

# Quarz Active Value Class S (SGD)

Generating Alpha Through Activist Investing

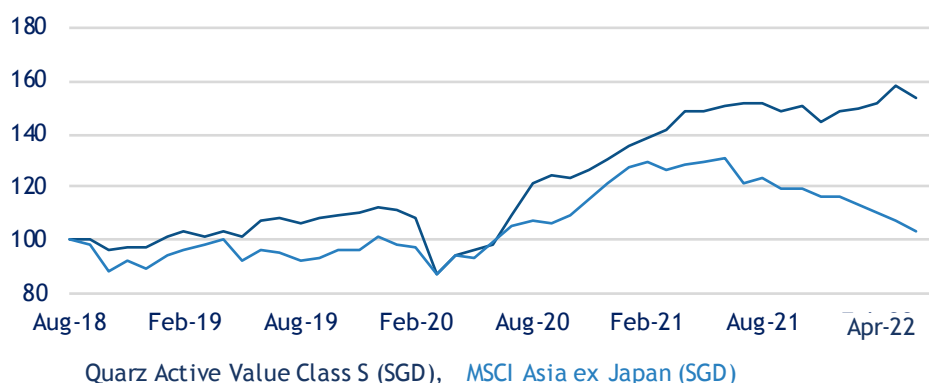


April 2022



The Quarz Active Value Class S Fund invests in ~20 core positions and focuses on undervalued small and mid-cap equities in Asian developed markets (Singapore, Hong Kong, Australia, Japan). We engage with the management teams of our target companies and prompt them to increase shareholder value through measures such as selling unprofitable units, returning idle cash to shareholders, selling undervalued real estate assets, improving corporate governance and strengthening alignment of interest with shareholders and investor relations. We only invest in firms with upside potential of ~30% over two years, sound core operations and a healthy dividend yield, thus providing downside protection and a regular income.

## Performance since Inception (%)



## Fund Information (Class S, SGD)

Name	Quarz Global Investments Fund
Class	Quarz Active Value Class S SGD
Type of Fund	Alternative Investment Trust
Bloomberg	VPQAVSS LE
ISIN	LI0425084352
Valor number	42508435
WKN	A2N430
Portfolio Manager	Quarz Capital ASIA
AIFM	VP Fund Solutions
Fund Domicile	Liechtenstein
Auditor	PwC (Zurich)
Administrator	VP Fund Solutions
Broker	Broker Network
Custodian / Depositary	VP Bank AG
Minimum Investment	SGD 1,000,000
Lock-up	N/A
Management Fee	1.25%
Performance Fee	20%
Lock-up	N/A
Subscription	monthly
Notice/Withdrawal	90 days / monthly
High Watermark	Yes
Hurdle Rate	N/A

## Market Commentary

April was another turbulent month for almost all asset classes, fueled by the ongoing war in the Ukraine, concerns about regulation and the direction of the economy in China as well as the slowly-abating (but still not tamed) Covid-19 crisis.

The main concern of markets, however, is the inflationary backdrop. While the Federal Reserve already raised its benchmark rate by 50-basis points at the beginning of May and is expected to continue at that pace in June and July, economists are still divided on how aggressive the U.S. central bank is going to be over the rest of the year. Economist surveyed by Bloomberg forecast the Fed to lift its target rate to a range of 2.25% to 2.5% by December, with rates peaking at 2.88% in December 2023.

One of the concerns is whether the Fed will be able to cope with its dual mandate - tame inflation and support the economy. History shows that balancing those two objectives is not an easy task. The Fed is currently trying to deliver a soft landing.

Because of all those factors, equity markets have been weak last month. Our benchmark index MSCI Asia ex Japan is down 5.2%, in line with our funds (in US\$ terms). Still, we are outperforming the index by more than 8 percentage points since the beginning of the year.

In addition, we were successful in our campaign for better corporate governance at Singapore-listed Sabana Industrial Reit. For almost one year, we had voiced serious doubts about the independence of one of its directors, Charlie Chan Wai Kheong. At the AGM on April 26th, unitholders overwhelming followed our suggestions and arguments and voted against the endorsement of Chan. Like the vote-down of the value-destructive merger in December 2020, this was the first time in S-Reit history that unitholders withheld their approval.

We will keep promoting good corporate governance in Singapore. And we will keep steering our vehicles through these turbulent waters. Thank you for your trust!

## Performance (net, Class S, SGD)

Month	-2.7%
Cumulative YTD	3.62%
Cumulative s.Inception	54.0%
Annualized s. Inception	12.5%
Annualized 5 Years	N/A
Annualized 3 Years	14.1%
Best Monthly Return	11.4%
Worst Monthly Return	-19.3%
% of Positive Months	73
Maximum Drawdown	-22.6%
Annualized Volatility	7.5%
Sharpe Ratio (1 Year)	0.5



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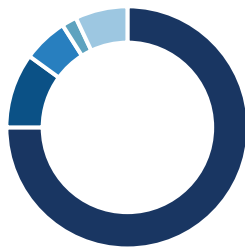
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## Track Record: Quarz Active Value Class S (SGD) (in %, net of fees)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2022	0.6	1.4	4.4	-2.7									3.6
2021	3.7	1.7	2.7	4.9	0.0	1.6	0.1	0.3	-1.9	1.1	-3.7	2.7	13.6
2020	-1.4	-2.7	-19.3	8.7	1.5	2.0	11.4	10.9	2.8	-0.9	2.0	3.8	16.0
2019	4.1	1.5	-1.4	2.1	-2.5	6.0	1.5	-2.0	1.7	0.8	1.1	2.0	15.7
2018									0.5	-4.5	1.3	0.4	-2.4

### Allocation by Region



- 75% Singapore
- 10% Japan
- 6% Australia
- 2% Hong Kong
- 7% Others

### Allocation by Sector



- 55% Real Estate
- 11% Industrials
- 4% Technology
- 4% Communication Services
- 6% Consumer Staples
- 4% Healthcare
- 5% Consumer Cyclicals
- 5% Utilities
- 3% Financials

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