

May 2023

Civetta Nanjia exploits idiosyncratic pricing opportunities that exist within ASEAN small-to-mid-cap equities (SME) which are driven principally by the lack of international analyst coverage and minimal institutional focus. The team exploits these anomalies with their 'boots on the ground'/on-site diligence, combined with deep-value, bottom-up stock picking, their 40+ years experience investing in local markets, and extensive personal relationships. The fund's stock selection focuses on deeply discounted valuations, solid dividends and strong growth prospects to generate significant alpha vs comparable vehicles. Based in Hong Kong and Bangkok, the strategy provides long-only exposure to this dynamic region.

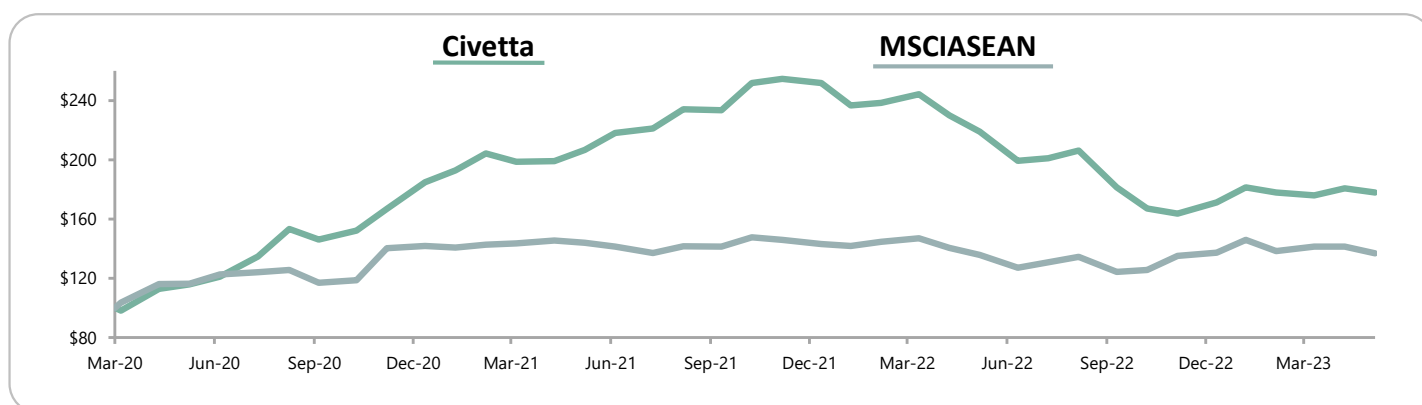
Commentary

Global equity markets retreated in May with ASEAN markets underperforming. We continue to stress that the ASEAN equity class remains extremely attractive in terms of valuations on the back of a long period of underperformance (and massive foreign selling). The MSCI ASEAN Index has posted annualized returns of negative 3.6% over the past 10 years compared with positive 9.8% for the MSCI US Index. The (massive) performance discrepancy is even more pronounced in the small cap segment with the MSCI Indonesia Small Cap Index (for example) posting annualized returns of negative 14.5% over the past 10 years.

As a result, we continue to find many attractively priced opportunities in the region. The overall portfolio currently trades on 8x forward earnings compared with 18x for the MSCI US Small Cap Index. The trailing dividend yield for the portfolio is 6.8% compared with 1.7% for the US index.

Against that backdrop together with several other factors, we maintain that the current backdrop represents the best entry point into ASEAN equities since the mid-1980s. US-China trade (and geo-political) frictions are likely to lead to a massive shift in manufacturing from China to ASEAN over the coming years mirroring the US-Japan frictions of the 1980s. The shift in manufacturing from Japan to ASEAN in the second half of the 1980s was the last golden period for the region's economies and equity markets. A likely shift in Chinese manufacturing towards the ASEAN region over the coming years should also bring significant positive benefits to the region's economies and equity markets.

