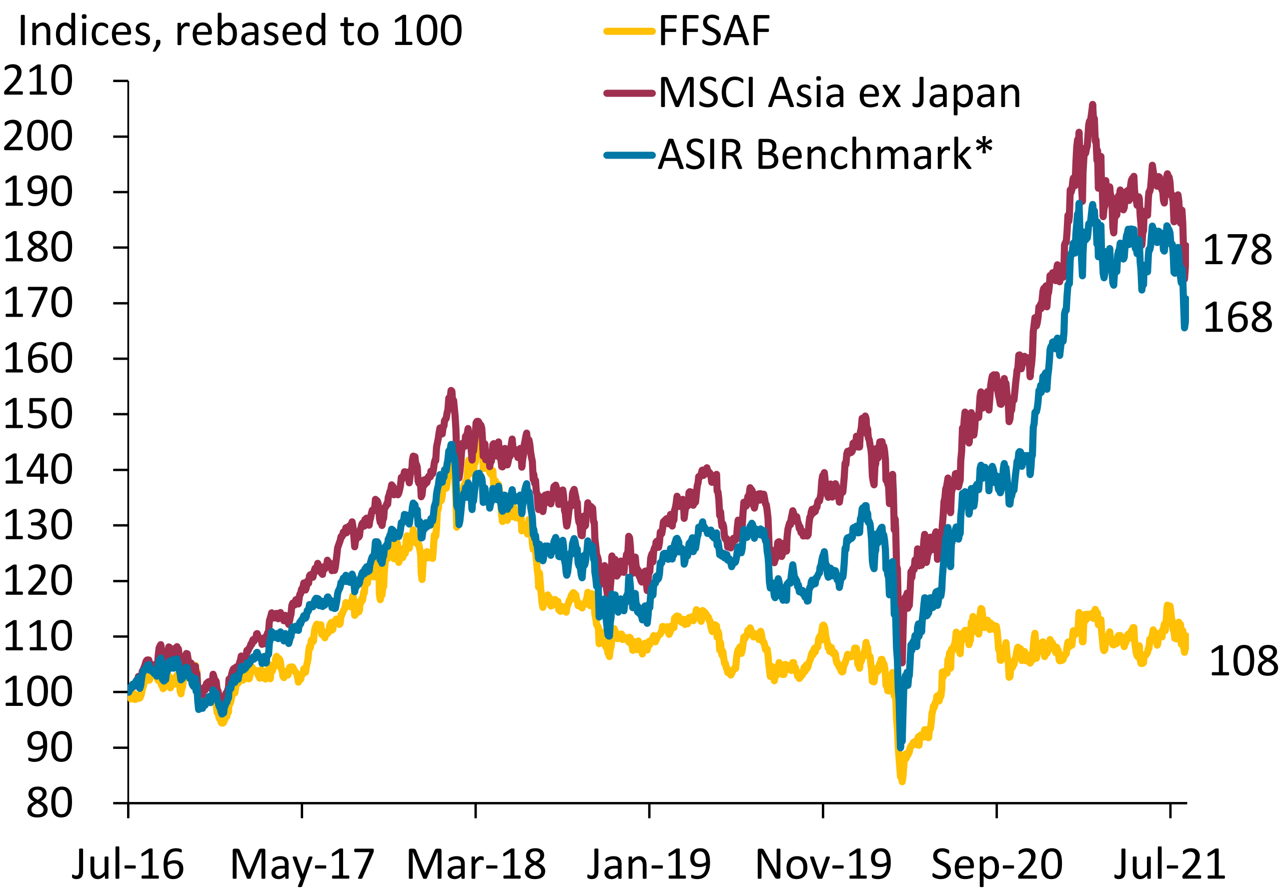
Fortress Focus Select Asia Fund

Performance report July 2021

Fortress Capital

Performance review July 2021



- FFSAF has generated an after-fee total gain of 8.1% since inception
- The Fund does not invest in stocks in Japan or India and it also does not hold shares of Financial companies
- Since inception, the Fund has underperformed the prospectus benchmark MSCI Asia ex Japan by 70.3% after fees, partially due to strong performance in India and of the Financial sector during much of 2017 and defensive positioning since April 2018
- After fees, the fund has underperformed the more comparable ASIR Benchmark* by 60.0%

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Sources: Fortress Capital, A. Stotz Investment Research, Refinitiv

Note: *ASIR Benchmark is a bottom-up aggregate of the 500 largest and most liquid companies in Asia excluding Japan, India, and Financials

