



Morgan Stanley

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# MS Ascend UCITS Fund

July 2017

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# Executive Summary

## MS Ascend UCITS Fund

- **Investment Objective:** Provides investors an opportunity to access Ascend Capital, LLC's opportunistic US- focused Long/ Short equity investment strategy
- **Delivery Format:** UCITS-compliant, Irish-domiciled OEIC Fund with weekly liquidity

## Ascend Capital, LLC – “Ascend” (Investment Manager)

- **Founder:** Founded by Malcolm Fairbairn in 1999, who has 23 years experience as a Long/Short portfolio manager
- **Strategy and Investment style:** Ascend Capital, LLC's opportunistic US-focused Long/Short equity strategy seeks to
  - Maximize gain and minimize volatility over a long time horizon
  - Perform well in both rising and falling markets
  - Generate alpha on both longs and shorts
- **Assets under Management of Ascend:** \$2.3bn as of 31-July-17, including assets of all funds and managed accounts

## Morgan Stanley

- **Structure and Purpose:** FundLogic Alternatives plc, set up by Morgan Stanley, enables investors to access investment strategies offered by Alternative Managers in a UCITS-compliant format
- **Morgan Stanley's Role**
  - Promoter of the OEIC
  - Risk Manager to the OEIC
  - Distributor to the OEIC

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## Ascend

- The Ascend Advantage
- Investment Process
- Sector Exposure
- Risk Management
- Performance and Risk Characteristics
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# The Ascend Advantage

## “We Say What We Mean and We Do What We Say” – Ascend Has Been Translating Their Philosophy Into Results for over 17 Years

### Proven Expertise

- The Chief Investment Officer has made money in 20 of his 23 years <sup>(1)</sup> as a Long/ Short manager, over a period that includes numerous market cycles and crises
- The skills that contributed to our track record still remain at the firm

### Conservative Philosophy

- Ascend’s philosophy is grounded in promoting their clients’ prosperity while protecting their peace of mind
- Their objective is to provide competitive and consistent returns with minimal volatility
- Ascend believes that steady compounding without large drawdowns is the best way to create and protect wealth

### Rigorous & Scalable Process

- Ascend averages over 3,100 high-value contacts per year with management, competitors, customers, experts, vendors
- Ascend has 1 Chief Investment Officer, 6 Portfolio Managers and 1 Sector Manager with great industry knowledge to provide diversification. Ascend employs a wide variety of proprietary technology to cut through the noise of voluminous data and distil vital information – cutting response time and increasing accuracy

### Low Market Correlation & Steady Returns

- Since 2000, Ascend has been translating their philosophy into double-digit average annual returns with less than 50% of the volatility of the S&P 500. Ascend has delivered consistent performance in up and down markets
- Demonstrated outperformance in down markets

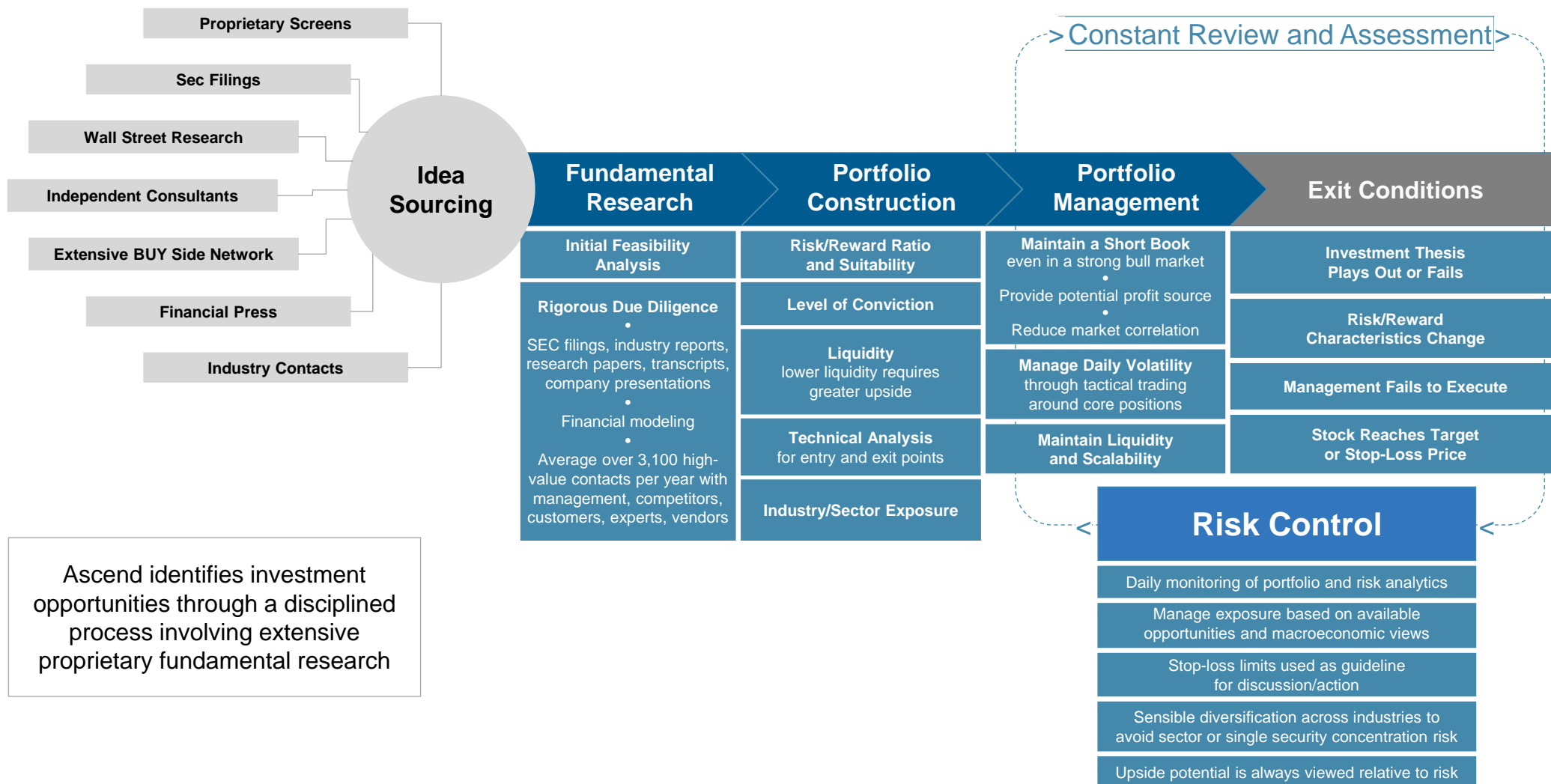
### People

- There are 22 investment professionals (35 employees in total)
- Significant individual accountability at all levels of the firm with employee participation at 14% of AUM
- Every employee is responsible for helping to generate alpha

See Notes to Performance for important information regarding performance data.

1. Includes the period 1994 to 1999 prior to the founding of Ascend; strategies employed were different from those employed by Ascend.

# Investment Process





# Investment Process - Primary Research

We Identify Investment Opportunities Through a Disciplined Process Involving Extensive Proprietary Fundamental Research

- **Primary Research Creates Alpha Opportunities**

We average over 3,100 high-value contacts per year with companies, industry experts, customers, vendors, etc. We also talk extensively to the sell-side to understand how our view differs from market consensus

- **Extensive Fundamental Analysis**

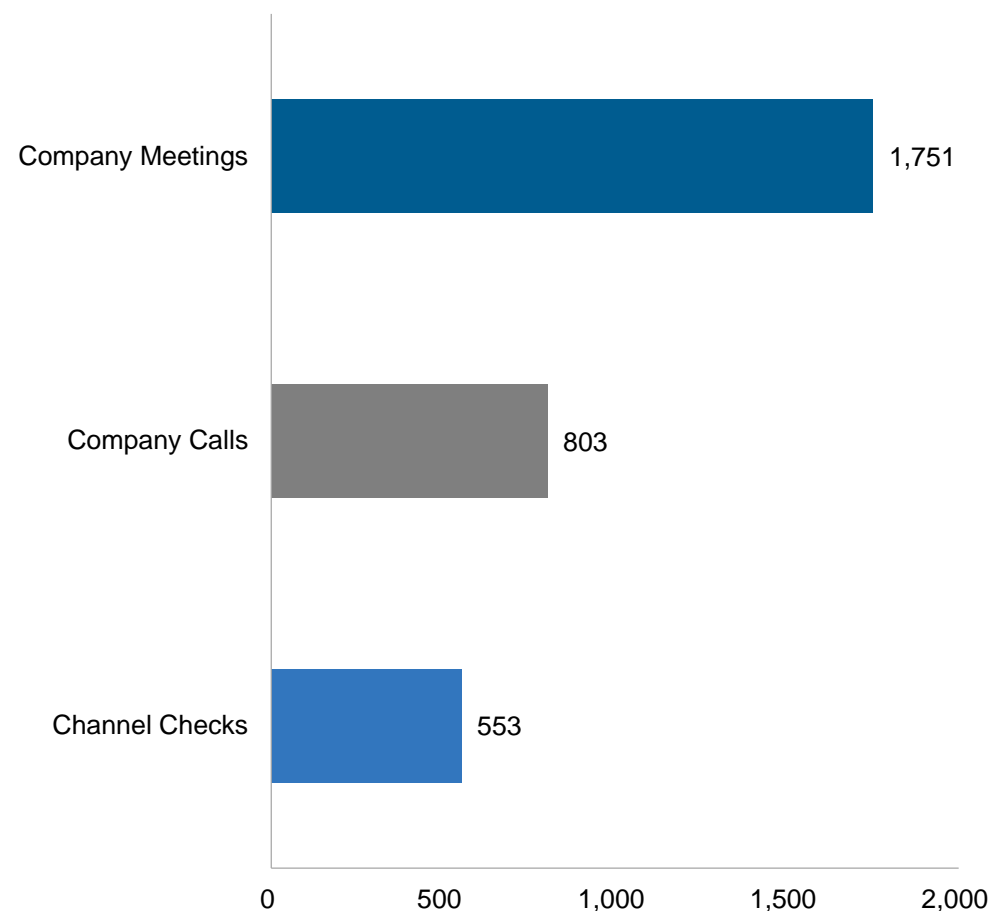
We carry out in-depth analysis to anticipate changes in the economic environment that will help or hinder particular sectors and industries

