



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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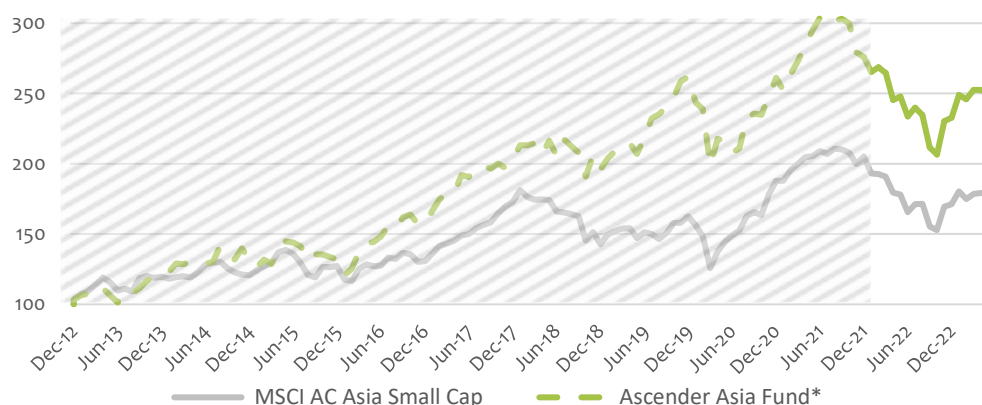
ASCENDER ASIA FUND

May 2023 FACTSHEET – NAV 89.37

PERFORMANCE AS OF 31 May 2023

Class	1 month	YTD	1 Year	Annualized		
				3 Year	5 Year	Since Launch
Lead Series - Class A (Gross)	-1.0%	8.4%	3.1%	7.4%*	6.5%*	12.5%*
Lead Series - Class A (Net)	-1.2%	7.2%	0.7%	4.9%**	2.9%**	9.1%**
MSCI Asia Small Cap	-0.6%	4.1%	-0.03%	7.2%	0.4%	5.7%

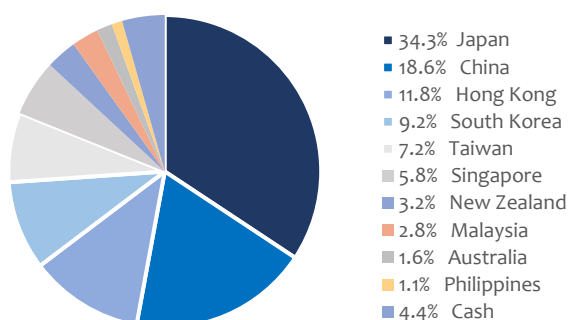
PERFORMANCE CHART (TOTAL NET RETURN)



* 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 before fund's costs and fees

**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

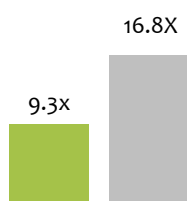
GEOGRAPHIC BREAKDOWN



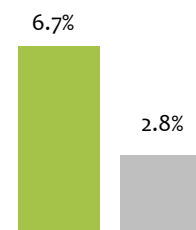
PORTFOLIO CHARACTERISTICS

P/E Ratio (TTM)	9.3x
EV/EBIT Ratio (TTM)	5.7x
Dividend Yield	6.7%
Return on Equity	17.4%
Net Cash to Mkt Cap	23.7%
7 Year EBIT Growth	12.0%
Median Mkt Cap	\$418m
# of Holdings	33
Gross Long	95.6%

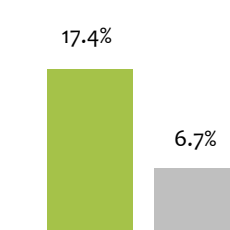
PRICE/EARNINGS



DIVIDEND YIELD



RETURN ON EQUITY





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TOP 3 MONTHLY CONTRIBUTORS AND DETRACTORS FOR EQUITY POSITIONS

Contributors	Contribution (bps)	Detractors	Contribution (bps)
ITE Technology	0.9%	CHINA YONGDA	-0.7%
QOL Holdings	0.9%	JNBY	-0.6%
Yamaichi	0.5%	Crystal International	-0.4%

LONG CONTRIBUTION YTD 2023

Asset Class	YTD Contribution
Equity (Long)	12.4%
Equity (Unrealized FX)	-3.1%

MONTHLY COMMENTARY

After many false starts, much improved capital allocation has finally arrived in Japan. The trigger was a request in early March by the Tokyo Stock Exchange (TSE) to all listed companies trading under their own book value to explain their depressed valuation and to estimate their cost of capital. The ripple effect was felt across the board with the announcement of a large number of stock buybacks and increased dividend payout ratios during the annual results announcement period in May, leading up to the AGMs taking place in June.

As a result, the TOPIX is up 25% year-to-date (while the Yen is down 7% over the same period).

The aggregation of the fragmented pharmacies market is a very attractive investment opportunity in Japan. The industry is highly regulated and larger operators have a strong scaling competitive advantage which translates into the adoption of optimized drugs suggestions to clients and better terms with suppliers.

Our investment in **QoL Holdings** was based on this analysis and has been working according to plan. In addition, the company's share price jumped 26% during the month following the announcement of a very accretive but unexpected acquisition of a generic drugs supplier with a 6% domestic market share. The acquisition was made at an estimated 2x EV/EBIT valuation and will contribute up to 58% of the company's future EBIT. The deal will require some debt to be raised, which makes a lot of sense in this case. We continue to hold the stock which is valued at a still attractive 4x EV/EBIT valuation post-closing. QoL Holdings is here a crafty beneficiary of the streamlining of assets by larger Japanese corporates.

China does not seem to catch a break and HSCEI is now down ~20% from its January peak.

Yongda is the leading auto dealer in China. Its focus on premium brands such as BMW, Audi and Mercedes have translated into strong growth and profitability in the past 10 years. Its share price is down 75% from its high in 2021 as investors are wary of the disruption brought by rapid Electric Vehicles (EV) adoption. This market shift has enabled a whole range of local players with very competitive offerings, especially in the RMB200,000 ticket range. We can for instance testify to the great design and intuitive user interface of AITO, the brand developed by Huawei. At the same time, demand for more discretionary buying such as top of the range BMW, Audi and Porsche models remains weak.



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We invested at 5x EV/EBIT on depressed earnings and at 0.5 book value taking comfort from the fact that about 70% of the company's gross profits has historically come from high-margins after-sales and financing services. Even if the company were to break even on new vehicle sales, we think that after-sales service revenues would still grow by 20% in 2023. ROIC has improved thanks to an impressive decline in inventory turnover days from 43 days to 22 days over the past 5 years. The company also sports an attractive 12.5% dividend yield and is continuously buying back its own shares.

The correct Total Returns for our successful investment in China Mobile was 73% and not the number disclosed in our April newsletter, which did not account for the substantial dividends collected since our investment in January 2021.



MONTHLY PERFORMANCE (%)*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
2023	6.9	-1.2	2.7	0.0	-1.2								7.2
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	-15.6
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 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.