

### **Pillar 3 - Performance & Risk Management**

#### **1. Alpha sources: What were the significant sources of alpha over the last 3 years?**

- \*  Securities mispriced by the market
- \*  Securities misunderstood by the market
- \*  Securities that benefited from cyclical factors
- \*  Securities in special situations
- \*  Picking up securities with solid fundamentals during times of market panic
- \*  Risk budgeting and allocation
- \*  Asset allocation to specific sectors, geographies, asset classes

#### **2. Stress test: Have stress tests been performed on this fund or strategy in the last 3 years?**

Yes

#### **Selected: Yes - Stress test scenarios were applied in the stress test that has already been performed?**

- \*  Liquidity shrinking rapidly and materially
- \*  Net outflows for your fund or strategy rising materially

#### **3. Investment cap per investor[ii]: Do you limit each investor's investment to a certain percentage of the fund's total AUM to restrict overexposure to any single investor?**

No, we do not currently have a cap and have NO definite plans for one

#### **4. Drawdown recovery: How long did it take for the fund to recover[iv] from its maximum**

13-18 weeks

#### **5. Actual Example - Please provide an ACTUAL example of how you executed ONE of the following, in a maximum of 500 words.**

How did you respond to the maximum drawdown period, and what was the rationale behind the decisions taken?

**Please briefly describe the critical challenge/s, actions taken, results and lessons learned:.2**

Macro risks like US-China trade conflicts, macro-economic slowdown in mainland China that have previously pressured on the market have been fading out in early January for a good start of 2020. However, coronavirus outbreak has started halving economy activity after Wuhan lockdown before Chinese New Year and mainland China lengthened the holiday for epidemic control. Then, the epidemic has started spreading to Europe and US. The worldwide spread of COVID-19 has seriously affected economic activities have global production chain and consumption with massive cities lockdown and travel bans. Fears over the economic impact and intense levels of uncertainty about what happens next has created unprecedented drawdown in financial markets, especially in March 2020. Given our focus on companies that we believe can deliver long term sustainable growth with solid business model, there may be times when markets might be shrouded in pessimism. Temporary events might make markets choppy at times, and we accept that markets would go through periods of correction. However, we also believe that it is crucial to remain disciplined and true to our philosophy and process in these periods, in order to deliver long-term outperformance. Volatility created opportunities to get in positions with businesses that are temporarily affected by the epidemic, but have large long-term development space and core competitiveness. We managed to purchase some domestic consumption and technology names at dip, which successfully drove our performance in Q2 2020.