

ASEAN Equity I2 - USD

Fund fact sheet as of 30 December 2022

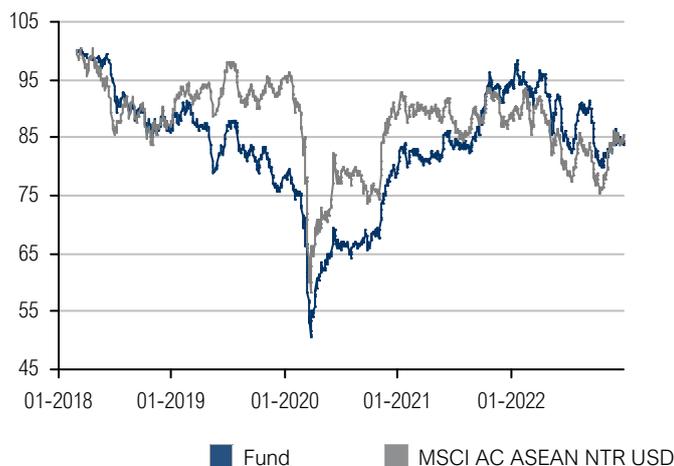
Quick facts

Fund category	ASEAN
Reco. placement period	5 years
Last NAV (USD)	84.58
NAV frequency	Daily
ISIN	LU1689249842
Distributed in	LU, CH, FR, UK

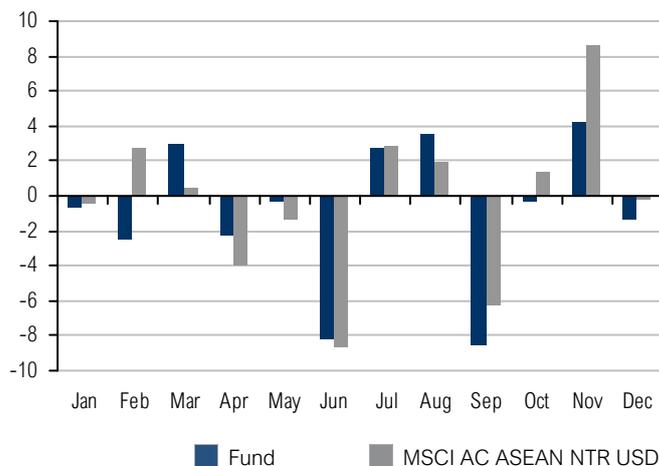
Investment objective

The Fund is a long only investor in the high-potential ASEAN region (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam). The Fund seeks long-term capital appreciation while seeking to minimise the risk of permanent capital loss. It adopts a bottom-up, high conviction, value-based approach to investing in quality businesses and assets in the ASEAN region.

Cumulative performance



Monthly performances over 1 year (%)



Past performance (%) - Net returns

	Cumulative						Annualised		
	Month-to-date	Year-to-date	3 months	6 months	1 year	2 years	Origin	2 years	Origin
Fund	-1.32%	-10.94%	2.53%	-0.25%	-10.94%	6.43%	-15.42%	3.17%	-3.40%
Ref. Index	-0.27%	-4.31%	9.86%	7.90%	-4.31%	-4.32%	-14.71%	-2.19%	-3.24%

Origin: 28/02/2018

Fund information

Legal form	SICAV UCITS
Fund domicile	Luxembourg
Total AUM (USD)	\$12.61MM
Fiscal year end	December 31st
Fund currency	USD
Reference index	MSCI AC ASEAN NTR USD
Cut-off time	4pm Lux. Time
Investment manager	Probus Middle East Ltd
Custodian bank	Banque Degroof Petercam
Auditor	E&Y Luxembourg

NAV analysis

	Value	Date
52-week NAV high	98.49	20/01/2022
52-week NAV low	79.92	24/10/2022

Investment team

Andrew Ranken is a co-founder and investment manager of the Fund. 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. 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.

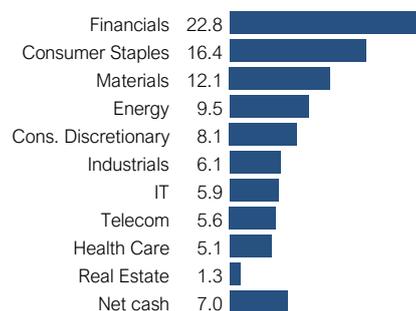
Daniel Michaud is an investment manager of the Fund. He has extensive experience in listed equity in developing and developed markets. He holds a master degree in Finance and is a CFA Charterholder.

