



Siam Knight Fund Management Securities Company Limited

Annual Report
2017/2018

SKFM Mekong Fund

for the period of August 31, 2017
to June 30, 2018.

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Message from the Company

To All Unitholders of SKFM Mekong Fund

On behalf of Siam Knight Fund Management Securities Co., Ltd, Fund Manager of SKFM Mekong Fund (SMF), the fund registered under SET. SKFM Mekong Fund policy is to invest in equity securities which are registered on the Stock Exchange of Thailand as well as on international stock exchanges. The Fund emphasizes value investing in the shares of Thai and foreign companies with strong links to the Greater Mekong Sub-Region (GMS) (including Thailand, Vietnam, Laos, Cambodia, Yunnan province of China, and Myanmar) with a development theme and poised to benefit from ASEAN (AEC) integration. The Fund will invest on average at least 80% of the Fund's NAV in such securities in each financial year. The remaining net asset value will be invested in deposits or other assets or profit acquisition by other means as prescribed by SEC or the Office of the SEC.

In this connection, we would like to express our sincere thanks to the trust of all Unitholders has been extended to us for your investment in SKFM Mekong Fund. Should you have any further question or need more information, You can monitor or follow the announcement the net asset value of the Fund in the company website or call us at 02-639-2965-6

Siam Knight Fund Management Securities Co., Ltd

Fund Details of Investment

Fund Type :	Equity General Fund						
Registered Size:	10,000 Million Baht						
Registered Date:	31 August 2017						
Trustee :	Bank of Ayudhya Public Company Limited						
Registrar :	Bank of Ayudhya Public Company Limited						
Accounting Period of the Fund:	30 June every year.						
Risk Level :	6						
Investment Policy :	<p>The policy is to invest in equity securities which are registered on the Stock Exchange of Thailand as well as on international stock exchanges. The Fund emphasizes value investing in the shares of Thai and foreign companies with strong links to the Greater Mekong Sub-Region (GMS) (including Thailand, Vietnam, Laos, Cambodia, Yunnan province of China, and Myanmar) with a development theme and poised to benefit from ASEAN (AEC) integration. The Management Company might invest in other mutual funds, which invest in the GMS Sub-region. The Fund will invest on average at least 80% of the Fund's net asset value in such securities in each financial year. The Management Company may invest in or hold derivatives for efficient portfolio management according to the Office of the SEC's regulations concerning the Fund.</p> <p>The Management Company might invest in unlisted securities.</p> <p>The Fund shall not invest in structured notes, non-investment grade debt securities, or unrated debt securities.</p>						
Minimum Initial Subscription:	<table border="0"> <tr> <td>General Investors</td> <td style="text-align: right;">50,000</td> <td style="text-align: right;">Baht</td> </tr> <tr> <td>Institutional Investors</td> <td style="text-align: right;">10,000,000</td> <td style="text-align: right;">Baht</td> </tr> </table>	General Investors	50,000	Baht	Institutional Investors	10,000,000	Baht
General Investors	50,000	Baht					
Institutional Investors	10,000,000	Baht					
Minimum Subsequent Subscription:	<table border="0"> <tr> <td>General Investors</td> <td style="text-align: right;">5,000.00</td> <td style="text-align: right;">Baht</td> </tr> <tr> <td>Institutional Investors</td> <td style="text-align: right;">1,000,000.00</td> <td style="text-align: right;">Baht</td> </tr> </table>	General Investors	5,000.00	Baht	Institutional Investors	1,000,000.00	Baht
General Investors	5,000.00	Baht					
Institutional Investors	1,000,000.00	Baht					
Minimum Redemption:	<table border="0"> <tr> <td>General Investors</td> <td style="text-align: right;">5,000.00</td> <td style="text-align: right;">Baht</td> </tr> <tr> <td>Institutional Investors</td> <td style="text-align: right;">1,000,000.00</td> <td style="text-align: right;">Baht</td> </tr> </table>	General Investors	5,000.00	Baht	Institutional Investors	1,000,000.00	Baht
General Investors	5,000.00	Baht					
Institutional Investors	1,000,000.00	Baht					
Minimum Outstanding Balance:	<table border="0"> <tr> <td>General Investors</td> <td style="text-align: right;">50,000</td> <td style="text-align: right;">Baht</td> </tr> <tr> <td>Institutional Investors</td> <td style="text-align: right;">10,000,000</td> <td style="text-align: right;">Baht</td> </tr> </table>	General Investors	50,000	Baht	Institutional Investors	10,000,000	Baht
General Investors	50,000	Baht					
Institutional Investors	10,000,000	Baht					
Subscription Date:	Every fund's trading day within 3.30 p.m.						
Redemption Date:	Every fund's trading day within 12.00 p.m.						

