, which we are actively pursuing. It is an area of the market we have canvassed extensively over the last 10 years, and we take confidence from the fact that it has been a significant contributor to positive performance in the past.

Our investment in **China Mobile** has performed as anticipated, with the share price up +12% in January alone. We anticipate further positive news, specifically in regards to the company's future capital allocation strategy. Following the recent Shanghai IPO, Chinese institutions have now acquired almost all of the stock that was previously held by their US counterparts prior to the NYSE delisting. These local investors are demanding greater clarity from management and increasing pressure to close the substantial valuation gap with Western peers. Share buybacks have been initiated for the H-shares that we hold, and we believe that a special dividend could be in the offing.

The combination of US-Sino tension and the Chinese domestic regulatory crackdown has created a deep pool of high-quality opportunities in the country. The pervading negative sentiment contrasts with a healthy Chinese economy posting a record trade surplus, continuing growth in domestic consumption and none of the fiscal and monetary largess experienced in the US or Europe.

Travel still remains impossible in the region. Drawing on our team's experience and network allows us to keep researching companies and engaging with management virtually, but we are looking forward to the day when we can hit the road again!

## MONTHLY PERFORMANCE (%)\*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
2022	-3.8												-3.8
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

\*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 Ascender Global Value Fund. Performance shown assumes investment of 95% and 5% in cash. Calculated after fund's costs and fees



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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.