

Quarz Global Opportunities Fund (USD)

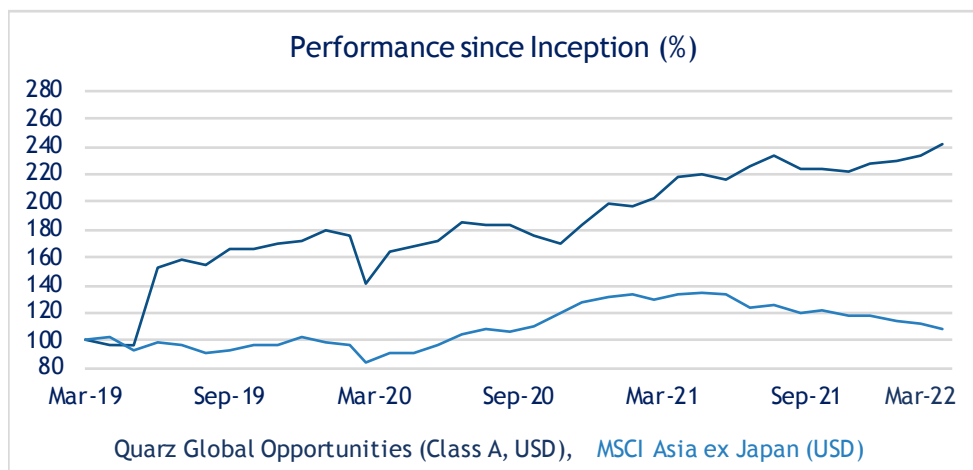
Generating Alpha Through Activist Investing



March 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.



Market Commentary

It was a good month for Quarz Capital and our value-investing portfolio. While our benchmark index MSCI Asia ex Japan declined 2.9 percent in March and is down 8.2 percent year-to-date, the Quarz Capital funds all gained more than three percent – mainly driven by our positions in Reits, which we expect to benefit further in an inflationary environment.

Also, we are happy to share that Mapletree listened to our suggestions regarding an improved offer of Mapletree Commercial Trust (MCT) for Mapletree North Asia Commercial Trust (MNACT).

On December 31st MCT had offered either 0.6 MCT for one MNACT unit or 0.5 MCT units plus 19 Singapore cents in cash for one MNACT unit.

We vehemently campaigned against that offer, especially since directly after publication, MCT dropped to S\$1.83, resulting in an implied offer priced of S\$1.1 for MNACT – a substantial discount of 11% to MNACT's NAV of S\$1.23 as of October 2021.

Our engagement with the press, our campaign on Youtube and our campaign website paid off: On March 21 MCT and MNACT announced the addition of a cash-only offer for MNACT. The new component means that every MNACT unitholder receives S\$1.1949 in cash per MCT unit. That's almost 9% above the implied offer price before. We believe the cash component is a fair and win-win for all parties and we will vote "yes" to the proposed merger.

Apart from that, this month will be very exciting. We are currently campaigning against the endorsement of Mr. Chan Wai Kheong as a non-executive independent director at the board of Sabana Reit – for the simple reason that we have serious doubts about him being independent. He also is a substantial shareholder in AIMS APAC Reit and sold his stake in ESR Reit some time ago to ESR at a substantial premium. For more information, have a look at our website www.savesabanareit.com.

On a larger scale, the war in Ukraine rages on, China keeps stabilizing its markets, inflation is on the rise, as is the Fed's benchmark rate, bonds saw the strongest sell-off in a lifetime. No time for us to rest. We keep protecting our portfolio and thank our investors for their trust.

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	\$100,000 (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

Performance (net, Class A, USD)

Month	3.27%
Cumulative YTD	6.3%
Cumulative s. Inception	141.8%
Annualized s. Inception	34.2%
Annualized 5 Years	N/A
Annualized 3 Years	N/A
Best Monthly Return	57.5%
Worst Monthly Return	-19.3%
% of Positive Months	64
Maximum Drawdown	-21.1%
Annualized Volatility (1 Year)	9.9%
Sharpe Ratio (1 Year)	2.24



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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										6.3
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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