- **Robust and Scalable Investment Process**

Rigorous bottom-up process in conjunction with proprietary screens allows us to seek the best risk/reward ideas

## High-Value Contacts per Year

2009–2016 Average

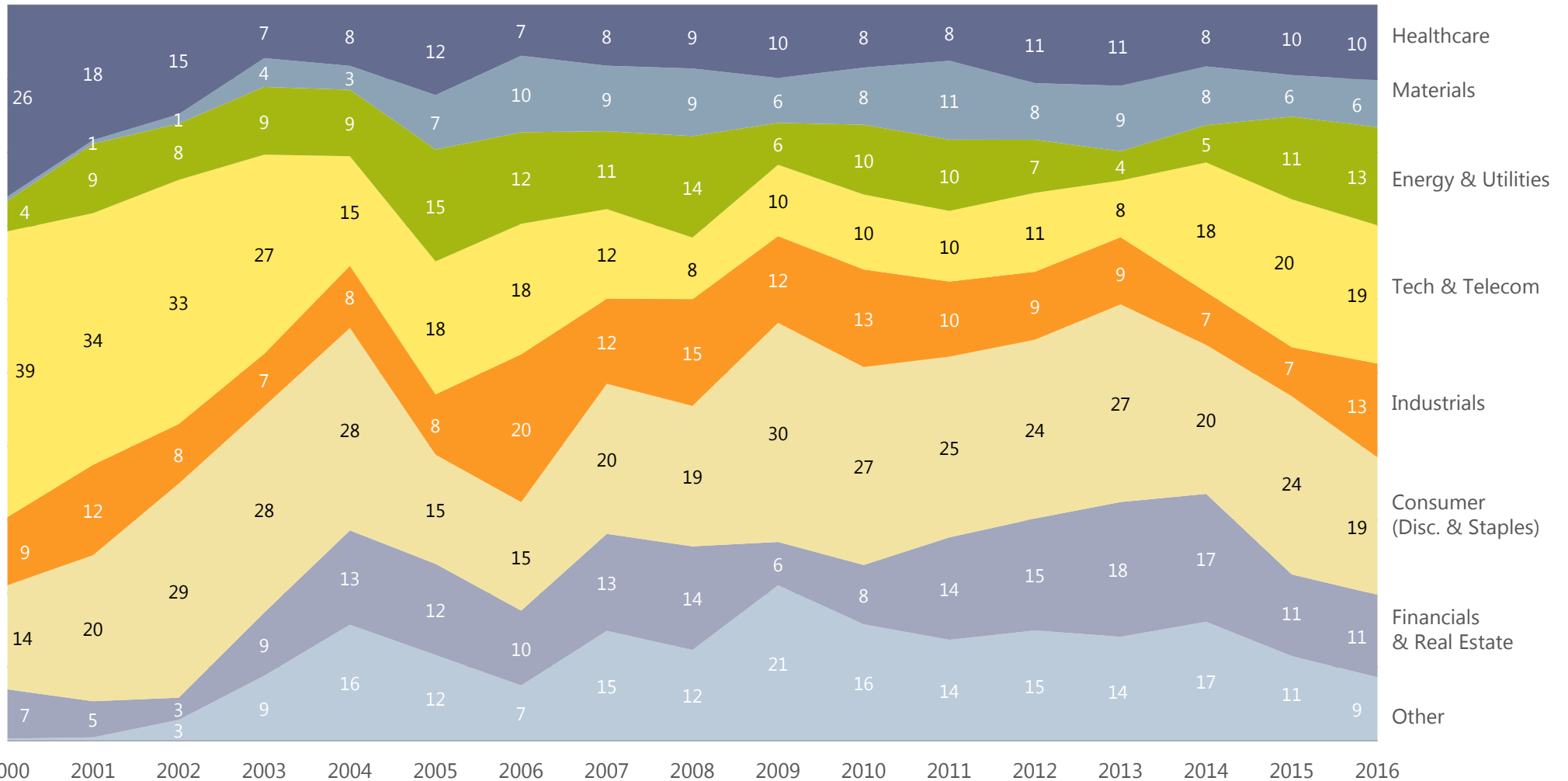


# Investment Process – Investment Selection

	Longs	Short
Fundamentals	<ul style="list-style-type: none"> <li>• Stable and growing cash flows and/or high ROIC</li> <li>• Improvements in revenue and earnings growth</li> <li>• Competitive advantage (dominant industry position)</li> <li>• Clean balance sheet</li> <li>• High barriers to entry in the industry</li> <li>• Innovative or revolutionary new products</li> <li>• Potential strategic acquisition or buyout targets</li> </ul>	<ul style="list-style-type: none"> <li>• Deteriorating financial characteristics (especially cash flow and ROIC)</li> <li>• Decelerating earnings or earnings miss candidates</li> <li>• Rising competition, lagging market share, regulatory overhang</li> <li>• Weak or unsustainable capital structure; bankruptcy candidates</li> <li>• Flawed business model</li> <li>• Product cycle dislocations</li> <li>• Non-strategic acquisitions; integration issues</li> <li>• Balance sheet irregularities or aggressive accounting</li> </ul>
Management	<ul style="list-style-type: none"> <li>• Strong, proven management focused on shareholder value</li> <li>• Sound corporate governance</li> <li>• Conservative accounting, clean footnotes</li> <li>• Deep insider stock ownership</li> <li>• Meaningful insider buying</li> <li>• Significant or accelerated share buyback programs</li> <li>• Potential targets of activist shareholders</li> </ul>	<ul style="list-style-type: none"> <li>• Weak, inexperienced, or hype-prone management</li> <li>• Poor corporate governance</li> <li>• Poor quality of earnings; aggressive or fraudulent accounting</li> <li>• Lack of insider ownership</li> <li>• Unusual insider selling activity</li> <li>• Dilution caused by additional financing or expiration of share lock-up periods</li> <li>• Misrepresentations and/or unrealistic projections by management</li> </ul>
Valuation	<ul style="list-style-type: none"> <li>• Undervalued companies resulting from out-of-favor industries, spin-offs, reorganizations, demutualizations, bankruptcy, and other near-term dislocations</li> <li>• Historically low valuations based on sales, earnings, and cash flows</li> <li>• Undiscovered value due to lack of coverage by Wall street analysts or hidden assets on the balance sheet</li> </ul>	<ul style="list-style-type: none"> <li>• Excessive valuation relative to earnings and earnings growth potential</li> <li>• Historically high valuations (not enough by itself)</li> <li>• Wide dispersion in analyst estimates</li> </ul>

# Sector Exposure of the Ascend Strategy 2<sup>(1)</sup>

Average % of Gross Exposure – The Portfolio Is Diversified Across Multiple Sectors



1. Sectors are based on S&P GIC classification

# Ascend's Approach to Risk Management

Ascend's Opportunistic US-Focused Long/ Short Equity Strategy Seeks to: Maximize Gain and Minimize Volatility Over a Long Time Horizon, While Performing Well in Both Rising and Falling Markets Through the Generation of Alpha on Both Longs and Shorts

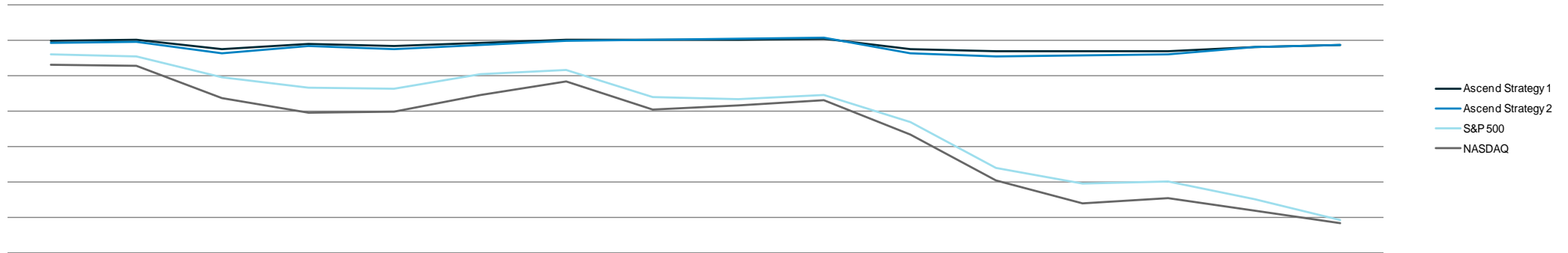
<b>Risk Measurement:</b>	<ul style="list-style-type: none"> <li>• <b>Independent Risk Measurement:</b> Risk measurement and stress tests provided by independent third-party             <ul style="list-style-type: none"> <li>– 1-day and 5-day VaR at 95% and 99% confidence levels</li> </ul> </li> <li>• VaR is calculated using the last 100 days of price returns</li> </ul>
<b>Loss Flagging:</b>	<ul style="list-style-type: none"> <li>• <b>Loss Flagging:</b> Formal stop loss limits are not used. Significant losses are automatically flagged for discussion and review to ensure that they are making an optimal decision given the incomplete information they have</li> </ul>
<b>Highly Liquid Portfolio:</b>	<ul style="list-style-type: none"> <li>• <b>Liquidity:</b> Under normal market conditions, 80% of the portfolio can be liquidated in three days at 25% of volume</li> </ul>
<b>Portfolio Construction:</b>	<ul style="list-style-type: none"> <li>• <b>Securities Selection:</b> Very limited use of derivatives or other types of exotic instruments. They avoid selling volatility with unlimited loss potential</li> <li>• <b>Diversification:</b> 7 sector specialists provide diversification capability to limit single stock or sector concentration risk in order to achieve an alpha stream with minimal market correlation</li> <li>• <b>Domestic Focus:</b> Portfolio is overwhelmingly US-focused, limiting geopolitical risks</li> </ul>
<b>Technology:</b>	<ul style="list-style-type: none"> <li>• <b>Automated checks and balances:</b> serve to facilitate communication in a fast-paced environment to allow for timely response to early warning signals</li> <li>• <b>Analytics System:</b> In addition to tracking risk metrics like exposure and VaR, their analytics system ensures that the CIO and the investment team are aware of key developments in portfolio companies such as:             <ul style="list-style-type: none"> <li>– Estimate changes, credit rating changes, CDS and debt spread changes, Significant volume increases, Upcoming events (earnings reports, investment conference presentations, etc.) and changes in short rebate rates. We also track currencies, commodity prices, interest rates, and other factors that may impact our portfolio</li> </ul> </li> </ul>

