



## 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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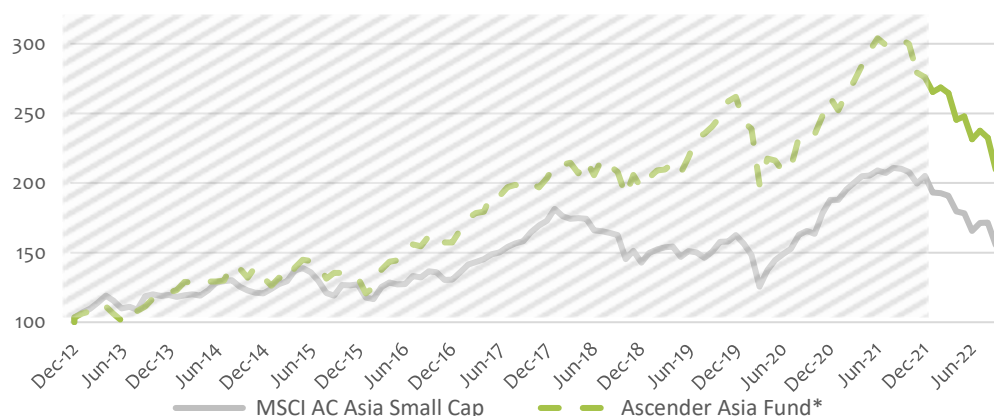
# ASCENDER ASIA FUND

September 2022 FACTSHEET – NAV 75.79

### PERFORMANCE AS OF 30 September 2022

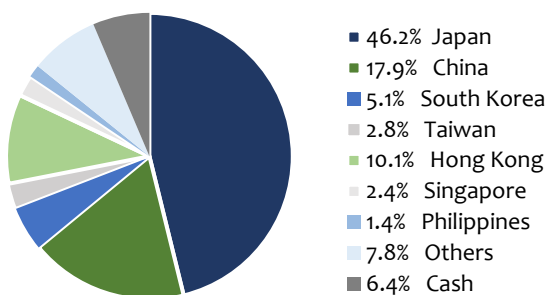
Class	1 month	YTD	1 Year	Annualized		
				3 Year	5 Year	Since Launch
<b>Lead Series - Class A</b>	-9.8%	-24.0%	-30.9%*	-4.5%*	1.3%*	7.8%*
<b>MSCI Asia Small Cap</b>	-9.4%	-24.3%	-26.3%	1.0%	-0.4%	4.6%

### 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

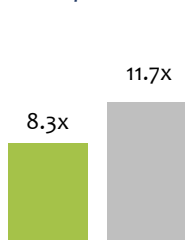
### GEOGRAPHIC BREAKDOWN



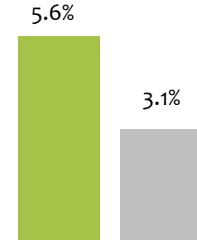
### PORTFOLIO CHARACTERISTICS

P/E Ratio (TTM)	8.3x
EV/EBIT Ratio (TTM)	4.4x
Dividend Yield	5.6%
Return on Equity	14.6%
Net Cash to Mkt Cap	43.9%
7 Year EBIT Growth	10.0%
Median Mkt Cap	\$213m
# of Holdings	34
Gross Long	93.6%

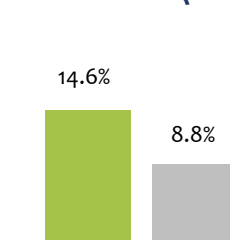
### PRICE/EARNINGS



### 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)
Gakujo	0.8%	Autohome	-0.9%
DHP Korea	0.1%	i-mobile	-0.8%
QOL	0.05%	Haitian	-0.7%



# ASCENDER ASIA FUND

September 2022 – NAV 75.79

## MONTHLY COMMENTARY

The strength of the US Dollar continued to negatively impact our performance by 3% in September but almost all of our investments went down in value this month, making this month's performance the worst since its inception.

Is the portfolio invested in companies which are directly affected with higher energy prices or higher input costs? Has our historically low downside capture been compromised by a change to our investment strategy of sticking with mostly services companies with a track record of high gross margin profitability and strong balance sheets?

We review below our three companies with the largest share price decrease in September, **i-mobile**, **Itokuro** and **Hamee** which were down 18%, 26% and 20% respectively to see if that is the case.

**i-mobile** downgraded its EBIT guidance for the next financial year because of an expected increase in advertising for its rapidly growing Home Town Tax Donation service. This is due to an increase in competitive intensity initiated by Rakuten, the number 2 in this market. On current earnings, the company is valued at 3x EV/EBIT, going down to 2.5x on projected earnings for the fiscal year ending July 2024. The company predicts that it will go back to current level of profitability a year from now and continues to exhibit very good corporate governance and capital allocation with both special dividends and effective share buy-backs.

**Itokuro** is also ramping up its advertising spending to protect its dominant market share in its core cram schools reviews and selection offering service. The company has generated about USD10M a year in operating cash flow in the past few years, building up a USD70M cash reserve. Its smaller competitors have less resources to bear and the company has a number of initiatives that are coming closer to monetization in the education sector. Although the company has become less profitable over the past year, it is now trading below the value of its cash position! We are actively talking to the company about a return of cash to shareholders.

The valuable e-commerce platform at **Hamee** is continuing to grow rapidly and its mobile accessories unit remains profitable. The company did incur higher advertising costs for the launch of its new online cosmetics brand which has temporally depressed earnings. Hamee published a very comprehensive mid-term plan in June and investors were surprised to see higher than planned start-up costs so soon after its release. We have no doubt that its entrepreneurial management team will adapt its growth initiatives as a result. The company is valued at 9x PE, with the value of its e-commerce platform probably worth more on its own than its whole market capitalization.

All three companies are focused on market segments with unique growth drivers and are run by great entrepreneurs aligned with shareholders. We think that their depressed valuation and stable earnings profile will power future performance.



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September 2022 – NAV 75.79

## 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	-9.8				-24.0
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.