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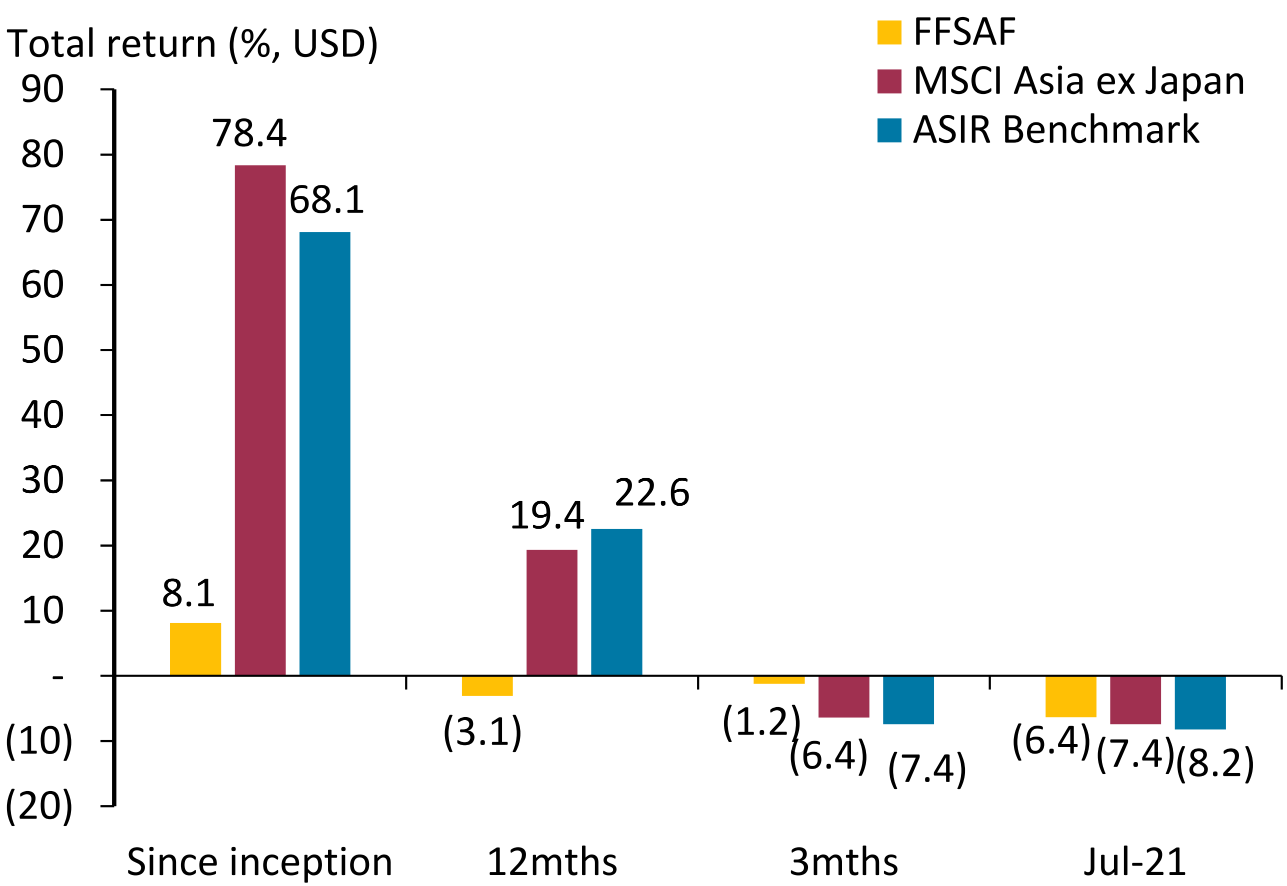

- **Since inception:** FFSAF has underperformed the ASIR Benchmark by 60.0% and had an NAV of US$0.5405 on July 30th
- **Past one year:** FFSAF has fallen 3.1% versus the ASIR Benchmark's gain of 22.6%
- **Past three months:** FFSAF has dropped 1.2% versus the ASIR Benchmark's loss of 7.4%
- **Past one month:** FFSAF has dropped 6.4% while the ASIR Benchmark has fallen by 8.2%. Best performer was ViTrox Corporation Bhd (VITRO MK). Laggard was Wan Hai Lines Ltd (2615 TT), which fell back as shipping stocks fell after months of outstanding performance
- **Fundamentals:** For 2021CE*, the prospectus benchmark MSCI Asia ex Japan, is trading at 15.8x PE with an EPS growth of 38.5% above MSCI World's earnings growth of 41.9% and the World trades at 19.5x PE

