

Quick facts

Fund category	Asia Pacific
Legal form	SICAV SIF
Fund domicile	Luxembourg
Reco. placement period	10 years
Last NAV (USD)	144.04
NAV frequency	Monthly
ISIN	LU1131273259
Distributed in	LU, FR, SW, CH

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*	96.8	49.8	60.4	-1.2
Compound Gain Since Inception*	5.2	3.1	3.6	-0.1
Total Gain Last 5 Years	31.2	18.6	-12.5	-10.5
Total Gain Last 3 Years	-19.9	17.8	-6.3	-36.9
Total Gain Last 1 Year	-9.6	11.6	-4.1	-14.2
2024 YTD	-3.6	10.3	0.6	-2.3
P/E **	24.8	11.9	14.5	21.5
P/B **	5.9	1.5	1.9	1.7

Source: PMEL, Bloomberg. | * Inception 1/4/11 ** Wtd. avg. excl. net cash and cash proxies, unlisted hdgs. and neg. values. P/B means price to tangible book value.

Past performance (%) - Net returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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	8.6	6.5	35.6
2021	-2.8	8.4	2.0	-2.4	7.5	0.7	2.7	4.7	8.2	3.7	-1.5	2.2	37.7
2022	-4.8	-3.1	7.3	-3.8	0.0	-9.9	2.3	5.1	-8.7	-4.7	-3.4	-3.3	-25.0
2023	6.4	-7.2	-2.5	1.2	-1.2	5.1	1.9	1.7	-3.8	-7.6	7.7	-2.2	-1.8
2024	-0.9	-2.3	2.3	2.9	4.7	-7.0	-3.9	1.2					-3.6

Fund information

Fund launch date	31/03/2011
Fiscal year end	December 31st
Fund currency	USD
Total AUM (USD)	\$37.43MM
Benchmark	None
Subscription notice	2 days
Redemption notice	5 days
Management company	Lemanik AM
Investment mger	Probus Pleion 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	159.38	31/05/2024
52-week NAV low	141.81	31/10/2023
HWM current	201.70	
5-yr Std. deviation	11.34	
Max drawdown (%)	-30.14	31/12/21-31/10/23

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 Lavole 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.

Allocation by industry

Consumer and Retail	36.2
Metals and Mining	19.8
Industrials	14.2
Telco. Media & Tech	13.6
Financial	12.7
Tourism and Gaming	1.2
Conglomerates	0.2
Real estate	0.0
Infrastructure	0.0
Others	0.0
Net Cash & Proxies	2.0

Allocation by country of risk

Vietnam	66.5
Thailand	27.8
Cambodia	2.3
Other/Region	1.2
Myanmar	0.2
Laos	0.0
Net Cash & Proxies	2.0

Allocation by market capitalisation

\$0-50MM	14.6
\$50-300MM	40.2
\$300MM-2BN	23.1
\$2BN-10BN	20.1
Gr. than \$10BN	0.0
Net Cash & Proxies	2.0

Top 5 holdings

	%NAV	P/B**	P/E**
KCN AU	16.8	10.5	17.5
FPT VN	8.4	8	27.6
DGW VN	7.6	4.3	27.5
SAWAD TB	6.8	2	11.1
CTF VN	6.1	2.9	71.6
Fund (Top 5 Listed):	45.7	6.7	27.3
Fund (All Listed):*	1.2	5.9	24.8

* Wtd. avg. excl. net cash and cash proxies, unlisted hldgs. and neg. values. P/B means price to tangible book value.

^ Source: PMEL, Bloomberg.

Primary contributors to return

	Return (%)
SAWAD VN	+22.4
FPT VN	+6.4
DGW VN	+5.8

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

Primary detractors from return

	Return (%)
KCN AU	-8.5
PAM AU	-8.5
CTF VN	-2.6

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

Performance. The fund rose by 1.2% during August. While the fund is lagging indices in the year to date, since the start of 2020, the fund is up more than 30% compared to -12% for Vietnam and -7% for Thailand.

Selected Positions. New (but previously owned) holding Srisawad (+22% total USD return) fell by as much as 15% during the month, only to finish up 17% (in local currency) as markets better understood asset quality at the consumer lender, highlighting market volatility (an opportunity for the longer-term investor). Sentiment was also boosted as the long-running prime ministerial saga came to an end, with the appointment of the fourth Shinawatra prime minister. At month's end the stock of SAWAD traded at just 10 times forward earnings.

Vietnamese IT and consumer products distributor Digiworld (+6%) benefitted from improving consumer sentiment, with sales rising 9% YoY for the June quarter (typically the low season for the ICT segment). We expect acceleration in sales and profits in the coming half given consumer recovery, the replacement cycle of laptops and tablets bought in 2020, and the pending 2G/3G network shutdown. Consensus is for 25% long-term earnings CAGR. The stock ended the month at 23 times 2024 and 17 times 2025 earnings.

Kingsgate (-8.5%) was the main detractor during the month on no material news. We expect positive news flow in the coming two quarters concerning: (1) full year accounts which may see further asset write-backs, (2) completion of commissioning of the plant at Chatree, (3) further CAT fleet expansion to drive throughput, (4) updated resource estimate for Chatree and associated mine planning, (5) further near-field exploration results, (6) updated resource estimate for Nueva Esperanza pending a potential monetisation transaction, which might include a separate listing, and (7) a resumption of buybacks. Gold miners, especially juniors, remain severely undervalued relative to gold.

We continue to expect uncorrelated outcomes as certain of our situations work out this year.

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Source: Probus Pleion Group figures.

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