

Quarz Active Value Class S (SGD)

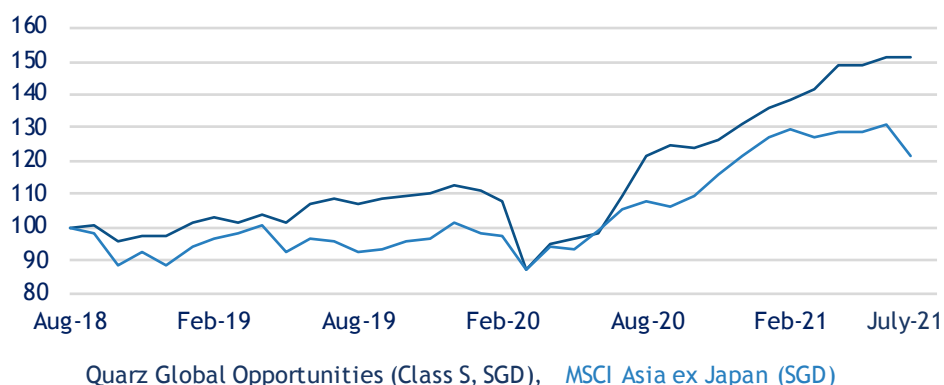
Generating Alpha Through Activist Investing



July 2021

Quarz Capital Management Asia is a value-oriented and research-driven asset manager operating an activist strategy and focusing on listed small and mid-cap companies mainly in developed Asia. Helped by our extensive network, we engage directly with the boards and management teams of our target companies and create value by tackling structural, capital and operational issues.

Performance since Inception (%)



Market Commentary

Far-reaching decisions by the Chinese government made most of Asia's benchmark indices plummet last month.

China on 25. July unveiled a sweeping overhaul of its \$100 billion education tech sector, banning companies that teach the school curriculum from making profits, raising capital or going public. The government published a plethora of regulations that together threaten to up-end the sector and jeopardize billions of dollars in foreign investment. Companies that teach school subjects can no longer accept overseas investment, which could include capital from the offshore registered entities of Chinese firms, according to a notice released by the State Council. Education technology had emerged as one of the hottest investment plays in China in recent years, attracting billions from the likes of Tiger Global Management, Temasek Holdings Pte and SoftBank Group Corp.

As a consequence, most major Asian indices took a nosedive. The benchmark index MSCI Asia ex Japan fell 7.8% and China's CSI 300 index declined 7.9 percent. Our overweight in undervalued companies with strong balance sheets with structural upside catalysts however helped fortify our performance against the volatile markets as we are still up 0.1 percent.

In the US, meanwhile, stocks kept climbing, pushed by encouraging economic data showing that consumer spending was strong in the second quarter even as overall growth trailed expectations. A separate report showed applications for U.S. state unemployment fell last week, but were still higher than forecast.

US stocks were also supported by the Federal Reserve, which held interest rates in a range near zero and maintained asset purchases at \$120 billion a month until "substantial further progress" was made on employment and inflation. Federal Reserve officials are moving closer to when they can start reducing massive support for the U.S. economy, though Chair Jerome Powell said there was still some way to go.

"We're not there. And we see ourselves as having some ground to cover to get there," he said after the Federal Open Market Committee meeting on July 28.

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 100,000
Lock-up	N/A
Management Fee	1.50%
Performance Fee	20%
Lock-up	N/A
Subscription	monthly
Notice/Withdrawal	90 days / monthly
High Watermark	Yes
Hurdle Rate	N/A

Performance (net, Class S, SGD)

Month	0.1%
Cumulative YTD	15.54%
Cumulative s.Inception	51.2%
Annualized s. Inception	15.2%
Annualized 5 Years	N/A
Annualized 3 Years	N/A
Best Monthly Return	11.38%
Worst Monthly Return	-19.3%
% of Positive Months	74
Maximum Drawdown	-22.6%
Annualized Volatility	17.2%
Sharpe Ratio (1 Year)	3.3



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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
2021	3.7	1.7	2.7	4.9	0.0	1.6	0.1						15.5
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



- 47% Singapore
- 21% Australia
- 20% Japan
- 12% Hong Kong

Allocation by Sector



- 44% Real Estate
- 15% Industrials
- 8% Technology
- 8% Communication Services
- 8% Consumer Staples
- 6% Healthcare
- 5% Consumer Cyclicals
- 6% Utilities

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