See Notes to Performance on page 23 for important information regarding performance data

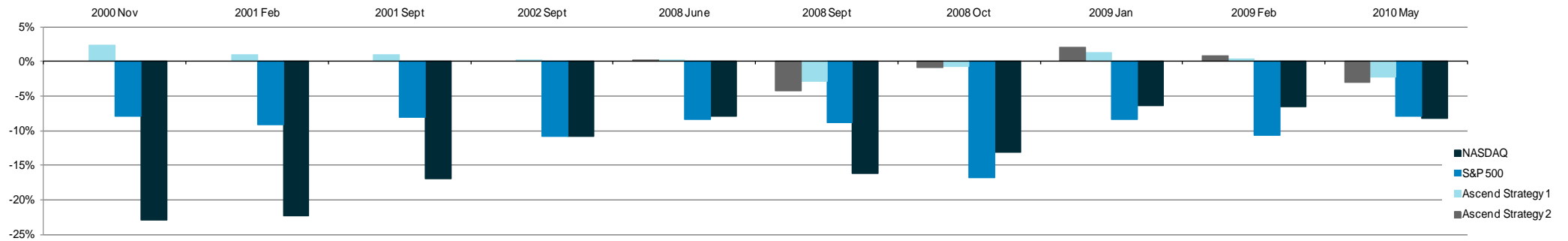
# Ascend's Approach to Risk Management

## Worst S&P 500 Drawdown

Nov-07 – May-10



## Worst Months for S&P 500

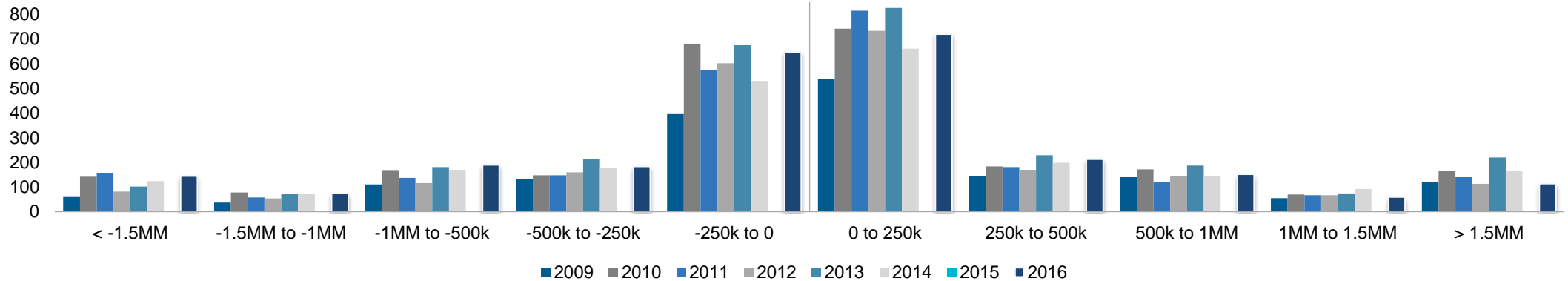


See Notes to Performance on page 35 for important information regarding performance data.

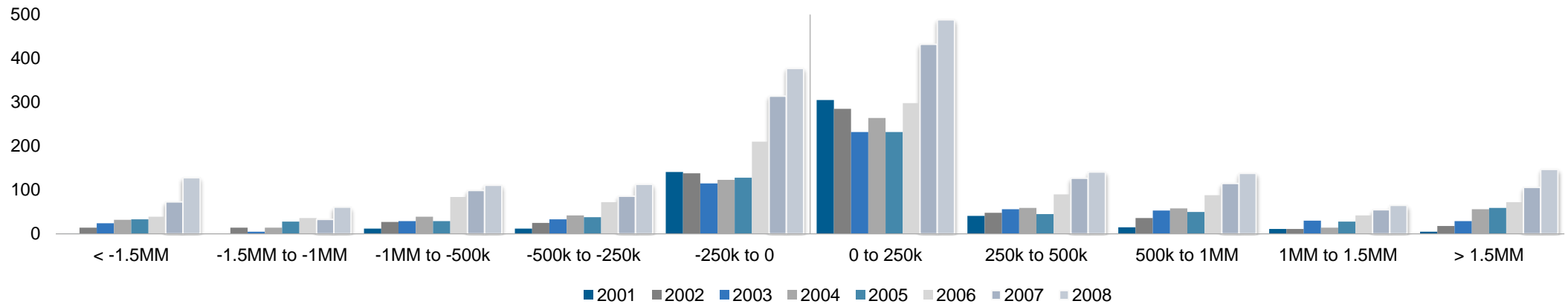
# Profit and Loss Distribution of Ascend

Ascend's Focus Is on the High-probability Singles and Doubles, Not Home Runs

## Positions



## Positions

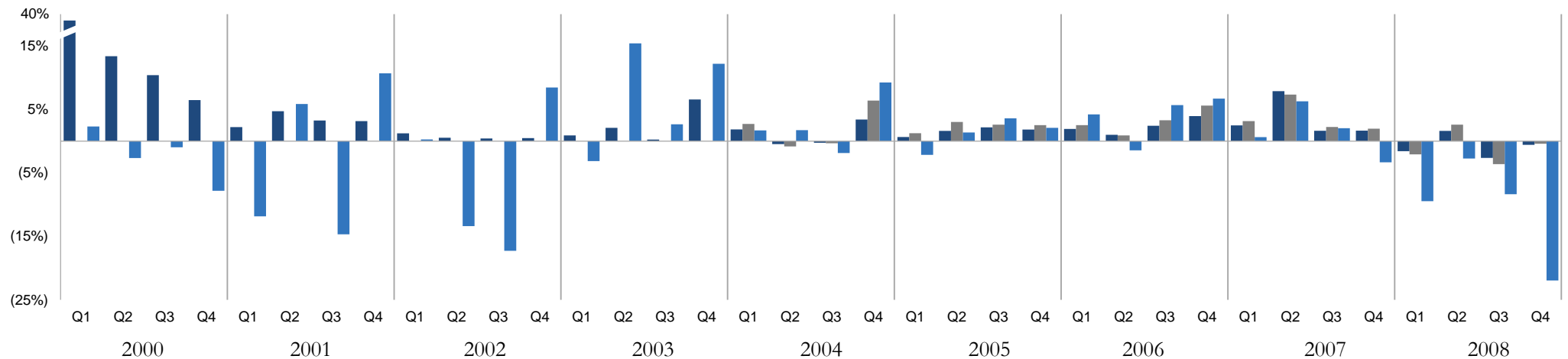
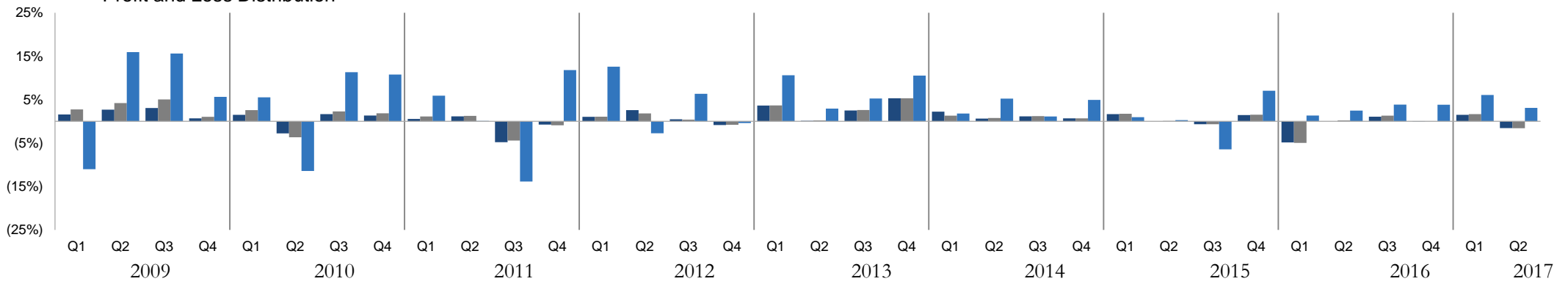


Note: P&L amounts are totals for Ascend Strategies 1 & 2 combined.  
See Notes to Performance on page 35 for important information regarding performance data.

# Quarterly Returns of the Ascend Strategy 2

- Positive returns in ~80% of months since inception <sup>(1)</sup>
- Positive returns for Ascend in 58 out of 70 quarters in over 17 years
- Ascend believes that their returns in stressful periods were due to skill, not just a few good trades as seen in the Profit and Loss Distribution

■ Ascend Strategy 1  
■ Ascend Strategy 2  
■ S&P 500



See Notes to Performance for important information regarding performance data

1. Performance of the Ascend Strategy 1 since 01-Jan-00 (inception). Ascend Strategy 1, est. 1/1/2000 and Ascend Strategy 2, est. 2/1/2004. Jan 2004 return is pro forma based on Ascend Strategy 1 return. Until 4/1/11, Ascend Strategy 2 operated pari passu with Ascend Strategy 1 but with approximately 50% greater gross exposure and net exposure. As of 4/1/11, both funds operate pari passu with approximately the same gross and net exposure as Ascend Strategy 2.

