



## 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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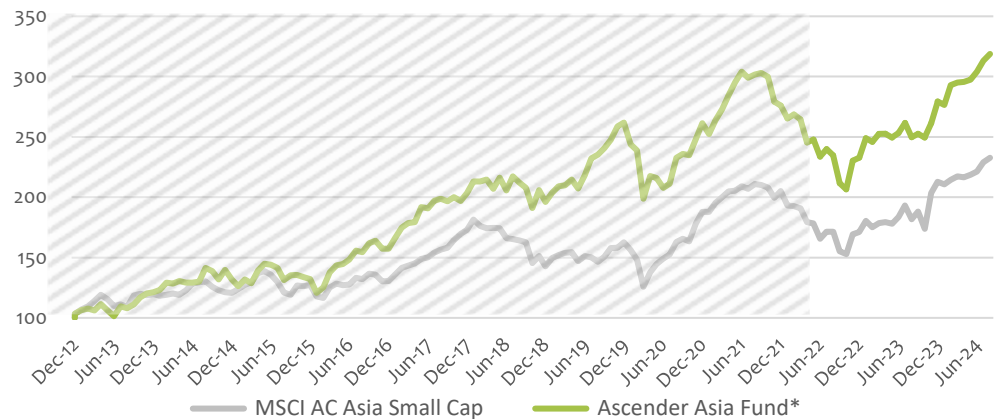
# ASCENDER ASIA FUND

August 2024 FACTSHEET – NAV 114.39

### PERFORMANCE AS OF 30 August 2024

Class	1 month	YTD	1 Year	Annualized		
				3 Year	5 Year	Since Launch
<b>Lead Series - Class A (Gross)</b>	2.0%	16.1%	30.9%	4.5%*	9.5%*	13.8%*
<b>Lead Series - Class A (Net)</b>	1.8%	14.1%	27.6%	1.8%**	6.3%**	10.4%**
<b>MSCI Asia Small Cap</b>	1.6%	9.3%	15.2%	1.5%	8.5%	7.0%

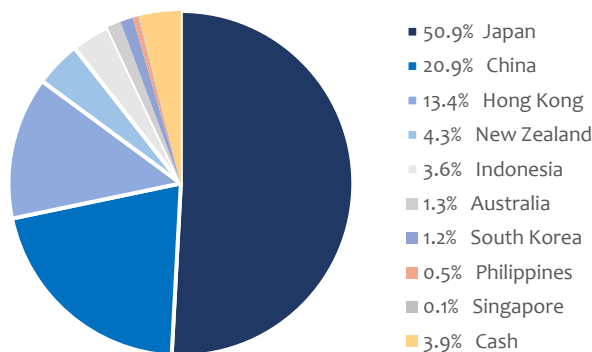
### PERFORMANCE CHART (TOTAL NET RETURN)



\* 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

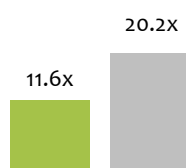
### GEOGRAPHIC BREAKDOWN



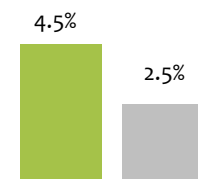
### PORTFOLIO CHARACTERISTICS

P/E Ratio (TTM)	11.6x
EV/EBIT Ratio (TTM)	6.6x
Dividend Yield	4.5%
Return on Equity	18.9%
Net Cash to Mkt Cap	26.5%
7 Year EBIT Growth	12.7%
Median Mkt Cap	\$432m
# of Holdings	27
Gross Long	96.1%

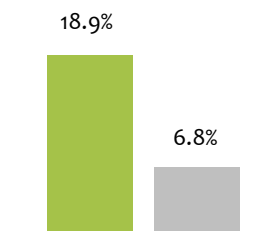
### PRICE/EARNINGS



### DIVIDEND YIELD



### RETURN ON EQUITY



— Ascender — MSCI AC Asia SC



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## TOP 3 MONTHLY CONTRIBUTORS AND DETRACTORS FOR EQUITY POSITIONS

Contributors	Contribution (bps)	Detractors	Contribution (bps)
Beenos	1.0%	ITFOR	-0.7%
MCJ	0.4%	Modern Dental	-0.6%
Temairazu	0.4%	NSW	-0.3%

## LONG CONTRIBUTION YTD 2024

Asset Class	YTD Contribution
Equity (Long)	18.2%
Equity (Unrealized FX)	-1.0%

## MONTHLY COMMENTARY

By the end of the month, most of our portfolio companies had reported their second quarter or half-year results, which were broadly positive. On average, our companies have grown their earnings at an annual rate of 13% over the past seven years, and these latest results confirm that they are maintaining this trajectory.

We focus on investing in high-quality companies with stable earnings, particularly those benefiting from recurring revenues, predictable repeat business, or the sale of consumable goods. Given this strategy, we were not overly concerned by the sharp rise in the Yen and decline in the Japanese market earlier this month.

In fact, we took advantage of the downturn to complete our investment in **B-En-G**, a system integrator specializing in Enterprise Resource Planning (ERP) software installations. B-En-G was the first to implement SAP in Japan back in 1993 and developed its own ERP solution, McFrame, in 1996, aimed at mid-size manufacturing clients. Today, McFrame contributes to half of the company's earnings, with its high-margin license revenues growing at an annual rate of 12%. Over the past seven years, B-En-G has quintupled its earnings, driven by this favorable product mix shift. We think the market has still not fully understood the changing nature of the business.

With this growth record, U.S. investors would likely assign a valuation premium on reported results excluding hefty share-based compensation costs. In the land of the quality hidden gems, we were able to invest in B-En-G at a clean earnings multiple of 17x.

Like other system integrators in our portfolio, B-En-G offers employee incentives through a program allowing staff to invest a portion of their salary in company shares at a 5% to 10% discount. Given that our target system integrators in Japan have achieved on average a 20% annual share price performance over the past decade, this has been a highly profitable investment for employees. As shareholders, we value the symmetrical alignment between the employees and our own interests.

We announced in August that the funds advised by Ascender Capital have become a 5% shareholder in **Beenos**, which operates the leading cross-border marketplace, **Buyee**, giving access to international customers looking to buy on Japanese e-commerce sites. Not only did the Gross Market Value (GMV) of goods transacted on the platform did not slow down after COVID, but annual growth accelerated from 26% to 35% over the past year.



# ASCENDER ASIA FUND

August 2024– NAV 114.39

Earlier this year, Beenos sold its domestic second-hand luxury products eCommerce platform to **Aucnet**, a former portfolio company. We believe that with an even more focused approach on Buyee and a clear and improved shareholder returns plan, Beenos could achieve a much higher valuation, a vision that we presented to management in Tokyo in June.

## MONTHLY PERFORMANCE (%)\*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
2024	-1.0	5.9	0.7	0.2	0.7	2.2	3.0	1.8					<b>14.1</b>
2023	6.9	-1.2	2.7	0.0	-1.2	1.5	3.3	-4.6	1.2	-1.2	4.7	6.9	<b>20.0</b>
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	<b>-15.6</b>
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*	<b>5.4*</b>
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	<b>-0.2</b>
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	<b>33.6</b>
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	<b>-3.6</b>
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	<b>29.3</b>
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	<b>19.1</b>
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	<b>0.1</b>
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	<b>8.8</b>
2013	2.8	1.4	-1.5	4.9	-4.7	-4.5	8.3	-1.5	3.	5.1	2.9	0.8	<b>17.3</b>
2012												3.4	<b>3.4</b>

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