Monthly Newsletter

January 2025

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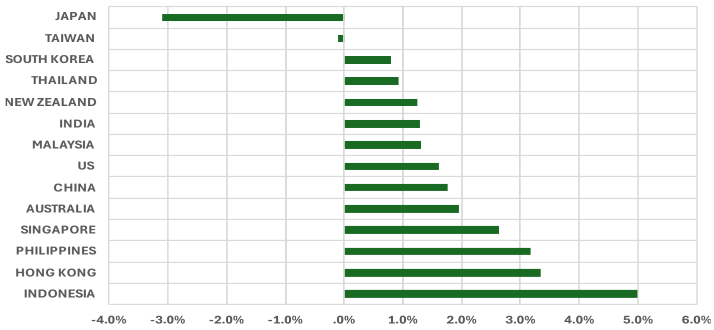
RV Capital Asia Opportunity UCITS Fund

The signs are there – nerve wrangling announcements, high volatility, talks of some uber-levered products falling 50%, chances of a policy mistake amid an escalating trade war. The chances of breakages of markets are high. It happens faster than we know it, and then when there are large breakages, its an 'eyes shut let's buy everything' moment. But will it be so easy this time around? Macro is the best place to be in our view. Central Banks in Asia this time have some dry powder, and are likely to get to work very soon, if they haven't already.

The surge in activity and announcements from the US since January 20th has been so intense that is almost feels like a new month began that day. Currencies have been whippy, but many conclude that most of the policies being announced are seen as bad for long term growth – both in the US, and more critically for us, in Asia. In response, Asian Central Bankers are rightly prioritizing rate cuts.

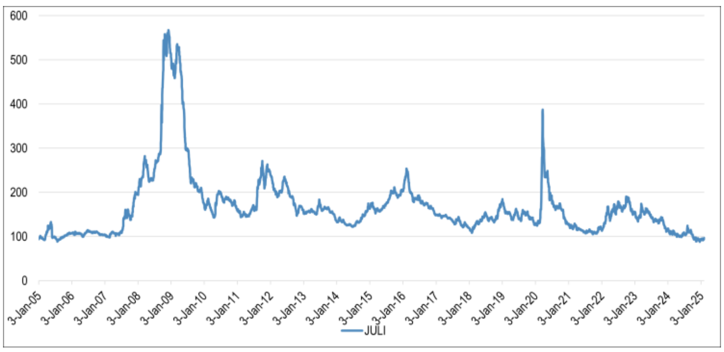
The list of Asian economies in easing cycles is growing. China, Indonesia, South Korea, Singapore, Thailand, Philippines, India and New Zealand have already eased and are poised to do more. We anticipate these will be joined by Australia soon. Unlike in the past, these Central Banks are now ok to, within reason, let the FX slide. At what level FX becomes a pain point or a harbinger of inflationary pressures, we do not know yet. For years Asian Central Banks have been "prudent" and kept real rates high for financial stability reasons. This came at the cost of growth. However, right now growth has become more important. When the market skews too much towards inflation fears, we participate in the bargains that become available. We think the likes of Indonesian Government Bonds are already in that category (see chart).



Real Rates in Asia (Policy Rate – CPI)

Source: Bloomberg, RV Research

Let's step back and look at the current "investing" landscape – younger disciplined kids are doing Systematic Investment Plans (SIPs) in BTC, Taxi drivers are touting the complete "can't get wrong" stock ideas about NVDIA (refer to my **LinkedIn post** from mid January). The swashbuckling investors are buying accumulators on ETHU (which was down 48% over Canada/Mexico tariff weekend) and MSTR (which issued an unbelievable 8% Pref share at 10% yield to perpetuity). For those from the pre-2008 generation we are in the equivalent world of creation of CDO squares with unsold CDOs amidst the din of Prince's (banker Prince not the musician!) famous quote **"As long as the music is playing, you have got to get up and dance".**



JP Morgan US Liquid Index : Source JPM

In our more tepid world, the equivalent froth is in credit markets where spreads are close to all time-tights. Despite the shenanigans about "de-coupling / de-risking" from China, the country still trades at a Credit Default spread level of 55 bps at the time of this writing. As the chart shows, these low points in credit spreads always tend to coincide with bubbles (and therefore bursting). In the 2005-2007 period it lasted for a while: this time it may revert to fair value sooner.

No January newsletter would be complete (even a macro one) without mentioning *DeepSeek*. As the AI world hurtles us toward a new Industrial Revolution, new productivity gains will surely keep inflation under lid, where even the newest shiniest innovation, innovates itself at 1/6th (*contested*) the ("training") cost. Macro investors have been worried about stagflation – a potential likelihood of some of the supply jamming policies, but the likelihood of policy mistakes by US, Europe, China is high and that normally leads to rates going to 0% and not 10%.