# Historical Performance Analysis of the Ascend Strategy 2

Over Ascend's History, Most of Their Returns Have Come from Stock Selection, Not From Market and Sector Timing

Year	Decomposition of Return on Capital (%)						Net Return %	
	Total	Market	Sector	Stock Selection	Stock Selection on Longs	Stock Selection on Shorts	Ascend Strategy 2	S&P 500
H1 2017	0.10	0.29	0.13	-0.32	-2.10	1.65	0.06	9.34
2016	-5.20	0.01	-1.17	-4.04	-9.69	2.20	-3.51	11.96
2015	2.20	0.15	0.57	1.48	-0.81	4.14	2.66	1.38
2014	4.41	0.43	0.94	3.04	0.85	5.74	5.01	13.69
2013	8.40	-0.39	5.28	3.51	5.86	0.55	12.24	32.41
2012	3.98	-0.08	4.57	-0.51	-5.51	5.15	2.48	15.98
2011	-3.75	-0.44	-2.65	-0.66	-8.5	10.88	-3.02	2.10
2010	3.99	0.26	1.40	2.33	3.96	0.16	2.91	15.06
2009	17.15	0.93	5.83	10.84	8.66	16.24	13.61	26.45
2008	-4.60	-2.20	-2.00	-0.40	-11.50	14.70	-3.58	-37.00
2007	9.10	0.60	1.90	6.60	5.00	11.00	15.36	5.50
2006	9.16	2.56	-0.46	7.06	1.51	16.48	13.21	15.81
2005	9.43	0.25	3.12	6.05	2.06	12.87	9.97	4.89
2004	8.66	-0.53	4.73	4.47	3.80	5.67	8.27	10.88

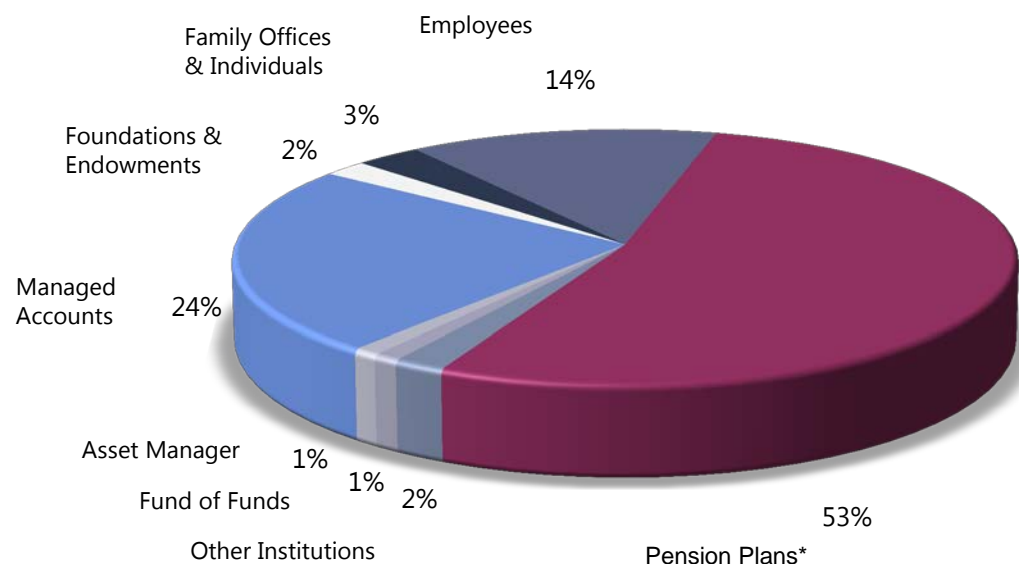
The market returns, sector returns and stock selection returns set forth in this document are based on the stock positions held by the Funds during the periods shown. Options and convertible securities are excluded from the return calculations. Returns were calculated by performing a regression analysis between each stock's historical performance and market (S&P 500) and sector (S&P Sector ETF) performance. The portion of each stock's return that is not "attributed" to market or sector factors, is assumed to be "attributed" to stock-specific return (i.e., "alpha"). Total return on capital is the total profit and loss divided by the average capital deployed over the course of the applicable year. Unless specifically indicated, all returns are shown on a gross basis (i.e., not giving effect to expenses).

See Notes to Performance for important information regarding performance data.



# Institutional Quality Infrastructure of Ascend

## Client/Investor Profile Based on Assets



\* Includes managed accounts comprised solely of pension assets

### Over 50 Institutional Clients/Investors

- Major corporate and public pension plans
- Leading funds of funds
- Prominent family offices

### Expertise and Commitment

- Registered Investment Adviser with the SEC
- Qualified Professional Asset Manager with a specialized fund for ERISA assets
- Principal and employees have major participation in fund performance

### Transparency and Detailed Investor Reports

- Weekly performance estimates
- Risk/return analytics
- Monthly portfolio transparency reports
- Quarterly letter
- Employ third-party risk management platforms

### Independent Service Providers

- Independent third party financial institutions custody all assets
- Independent third party fund administration provided for all funds
- Unaffiliated brokers execute all investment transactions
- Multiple unaffiliated financial institutions serve as prime broker/custodian for our funds

### Managed Accounts (Minimum \$100 MM)

- Customize strategies to achieve client objectives
- Many clients employ different levels of risk

### Extensive and Innovative Use of Technology

- Utilize technology to improve accuracy and efficiency in every aspect of our business

# The Ascend Team

**Malcolm Fairbairn**  
Chief Investment Officer

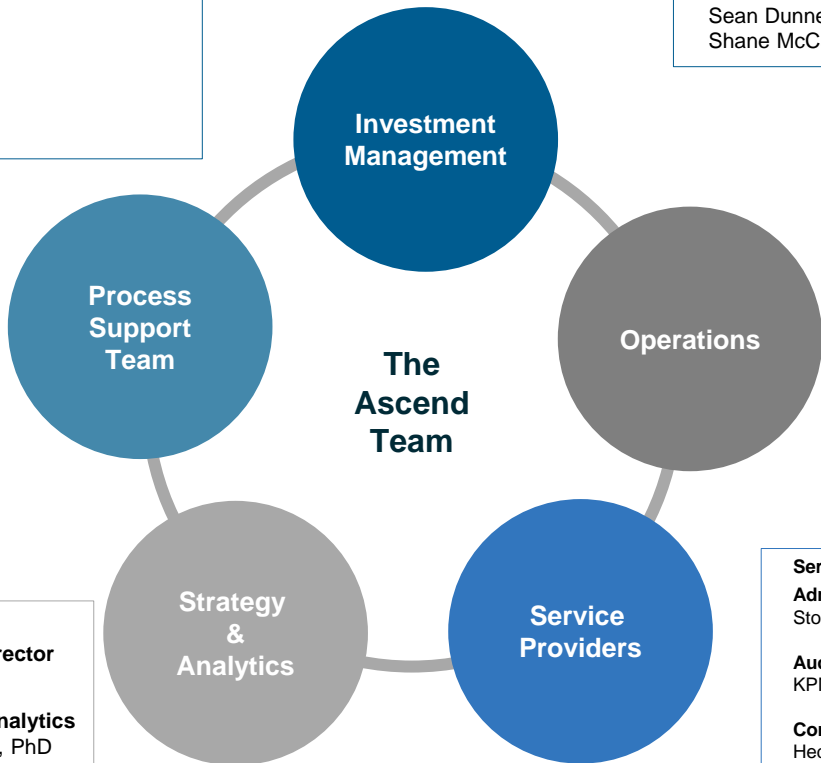
<b>Portfolio Managers</b> Carlo Casulo, MD J. Cogan, CFA Peter Friedland, CFA Scott Kintz, CFA Michael Napolitana Dirk Renick, PhD	<b>Sector Manager</b> Kimberly Nielsen  <b>Analysts</b> Adrian Barnes Paul Jones Louis Krasenics Nicholas Nguyen Tomas Pieter Brian Shen	<b>Associates</b> Rebecca Pinckney Collin Siok
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<b>Head Trader</b> David Newhall  <b>Traders</b> John Bullis Sean Dunne Shane McCarty	<b>Research Assistants</b> Rachael Pullen Jessica Rubbiccio Gina Yacoub Kimberly Yee
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**15 offsite research consultants with MBAs**

- Build and maintain models, screens, and reports
- Perform labor-intensive data collection and analysis
- Improve efficiency of information gathering process
- Provide overnight turnaround

<b>Chief Operating Officer &amp; Chief Financial Officer</b> Ben Slavet  <b>Director of Operations &amp; Chief Compliance Officer</b> Ramona Shenoy  <b>Controller</b> Yedda Ho	<b>Assistant Controller</b> Yoon Chang  <b>Operations Associates</b> Darby De Venuta Jeffrey Pasquini  <b>Executive Assistant / Office Manager</b> Melissa Abreu
<ul style="list-style-type: none"> <li>• Fund Administration</li> <li>• Finance</li> <li>• Legal</li> <li>• Investor Relations</li> <li>• Compliance</li> <li>• Human Resources</li> <li>• Operations</li> </ul>	



Involvement in every major decision regarding the firm

<ul style="list-style-type: none"> <li>• Strategy</li> <li>• Analytics Development</li> <li>• Performance Analysis</li> <li>• Compensation</li> <li>• Recruiting</li> <li>• Marketing Materials</li> </ul>	<ul style="list-style-type: none"> <li>• Risk Monitoring</li> <li>• Backtesting</li> <li>• Alpha Factor Development</li> <li>• Offshore Team</li> <li>• Training</li> </ul>
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**Managing Director**  
 Emily Wang  
  
**Director of Analytics**  
 Rahul Gandhi, PhD  
  
**Quantitative Analyst**  
 Xavier Ragot  
  
**Associate**  
 Orlin Zhekov

<b>Service Providers</b>  <b>Administrator</b> Stone Coast Fund Services  <b>Auditor</b> KPMG LLP  <b>Compliance Consultant</b> HedgeOp Compliance, LLC (dba Cordium)  <b>Custodian</b> State Street Bank and Trust Company  <b>Fiduciary Services</b> Institutional Shareholder Services Inc.	<b>Human Resources</b> TKlein Associates, Inc.  <b>Legal</b> Borden Ladner Gervais Clifford Chance LLP Dillon Eustace Finn Dixon & Herling LLP Groom Law Group, Chartered Milbank, Tweed, Hadley & McCloy LLP Ogier Shartsis Friese  <b>Prime Brokers/Custodian</b> Bank of America Merrill Lynch Barclays Deutsche Bank Morgan Stanley
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1. Executive Summary