Supervisor Report



Opinion of Mutual Fund Supervisor

To: The Unit-holders of the SKFM Mekong Fund

As Bank of Ayudhya Public Company Limited, the Mutual Fund Supervisor of SKFM Mekong Fund which is under the management of Siam Knight Fund Management Company Limited, has performed duties as the Mutual Fund Supervisor for the period beginning 31 August 2017 to 30 June 2018.

In our opinion, Siam Knight Fund Management Securities Company Limited has reasonably performed their functions as specified in their project and in conformity with the general guidelines of the Securities and Exchange Act B.E. 2535.

Mutual Fund Supervisor
Bank of Ayudhya Public Company Limited

(Miss Nitchamon Khajitsuwon)
Senior Vice President
Securities Services Control Department

Securities Service Control Department
July 11, 2018

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Comment from Asset Management Company on SKFM Mekong Fund

To Unitholder of SKFM Mekong Fund (SMF)

During the first half of 2018, the SET index reached a record high of 1,838 in January 2018, up from 1,753 at the end of December. However, since then the index traded downwards to close at 1,595 at end of June 2018. The signalling from the US Fed to raise interest rates 4 times this year combined with China A shares being included in the MSCI Global Standard from June 2018 led index funds to adjust their weightings by reducing proportions of Thai and other ASEAN stocks resulting fund outflows from the region. Concerns on the escalating trade war between US and China was another factor behind the market correction. On the positive side, continuing negotiations should mitigate the negative effects from any new import tariffs. It is hard to quantify exactly ASEAN's exposure to US trade, since up to one-half of its trade is termed "intermediate goods" imported to & from China, Japan & Korea for re-export/assembly. Ultimately ASEAN will benefit greatly from increased Chinese FDI and infrastructure investment. The Mekong countries, especially Cambodia and Myanmar, are the prime beneficiaries of Chinese investments, but Thailand as the most China-friendly destination in ASEAN is also enjoying the flows. Chinese spending on tourism, shopping, and healthcare are key drivers in both Bangkok's and the Thai economy.

Thailand's economic outlook has improved from last year. First quarter 2018 GDP grew +4.8%, higher than market expectations of +4.0%, supported by expansion in private consumption, government spending, total investment and robust export growth. The National Economic and Social Development Board (NESDB) revised up its Thai GDP forecast to expand in the range of +4.2 to +4.7% in 2018. This revision was supported by the improvement of the overall world economy including rising global commodity prices, expansion of government spending, the clearer pace of private investment recovery, and the improvement of household incomes.

In Vietnam, the VN Index initially surged higher in the first quarter, but corrected in the second quarter to close at 960, not much changed from its level of 984 as at end of 2017. The Vietnamese economy still expanded at a fast rate and foreign funds came into the market in contrast to the outflows from other Asian/ASEAN markets. First quarter GDP grew at +7.4%, which was the highest first quarter GDP growth in 10 years. Exports of electronic parts was the major driver which expanded +40.8% YoY. The Asian Development Bank (ADB) revised up Vietnam's GDP growth forecast in 2018 to +7.1% vs +6.8% in 2017 supported by higher FDI, a hefty rise in exports, strengthening agriculture, and robust domestic demand. For Cambodia, the ADB forecasts GDP to grow +7.0% in both 2018 and 2019 with increased tourism, robust exports, strong FDI inflows, and buoyant domestic demand. In addition, the double tax treaty with China effective January 2018 should encourage more infrastructure investments in Cambodia particularly under the One Belt - One Road initiative. In Myanmar, the ADB maintains its forecast GDP growth for 2018 at +6.8% expanding to +7.2% in 2019. The economy has so far not been directly affected by the situation in Rakhine State. All segments of the economy should strongly expand. Services in particular should expand further with solid growth in both tourism and information technology services. Foreign tourists increased +18% to 3.44 million in 2017. The new

Companies Act, which allows 100% foreign owned company to invest and do wholesale/retail business, will be effective August 2018 and will help promote competition in the retail industry and helps Myanmar consumers to have variety of goods to choose. The Act also enables all companies to have up to 35% foreign ownership without being classified as a “foreign owned company”. This will facilitate the listing of various companies on foreign exchanges and enable foreigners to trade on the YSX in 2019.