	Civetta	MSCI ASEAN
MTD	-1.6%	-3.2%
YTD	3.9%	-0.3%
Inception (UCITS)	77.9%	36.8%
Strategy Inception*	117.5%	29.5%
* Including Returns from the Civetta Asia Master Fund SA since 2012		



The above chart pertains to the performance of the Nanjia Civetta UCITS Fund from 26th March 2020. Figures prior are actual gross Returns from the Civetta Asia Master Fund SA - Audited by Deloitte from November 2013 to February 2020 adjusted for class I management and performance fee. This document is issued by Nanjia Capital Limited in the capacity as a distributor and has not been reviewed by the Hong Kong Securities and Futures Commission

Geographic	Current Month	From Market	From Currency	Year to Date	From Market	From Currency
Vietnam	0.23%	0.48%	-0.26%	0.83%	1.08%	-0.25%
Indonesia	-1.21%	-0.64%	-0.56%	3.97%	2.80%	1.17%
Singapore	0.40%	0.46%	-0.05%	1.41%	1.46%	-0.05%
Philippines	0.13%	0.15%	-0.02%	0.28%	0.31%	-0.03%
Thailand	-0.10%	-0.08%	-0.02%	-0.39%	-0.39%	0.00%
Malaysia	-0.51%	-0.39%	-0.12%	-1.11%	-0.94%	-0.17%
Others	-0.22%	-0.20%	-0.02%	-0.13%	-0.15%	0.02%
Sector	Current Month	From Market	From Currency	Year to Date	From Market	From Currency
Financials	0.12%	0.15%	-0.03%	0.32%	0.30%	0.01%
Materials	-2.41%	-2.08%	-0.33%	-0.27%	0.02%	-0.29%
Industrials	-0.41%	-0.32%	-0.09%	-0.64%	-0.75%	0.11%
Transportation	-0.03%	-0.03%	-0.01%	0.26%	0.20%	0.06%
Real Estate	0.74%	0.76%	-0.01%	0.70%	0.63%	0.07%
Consumer Discretionary	-0.58%	-0.32%	-0.27%	2.93%	2.30%	0.63%
Utilities	0.39%	0.44%	-0.05%	0.57%	0.44%	0.13%
Technology	-0.51%	-0.39%	-0.12%	-1.11%	-0.94%	-0.17%
Consumer Staples	1.30%	1.35%	-0.05%	1.93%	1.96%	-0.03%
Healthcare	-0.06%	0.00%	-0.06%	0.13%	0.01%	0.12%
Advertising Agencies	0.09%	0.11%	-0.02%	-0.06%	-0.11%	0.05%
Consumer Cyclical	0.10%	0.12%	-0.02%	0.10%	0.11%	-0.01%

	Strategy Inception	MSCI ASEAN
Trailing Period Returns		
Since Inception	117.5%	29.5%
12 Months	-18.8%	0.8%
Returns		
Compounded Annual Return	7.0%	2.3%
Compounded Monthly Return	0.6%	0.2%
Dividend yield	6.8%	3.6%
Estimated Forward P/E	8x	Na
P/E	8x	17x
Risk Measurements		
Standard Deviation	16.9%	
Sharpe Ratio	0.2	
Sortino ratio	0.4	
Treynor Ratio	1.5	
Greatest Monthly Loss	-12.0%	-11.0%
Highest Monthly Return	17.2%	18.4%
Average Monthly Gain	4.0%	3.2%
Average Monthly Loss	-3.6%	-3.0%
Percent Positive Months	78%	73%
Performance Attribution		
Top 4		Bottom 4
DELFI LTD 0.73%		BLACKSTONE MINERALS LTD -1.46%
VINHOMES 0.50%		JACCS MITRA PINASTHIKA MUSTI -0.76%
MASAN CONSUMER CORP 0.40%		UNITED TRACTORS TBK. -0.56%
SAIGON - HANOI SECURITIES 0.28%		FORMOSA PROSONIC INDS BHD -0.51%

Y/M	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020			-1.7%	14.9%	2.5%	4.5%	11.2%	13.8%	-4.5%	4.1%	9.7%	10.8%	84.9%
2021	4.3%	5.9%	-2.7%	0.2%	3.7%	5.6%	1.3%	5.9%	-0.3%	8.0%	1.1%	-1.1%	36.2%
2022	-6.0%	0.7%	2.5%	-5.8%	-4.8%	-9.0%	0.8%	2.5%	-12.0%	-7.9%	-2.0%	4.6%	-31.7%
2023	6.0%	-1.9%	-1.1%	2.7%	-1.6%								3.9%

	2012	2013	2014	2015	2016	2017	2018	2019	up to Feb 2020
Civetta	18.8%	14.0%	7.2%	-21.5%	9.1%	27.1%	-19.6%	3.5%	-8.8%
MSCIASEAN	18.9%	-7.4%	3.2%	-20.7%	2.9%	27.1%	-11.4%	5.3%	-13.8%

Stock Digest

Delfi Limited (DELFI, market cap US\$620mn) is a leading manufacturer and distributor of chocolate confectionery products in Indonesia, the Philippines, Malaysia, Singapore, and internationally. Its products include molded chocolates, dragees, enrobed wafers, biscuits, chocolate spreads, baking condiments, and beverages. The company also distributes a range of food, healthcare, and other consumer products, including agency brands; and provides management consulting and administrative services. It markets its products under the Delfi, SilverQueen, Van Houten, Ceres, TOP, Selamat, Goya, and Knick Knacks brand names. Delfi will be a key beneficiary of strong demographics and rising urbanization rates in ASEAN.