2. Ascend Capital, LLC

**3. MS Ascend UCITS Fund**

4. Appendix

# FundLogic Alternatives plc and Morgan Stanley

## Role of FundLogic Alternatives plc

- Robust regulatory framework of UCITS, both from an infrastructure and investment perspective
- Access to investment strategies offered by Alternative Managers in a UCITS-compliant format
- Robust operating framework supported by well-established fund service providers
- Morgan Stanley oversight through roles of Promoter and Risk Manager to the UCITS OEIC

## Role of Morgan Stanley

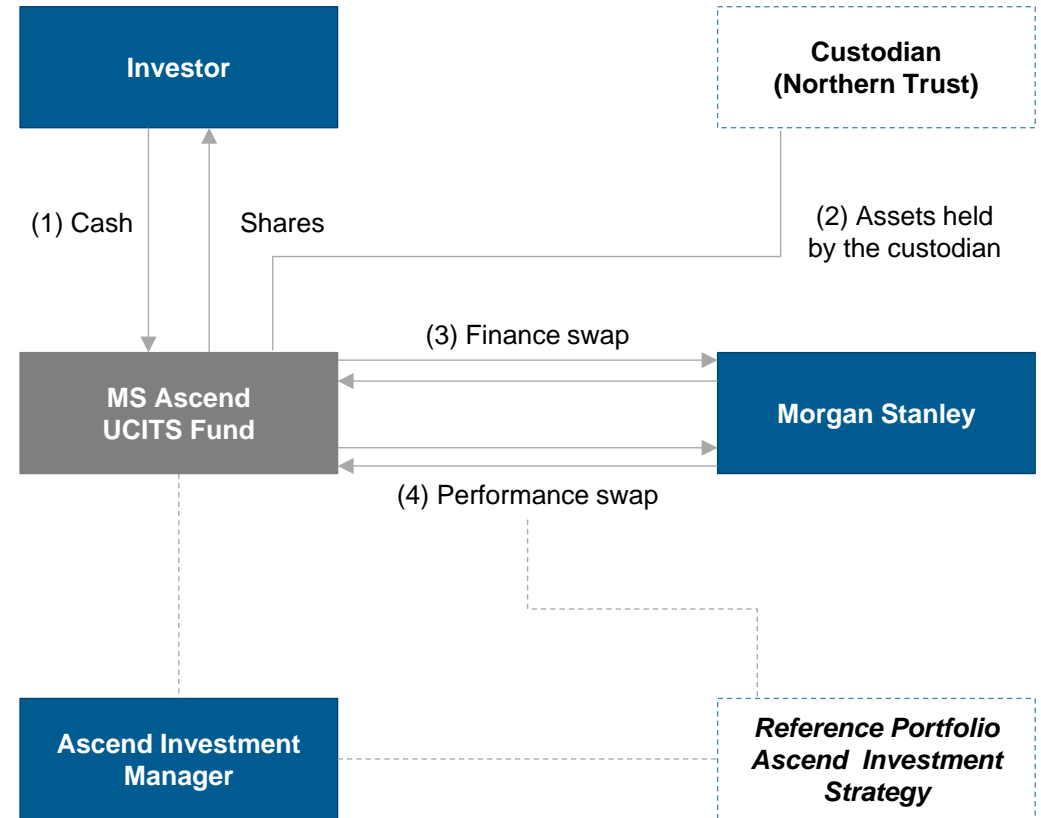
- **Promoter to the OEIC**
  - Liaising with the Irish regulator (Central Bank of Ireland) on behalf of the OEIC in relation to the ongoing authorisation of the OEIC and its Sub-Funds, including compliance reporting
  - Liaising with the OEIC's service providers on behalf of the OEIC
  - Marketing and sales of the OEIC on a cross-border basis
- **Risk Manager to the OEIC**
  - Daily post-trade monitoring of the Sub Fund portfolio to detect any breaches of UCITS regulations
  - Periodic trade monitoring/reconciliation to detect discrepancies with administrator NAV data
  - Periodic review of Ascend Capital, LLC, the investment strategy, and the portfolio performance with a view to keeping the board of the OEIC informed

# MS Ascend UCITS Fund Structure

## How Does the Fund Deliver Its Objective Through Total Return Swaps?

1. **Investor** buys shares in UCITS Sub-fund for cash
2. **Sub-fund** buys a basket of UCITS eligible securities, held by the **Sub-fund's Custodian**
3. **Sub-fund** swaps out the performance of those assets in exchange for a Fed Sub-funds Flow (Financing swap) with **Morgan Stanley**
4. **Sub-fund** enters into a swap (Performance swap) with **Morgan Stanley** under which the **Sub-fund** pays Fed Sub-funds and receives the performance of the Reference Portfolio. The Reference Portfolio is the **Ascend Investment Strategy** which is managed by **Ascend Capital, LLC**

- Sub-fund only exposed to Ascend Investment Strategy via Performance swap
- Sub-fund's counterparty exposure to Morgan Stanley is max 5% of NAV, monitored daily
- Sub-fund produces daily NAV, with weekly liquidity



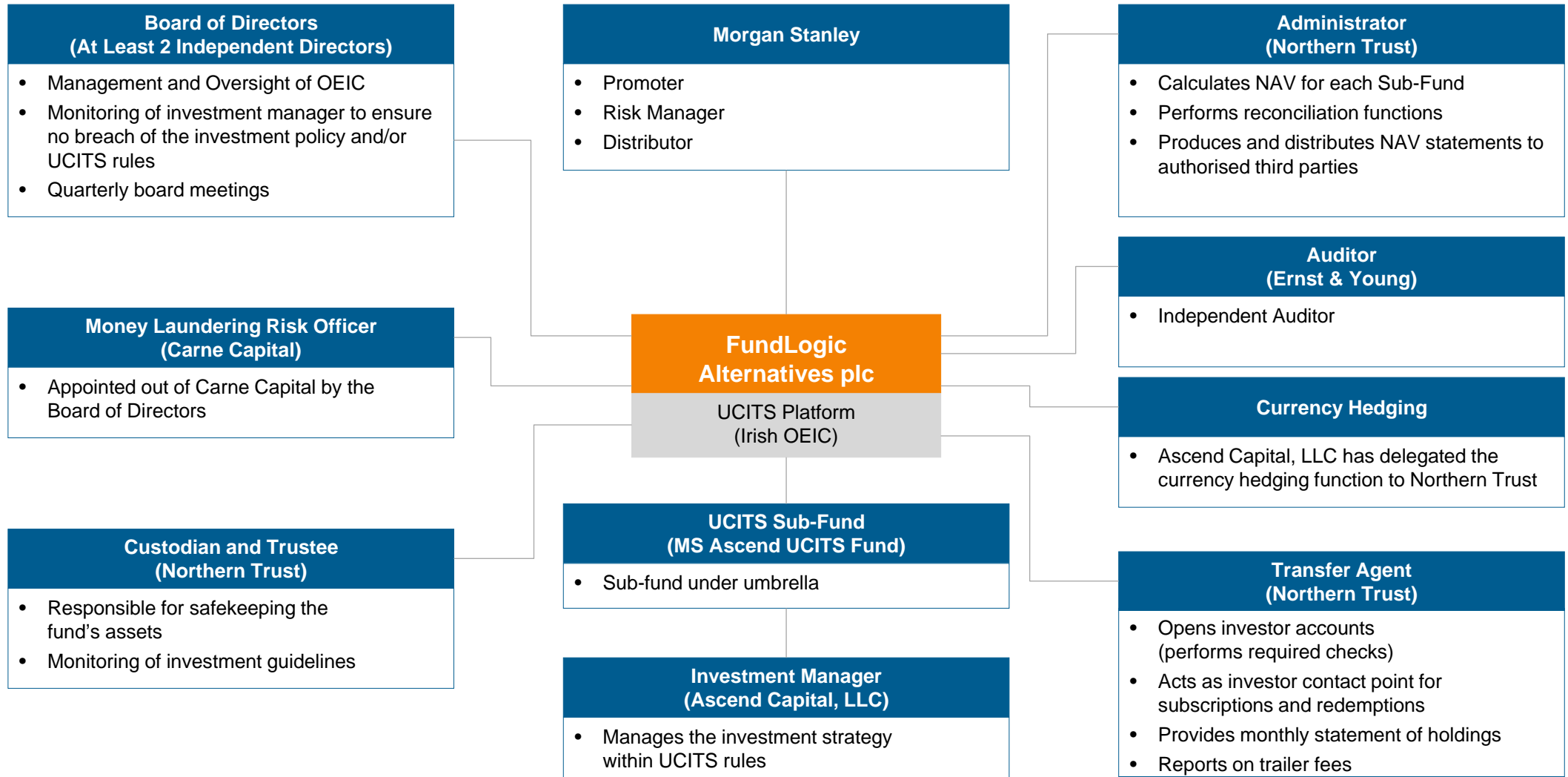
# Comparison of Ascend Strategy 2 and MS Ascend UCITS Fund