The SKFM Mekong Fund was established in 31 August 2017 and as of end June 2018 the Fund had invested 14.9% in property development sector, 14.9% in food and beverage sector, and 11.0% in energy and utilities sector.

Siam Knight Fund Management Securities Co., Ltd.

Fund Performance

SKFM Mekong Fund (SMF)
For the period 31 August 2017 (Date of Inception)
Through 30 June 2018

Fund Performance (%) SKFM Mekong Fund (SMF-A)

As of 29 June 2018

Asset Value of the fund (Baht)				Net Asset Value (Baht)				
18,148,868.34				8.3892				
Fund	% Cumulative			% Annualized				% Cumulative
	YTD	3 M	6 M	1 Y	3 Y	5 Y	10 Y	Since Inception
SMF-A	-15.39%	-7.98%	-15.39%	n/a	n/a	n/a	n/a	-16.11%
Benchmark ⁽¹⁾	-3.81%	-11.05%	-3.81%	n/a	n/a	n/a	n/a	13.57%
Standard Deviation SMF-A ⁽²⁾	10.48%	11.43%	10.48%	n/a	n/a	n/a	n/a	9.06%
Standard Deviation Benchmark ⁽²⁾	16.02%	17.91%	16.02%	n/a	n/a	n/a	n/a	13.61%

Fund Performance (%) SKFM Mekong Fund (SMF-I)

As of 29 June 2018

Asset Value of the fund (Baht)				Net Asset Value (Baht)				
56,344,722.85				8.4171				
Fund	% Cumulative			% Annualized				% Cumulative
	YTD	3 M	6 M	1 Y	3 Y	5 Y	10 Y	Since Inception
SMF-I	-15.22%	-7.89%	-15.22%	n/a	n/a	n/a	n/a	-15.83%
Benchmark ⁽¹⁾	-3.81%	-11.05%	-3.81%	n/a	n/a	n/a	n/a	13.57%
Standard Deviation SMF-I ⁽²⁾	10.48%	11.43%	10.48%	n/a	n/a	n/a	n/a	9.06%
Standard Deviation Benchmark ⁽²⁾	16.02%	17.91%	16.02%	n/a	n/a	n/a	n/a	13.61%

Remark:

- (1) Benchmark: 50% of SET Total Return Index / 50% of FTSE Vietnam in VND currency adjusted with the exchange rate for conversion to Thai Baht
- (2) % p.a.

Total Expenses as called from Fund Table

SKFM Mekong Fund (SMF)
For the period 31 August 2017 (Date of Inception)
Through 30 June 2018

Called expenses from fund ^{(1) (2)} (Fund's Direct Expense)	Amount (Unit :Baht)	Percentage of Net Asset Value
Management fee	1,148,852.65	1.30%
Trustee fee	27,618.64	0.03%
Registrar fee	58,519.55	0.07%
Audit fee	49,808.44	0.06%
Bank fee	200.00	0.00%
Operating fee	57,433.94	0.06%
Duty stamp and post	5,348.16	0.01%
Other expenses	2,679.05	0.00%
Total Expenses	1,350,460.43	1.52%

⁽¹⁾ inclusive of Value Added Tax

⁽²⁾ Excluding brokerage and other fees incurred from trading securities

Brokerage Fee

SKFM Mekong Fund (SMF)

For the period 31 August 2017 (Date of Inception)

Through 30 June 2018

Brokerage Name	Brokerage Fee (Baht)	% of Total Brokerage Fee
1. BUALUANG SECURITIES PUBLIC COMPANY LIMITED	44,453.35	12.58
2. CLSA SECURITIES (THAILAND) LIMITED	94,572.75	24.55
3. FINANSIA SYRUS SECURITIES PUBLIC COMPANY LIMITED	72,630.19	18.85
4. IV GLOBAL SECURITIES PUBLIC COMPANY LIMITED	22,008.56	5.71
5. KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED	42,346.64	10.99
6. KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED	34,805.24	9.03
7. KTZMICO SECURITIES COMPANY LIMITED	35,007.47	9.09
8. MAYBANK KIM ENG SECURITIES (THAILAND) PUBLIC COMPANY LIMITED	35,436.02	9.20
Total	<u>385,260.21</u>	<u>100.00</u>

Report on non-compliance of investment limit

SKFM Mekong Fund (SMF)

For the period 31 August 2017 (Date of Inception)

Through 30 June 2018

Date	Fund Name	Ratio at the end of the day (%NAV)	Ratio of the project (%NAV)	cause	performance
-None-	-	-	-	-	-

List of Connected Person with transaction

SKFM Mekong Fund (SMF)

