

Quarz Global Opportunities Fund (USD)

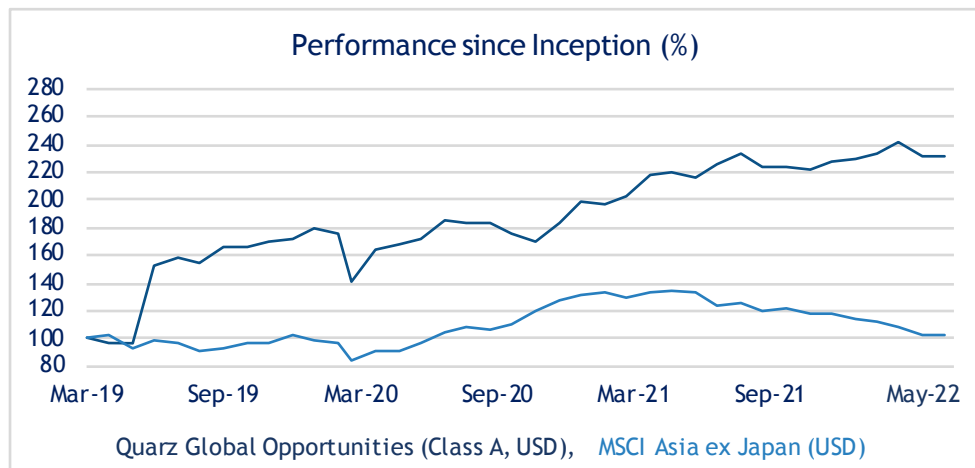
Generating Alpha Through Activist Investing



May 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

Performance (net, Class A, USD)

Month	-0.08%
Cumulative YTD	1.8%
Cumulative s. Inception	131.8%
Annualized s. Inception	30.4%
Annualized 5 Years	N/A
Annualized 3 Years	33.8%
Best Monthly Return	57.5%
Worst Monthly Return	-19.3%
% of Positive Months	61
Maximum Drawdown	-21.1%
Annualized Volatility (3 Year)	35.0%
Sharpe Ratio (3 Year)	1.03

Market Commentary

Stock markets mostly finished on positive note in May, ending a month that saw nearly unprecedented levels of volatility, while at the same time the war in Ukraine raged on and fears of inflation remained, prompting concerns central banks might go too far and stunt growth by raising interest rates to levels damaging the economy.

The MSCI Asia ex Japan eked out a gain of 0.2%, with Singapore's and Australia's indices seeing declines of 3% and more while Japan's and Hong Kong's benchmarks advanced.

On a year-to-date basis, the MSCI Asia ex Japan is still down 12.8% in US\$ terms as of end-May, which compares to a 1.8% gain of the Quarz Global Opportunities Fund - a strong indication of our ability to generate "activist alpha" by picking the right stocks and applying the right strategies to unlock shareholder value.

Against the gloomy backdrop, some factors supported sentiment. After a 50-basis points hike by the US central bank at the beginning of May, investors took some comfort from Fed minutes in which policy makers indicated their aggressive set of moves could leave them with flexibility to shift gears later if needed.

While highlighting the "strong commitment and determination" of all policy makers to restore price stability, the minutes of the May 3-4 meeting, released on May 25, showed officials are attentive to financial conditions as they prepare to raise rates further.

In the weeks since the gathering, financial-market volatility had spiked as markets fretted over the risk of a recession, though investors were cheered as they digested the less-hawkish-than-feared tone of the report.

In China, Asia's tentative rebound came as renewed pledges by Chinese authorities to support the economy and ease lockdowns in the financial hub Shanghai spurred optimism among investors. China's growth slowdown and the supply chain disruptions caused by its stringent covid zero policy have been a key drag on the region's earnings prospects.

After having weathered the recent months' sell-off unharmed, we are looking forward to a stronger second half of 2022. We thank your investors for their trust.



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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	-0.1								1.8
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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