	Ascend Strategy 2	MS Ascend UCITS Fund
Maximum Position Size	<ul style="list-style-type: none"> <li>• Generally positions do not exceed 5% of capital</li> </ul>	<ul style="list-style-type: none"> <li>• Generally positions do not exceed 5% of capital</li> <li>• UCITS limits in place                             <ul style="list-style-type: none"> <li>– Positions will not exceed 10% of capital</li> <li>– When added together, all positions over 5% may not constitute more than 40% of portfolio</li> </ul> </li> </ul>
Leverage	<ul style="list-style-type: none"> <li>• Gross exposure: 100% to 225%</li> <li>• Net exposure: -30% to 60%</li> </ul>	<ul style="list-style-type: none"> <li>• 50% more gross exposure than the Ascend Strategy 2, while net exposure remains the same                             <ul style="list-style-type: none"> <li>– Gross exposure: 150% to 300%</li> <li>– Net exposure: -30% to 60%</li> </ul> </li> <li>• Sophisticated approach is used                             <ul style="list-style-type: none"> <li>– Relative VaR cannot exceed 2x the benchmark (S&amp;P 500)</li> </ul> </li> </ul>
Cash Management	<ul style="list-style-type: none"> <li>• Short duration fixed income securities are used as a cash management strategy</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>
Risk Tolerance	<ul style="list-style-type: none"> <li>• Formal stop loss limits are not used</li> <li>• Significant losses are automatically flagged for discussion</li> <li>• There is volatility target of 4.50% to 7.50%</li> </ul>	

# Fund Details

<b>Sub-Fund</b>	MS Ascend UCITS Fund						
<b>Investment Manager</b>	Ascend Capital, LLC						
<b>Investment Strategy</b>	Long/Short Equity Strategy						
<b>Legal Structure</b>	UCITS Irish OEIC						
<b>Domicile</b>	Ireland						
<b>Passporting</b>	Passported in the U.K., Spain, Italy, Germany, France, Switzerland, Finland and Sweden.						
<b>Dealing Day</b>	Weekly – Friday						
<b>Dealing Deadline</b>	12 midday Irish time 3 Business Days prior to the relevant Dealing Day						
<b>Launch Date</b>	13-May-11						
<b>Currency Denomination</b>	Base Currency of Fund: USD Hedged Share Classes: Euros, Sterling						
<b>Share Classes</b>	Accumulation						
<b>Issue Price</b>	\$1000, €1000, £1000						
<b>Fees</b>	<b>Management Fees</b>	<b>Performance Fees</b>	<b>Total Expense Ratio (TER)</b>	<b>Minimum Initial Subscription</b>	<b>Initial charge</b>	<b>ISINs</b>	<b>BBG Tickers</b>
<b>Class I</b>	1.5% p.a.	20%	1.90% per annum	€1,000,000 \$1,000,000 £1,000,000	0%	IE00B53HHV28 IE00B4XD6J42 IE00B5NGDV16	FLMSAIE ID FLMSAIU ID FLMSAIG ID
<b>Class P</b>	1.5% p.a.	20%	1.90% per annum	€250,000 \$250,000 £250,000	Up to 3%	IE00B4QLVM32 IE00B53STN13 IE00B56ZTL70	FLMSAPE ID FLMSAPU ID FLMSAPG ID
<b>Class A</b>	2.5% p.a.	20%	2.90% per annum	€10,000 \$10,000 £10,000	Up to 5%	IE00B5ZT6644 IE00B4SSY236 IE00B3K6X217	FLMSAAE ID FLMSAAU ID FLMSAAG ID
<b>Class S</b>	1.6% p.a.	20%	2.0% per annum	€5,000,000	0%	IE00BH5MGZ61	FLMSASE ID

# Overview of FundLogic Alternatives plc





# MS Ascend UCITS Fund Performance

## Simulated Returns Prior to Fund Launch\*

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2004	Simulated		1.52%	0.08%	0.19%	-1.38%	-0.08%	-2.54%	0.64%	1.94%	0.61%	3.24%	3.23%	7.52%
2005	Simulated	-0.41%	1.38%	0.91%	0.40%	1.20%	2.23%	0.57%	1.10%	1.18%	-0.57%	1.11%	2.21%	11.86%
2006	Simulated	0.89%	0.25%	1.60%	1.08%	-0.26%	0.06%	0.20%	1.10%	2.32%	2.79%	1.78%	1.39%	13.97%
2007	Simulated	0.86%	0.54%	2.23%	3.09%	2.31%	2.69%	-0.61%	1.11%	2.16%	2.78%	-0.91%	0.37%	17.82%
2008	Simulated	-3.05%	2.55%	-1.23%	0.84%	1.73%	0.49%	0.50%	0.23%	-4.50%	-0.56%	0.29%	0.34%	-2.56%
2009	Simulated	2.40%	1.05%	-0.32%	0.16%	3.15%	1.28%	1.47%	1.58%	1.98%	-0.78%	-0.14%	1.76%	14.36%
2010	Simulated	-0.86%	1.65%	2.16%	0.74%	-3.84%	-1.40%	1.07%	0.13%	1.31%	0.39%	-0.15%	1.12%	2.19%
2011	Simulated	0.99%	0.86%	-0.94%	1.51%	-0.09%	-0.26%	0.18%	-4.70%	-0.65%	-0.88%	-0.61%	-0.34%	-4.96%

\* The above returns are based on simulated monthly performance from Feb 2004 to May 2011 and are net of fees (1.5% management fee and 20% performance fee). The returns from June 2011 to Dec 2011 are the actual returns. Past performance is not a reliable indicator of future results.

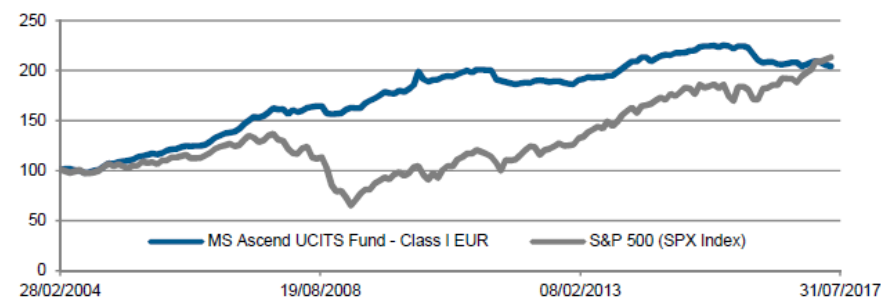
## Historical Monthly Returns

Share I (EUR)	Jan	Feb	Mar	Apr	May <sup>(1)</sup>	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD <sup>(1)</sup>
2011	-	-	-	-	0.05%	-0.26%	0.18%	-4.70%	-0.65%	-0.88%	-0.61%	-0.34%	<b>-7.06%</b>
2012	0.42%	0.46%	(0.37%)	1.20%	0.29%	-0.29%	-0.61%	0.48%	0.04%	-0.92%	-0.60%	-0.21%	<b>-0.14%</b>
2013	2.42%	0.33%	1.27%	-0.58%	0.45%	-0.10%	0.88%	-0.01%	1.63%	1.86%	1.73%	1.70%	<b>12.16%</b>
2014	0.00%	2.06%	0.11%	-2.06%	1.35%	1.21%	0.59%	-0.07%	0.96%	-0.02%	0.23%	0.69%	<b>5.11%</b>
2015	0.32%	1.55%	0.24%	0.04%	0.27%	-0.62%	0.77%	-0.44%	-1.07%	1.14%	0.31%	-0.86%	<b>1.62%</b>
2016	-2.59%	-2.78%	-1.37%	0.37%	0.00%	-1.01%	-0.15%	0.41%	0.50%	0.07%	-1.80%	0.69%	<b>-7.49%</b>
2017	1.32%	0.33%	-0.61%	-1.23%	-0.49%	-1.50%	1.80%						<b>-0.41%</b>

## Fund Overview since May 2011

Inception Date	13-May-11
Assets	USD 164 m
Launch to Date Return	2.44% (I EUR)
Long Exposure	86%
Short Exposure	86%
Gross Exposure	172%
Net Exposure	0%
No. of Longs	142
No. of Shorts	213
Annualized Volatility <sup>(1)</sup>	4.22%

## Performance since February 2004



Source: Morgan Stanley / Bloomberg / Northern Trust. The above figures refer to the past. Past performance is not a reliable indicator of future results. Performance is quoted net of fees and based on unaudited figures

1. For 2011, May-11 and YTD performances start from 20-May-11

1. Executive Summary
2. Ascend Capital, LLC
3. MS Ascend UCITS Fund
- 4. Appendix**

# Appendix – The Ascend Team

## Research

### Chief Investment Officer

- Implements a cohesive strategy
- Interacts with sector managers in reviewing opportunities
- Actively manages exposures and risk levels
- Ensures overall portfolio reflects macro-level analysis
- Oversees a sector portfolio of his own

### Portfolio Managers

- Utilize specialized knowledge in a focused universe
- Conduct ongoing due diligence
- Formulate thesis based on macroeconomics in industry
- Responsible and accountable for portfolio positions within sector
- Evaluate companies and make buy/sell recommendations

### Sector Managers

- Utilize specialized knowledge within subsectors
- Conduct ongoing due diligence
- Evaluate companies and make buy/sell recommendations to Portfolio Managers
- May manage a small “carve out” portfolio

### Analysts / Associates

- Actively conduct channel checks and participate in management meetings/conferences
- Leverage sector managers’ time by monitoring portfolio universe, maintaining models and managing logistics
- Manage a simulated portfolio as part of our employee development and evaluation program (designed to groom future talent and facilitate promotions from within)

## Support

### Research Assistants

- Prepare due diligence packets, reports, and assemble street models
- Maintain a pipeline of routine channel checks
- Schedule meetings and conference calls with company CEOs, CFOs, and IR
- Assist with travel, conference scheduling, and administrative duties

### Offshore Research Team

- Conducts labor-intensive data gathering, assembling, streamlining
- Creates and maintains models, screens, and reports
- Performs overnight maintenance of screens, reports, and analytics

## Execution

### Traders

- Execute trades via automated platform or block trading
- Focus on assigned sectors enhances portfolio surveillance capabilities
- Interact with research team to provide market intelligence
- Provide market insight to assist CIO and sector managers for optimal execution