For the period 31 August 2017 (Date of Inception)

Through 30 June 2018

List of Connected Persons who had transactions with Fund
-None-

Information on the exceeding of 1/3 unit holding

SKFM Mekong Fund (SMF)

As at 30 June 2018

Information on the exceeding of 1/3 unit holding
-None-

Remark :

The investor can verify the information on the exceeding of 1/3 unit holding through the website of the company <http://www.skfm.com>

The Amendment to The Commitment

SKFM Mekong Fund (SMF)

For the period 31 August 2017 (Date of Inception)

Through 30 June 2018

Revised matter	Reason for the amendment	Approval date	Effective date
Amendments / changes / additions Project details	According to SEC Announcement Nor. Jor. 755/2560	October 25, 2017	October 30, 2017
Investment Fund No.8 (Single entity limit)	According to SEC Announcement Tor. Nor. 2/2561	June 21, 2018	July 1, 2018

Borrowings and Securities Sold under Repurchase Agreements

SKFM Mekong Fund (SMF)

For the period from 31 August 2017 to 30 June 2018

-None-

Investment in Structured Notes

For the period from 31 August 2017 to 30 June 2018

-None-

Record on debt securities/claim write off

For the period from 31 August 2017 to 30 June 2018

-None-

Portfolio Turnover Ratio (PTR)

SKFM Mekong Fund (SMF)
For the period from 31 August 2017 (Date of Inception)
Through 30 June 2018

$$\text{PTR} = \frac{\text{Min (buy amount, sell amount)}}{\text{Avg. NAV}}$$

$$\text{PTR} = \frac{59,495,203.42}{88,659,834.93}$$

$$\text{PTR} = 0.67$$

Portfolio turnover ratio is calculated from the lower of the sum of the asset purchase value and the sum of the asset sales value that the Fund invests in during the past year divided by the average net asset value of the Fund in the same period.

Details of Investment, Borrowing and obligations

SKFM Mekong Fund (SMF)

As at 30 June 2018

	Market Value	% of
	(บาท)	NAV
Details of investment		
Investment In Thailand	42,066,442.38	45.14%
Common Shares		
Utilities: Water Utilities	2,516,994.38	2.70%
Financials: Banking	2,250,000.00	2.41%
Services: Transportation & Logistics	6,890,000.00	7.39%
Agro & Food Industry: Food & Beverage	6,455,698.00	6.93%
Property & Construction: Construction Services	6,204,500.00	6.66%
Resources: Energy & Utilities	9,400,000.00	10.09%
Property & Construction: Construction Materials	2,420,000.00	2.60%
Services: Media & Publishing	3,625,000.00	3.89%
Property & Construction: Property Development	2,304,250.00	2.47%
Overseas Investments	30,536,278.05	32.76%
Common Shares		
Consumer Staples: Food Products	3,878,844.00	4.16%
Consumer Staples: Hotels, Restaurants & Leisure	5,496,919.20	5.90%
Materials: Metals & Mining	4,151,487.15	4.45%
Industrials Trading: Companies & Distribution	3,730,992.41	4.00%
Property & Construction: Property Development	5,005,751.40	5.37%
Close end funds	8,272,283.89	8.88%
Other	20,595,759.67	22.10%
Other Assets	20,740,212.03	22.25%
Other Receivables	105.10	0.00%
Other Payable	-114,557.46	-0.16%
	93,198,480.10	100.00%
Net Assets Value		

INDEPENDENT AUDITOR'S REPORT

PVA PV Audit Co., Ltd.

100/19, 14th Floor, Vongvanij Building B, Rama9 Rd., Huai Khwang, Bangkok 10310, Thailand

Tel: 662-645-0080

Fax: 662-645-0020

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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of SKFM Mekong Fund

Opinion

I have audited the financial statements of SKFM Mekong Fund ("the Fund"), which comprise the balance sheet and the details of investments as at 30 June 2018, and the statement of income, statement of changes in net assets, statement of cash flows and significant financial information for the period 31 August 2017 (date of inception) through 30 June 2018, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of SKFM Mekong Fund as at 30 June 2018, and its financial performance, changes in its net assets, cash flows and significant financial information for the period 31 August 2017 through 30 June 2018 in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Fund in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

Management is responsible for the other information. The other information comprises information including in annual report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after that date.

