

# Quarz Active Value Class S (SGD)

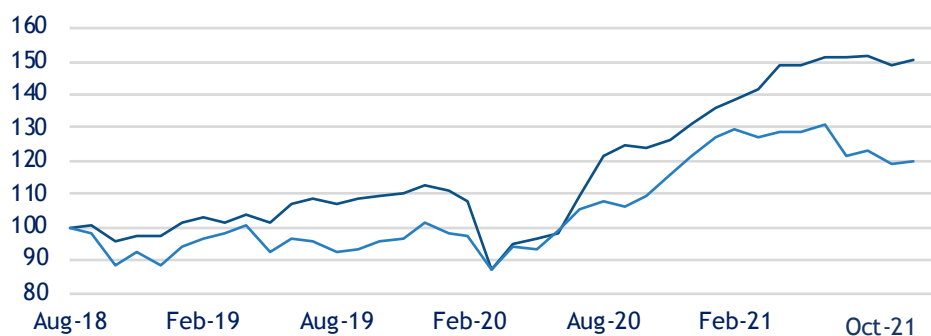
Generating Alpha Through Activist Investing



October 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 (%)



Quarz Active Value Class S (SGD), MSCI Asia ex Japan (SGD)



We are happy to share with our investors that Quarz Active Value Fund has been shortlisted for the HFM Asia Performance Awards 2021 in the category "Event Driven."

For us, this is a recognition of our active-value strategy focusing on undervalued equities and taking steps to unlock shareholder value through active engagement with boards and management teams in order to create value and alpha for our investors

## Market Commentary

Global Equity markets were grappling with a number of crosscurrents in October. Generally positive corporate performance has helped to underpin global equities. But inflation risks from supply-chain snarls and costlier raw materials are boosting expectations for rate hikes and dimming the economic outlook.

In the U.S., an Oct. 29 report showed that the economy expanded at an annual rate of 2% in the three months through September, lower than the 2.6% median estimate in a survey, hampered by supply chains and a surge in Covid cases as consumer spending slowed. The GDP price index rose more than analysts' expectations.

Federal Reserve Chair Jerome Powell sounded a note of heightened concern over persistently high inflation as he made clear that the central bank will begin tapering its bond purchases shortly but remain patient on raising interest rates. As expected, the Fed on Nov. 4 announced that it will begin winding down its program.

While equities in the U.S. and Europe rallied, stock markets in Asia have been mixed last month as traders tried to assess the impact on earnings of inflation and the debt crisis in China's property sector continues to hang over the market. Beijing authorities called for support for first-home purchases, adding to recent official rhetoric on property market stability. China Evergrande Group eventually pulled back from the brink of default by paying a bond coupon before a deadline toward the end of the month. (cont. next page)

## 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	1.1%
Cumulative YTD	14.83%
Cumulative s. Inception	50.3%
Annualized s. Inception	13.7%
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	8.4%
Sharpe Ratio (1 Year)	3.0



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## Market Commentary (cont.)

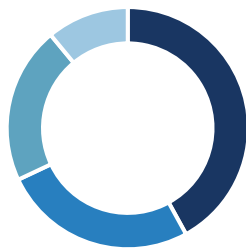
The International Monetary Fund on Oct. 12 warned of the risk of sudden and steep declines in global equity prices and home values as central banks withdraw the support they've provided during the pandemic. Ultra-easy monetary policy has led to "pockets of market exuberance and rising financial leverage" that could unwind in disorderly ways and put the economic recovery at risk as credit tightens, the IMF said.

Being an active-value investor, we are mainly invested in conservatively managed companies with net cash positions and trading at low multiples to free cash flow. We are confident that our portfolio will be able to weather sudden increases in volatility and potential turbulences in stock markets.

## 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	0.3	-1.9	1.1			14.8
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



- 42% Singapore
- 26% Australia
- 21% Japan
- 11% Hong Kong

### Allocation by Sector



- 45% Real Estate
- 16% Industrials
- 6% Technology
- 9% Communication Services
- 7% Consumer Staples
- 5% Healthcare
- 6% Consumer Cyclical
- 6% Utilities

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