-Ronnie Roy

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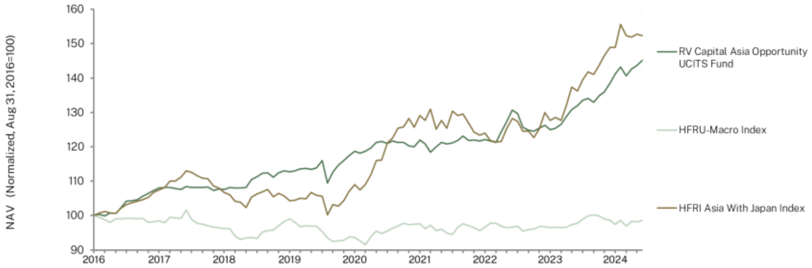
Portfolio Summary

Monthly Return	1.1%
Year-To-Date Return (%)	1.1%
Life-To-Date Return (%)	45.3%
VaR (%-Daily 99% CI)	1.2%

Performance

Fund performance[1,2] vs Benchmarks

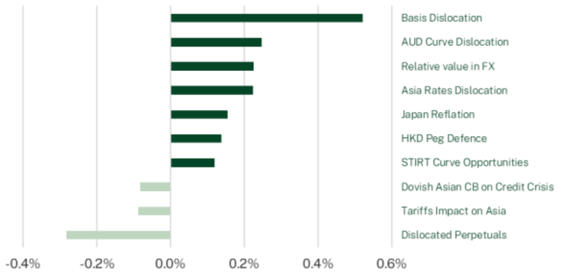


Monthly returns

Past performance may not be indicative of future performance. See disclaimer.

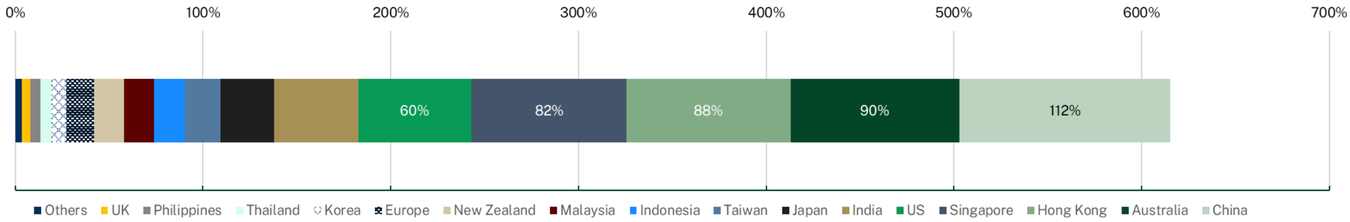
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2016									0.4%	-0.4%	0.7%	-0.1%	0.6%
2017	1.7%	1.8%	0.2%	0.3%	1.0%	0.8%	0.8%	0.6%	0.2%	0.0%	-0.2%	-0.3%	6.9%
2018	1.0%	-0.3%	0.1%	0.0%	0.0%	-0.8%	0.4%	-0.1%	0.4%	-0.1%	-0.1%	0.2%	0.7%
2019	2.1%	0.8%	0.8%	0.2%	-1.2%	1.2%	0.6%	-0.4%	0.3%	0.5%	0.1%	-0.2%	4.9%
2020	0.3%	1.9%	-5.6%	2.8%	1.9%	1.1%	1.3%	1.1%	-0.5%	0.5%	0.9%	1.4%	6.9%
2021	0.2%	-0.4%	0.6%	-0.3%	-0.1%	-0.7%	-0.3%	1.7%	-1.0%	-1.9%	1.3%	1.1%	-0.1%
2022	-0.3%	0.3%	0.6%	1.0%	-0.9%	0.0%	-0.2%	0.3%	-0.3%	-0.4%	2.6%	2.3%	5.0%
2023	2.7%	-0.7%	-3.1%	-0.6%	-0.3%	0.7%	0.7%	-1.0%	0.2%	1.0%	1.7%	1.5%	2.8%
2024	0.8%	1.2%	0.5%	-0.9%	1.4%	0.9%	1.9%	1.9%	1.4%	-1.8%	1.4%	0.7%	9.8%
2025	1.1%												1.1%

Monthly Performance by Theme[2]



RISK - Top VaR Contributors by Asset Class[2,3]

Gross Exposure by Asset Class and Country[4]