My opinion on the financial statements does not cover the other information and I do not and will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to management to make correction the misstatement.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Prawit Viwanthanant
Certified Public Accountant
Registration Number 4917

PV Audit Co., Ltd.
Bangkok, 11 September 2018

Balance Sheet

SKFM Mekong Fund (SMF)

As at 30 June 2018

	<u>Note</u>	<u>(Unit : baht)</u>
Assets		
Investments at fair value (at cost ; Baht 84,883,612.48)	3, 7, 8	66,110,786.10
Cash at banks	5, 8	10,415,314.67
Accounts receivable from dividend and interest	8	110,172.62
Total Assets		76,636,273.39
Liabilities		
Accounts payable		
From redemption of investment units		412,819.25
From purchases of investments		1,571,688.64
Accrued expenses	6	161,776.31
Total Liabilities		2,146,284.20
Net Assets		74,489,989.19
Net Assets :		
Capital received from unitholders		88,573,560.36
Retained earnings (deficit)		
Equalization account		726,539.60
Deficit earnings from operations		(14,810,110.77)
Net Assets		74,489,989.19

Net asset value per unit – by class			
Share Class	NAV	Investment units	Net asset value per unit
SMF-A	18,147,660.77	2,163,346.0218	8.3887
SMF-I	56,342,143.48	6,694,010.0144	8.4168

The accompanying notes are an integral part of these financial statements.

Statement of income

**SKFM Mekong Fund (SMF)
For the period from 31 August 2017 (Date of Inception)
Through 30 June 2018**

	Note	(Unit : Baht)
Investment Income	3	
Dividend income		1,323,874.02
Interest income		13,360.23
Total income		1,337,234.25
Expenses	3	
Management fee	4,6	1,148,852.65
Trustee fee	4	27,618.64
Registrar fee	4	58,519.55
Professional fee		49,808.44
Other expenses		65,661.15
Total expenses		1,350,460.43
Net loss from investments		(13,226.18)
 Net gain (loss) on investments	 3	
Net realized gain on investments		5,142,836.28
Net unrealized loss on investments		(18,772,826.38)
Net loss on foreign currency exchange rate		(1,166,894.49)
Total net realized and unrealized loss on investments		(14,796,884.59)
 Decrease in net assets resulting from operations		(14,810,110.77)

Increase (decrease) in net assets resulting from operations - by class	
SMF-A	(4,226,550.74)
SMF-I	(10,583,560.03)
Total	(14,810,110.77)

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Net Assets

SKFM Mekong Fund (SMF)
For the period from 31 August 2017 (Date of Inception)
Through 30 June 2018

	Baht
Increase (decrease) in net assets from operations during the period	
Net loss from investments	(13,226.18)
Net realized gain on investments	5,142,836.28
Net unrealized loss on investments	(18,772,826.38)
Net loss on foreign currency exchange rate	(1,166,894.49)
Net decrease in net assets resulting from operations	(14,810,110.77)
Increase (decrease) in capital received from unitholders during the period	
Units initially offered	79,589,672.00
Issuance of investment units during the period	15,961,275.47
Redemption of investment units during the period	(6,250,847.51)
Net increase in capital received from unitholders	89,300,099.96
Increase in net assets during the period	74,489,989.19
Net assets at the beginning of the period	-
Net assets at the end of the period	74,489,989.19
	หน่วย
Changes of investment units	
(at Baht 10 each)	
Units initially offered	7,958,967.1904
Add : Investment units issued during the period	1,596,186.0020
Less : Investment units redeemed during the period	(697,797.1562)
Investment units at the end of the period	8,857,356.0362

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

SKFM Mekong Fund (SMF)
For the period from 31 August 2017 (Date of Inception)
Through 30 June 2018

	Baht
Cash flows from operating activities	
Decrease in net assets from operations	(14,810,110.77)
Adjustments to reconcile the decrease in net assets from operations	
To net cash provided by (used in) operations activities	
Purchases of investments	(139,857,737.35)
Sales of investments	59,602,381.28
Increase in accounts receivable from dividend and interest	(110,172.62)
Increase in accounts payable from redemption of investment units	412,819.25
Increase in accounts payable from redemption of investment units	1,571,688.64
Increase in accrued expenses	161,776.31
Net realized gain on investments	(5,142,836.28)
Net unrealized loss on investments	18,772,826.38
Net unrealized loss on foreign currency exchange rate	514,579.87
Net cash used in operating activities	(78,884,785.29)
Cash flows from financing activities	
Units initially offered	79,589,672.00
Proceeds from issuance of investment units during the period	15,961,275.47
Payments for redemption of investment units during the period	(6,250,847.51)
Net cash provided by financing activities	89,300,099.96
Net increase in cash at banks	10,415,314.67
Cash at banks at the beginning of the period	-
Cash at banks at the end of the period	10,415,314.67

The accompanying notes are an integral part of these financial statements.

