

## Mekong Fund A (USD)

Fund fact sheet as of 30 October 2020

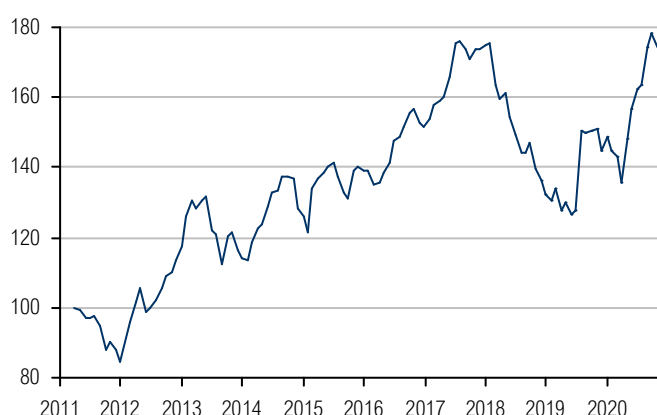
### Quick facts

Fund category	Asia Pacific
Legal form	SICAV SIF
Fund domicile	Luxembourg
Reco. placement period	10 years
Last NAV (USD)	127.51
NAV frequency	Monthly
ISIN	LU1131273259
Distributed in	LU, FR, SW, CH, UK

### Investment approach

**Objective:** Superior long-term (5+ years) absolute returns through investment in the Mekong Region.  
**Mekong Region:** Fast-growing region (Thailand, Cambodia, Laos, Myanmar, and Vietnam) with significant tailwinds: young population of some 240MM people in the Mekong and over 600MM in broader ASEAN, increasing regional integration, rapid urbanisation, and underdeveloped capital markets prone to volatility and mis-pricing.  
**Investment Approach:** Fundamental, strict value, and catalyst-driven approach to investment in securities available at significant discounts to conservatively assessed intrinsic value with a skewed reward/risk profile.  
**Portfolio Construction:** Highly selective concentrated portfolio and cash bias.  
**Risk Management:** Strict buy/sell discipline based on fundamental research.

### Cumulative performance



### Performance vs regional indices (%)

	Fund	FTSE ASEAN TR (USD)	FTSE THAI. TR (USD)	FTSE VIET. TR (USD)
Total Gain Since Inception	74.2	3.4	27.3	8.2
Compound Gain Since Inception	6.0	0.3	2.6	0.8
Total Gain Last 5 Years	25.1	7.0	8.0	35.4
Total Gain Last 3 Years	0.3	-15.4	-21.1	18.7
Total Gain Last 1 Year	15.3	-19.6	-29.2	-2.7
2020 YTD	17.3	-21.0	-29.9	1.7
P/E **	13.2	15.5	17.8	17.7
P/BV **	3.3	1.1	1.3	2.7

Source: Bloomberg | \* Inception 1/4/11 \*\*Trailing, harmonic weighted average, excluding cash and unlisted investments

### Past performance (%) - Net returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	7.3	3.5	-1.4	1.7	0.6	-7.2	-0.9	-7.0	7.0	0.9	-4.0	-2.2	-2.9
2014	-0.6	4.7	3.6	0.6	4.1	3.2	0.3	3.3	-0.1	-0.6	-6.0	-2.0	10.5
2015	-3.6	10.4	2.2	1.2	1.0	1.1	-3.0	-3.3	-1.3	6.1	0.9	-0.8	10.6
2016	-0.3	-2.9	0.6	2.0	2.1	4.4	0.7	1.8	2.8	0.4	-2.2	-0.9	8.7
2017	1.4	2.7	0.7	0.9	3.5	5.6	0.4	-1.4	-1.4	1.6	-0.1	0.8	15.4
2018	0.2	-6.8	-2.1	0.9	-4.4	-3.2	-3.4	-0.1	2.0	-4.8	-2.8	-2.6	-24.3
2019	-1.4	2.6	-4.8	1.8	-2.6	1.0	17.8	-0.3	0.4	0.3	-4.3	2.7	12.2
2020	-2.4	-1.5	-4.8	8.9	5.8	3.7	0.9	6.4	2.3	-2.3			17.3

### Fund information

Fund launch date	31/03/2011
Fiscal year end	December 31st
Fund currency	USD
Total AUM (USD)	\$42.4MM
Benchmark	None
Subscription notice	2 days
Redemption notice	5 days
Management company	Lemanik AM
Investment manager	Probus Middle East Ltd
Custodian bank	Quintet Private Bank (Europe)
Central administration	European Fund Admin.
Auditor	MAZARS Luxembourg

### NAV analysis

	Value	Date
52-week NAV high	130.50	30/09/2020
52-week NAV low	99.51	31/03/2020
HWM current	130.50	
5-yr Std. deviation	11.34	
Max drawdown (%)	-28.12	31/07/17-31/05/19

Source: Bloomberg

### Investment team

**Andrew Ranken** is a co-founder and investment manager of the Fund, which commenced operations in 2011. He has extensive experience in corporate and project finance advisory and in listed and private equity investing in both developing and developed markets, including in Southeast Asia. He holds degrees in engineering and commerce and is a CFA Charterholder.

