

Quarz Active Value Class S (SGD)

Generating Alpha Through Activist Investing

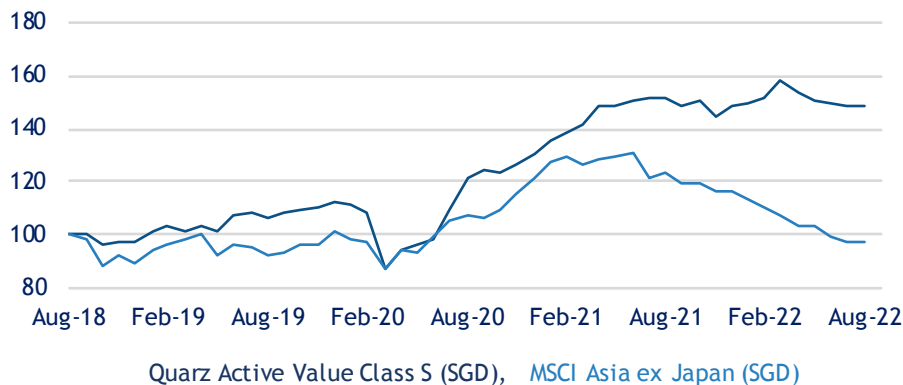


August 2022



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. Quarz Active Value Class S is based in Liechtenstein and set up for European investors looking for an onshore investment opportunity.

Performance since Inception (%)



Market Commentary

Quarz Capital's funds held their ground last month as markets took a nosedive following what many called a 'bear-market rally' that began in June.

Stock markets plummeted after Fed Chairman Powell made it unequivocally clear that the U.S. central bank will be relentless in pursuing its goal of bringing inflation back to 2%, even if that means inflicting "some pain" on households and businesses.

Markets previously had rallied on expectations that softer inflation data might prompt the Fed to pivot towards a more dovish stance after two jumbo hikes of 75 basis points in June and July. In his speech at the Kansas City Fed's annual symposium in Jackson Hole, Wyoming, Powell did not rule out a third big hike and said the decision would depend on "the totality of the incoming data and the evolving outlook."

To dispel any optimism about the Fed being accommodative and a return to the Greenspan put, he added that a single month's improvement in inflation data falls "far short of what the Committee will need to see before we are confident that inflation is moving down."

Powell's strong cautioning came against the backdrop of encouraging economic data in the US. Initial jobs claims came in better than expected in two consecutive weeks and the University of Michigan sentiment index climbed to a three-month high, suggesting Americans are more optimistic as gas prices continue to drop.

Still, these data refer to aggregate demand. But the problems lie with aggregate supply, prompted by a mix of geostrategic risks (Ukraine, Taiwan), commodity prices and the ongoing Covid crisis. Powell conceded that "the Fed's tools work principally on aggregate demand." But he added that there is clearly a job to do in moderating demand to better align with supply. We are committed to doing that job."

Against this uncertain outlook and potential market disruptions, Quarz keeps its cautious stance and conservative focus on cash-generating and resilient companies. Our portfolio consists of companies with sound core operations, which deliver a steady stream of dividends. We thank our investors for their trust.

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 / Depository	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

Performance (net, Class S, SGD)

Month	-0.2%
Cumulative YTD	-0.33%
Cumulative s. Inception	48.2%
Annualized s. Inception	10.3%
Annualized 5 Years	N/A
Annualized 3 Years	11.5%
Best Monthly Return	11.4%
Worst Monthly Return	-19.3%
% of Positive Months	67
Maximum Drawdown	-22.6%
Annualized Volatility	7.8%
Sharpe Ratio (3 Year)	-0.33



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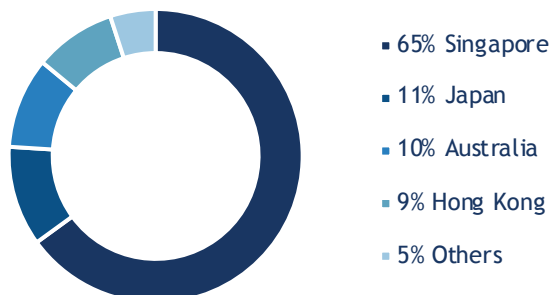
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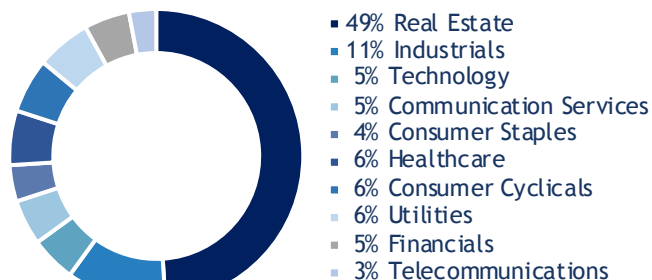
Track Record: Quarz Active Value Class S (SGD) (in %, net of fees)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD Fund	YTD Index
2022	0.6	1.4	4.4	-2.7	-2.0	-0.6	-1.0	-0.2					-0.3	-15.9
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	-4.5
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	20.3
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	13.8
2018									0.5	-4.5	1.3	0.4	-2.4	-11.1

Allocation by Region



Allocation by Sector



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