The Details of Investments

SKFM Mekong Fund (SMF)

As at 30 June 2018

Details of investments are classified by type of investments and industrial sectors.

Security Name		Units	Fair Value (Baht)	Percent of Investments
Local Listed Securities				
Common Stocks				
Property Development				
Amata VN Public Company Limited	AMATAV	114,200.00	736,590.00	1.11
Ananda Development Public Company Limited	ANAN	600,000.00	2,868,000.00	4.34
Sansiri Public Company Limited	SIRI	1,500,000.00	2,310,000.00	3.49
Transportation & Logistics				
Bangkok Airways Public Company Limited	BA	50,000.00	570,000.00	0.86
Thai Airways International Public Company Limited	THAI	150,000.00	1,890,000.00	2.86
Banking				
Bangkok Bank Public Company Limited	BBL	15,000.00	2,932,500.00	4.44
The Siam Commercial Bank Public Company Limited	SCB	30,000.00	3,555,000.00	5.38
Construction Services				
CH. Karnchang Public Company Limited	CK	125,000.00	2,987,500.00	4.52
Sahakol Equipment Public Company Limited	SQ	1,200,000.00	3,048,000.00	4.61
Unique Engineering and Construction Public Company Limited	UNIQ	100,000.00	1,100,000.00	1.66
Food & Beverage				
Charoen Pokphand Foods Public Company Limited	CPF	200,000.00	4,840,000.00	7.32
Khon Kaen Sugar Industry Public Company Limited	KSL	805,300.00	2,399,794.00	3.63
Minor International Public Company Limited	MINT	50,000.00	1,625,000.00	2.46
Electronic Components				
Hana Microelectronics Public Company Limited	HANA	50,000.00	1,650,000.00	2.50
Media & Publishing				
Major Cineplex Group Public Company Limited	MAJOR	140,000.00	3,444,000.00	5.21
Energy & Utilities				
Electricity Generating Public Company Limited	EGCO	10,000.00	2,240,000.00	3.39
PTT Public Company Limited	PTT	80,000.00	3,840,000.00	5.81
Construction Materials				
The Siam Cement Public Company Limited	SCC	7,500.00	3,105,000.00	4.70
Finance & Securities				
Thitikorn Public Company Limited	TK	91,600.00	970,960.00	1.47
Total Local Listed Securities			46,112,344.00	69.75

The Details of Investments

SKFM Mekong Fund (SMF) As at 30 June 2018

Security Name		Units	Fair Value (Baht)	Percent of Investments
Foreign Listed Securities				
Common Stocks				
Hotel, Lodging & Restaurants				
Donaco International Ltd	DNA AU	750,000.00	2,663,374.50	4.03
Metals & Mining				
Kingsgate Consolidated Ltd	KCN AU	382,829.00	2,625,220.77	3.97
Water Utilities				
Yunnan Water Investment Co Ltd	6839 HK	188,000.00	2,143,036.44	3.24
Processed Food Products				
CP Pokphand Co Ltd	43 HK	750,000.00	2,248,161.75	3.40
Develops Real Estate				
Oxley Holdings Ltd	OHL SP	140,000.00	1,412,196.03	2.14
Yoma Strategic Holdings Ltd	YOMA SP	420,000.00	3,777,199.02	5.71
Trading Companies & Distribution				
Singapore Myanmar Investco Ltd	SMI SP	428,900.00	2,762,617.60	4.18
Unit Trust				
VinaCapital Vietnam Opportunity Fund Ltd	VOF LN	16,641.00	2,366,635.99	3.58
Total Foreign Listed Securities			19,998,442.10	30.25
Total Investments (At Cost : Baht 84,883,612.48)			66,110,786.10	100.00

The accompanying notes are an integral part of these financial statements.

Significant Financial Information

SKFM Mekong Fund (SMF)
For the period from 31 August 2017 (Date of Inception)
Through 30 June 2018

	Baht
Information on results from operations (per unit)	
Units initially offered	10.0000
Income (loss) from investing activities	
Net loss from investments *	(0.0014)
Net realized gain on investments **	0.5522
Net unrealized loss on investments **	(2.0156)
Net loss on foreign currency exchange rate **	(0.1253)
Total loss from investing activities	(1.5901)
Net asset value at the end of the period	8.4099
Ratio of net loss to average net asset value during the period (%)	(16.74)
Significant financial ratios and additional information	
Net asset value at the end period (Thousand Baht)	74,490
Ratio of total expense to average net asset value during the period (%)	1.53
Ratio of total investment income to average net asset value during the period (%)	1.51
Ratio of weighted average investment turnover to average	
Net asset value during the period (%) ***	225.44

Supplemental information

* Based on average investment units outstanding throughout the period.

