



## 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

Suite 3001  
50 Wong Chuk Hang Rd  
Hong Kong  
+852 3758 2608

info@ascendercapital.com

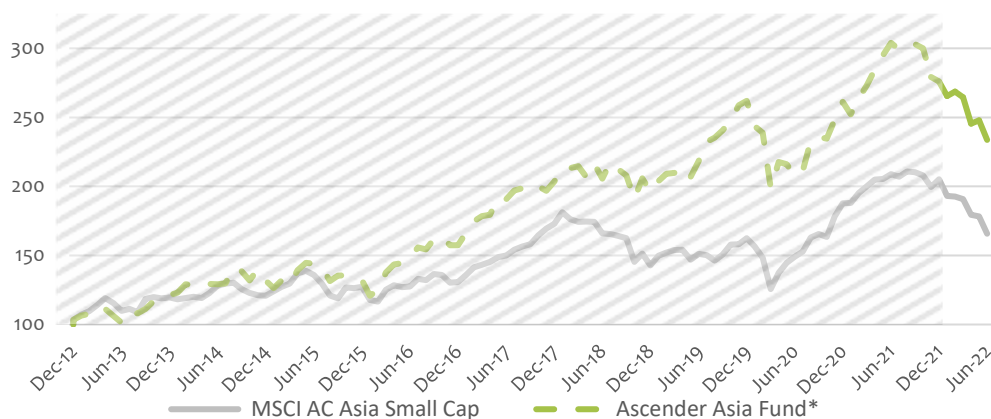
# ASCENDER ASIA FUND

June 2022 FACTSHEET – NAV 83.69

### PERFORMANCE AS OF 30 June 2022

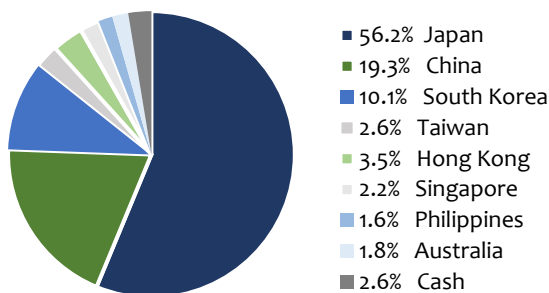
Class	1 month	YTD	1 Year	Annualized		
				3 Year	5 Year	Since Launch
<b>Lead Series - Class A</b>	-5.7%	-15.3%	-21.0%*	5.7%*	7.6%*	12.8%*
<b>MSCI Asia Small Cap</b>	-7.0%	-19.3%	-20.7%	3.11%	2.0%	5.4%

### 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

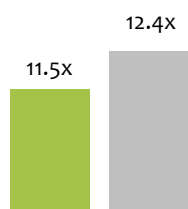
### GEOGRAPHIC BREAKDOWN



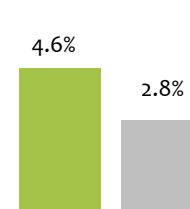
### PORTFOLIO CHARACTERISTICS

P/E Ratio (TTM)	11.5x
EV/EBIT Ratio (TTM)	4.8x
Dividend Yield	4.6%
Return on Equity	14.6%
Net Cash to Mkt Cap	45.7%
7 Year EBIT Growth	12.0%
Median Mkt Cap	\$191m
# of Holdings	36
Gross Long	97.4%

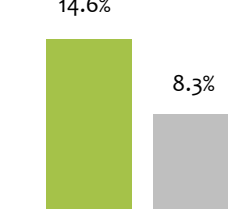
### PRICE/EARNINGS



### DIVIDEND YIELD



### RETURN ON EQUITY



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

Contributors	Contribution (bps)	Detractors	Contribution (bps)
Beenos	1.2%	Korea Alcohol	-0.7%
Autohome	0.4%	LG H&H	-0.5%
ECOs	0.3%	Hamee	-0.4%



# ASCENDER ASIA FUND

June 2022 – NAV 83.69

## MONTHLY COMMENTARY

In June 2022, the NAV of the fund decreased by 5.7%. Asset prices fell globally. In Asia, the Japanese Yen and the Korean Won weakened again, impacting the performance of around 65% of our portfolio listed in these markets.

