



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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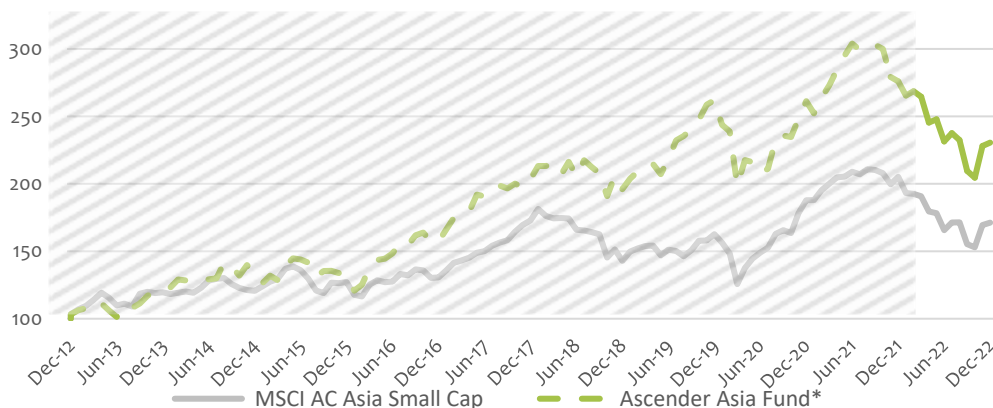
ASCENDER ASIA FUND

January 2023 FACTSHEET – NAV 89.14

PERFORMANCE AS OF 31 January 2023

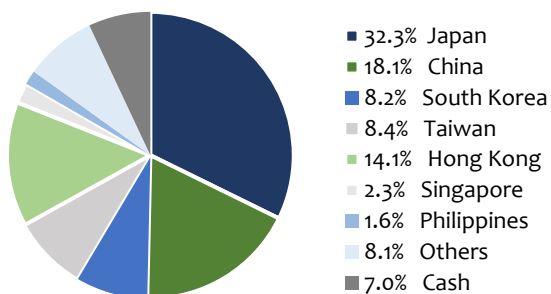
Class	1 month	YTD	1 Year	Annualized		
				3 Year	5 Year	Since Launch
Lead Series - Class A	6.9%	6.9%	-7.2%*	0.4%*	3.0%*	9.3%*
MSCI Asia Small Cap	5.3%	5.3%	-6.6%	4.9%	-0.1%	6.0%

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

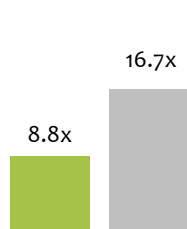
GEOGRAPHIC BREAKDOWN



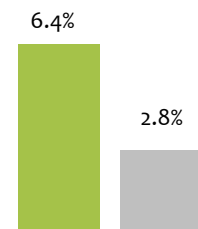
PORTFOLIO CHARACTERISTICS

P/E Ratio (TTM)	8.8x
EV/EBIT Ratio (TTM)	6.1x
Dividend Yield	6.4%
Return on Equity	17.8%
Net Cash to Mkt Cap	23.4%
7 Year EBIT Growth	10.8%
Median Mkt Cap	\$361m
# of Holdings	34
Gross Long	93.0%

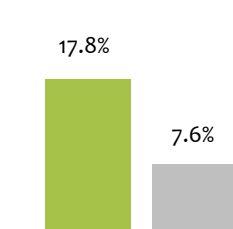
PRICE/EARNINGS



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)
Relia	1.4%	ValueCommerce	-0.4%
Haitian	0.5%	Dai-Ichi Cutter	-0.05%
CNOOC	0.5%	Sprix	-0.04%



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LONG CONTRIBUTION YTD 2022

Asset Class	YTD Contribution
Equity (Long)	6.3%
Equity (Unrealized FX)	0.9%

MONTHLY COMMENTARY

At the end of October 2022, we commented that markets were unduly negative in Asia. We even called early November a capitulation stage for Chinese stocks following the 20th National Congress cementing Xi's power. This month, the fund benefited from a decrease in the negative sentiment in the region, driven mainly by China's reopening.

The portfolio itself has rarely been as attractive as it is currently. Our high-quality companies in aggregate have generated a 10% EBIT annualized growth over the past 7 years thanks to strong and stable ROE. There is such a low interest in Asia, that our portfolio is valued at 6x EV/EBIT and under 9x PE. What about bad corporate governance and the attending sub-optimal capital allocation? Thanks to our focus on these two issues, our portfolio currently generates a 7% dividend yield, slightly lower than US or European high-yield indices but with net cash balance sheets!

We are not the only ones seeing value in our portfolio. **Relia Inc**, a top 3 call centre operator in **Japan**, was acquired at a 50% premium by **Mitsui** this month. It follows the acquisitions of three Japanese holdings over the years. It is interesting to note that Japanese market stripped out of financials was the best performing index over the past 10 years, beating even the S&P 500, all performance measured in their own local currency. Japan's scarcity of technical and customer care resources should continue to be a strong engine for the performance of our remaining holdings in System Integrators and Outsourcing Operators among the 32% of our portfolio invested in Japan.

The vast majority of our **Chinese portfolio** companies is invested in **State Owned Enterprises (SOEs)**. Apart from a repulsion with anything Chinese, it is hard to find a rationale for such low valuation and impeccable capital allocation fully aligned with the Chinese government's policy of building a strong local capital market. By definition, we are not concerned by regulatory crackdowns that caused so much uncertainty and damage to Internet companies in 2022.

They should on the other hand fully benefit from Chinese consumer's pent-up demand.

JNBY's share price has for instance almost doubled from its October lows. Over the past two years, we estimate that 20% of its stores were affected by lock-downs on a rolling basis. Their full reopening and strong demand from clients going back to a more social lifestyle should give a boost to fiscal 2024 earnings. What has not changed is their commitment to a 90% dividend pay-out ratio. Even after such a strong run, the company is still trading at 6 EV/EBIT and still yields 10%.

Our round of new investment in **Taiwanese and Korean technology companies** after their valuation reached a low ebb at the end of 2022 have also started to positively contribute to performance. **AfreecaTV** and **KINX** should benefit from their involvement in Korea's booming internet market. Investors in **Innodisk** and **ITE Technology** are starting to realize that these two Taiwanese companies have strong structural growth drivers which should ensure multi-year growth.



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It strikes us that it is now a **great time to invest in Asia**, if only for diversification purposes. The region has good access to agricultural and industrial commodities, countries post strong balance of payments and run strict budgets. It has accumulated healthy reserves in the process. The region's manufacturing capabilities and skills are in our opinion impossible to replicate, at least at any meaningful scale.

MONTHLY PERFORMANCE (%)*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
2023	6.9												6.9
2022	-3.8	1.2	-1.5	-7.2	1.0	-5.7	2.7	-2.2	-9.8	-2.4	11.5	1.1	-16.5
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.