** The amounts reported may not accord with the change in aggregate gains and losses in securities during the period because of the timing of sales and purchases investment units in relation to fluctuating market values during the period.

*** This is not included cash at bank and investment in promissory notes and trading investments should be the independent trading transactions which are not included repurchase agreements or resale agreements.

NOTES TO THE FINANCIAL STATEMENTS

SKFM Mekong Fund (SMF)
For the period from 31 August 2017 (Date of Inception)
Through 30 June 2018

SKFM MEKONG FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 31 AUGUST 2017 (DATE OF INCEPTION) THROUGH 30 JUNE 2018

1. NATURE OF SKFM MEKONG FUND

SKFM Mekong Fund ("the Fund") was registered with the Office of the Securities and Exchange Commission ("SEC") on 31 August 2017 with a registered capital of Baht 10,000 million (divided into 1,000 million investment units at Baht 10 each). Siam Knight Fund Management Securities Company Limited ("the Management Company") serves as the Fund's Manager. Bank of Ayudhya Public Company Limited serves as the Investment Unit Registrar and the Trustee.

The Fund is an open-ended fund with no project life stipulated, which divides the investment units into 2 classes which are general investor class ("SMF-A") and institutional investor class ("SMF-I").

The Fund's policy is to invest in equity securities which are registered on the Stock Exchange of Thailand as well as on international stock exchanges. The Fund emphasizes to invest in the shares of Thai and foreign companies with strong links to the Greater Mekong Sub-Region (GMS) (including Thailand, Vietnam, Laos, Cambodia, Yunnan province of China and Myanmar) including the shares of companies link to the GMS listed in the stock exchange outside the region, such as Singapore, Hong Kong, China, United Kingdom, South Korea and Australia, etc. The Fund will invest on average at least 80% of the Fund's net asset value in such securities in each financial year. The remaining net asset value will be invested in deposits or other assets or profit acquisition by other means as prescribed by SEC or the Office of the SEC. Therefore, the Fund may enter into derivatives contract for the purpose of hedging exchange rate.

The Fund's policy is not to pay dividend to the unitholders.

On 30 October 2017, the Fund changed its name from "SKFM Mekong Fund Not for Retail Investors" to "SKFM Mekong Fund".

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Fund are prepared in accordance with Thai Financial Reporting Standards ("TFRS") including related interpretations and accounting guidance promulgated by the Federation of Accounting Professions in accordance with generally accepted accounting principles in Thailand. In addition, the financial statements have been prepared in accordance with Thai Accounting Standard No. 106 "Accounting for Investment Companies".

The financial statements of the Fund have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

Adoption of New and Revised Thai Financial Reporting Standards

Financial reporting standards that will become effective in the future

During the period, the Federation of Accounting Professions issued a number of the revised (revised 2017) Thai Accounting Standards, Thai Financial Reporting Standards, Thai Standard Interpretations and Thai Financial Reporting Interpretations which are effective for fiscal year beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. In addition, the Federation of Accounting Professions issued Notification, mandating the use of TFRS 15 Revenue from Contracts with Customers which is effective for the financial statements for the period beginning on or after 1 January 2019.

The management of the Fund has assessed the effects of these Thai Accounting Standards, Thai Financial Reporting Standards, Thai Standard Interpretations and Thai Financial Reporting Interpretations and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investment Measurement

Investments are recognized as assets with the cost of investments at the date on which the Fund has the right on investments. The costs of investments are comprised with the purchase price and all direct expenses which the Fund paid to get those investments.

- Listed equity securities traded in active market are presented at fair value, using the last quoted sales price on the date of valuation.

Net unrealized gains or losses arising from their revaluation of investment to be fair value are reflected in the statement of income on the measurement date.

The weighted average method is used to determine the cost of each security at the time of sales.

Revenues and Expenses Recognition

Dividend income is recognized on the date of declaration and having the right to receive the dividend.

Interest income is recognized as interest accrues, based on the effective rate method.

Expenses are recognized on an accrual basis.

Gain or loss on trading of securities is recorded as revenues or expenses on trading date.

Accounts in Foreign Currencies

Accounts in foreign currencies are converted into Baht at the rates of exchange on the transaction date. Assets and liabilities in foreign currencies at the balance sheet date are converted into Baht at the rates of exchange on that date.