Fund Details

Inception	Sep 2016
Sector	Asian Macro
Legal Council	Walkers
Administrator	MUFG Alternative Fund Services
Depository	MUFG Investor Services and Banking
Auditor	Cohen & Co
Bloomberg Ticker	RVUCTUS (USD)
ISIN	IE00BD08N388 (USD)

ABOUT RV CAPITAL MANAGEMENT

RV Capital Management is a Singapore-based hedge fund management company founded in 2011. We focus on long/short investments in the interest rates, foreign exchange and credit markets in Asia. These investments are driven by economic, secular and structural themes. Our culture is rooted in top-down macro research of Asian economies framed within the context of price dislocations resulting from drivers outside Asia. We emphasize strong risk discipline and seek to employ liquid instruments while being mindful of market technicals.

1. Source for benchmark indices: Bloomberg
2. Actual net returns of Inst-USD Shares. Other available share classes are detailed in the Fund Prospectus
3. Approximate return and VaR contributions as on 31 Jan 2025
4. These are first order exposures on a duration adjusted basis using 10yr equivalents for Rates, 5yr equivalents for Credit and delta equivalents for FX. The sum of unadjusted gross notionals of all positions will be significantly higher for this portfolio.

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Any information regarding projected or estimated values, investment returns or distributions are estimates only and should not be considered indicative of the actual results that may be realized or predictive of the performance of a fund or any investment. There are numerous other factors related to the markets in general or to the implementation of any specific trading program which cannot be fully accounted for in the preparation of sample performance results and all of which can, adversely affect actual trading results. In considering the suitability of the Fund to investment objectives, investors must consider amongst other factors, any existing exposure to private equity and investments of illiquid nature, existing risk profile, investment mandate, liquidity considerations and previous investment experience. Opinions expressed are current as of the date appearing in this material only. Nothing in this document constitutes accounting, financial, investment, legal, regulatory, tax or other advice. While the information provided in this document is believed to be reliable, the Fund makes no representation or warranty whether express or implied, and accepts no responsibility for its completeness or accuracy or reliability and expressly disclaims any liability, including incidental or consequential damages arising from errors in this publication. This document and the information contained herein is strictly confidential and no part of this material may be copied, photocopied or duplicated in any form, by any means, or redistributed, in whole or in part, without the prior written consent of the Investment Manager. All financial information contained herein is approximate, unaudited and subject to change. An investment in the Fund is speculative and involves a high degree of risk, including a significant risk of loss relating to trading futures products. The value of investments held by the Fund may also fluctuate and investors may not get back their principal amount invested. An investment in the Fund is not an investment in the Fund’s underlying assets. The Fund has been notified as a restricted foreign scheme under the Securities and Futures Act (Cap. 289) of Singapore (the "SFA") and will be invoking the exemptions from compliance with prospectus requirements pursuant to the exemptions under Section 304 and Section 305 of the SFA. The Fund is not and will not be authorized or recognized by the Monetary Authority of Singapore and interests in the Fund are not allowed to be offered to the retail public in Singapore. This document is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectus would not apply. The Fund may only be promoted exclusively to persons who are sufficiently experienced and sophisticated to understand the risks involved in investing in such schemes, and who satisfy certain other criteria provided under Section 304 and Section 305 of the SFA and the subsidiary legislation enacted thereunder. The Fund is not intended to be made available to the retail public in Singapore.

The charges investors in the Fund pay are used to pay costs of running the Fund, including Investment Manager fees, administrator fees, director fees, depositary fees, audit fees and the costs of marketing and distributing the Fund. These charges reduce the potential growth of an investment in the Fund. The Fund’s annual report for the financial year will include details on the exact charges made. Ongoing charges do not include Fund transaction costs and may vary from year to year.

Further information regarding the Fund, including the Prospectus, financial statements, Articles of Incorporation, and any marketing materials can be obtained free of charge in English from the Investment Manager. A summary of shareholders’ rights can be found in the Prospectus. The most recent share price of the Fund can be obtained free of charge at http://www.rvcapital.com/ucits.

The Fund’s representative in Switzerland is Carne Global Fund Managers (Switzerland) Ltd, Beethovenstrasse 48, 8002 Zurich, , Switzerland and its paying agent in Switzerland is Banca Credinvest SA, Zweigniederlassung Zürich, Stockerstrasse 41, 8002 Zurich, Switzerland. The Fund’s Prospectus, financial statements, Articles of Incorporation, and marketing materials may be obtained free of charge from the Swiss representative. In respect of the Shares distributed in and from Switzerland, the place of performance and jurisdiction is at the registered office of the representative in Switzerland.