**Marc Lavoie** is a co-founder and investment manager of the Fund, which commenced operations in 2011. He has extensive experience in listed and private equity investing and trading in Southeast Asia. He holds a degree in International Relations and a Masters in International Management.

# PROBUS OPPORTUNITIES SA, SICAV-FIS

## Mekong Fund A (USD)

October 2020

### Allocation by industry

Telco. Media & Tech	25.1	
Consumer and Retail	25.1	
Industrials	17.2	
Metals and Mining	11.6	
Financial	9.7	
Conglomerates	3.4	
Real estate	2.7	
Infrastructure	2.1	
Gaming and Lodging	0.6	
Net cash	2.4	

### Allocation by country of risk

Vietnam	69.5	
Thailand	20.5	
Myanmar	4.8	
Laos	2.1	
Other/Region	0.6	
Cambodia	0.0	
Net cash	2.4	

### Allocation by market capitalisation

\$0-50MM	9.2	
\$50-300MM	71.8	
\$300MM-2BN	13.2	
\$2BN-10BN	3.4	
Gr. than \$10BN	0.0	
Net cash	2.4	

### Top 5 holdings

	%NAV	P/B <sup>^</sup>	P/E <sup>^</sup>
Digiworld Common	11.6	2.2	10.2
FPT Corp Common	9.8	2.7	12.2
Kingsgate Cons. Common	6.8	13.8	na
S. Khonkaen Common	6.0	1.7	20.1
Thien Long Common	4.4	1.6	12.3
Total (Top 5 Listed)*	38.7	4.2	13
Total (All Listed Equities)*	64.3	3.3	13.2

\* Aggregates are weighted harmonic means, excluding cash and unlisted investments

<sup>^</sup> Bloomberg trailing P/B and P/E

### Primary contributors to return

	Return (%)
Viet Capital Securities Common	+28.2
S. Khonkaen Common	+9.0
FPT Corp	+3.0

Note: monthly total returns in US\$; excludes unlisted securities.  
Source: Bloomberg.

### Primary detractors from return

	Return (%)
Undisclosed Position	-40.6
Kingsgate Con. Common	-12.4
Blackstone Minerals Common	-22.3

Note: monthly total returns in US\$; excludes unlisted securities.  
Source: Bloomberg.

### Available share classes

Class Name	ISIN	BLMG ticker	Curr.	Type	Mgt. fees	Perf. fees	Min. invest.	TER	Front / back load
A USD	LU1131273259	PRINDOU LX	USD	A	1.50%	HWM: 10% over 10% & 20% over 20%	EUR 125 000	2.40%	0%/2% for benefit of fund

\*HWM = High Water Mark, for more information please refer to the fund prospectus.

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### Commentary

The fund's per-share NAV declined by more than 2% in October, as our mining stocks prices suffered (temporary) setbacks and markets fell on political news. As we write, estimated NAV has regained its recent highs.

BSX - Blackstone Minerals fell following release of its scoping study for its Vietnamese nickel project amid declining commodity prices. It appears this was primarily short-term retail trading - there seem to have been no major holders selling (and some were in fact adding). While by its nature preliminary, the scoping study indicated a project net present value of north of A\$1 billion. At month's end, the stock was at around 10% of this value - far too cheap in our view even after accounting for execution risk and without accounting for significant value in the company's other assets. The company also announced some senior engineering appointments, reducing execution risk. Management has been buying on market and the stock price is up in November.

We had a number of third quarter results releases during the month. A couple of highlights: (1) DGW - Digiworld continued to grow with profits increasing by some 40% relative to the same quarter last year on strong sales of Xiaomi and Apple mobile phones; (2) TLG - stationery firm Thien Long benefitted from the return to school in Vietnam and much higher gross margins on lower input prices (lower oil), with sales and profits growing 7% and 87% respectively relative to the same quarter last year.

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