# Appendix – The Ascend Team

		Education	Prior Experience
Chief Investment Officer	■ <b>Malcolm Fairbairn</b>	MBA, Harvard Business School MS, Massachusetts Institute of Technology BS, Massachusetts Institute of Technology	Citadel Investment Group Strome Susskind
Portfolio Managers	■ <b>Carlo Casulo, MD</b> Healthcare	MD, Harvard University MBA, Harvard University BA, Hunter College BA, University of Pennsylvania	Leerink Swann Ziopham Oncology Inc.
	■ <b>J. Cogan, CFA</b> Leisure/Media	BA, Cornell University	Banc of America Securities
	■ <b>Peter Friedland, CFA</b> Technology	BA, Cornell University	First Oak Capital Management Seasons Capital Management
	■ <b>Scott L. Kintz, CFA</b> Industrials/Capital Goods	BA, University of California at Berkeley	Citadel Investment Group Goldman Sachs
	■ <b>Michael Napolitana</b> Retail	MBA, University of California at Berkeley BS, University of California at Riverside	Weintraub Capital Management JMP Securities Deutsche Bank Starmine
	■ <b>Dirk Renick, PhD</b> Energy	PhD, Massachusetts Institute of Technology BS, United States Naval Academy	
Sector Manager	■ <b>Kimberly Nielsen</b> Technology	BA, Duke University	Robert W. Baird & Co. Lehman Brothers
Analysts	■ <b>Adrian Barnes</b>	JD, Columbia Law School MA, University College London BA, University of California at Berkeley BA, Duke University	Beeson, Tayer & Bodine Gilbert & Sackman
	■ <b>Paul Jones</b>		American International Group United Nations Development Program Wells Fargo Securities Ondra Partners LLP Goldman Sachs Nomura International
	■ <b>Louis Krasenics</b>	BA, Yale College	
	■ <b>Nicholas Nguyen</b>	BS, Massachusetts Institute of Technology	PIMCO EBF & Associates Lazard Brandes Investment Partners
	■ <b>Tomas Pieter</b>	MBA, University of Pennsylvania MS, University of Economics, Prague BS, University of Economics, Prague	
	■ <b>Brian Shen</b>	MBA, University of California at Los Angeles BS, University of California at Berkeley	
Associates	■ <b>Rebecca Pinckney</b>	BS, Fordham University	TD Bank US
	■ <b>Collin Siok</b>	BS, University of Washington	BlackRock Alternative Advisors Russell Investments
Director of Analytics	■ <b>Rahul K. Gandhi, PhD</b>	PhD, Stanford University MS, Stanford University BS, Harvard University	Mars & Company
Quantitative Analyst	■ <b>Xavier Ragot</b>	MBA, University of California at Berkeley MS, University of California at Berkeley MS, ENSAE	Axa Rosenberg

# Appendix – The Ascend Team

*Ascend's 17-year track record has allowed them to attract, train, and retain high-caliber individuals*

## **Malcolm Fairbairn**

*Chief Investment Officer*

Malcolm Fairbairn founded Ascend Capital in 1999. Prior to launching the fund, Mr. Fairbairn was Managing Director of Structured Equities for Citadel Investment Group, Inc. in Chicago, Illinois. Subsequently, he launched and was Portfolio Manager for Orchard Partners, L.P., for Citadel Investment Group in San Francisco. From 1994 to 1997, Mr. Fairbairn worked as Senior Analyst for Strome Susskind, L.P. and was a Portfolio Manager for Strome HedgeCap, L.P., in Santa Monica, California. In 1993, he served as an Equity Analyst for Capital Research and Management Group in Los Angeles. Mr. Fairbairn received an M.B.A. from Harvard Business School in 1994 and was awarded B.S. and M.S. degrees in Chemical Engineering from the Massachusetts Institute of Technology in 1985.

## **Benjamin D. Slavet**

*Chief Operating Officer & Chief Financial Officer*

Ben Slavet has 25 years of finance, accounting, operations, and business development experience with investment companies. Mr. Slavet has been with the firm since 2001 and his responsibilities include oversight of firm operations, investor relations, and business development activities. Mr. Slavet has been a Certified Public Accountant (Massachusetts) and has been registered with the NASD as a Financial and Operations Principal. Prior to joining Ascend, Mr. Slavet served as the Controller for Scudder Weisel Capital, where he was responsible for all of the financial operations for a registered broker/dealer and investment advisor. From 1992 to 2000, Mr. Slavet worked for KPMG LLP. Mr. Slavet was a Senior Manager in KPMG's Investment Services Practice, where he provided audit, tax and consulting services to clients within the investment company industry. Mr. Slavet received a Bachelor of Business Administration degree in 1992 from the University of Massachusetts-Amherst.

# Appendix – The Ascend Team

## Portfolio Managers

### **Carlo Casulo, MD**

#### *Healthcare*

Carlo Casulo has over 10 years of Wall Street experience. Prior to joining Ascend, Mr. Casulo was a Senior Associate at Leerink Swann covering the Medical Technology and Hospital Supplies sectors. Prior to Leerink, he served as the Director of Technical Operations at Ziopham Oncology Inc. and as a Venture Capital Therapeutics Analyst at Paramount BioSciences. Mr. Casulo received an M.D. and an M.B.A. from Harvard University and a B.A. degree in Chemistry, magna cum laude, from Hunter College.

### **J. Cogan, CFA**

#### *Leisure/Media*

J. Cogan has over 22 years of experience in capital markets. Prior to joining Ascend, Mr. Cogan was the Senior Equity Research Analyst for gaming and lodging at Banc of America Securities. Mr. Cogan received a B.A. degree in Communications from the University of Pennsylvania.

### **Peter Friedland, CFA**

#### *Technology*

Peter Friedland has over 22 years of experience in capital markets. Prior to joining Ascend, Mr. Friedland spent over four years as an Analyst covering the Technology sector at First Oak Capital and Seasons Capital. Both are San Francisco based long/short equity hedge funds. Prior to Seasons Capital, Mr. Friedland spent 13 years as a sell-side Analyst covering various areas within the Technology, Media and Telecom (TMT) sector. Mr. Friedland received a B.A. degree in English from Cornell University.

### **Scott L. Kintz, CFA**

#### *Industrials/Capital Goods*

Scott Kintz has over 15 years of experience on Wall Street. Prior to joining Ascend, Mr. Kintz worked in the Cash Management Division at Citadel Investment Group. Prior to Citadel, Mr. Kintz spent two years in the Investment Management Division at Goldman Sachs. Mr. Kintz received a B.A. degree in Business Administration from University of California at Berkeley.

### **Michael Napolitana**

#### *Retail*

Michael Napolitana has over 17 years of experience in capital markets. Prior to joining Ascend, Mr. Napolitana spent eight years as an Analyst and Portfolio Manager covering the Consumer sector for Weintraub Capital Management. Prior to this, Mr. Napolitana held research positions at JMP Securities and Deutsche Bank and also served as a Strategy Consultant and Auditor for KPMG LLP. Mr. Napolitana received an M.B.A. from the University of California at Berkeley and a B.S. degree in Business Administration from the University of California at Riverside.

### **Dirk Renick, Ph.D.**

#### *Energy*

Dirk Renick has over 11 years of Wall Street experience. Prior to rejoining Ascend in 2011, Mr. Renick was a Senior Researcher at Starmine, a Thomson Reuters company, researching fundamental and sentiment equity valuation models. Prior to Starmine he was a Quantitative Analyst at Ascend Capital. Mr. Renick received a Ph.D. in Hydrodynamics from the Massachusetts Institute of Technology and a B.S. degree in Naval Architecture, magna cum laude, from the United States Naval Academy.

## Sector Manager

### **Kimberly Nielsen**

#### *Technology*

Kimberly Nielsen has over nine years of investment and research experience. Prior to joining Ascend in 2014, Ms. Nielsen was a Senior Equity Research Associate at Robert W. Baird & Co., covering companies in the Technology sector. Ms. Nielsen began her career at Lehman Brothers, as a Proprietary Trader in the Global Commodities Group. Ms. Nielsen received a B.A. degree in Public Policy Studies from Duke University.

# Appendix – The Ascend Team

## Analysts/Associates

### **Adrian Barnes**

#### *Analyst*

Prior to joining Ascend in 2014, Mr. Barnes practiced as an attorney specializing in labor and employment litigation for over seven years. Mr. Barnes received a J.D. from Columbia Law, a Master of Arts, Issues in Modern Culture, from University College London and a B.A. degree in Rhetoric from the University of California at Berkeley.

### **Paul Jones**

#### *Analyst*

Paul Jones joined Ascend Capital in 2010 after graduating from Duke University, where he received a B.A. degree in International Comparative Studies and a Certificate in Markets and Management Studies. Prior to Ascend, Mr. Jones worked at American International Group and the United Nations Development Program.

### **Louis Krasenics**

#### *Analyst*

Louis Krasenics has over nine years of capital markets and financial advisory experience. Prior to joining Ascend in 2015, Mr. Krasenics was an Investment Banking Associate at Wells Fargo Securities, covering companies in the Healthcare sector. Mr. Krasenics began his career at Goldman Sachs, where he worked in the legal and investment banking groups. Mr. Krasenics received a B.A. degree in Economics from Yale University.

### **Nicholas Nguyen**

#### *Analyst*

Nick has over eight years of Wall Street experience. Prior to joining Ascend in 2012, Mr. Nguyen worked as a Trader at Nomura International on the DeltaOne trading team in Hong Kong. Mr. Nguyen received a B.S. degree in Chemical Engineering and a minor in Biology from the Massachusetts Institute of Technology.

### **Tomas Pieter**

#### *Analyst*

Tomas Pieter has over 13 years of investment and financial analysis experience. Mr. Pieter joined Ascend in 2012 after completing his M.B.A. with Honors at the Wharton School, where he was a Palmer Scholar. Prior to business school, Mr. Pieter was an Investment Analyst at EBF & Associates, a multi-strategy hedge fund focused on opportunistic investments across asset classes and industries. Mr. Pieter also worked as an Investment Banking Associate and Analyst at Lazard Middle Market and began his career in the headquarters and a business unit of Kraft Foods. Mr. Pieter received a B.S. and an M.S. degree in Finance from the University of Economics in Prague.

### **Brian Shen**

#### *Analyst*

Brian Shen has over five years of investment and financial experience. Mr. Shen joined Ascend in 2016 after completing his M.B.A. at the UCLA Anderson School of Management. Prior to Ascend, Mr. Shen worked as an investment analyst at Hypotenuse Capital Management, Empyrean Capital Partners, and Brandes Investment Partners. Mr. Shen received a B.S. degree in Business Administration and a B.A. degree in Economics from the University of California at Berkeley.