Although Chinese city-wide lockdowns have started to ease, it is becoming clear that all commercial activities came to an abrupt stop in April and May. This will impact portfolio companies such as **JNBY** and **Autohome** and even **Guangdong Provincial Expressway**, which reported a 15% drop in highway freight traffic in April.

We exited **Shanghai Mechanical** during the month. The Chinese elevator market is characterized by a heavy reliance on new installations. We had bought the company on the assumption that regulatory pressures would increase maintenance revenues, which are recurring and with very high margins, on their large installed base. With the slowdown in property development and the exposure of the company to some over-extended and heavily indebted developers, we thought more prudent to recycle the proceeds in more stable opportunities.

Our new investment, a gold-jewelry chain headquartered in Shanghai, has managed to increase EBIT by 14% a year for the past 5 years. We bought the company at a 5x EV/EBIT and 7x PE. The company relies on a vast network of local franchisees, keeping new stores capex requirements to a minimum and allowing the company to pay a 6% dividend.

Another addition to the portfolio was **Hamee Corp**. The company designs and distributes smart-phone accessories in Japan. It relies on its own team based in Seoul for design and manufacturing outsourcing. Hamee has been so successful with that formula that it is launching its own branded cosmetics line in its home-market.

The Japanese e-commerce market is fragmented between platforms such as Yahoo Japan, Rakuten or Amazon, requiring sellers to integrate with a number of them. Hamee has managed to internally develop the leading software solution provider enabling companies to manage inventories, display, payment and logistics across these different customer-facing platforms. Like Shopify, Hamee charges a flat monthly fee in addition to a usage-based fees. That business unit has been growing revenues 18% a year and is now the dominant solution supplier. We think it could be worth more alone than what we are paying for the whole company.

Management has done a great job presenting a very detailed 3-year plan, which projects a 33% annual earnings growth over that time frame. The fact that they delivered 15% annual growth over the past 5-year period bodes well for this new guidance. We bought the company at 6x EV/EBIT and 10x P/E.

As markets continue to fall, our ability to invest in this kind of growing high-quality companies has increased. We have for instance managed to almost double the portfolio's 7-year trailing earnings growth since the beginning of the year while maintaining our valuation discipline.



# ASCENDER ASIA FUND

June 2022 – NAV 83.69

## MONTHLY PERFORMANCE (%)\*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
2022	-3.8	1.2	-1.5	-7.2	1.0	-5.7							-15.3
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

## DISCLAIMER

Ascender Capital UK Limited is an Appointed Representative of Sapeno Partners LLP, which is authorised and regulated by the Financial Conduct Authority.

This document is not intended as an advice, an offer or solicitation with respect to the purchase or sale of securities, including shares or units of funds. The publication or distribution of this document may be subject to legal restrictions in certain countries. Anyone receiving access to this document should be aware of and follow any applicable laws and regulations.

All views expressed and/or reference to companies cannot be construed as a recommendation by Ascender. Opinions and forecasts may be changed without notice. To the extent permitted by applicable law, rules, codes and guidelines, Ascender and its related entities accept no liability whatsoever whether direct or indirect that may arise from the use of information contained in this document.

This document is for distribution solely to persons permitted to receive it and to persons in jurisdictions who may receive it without breaching applicable legal or regulatory requirements. This document and website have not been reviewed by the Securities and Futures Commission in Hong Kong (the "SFC"). Ascender is registered on the official Public Register of Licensed Persons and Registered Institutions (Type 9 License / Asset Management) maintained by the SFC in accordance with the relevant laws.

Ascender Capital Global Value Fund ("the fund") prospectus has not been authorized by the SFC for public distribution in Hong Kong.

This document is prepared for information only and does not have any regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this document. Any person considering an investment should seek independent advice on the suitability (in particular its financial knowledge and experience, its investment goals, and its financial situation) or otherwise of the particular investment. Investors should not only base on this document alone to make investment decisions. In no case should they base their decision solely on this presentation, which is not meant to be complete and which contains only a part of the information relating to the Fund. Prospective investors should note that investment involves risk.

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.