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Sources: Fortress Capital, A. Stotz Investment Research, Refinitiv
Note: *CE is consensus estimates

FFSAF vs global Asia funds

(%)	Since IPO	12mth	6mth	3mth	1mth
FFSAF's total return	8.1	(3.1)	(0.9)	(1.2)	(6.4)
MSCI Asia ex Japan total return	78.4	19.3	(5.3)	(6.4)	(7.4)
FFSAF's world decile ranking	10	10	4	3	8
FFSAF's world ranking	486	480	172	112	353

FFSAF's total return (%, USD)

495 Asian funds	Since IPO	12mth	6mth	3mth	1mth
Best					
2					
3				(1.2)	
4			(0.9)		
5					
6					
7					
8					(6.4)
9					
Worst	8.1	(3.1)			

- We benchmark FFSAF against about 500 other Asia ex Japan funds as of 30 July 2021
- Each decile consists of 50 funds
- In the past 12 months, FFSAF has performed poorly relative to other Asia funds in terms of total return
- In the past 3 months, FFSAF has performed in the best 30% among all Asia funds in terms of total return
- In July, the prospectus benchmark fell 7.4%, while FFSAF dropped a lesser 6.4%

Sources: Fortress Capital, A. Stotz Investment Research, Refinitiv

Defensive positioning of FFSAF

- In April 2018, we extensively tested and researched defensive factors and incorporated one new defensive factor into our investment process
- In addition, we tightened our stop-losses
- In April and May 2018, we executed five stop-losses
- In June to September 2018, we executed eight stop-losses
- We are prepared to miss some upside as we think that the risk is high that the US will fall in 2019

Defensive positioning of FFSAF

- The defensive measures worked well when the prospectus benchmark saw big falls
- In October 2018, MSCI Asia ex Japan fell by 10.8% while FFSAF fell by 8.5%
- At the end of October 2018, FFSAF ranked in the second decile on past-one-month performance and in the first decile on past-three-months performance among 495 Asia funds globally

Defensive positioning of FFSAF

- On December 21st, our research indicated that the US market was set for a fall and highly correlated markets in Asia, Hong Kong, Singapore, Korea and Taiwan could follow
- We recommended to exit one holding in Hong Kong as a result
- In December 2018, MSCI Asia ex Japan fell by 2.7% while FFSAF fell only 0.8%

Defensive positioning of FFSAF

- Our defensive positioning has worked relatively well by losing less when the market has fallen
- The flipside to our defensive positioning is that when the market rebounds, our portfolio is likely to not rebound as strongly
- This was shown in 1Q19, as FFSAF underperformed when the prospectus benchmark MSCI Asia ex Japan rebounded
- In May, MSCI Asia ex Japan fell and FFSAF fell less as a result of our defensive positioning

Defensive positioning of FFSAF

- We executed
  - 1 stop-loss in October 2019; Thai Union Group (TU TB)
  - 1 in December 2019; Bosideng (3998 HK)
  - 1 in January 2020; NagaCorp (3918 HK)
  - 1 in February 2020; CW (030000 KS)
  - 6 in March 2020; BDMS (BDMS TB), LGU+ (032640 KS), SPALI (SPALI TB), UOAD (UOAD MK), Powertech (6239 TT), and HEC (1558 HK)
  - 1 in April 2020; HEC (1558 HK)

Defensive positioning of FFSAF

- As the market rebound began in the end of March, we had low equity exposure due to stopping out of stocks in February and March
- In April, we decided to keep 15% of assets in cash to preserve capital, and kept it at 10% in the June revision, which hurt performance when the market continued to rebound
- Since the latest revision, in September 2020, the fund is again fully invested in equity

Defensive positioning of FFSAF

- In October 2020, we executed two stop-losses; Celltrion (068270 KS) and Samsung Biologics (207940 KS)
- In November 2020, we executed two stop-losses; PGOLD (PGOLD PM) and Seegene (096530 KS)
- Stocks that had performed strongly during the pandemic got slaughtered as vaccine news spread
- Also, being partly in cash from the stop-losses hurt performance as markets rebounded

Defensive positioning of FFSAF

- Since early December 2020, FFSAF is again fully invested in stocks