



## 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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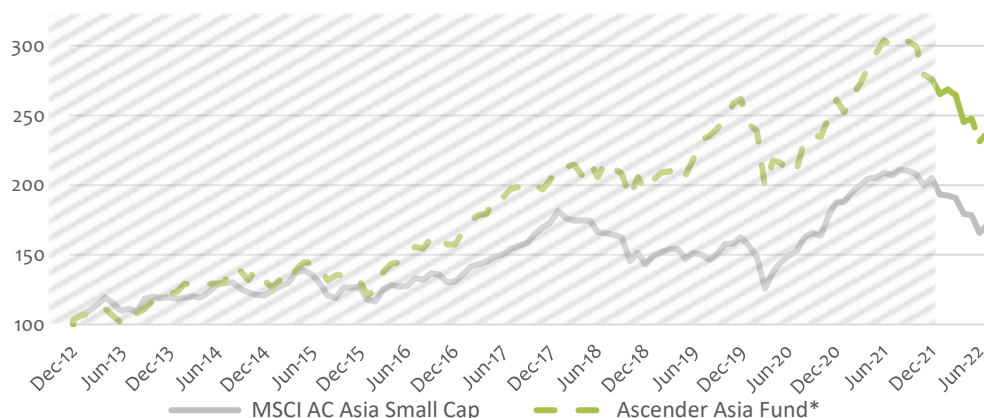
# ASCENDER ASIA FUND

August 2022 FACTSHEET – NAV 84.06

### PERFORMANCE AS OF 31 August 2022

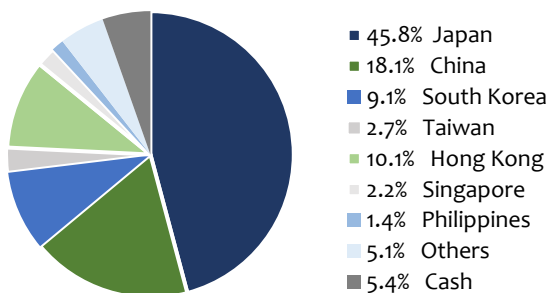
Class	1 month	YTD	1 Year	Annualized		
				3 Year	5 Year	Since Launch
<b>Lead Series - Class A</b>	-2.2%	-15.8%	-23.0%*	-0.4%*	3.2%*	9.0%*
<b>MSCI Asia Small Cap</b>	0.0%	-16.4%	-18.7%	5.4%	1.8%	5.7%

### 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

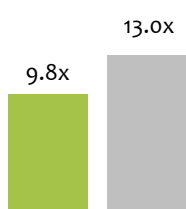
### GEOGRAPHIC BREAKDOWN



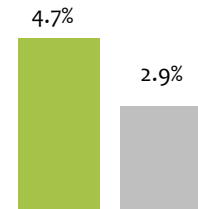
### PORTFOLIO CHARACTERISTICS

P/E Ratio (TTM)	9.8x
EV/EBIT Ratio (TTM)	4.8x
Dividend Yield	4.7%
Return on Equity	14.2%
Net Cash to Mkt Cap	42.2%
7 Year EBIT Growth	10.0%
Median Mkt Cap	\$223m
# of Holdings	35
Gross Long	94.6%

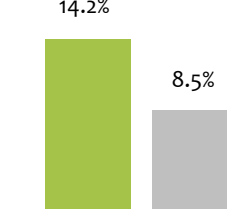
### PRICE/EARNINGS



### DIVIDEND YIELD



### RETURN ON EQUITY



— Ascender — MSCI AC Asia SC

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

Contributors	Contribution (bps)	Detractors	Contribution (bps)
JNBY	0.5%	Beenos	-0.6%
I-Mobile	0.4%	Relia	-0.3%
Gakujo	0.3%	Akatsuki	-0.2%



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## MONTHLY COMMENTARY

The Japanese Yen and the Korean Won have resumed their relentless drop against the USD. The Yen is now down 20% since the beginning of the year. This plunge seems to be almost entirely due to the Bank of Japan's decision to keep its 10-year rates at the zero mark. Longer-term, the currency weakness runs against Japan's muted inflation and its strong net international assets position. The famous Big Mac index developed by the Economist shows a 45% undervaluation of the Yen (vs 7% for the Euro area). Even more puzzling, the long-term negative correlation between the Yen and the Japanese equity markets has been broken over the past year. While we wait for the Yen and Korean Won to go back to their intrinsic values, these two exporting economies are seeing accelerating earnings growth, which are indirectly benefiting our investments there and making their low valuations even more attractive.

Outside Japan, higher energy costs and inflation are driving higher interest rates and asset derating. Unprofitable and highly cyclical companies over the world have already been negatively hit but broader indices are still relatively untouched. We are in the process of improving the portfolio's resistance to a likely recession and prioritizing good-to-great capital allocation among our candidates, leading to a pick-up of our trading activity and portfolio turnover. The average dividend payout ratio is increasing and some of our portfolio companies have announced special return of capital to shareholders.

**Sky New Zealand**, a new addition to the portfolio, is the dominant satellite TV operator in that country. After a period of poor execution, the business has stabilized with low churn, permanent costs savings and the launch of lower-costs streaming offerings. Recurring revenues linked to most of the sports rights and international content make it a very stable business going forward. The new management team led by Sophie Maloney has just announced a 7% dividend and a 17% return of capital to shareholder to be paid in November, followed by a guaranteed 5% yield over the next two years with a step-up in dividends after 2024. The company is valued at 3.2x EV/EBIT and 6.5x PE pre-distributions.

Our largest position, **I-Mobile**, bought-back and cancelled right-away 7% of its shares at the end of July and **JNBY** announced a much better than feared revenues drop in the second half. It is sticking to its 75% payout ratio, yielding about 11% at the current price. Finally, we have made an investment in a very well-run Malaysian agricultural commodity producer yielding 7.5%.



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August 2022 – NAV 84.06

## 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	2.7	-2.2					-15.8
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

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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.