### **Rebecca Pinckney**

#### *Associate*

Prior to joining Ascend in 2015, Ms. Pinckney served as a Credit Analyst for TD Bank's Corporate Banking division in New York. Prior to joining TD Bank, Ms. Pinckney interned in Sales & Trading for J.P. Morgan and Barclays Capital. Ms. Pinckney received a B.S. degree in Business Administration from Fordham University, where she graduated summa cum laude from the Global Business Honors Program.

### **Collin Siok**

#### *Associate*

Prior to joining Ascend in 2015, Mr. Siok conducted research on hundreds of hedge funds and made recommendations to the selection committee for the BlackRock Alternative Advisors for over four years. Preceding BlackRock, he interned at Russell Investments on the multi-asset balanced funds team. Mr. Siok received a B.A. degree with Honors in Business Administration – Finance, summa cum laude, from the University of Washington.

# Appendix – The Ascend Team

## Traders

### **David Newhall**

#### *Head Trader*

David Newhall has over 21 years of Wall Street experience. Prior to joining Ascend in 2002, Mr. Newhall spent three years as an Equities Trader with MPAC Capital Partners, a wholesale market maker of listed and over-the-counter securities. Mr. Newhall received a M.B.A. from the University of Southern California with a concentration in Finance and a B.S. degree from California State University of Northridge.

### **John Bullis**

#### *Trader*

John Bullis has over 18 years of Wall Street experience. Prior to joining Ascend in 2015, Mr. Bullis was the Trader and assisted with operations at Grandmaster Capital Management. Mr. Bullis also performed trading and technology operations for 15 years at Weintraub Capital Management, a long/short equity hedge fund manager that was based in San Francisco. Mr. Bullis received a B.S. degree in Speech Communications from St. Cloud State University and is a long standing member of the San Francisco Traders Association.

### **Sean Dunne**

#### *Trader*

Sean Dunne has over 17 years of capital markets and trading experience. Prior to joining Ascend in 2015, Mr. Dunne spent six years as the Head Trader with Victoria 1522 Investments, a dedicated Emerging Markets equity manager. Before Victoria 1522 Investments, Mr. Dunne worked as an Institutional Equity Trader with Wells Capital Management in San Francisco. Mr. Dunne earned a B.S. degree in Economics from the University of Oregon.

### **Shane McCarty**

#### *Trader*

Shane McCarty has over 12 years of Wall Street experience. Prior to joining Ascend in 2010, he spent nearly two years as a Trader at Eastbourne Capital Management, LLC, a long/short equity hedge fund. Before joining Eastbourne, Mr. McCarty worked in the default mortgage space simultaneously representing Real Time Resolutions, Inc. and Resolution Capital Advisors, LLC in Dallas, TX. Mr. McCarty earned a Bachelor of Business Administration from Southern Methodist University with a concentration in Finance.



# Appendix – The Ascend Team

## Process Management

### **Emily Wang**

*Managing Director*

Emily Wang has been a member of Ascend Capital since its inception, and has over 30 years of Wall Street experience. From 1987 to 1997, Ms. Wang worked as a Vice President at Kidder-Peabody and for Merrill Lynch Private Clients Group, where she was a member of the prestigious Chairman's Club for production performance and was consistently in the top ranks of Merrill's 11,000-strong sales force. Prior to joining Merrill, Ms. Wang worked as a Project Engineer and Production Supervisor for Frito-Lay (a division of Pepsi) from 1985-1987. During that time, she also managed a portfolio of distressed residential investment real estate. Ms. Wang received a B.S. degree in Chemical Engineering from California State Polytechnic University.

### **Rahul K. Gandhi, Ph.D.**

*Director of Analytics*

Rahul Gandhi joined Ascend in 2006 after spending five years in corporate strategy consulting. From 2001 to 2006, Mr. Gandhi was a Consultant at Mars & Co, a global strategy firm serving Fortune 100 clients, where he advised leading companies in the food, apparel, beverage, energy, and healthcare industries. Mr. Gandhi did his graduate studies at Stanford University, where he received a Ph.D. in Geological and Environmental Sciences and an M.S. in Civil and Environmental Engineering. Mr. Gandhi was awarded a B.S. degree in Engineering Sciences from Harvard University.

### **Xavier Ragot**

*Quantitative Analyst*

Xavier Ragot has over 12 years of investment and research experience. Prior to joining Ascend in 2017, Mr. Ragot worked at Axa Rosenberg, a Global Equity Fund Manager, as Director of Research Analytics where he managed the development of their research platform including alpha models, risk models, portfolio construction tools and analytics. Mr. Ragot also has a background in aeronautics engineering, working for Alcatel Space Industries from 1996 to 2002 as Product Manager on Satellite development. Mr. Ragot received an M.B.A. as well as a Masters in Financial Engineering from the University of California at Berkeley and an M.S. in Aerospace Engineering from ENSAE in Toulouse, France.

### **Orlin Zhekov**

*Associate*

Orlin Zhekov joined Ascend in 2010. Prior to joining Ascend, Mr. Zhekov worked as a project specialist at MCG Architecture in San Francisco and as a web developer at the MIT Center for International Studies in Cambridge, MA. Mr. Zhekov received a B.S. degree in Architecture from the Massachusetts Institute of Technology.

# Appendix – The Ascend Team

## Operations

### **Ramona Shenoy**

*Director of Operations / Chief Compliance Officer*

Ramona Shenoy has over 32 years of experience with banking and investment companies. From 2003 to 2006, Ms. Shenoy served as the Chief Operating Officer for Descartes Capital LLC, a convertible arbitrage hedge fund, where she was responsible for operations, finance, compliance and risk monitoring. She has also served as the Head of Compliance, South Asia for Deutsche Bank and Sr. Manager Risk Management for Standard Chartered Bank in India. Ms. Shenoy received a Master's degree in Economics from Bombay University.

### **Yedda Ho**

*Controller*

Yedda Ho has over 11 years accounting and administration experience with hedge funds, fund of funds and private equity. Prior to joining Ascend in 2011, Ms. Ho worked as a Senior Fund Accountant at HSBC Alternative Fund Services in Hong Kong, New York and San Francisco. Ms. Ho received a B.S. degree in Accounting at Minot State University.

### **Yoon Chang**

*Assistant Controller*

Yoon Chang has over 16 years of experience in fund accounting and fund administration. Prior to joining Ascend, Mr. Chang was an Account Manager at Citco Fund Services, where he directed a fund accounting team administering numerous strategies and fund structures. Prior to Citco, he worked for BNY Mellon where he held several positions in their Alternative Investment Services group. Yoon received a B.S. degree in Managerial Economics from University of California at Davis.

### **Darby De Venuta**

*Operations Associate*

Darby De Venuta joined Ascend Capital in 2011 as a Research Assistant, where she provided support to several Portfolio Managers and their teams. Prior to Ascend, Ms. De Venuta was a Production Chemist at Bio-Rad Laboratories. Ms. De Venuta also worked as a Research Technician within Duke University's Gynecology Oncology Department. Ms. De Venuta received a B.A. degree in Chemistry from Duke University.

### **Jeffrey Pasquini**

*Operations Associate*

Jeffrey Pasquini has over 16 years of operations and trading experience with hedge funds and investment management firms. Prior to joining Ascend in 2016, Mr. Pasquini was the Director of Operations at Apex Capital, LLC. Prior to Apex, he served as an Equity Trader for Sterling Johnston Capital Management, LP. Mr. Pasquini received his B.A. degree in Political Science from Sonoma State University.

### **Melissa Abreu**

*Executive Assistant / Office Manager*

Melissa Abreu has over 21 years of experience in operations and administration. Prior to joining Ascend in 2016, Ms. Abreu held several positions at Equity Risk Partners, Inc., a commercial insurance brokerage focused on private equity firms and their portfolio companies. Ms. Abreu received a B.A. degree in History from Saint Mary's College of California.

# Notes on Performance

Historical performance is not an indication or assurance of future results. There is no assurance that the Fund will necessarily achieve their investment objectives or that they will or are likely to achieve results comparable to those shown in this presentation book, or will make any profit, or will be able to avoid incurring losses.

Targeted performance parameters set forth in this document are provided to show the performance parameters that the investment strategies of the applicable Fund have been designed to achieve. However, there is no assurance that all or any of such targeted performance parameters will be achieved by the Funds for any period in the future.

The historical performance information of the Fund herein has been prepared by the Fund's investment advisor and has not been independently audited or verified, except for certain year-end data. Historical performance is calculated using geometrically linked time-weighted return methodology and reflects the reinvestment of dividends.

Performance numbers and information are pro forma because they are shown net of 1.5% per annum management fees. Performance numbers and information are also shown net of a 20% per annum incentive allocation/fee payable to the adviser of the Funds. Net returns experienced by an individual investor will vary depending on the investor's month of investment.

Market index information shown herein, such as that of the S&P 500 (an index of 500 of some of the largest and most liquid publicly traded U.S. stocks) is included to show relative market performance for the periods indicated and not as standards of comparison, since these are unmanaged, broadly based indices of U.S. public equity securities which differ in numerous respects from the portfolio composition of the Funds. Market index information was compiled from sources that Ascend Capital, LLC believe to be reliable; however, Ascend Capital, LLC does not make any representations or guarantees hereby with respect to the accuracy or completeness of such data. The S&P 500 index includes the effect of reinvested dividends.

Any investment in the Fund will be subject to a variety of risks which are described in the Fund's prospectus.

Information concerning the fees and expenses to which the Fund is subject is contained in the Fund's prospectus.

The information provided herein regarding Ascend Capital, LLC ("Ascend") is "to the knowledge" of Ascend and, consequently, is based solely upon a review of the books and records of Ascend as of the date that such information is provided to you. Throughout this document, where numerical responses are provided, such responses may be rounded in the discretion of Ascend. Throughout this document, certain information provided by Ascend may be estimated.

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