

Quarz Global Opportunities Fund (USD)

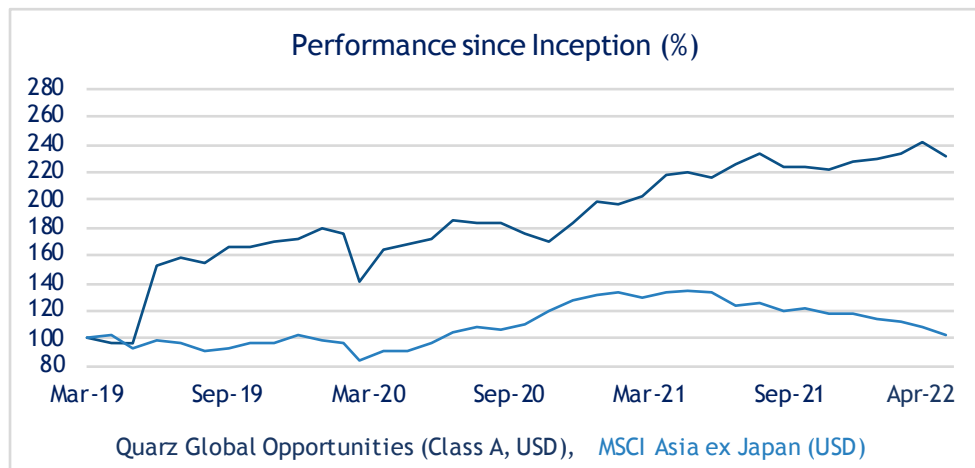
Generating Alpha Through Activist Investing



April 2022



The activist Quarz Global Opportunities Fund holds a very select number of high-conviction positions offering strong returns. The fund 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 divest of unprofitable units, return idle cash to shareholders or sell undervalued real estate assets. Other reasons for undervaluation are overly complex businesses, incompetent leadership, misalignment of management incentives, poor corporate governance, investor misperception and lack of media / broker coverage. Quarz only invests in targets with upside potential of ~30% over 2 years and strong core operations generating a sustainable dividend yield, thus providing downside protection and regular income.



Fund Information (Class A, USD)

Name	Quarz Global Opportunities
Bloomberg	QUAGLOP KY
ISIN	N/A
FIGI	BBG00Q5KVVZ1
Share Classes	USD / SGD / CHF
Fund Manager	Quarz Capital (ASIA)
Fund Domicile	Cayman Islands
Auditor	Moore Cayman
Administrator	DBS Fund Administration
Legal Counsel	Appleby
Broker	CS / Morgan Stanley
Custodian	DBS Bank Singapore
Min. Investment	\$1,000,000 (and equivalent)
Management Fee	2%
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 A, USD)

Month	-4.08%
Cumulative YTD	1.9%
Cumulative s. Inception	131.9%
Annualized s. Inception	31.4%
Annualized 5 Years	N/A
Annualized 3 Years	33.3%
Best Monthly Return	57.5%
Worst Monthly Return	-19.3%
% of Positive Months	62
Maximum Drawdown	-21.1%
Annualized Volatility (3 Year)	35.0%
Sharpe Ratio (3 Year)	1.1



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Track Record: Quarz Global Opportunities Fund (Class A, USD) (in %, net of fees)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2022	1.3	1.5	3.3	-4.1									1.9
2021	9.4	-1.8	2.9	7.8	1.1	-1.4	4.5	3.3	-4.3	0.0	-1.3	2.9	24.6
2020	4.6	-2.3	-19.3	16.5	1.7	2.9	7.3	-1.1	-0.2	-3.6	-3.8	7.7	6.3
2019				-2.1	-1.1	57.5	4.1	-2.1	7.3	0.2	1.5	1.3	71.9

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