PROBUS INVESTMENT FUND UCITS

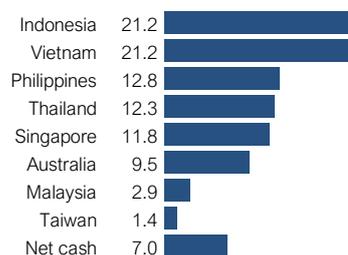
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December 2022

Sectorial allocation (%)



Geographical allocation (%)



Market cap breakdown (%)



Top 10 holdings (%)

Kingsgate Consolidated	8.0	Puregold Price Club	3.3
PTT Exploration & Prod	5.1	Phu Nhuan Jewelry	3.2
Thien Long Group	4.2	United Overseas Bank	3.1
DBS Group Holdings	3.6	Digiworld	3.0
Oversea-Chinese Banki	3.5	Viet Capital Securities	2.9
Top 5 positions	24.5	Top 10 positions (%)	40.0

Portfolio characteristics

	P/E	P/BV	ROE
Portfolio	11.6	2.2	15.2
Benchmark	15.8	1.7	10.9

Source: Bloomberg.
Note: Multiples are trailing. Fund multiples are harmonic means. Excludes net cash.

Available share classes

Class Name	ISIN	BLMG ticker	Curr.	Type	Launch date	Min. invest.	Mgt. fees	Perf. fees	Front / back load
A - USD	LU1689249685	-	USD	A	-	USD 10 000	1.60%	See Prospectus	Up to 5%/0%
I1 - USD	LU1689249768	-	USD	A	-	USD 1 000 000	1.10%	See Prospectus	Up to 5%/0%
I2 - USD	LU1689249842	PRASEI2 LX	USD	A	28/02/2018	USD 1 000 000	1.10%	See Prospectus	Up to 5%/0%

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Commentary

The fund fell by some 1.3% during the month, taking year to date losses to 10.9% and underperforming the MSCI ASEAN by 6.6%. However, the fund has outperformed by 18.4% since we implemented our benchmark aware approach in July 2020.

Outside of benchmark stocks, we focus on owning quality balance sheets and cash flows at cheap valuations. This allows us to remain calm in times of market stress where prices diverge significantly from intrinsic value, such as we have seen in 2022.

Our larger holdings, which are both cheaper relative to our estimate of value and better than they were at the beginning of the year due to business progress are highlighted below.

Top 5 non-benchmark stocks

Kingsgate Consolidated (KCN) fell by 12% during the year as it progressed during the year towards first pour (now expected with January 2023) following an apparent settlement with the Thai government. The stock is up 4.2 times on our average cost in local currency terms. Despite this, the stock does not trade like an operating gold mine and remains significantly undervalued relative to peers (see Emerald Resources for example), reserves, and potential production.

Thai energy company PTTEP returned 46% for the year in local currency. At current energy prices, the stock is cheap at just 1.6 times tangible book and 6 times trailing earnings. At much higher energy prices (we think the long-term supply / demand imbalance is in our favour here), the stock looks undervalued.

Stationery firm Thien Long (TLG) delivered exceptional results coming out of the Covid period, with earnings growing by 74% in the first 11 months of the year. The stock ended the year at 8.7 times 2023 earnings, after rising by just 13.5% in 2022. We expect continued growth from rising operating leverage, efficiencies from its new production facility and new distribution centre, and the roll-out of its new retail concept (stationery and art supplies) Clever Box.

Philippine big box retailer Puregold (PGOLD) fell 10% during the year even as earnings recovered in the third quarter as community mobility returned and as gross margins expanded despite the inflationary environment. The company is set to continue buybacks this year and expects to buy back some 5% of the company's shares. Together with a new plan to pay out 30% of earnings as dividends, the stock ended the year with a prospective yield of 7.4% (dividends and buybacks).

Vietnamese technology and consumer products distributor Digiworld fell by some 45% during the year, despite the business almost doubling its earnings YoY to the September quarter. While there is some concern over slowing consumer demand and technology supply chain issues, a 7 times earnings multiple is unreasonable in our view for a company that delivers incremental returns on capital in excess of 40%.

Regional markets remain among the cheapest and best in the global opportunity set. After its 2022 correction, Vietnam (where the fund is heavily overweight) looks particularly attractive given growth prospects (6.5% estimated GDP growth in 2023), demographics (100 million people), improving productivity and investment, and, most importantly, very undemanding valuations (VN Index closed the year at below 10 times 2023 PE).

Our best wishes for 2023 and beyond.

Metrics (31.12.2022)	Probus ASEAN	MSCI Asean	MSCI Europe	MSCI USA
Price to earnings ratio (T12m)	11.6	15.8	14.6	19.0
Price to book ratio (T12m)	2.2	1.7	1.7	3.9
Return on equity (%)	15.2	10.9	13.7	18.9
Dividend yield (%)	3.0	3.5	3.6	1.7
Debt to equity ratio (%)	76.2	91.3	180.2	115.1
Current ratio	1.7	1.4	1.1	1.3

Source: Bloomberg, adjusted for negative earnings and KCN

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Source: Probus Group & MorningStar for performance figures.

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