Revenues continue to grow strongly, up 21% y-y in 1Q2023 leading to higher gross margins and a lower operating cost structure. As a result, profitability has improved with its return on equity rising to an estimated 22% in 2023 from 8% in 2020. The stock trades on 11x forward earnings with a trailing dividend yield of 4.2%. The balance sheet is strong with net cash equivalent to 0.2x equity.

Vietnam Engine and Agriculture (VEA, market cap US\$2.2bn) is a leading player in Vietnam's automotive and agriculture-machinery industries. It offers cars, tractors, and agricultural machinery, as well as motorcycle parts and bearings, plows, gasoline and diesel engines, rice husking products and gearboxes.

Revenue growth has slowed from a strong base in 2022 although overall margins continue to remain strong and at record levels. Valuations are extremely attractive with the stock on just 7x forward earnings with a trailing dividend yield of 14.8%. The balance sheet is very strong with net cash equivalent to 0.5x equity.

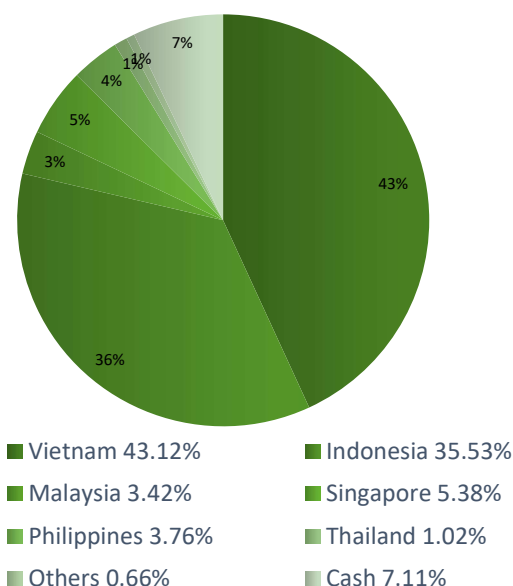
Binh Duong Water Environment (BWE, market cap US\$368mn) is the third largest water distribution company in Vietnam with a capacity of 750kcm per day. It offers the full environmental value chain from water generation and distribution (80% of gross profit) to wastewater treatment. The Company is expected to be a key beneficiary of manufacturing shifting away from China to the ASEAN region.

Revenue growth has slowed in 2023 although gross margins continue to trend higher. Return on equity is a solid 16% whilst its net debt to equity ratio has declined from 1.1x to 0.8x since 2019. The stock trades on 11x forward earnings with a trailing dividend yield of 2.6%.

Fund Facts

Management Fee	1.75%
Performance Fee	15%
Minimum Initial	US\$10,000
Minimum Subsequent	US\$100
Fund Domicile	Ireland
Base currency	US\$
Available Currencies	US\$, GBP, SGD, EUR, JPY
Share Class	S
Available Share Classes	F,I,S,R, & J
Structure	ICAV – UCITS
AIFM	Quayside Fund Management
Investment Manager	Nanjia Capital Limited
Depository	Société Générale S.A.
Sub-Custodian	HSBC Vietnam
Clearing Broker	BTIG, Viet Cap Securities
Legal	Mayer Brown
Auditor	Grant Thornton
Administrator	CSC Fund Administration (Ireland) Limited
Launch Date	May 2020
ISIN CLASS S USD	IE00BGRZGR85

Geographic Exposure



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The Fund has appointed as Swiss Representative Waystone Fund Services (Switzerland) SA, Av. Villamont 17, 1005 Lausanne, Switzerland, Tel: +41213111777, email: Switzerland@waystone.com. The Fund's Swiss paying agent is Helvetische Bank AG. Any Fund documentation may be obtained free of charge from the Swiss Representative. In respect of the Shares distributed in or from Switzerland, the place of performance is at the registered office of the Swiss Representative; the place of jurisdiction is at the registered office of the Swiss Representative or at the registered office or domicile of the investor. The information provided here is for general information only and historical performance is not a guide to current or future performance. The performance data do not take account of commissions and costs incurred on the issue and redemption of shares.