Gain or loss on conversion is included in the statement of income.

Use of Accounting Judgments and Estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgments and estimates that affect the reported amounts of assets, liabilities, revenues, expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

The judgments and estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

4. MANAGEMENT, TRUSTEE AND REGISTRAR FEES

<u>Expenses</u>	<u>Percentage</u>
Management fee	Not over 3.30 per annum of the Fund's net asset value
Trustee fee	Not over 1.10 per annum of the Fund's net asset value
Registrar fee	Not over 0.22 per annum of the Fund's net asset value

5. CASH AT BANKS

<u>Bank</u>	<u>Baht</u>	<u>Interest Rate (%)</u>
Bank of Ayudhya Public Company Limited	6,778,244.54	0.10
Cash held by trustee	3,637,070.13	-
Total cash at banks	<u>10,415,314.67</u>	

6. RELATED PARTY TRANSACTIONS

During the period, the Fund had significant business transactions with the Management Company and other enterprises, which have the same shareholders and/or directors as the Management Company and the Fund. Such transactions for the period ended 30 June 2018 were summarized as follows:

	<u>Baht</u>	<u>Pricing Policy</u>
Siam Knight Fund Management Securities Company Limited		
Management fee	1,148,852.65	The basis stated in the prospectus

As at 30 June 2018 the Fund had the significant outstanding balances with the related company as follows:

	<u>Baht</u>
Siam Knight Fund Management Securities Company Limited	
Accrued management fee	104,182.00

7. INVESTMENT TRADING INFORMATION

The Fund had investment trading transactions for the period ended 30 June 2018 excluding investments in promissory notes, amounted of Baht 199.46 million which is 225.44 percent of the average net asset value during the period.

8. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Fund does not speculate in or engage in the trading of any derivative financial instruments.

Fair Value

As the majority of financial assets and financial liabilities are short-term, and most financial assets are listed securities, which are presented at fair value based on their quoted market prices, the Fund believes that their carrying value does not materially differ from their fair value.

Interest Rate Risk

Interest rate risk represents the probability that debt instrument may increase or decrease in value due to the general fluctuation in interest rates in the market. Debt instrument will decrease in value when the market interest rate increases and will increase in value when the market interest rate decreases. The longer the life of debt instrument is, the more sensitive their prices to the interest rate fluctuation.

Credit Risk

The Fund is exposed to the risk of nonperformance of the financial instruments obligations by counterparties since the Fund has accounts receivable. However, such financial assets are due in the short-term, so the Fund does not anticipate material losses from its debt collection.

Foreign Currency Risk

As at 30 June 2018, the Fund had foreign currency accounts without hedging as follows:

<u>Accounts</u>	<u>Amount</u>
Investments (at fair value)	
HKD	1,040,100.00
SGD	327,158.50
AUD	215,942.12
GBP	54,249.66
Cash at banks	
HKD	32,965.90
SGD	1,008.00
AUD	903.86
GBP	79,112.03
Accounts receivable from dividend	
CNY	21,996.00

Market Risk

The Fund is exposed to the risk from changes in market prices with respect to its investments in equity instruments. The returns on investment fluctuate depending on the economic and political situation including the status of financial and capital markets. The mentioned situations may affect the operation of the financial instruments' issuers in a positive or negative way depending on the kind of business of those issuers and how they relate with fluctuating market, which may arise to an increase or decrease of the financial instruments' market price.

Risk Management

The Fund manages risks which may arise from investments by establishing its risk management policy to cover risks on investments such as diversifying its investments and analyzing the status of those entities invested by the Fund.

9. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issued by the authorized persons of the Fund on 11 September 2018.

List of Soft Commission

**SKFM Mekong Fund (SMF)
For the period from 31 August 2017 (Date of Inception)
Through 30 June 2018**

Brokerage	Soft Commission	Reason for receiving
BUALUANG SECURITIES PUBLIC COMPANY LIMITED	News / Research / Market Overview / Seminar	To help with the investment decisions
CLSA SECURITIES (THAILAND) LIMITED	News / Market Overview	To help with the investment decisions
FINANSIA SYRUS SECURITIES PUBLIC COMPANY LIMITED	News / Research / Market Overview	To help with the investment decisions
IV GLOBAL SECURITIES PUBLIC COMPANY LIMITED	News / Research / Market Overview	To help with the investment decisions
KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED	News / Research / Market Overview / Seminar	To help with the investment decisions
KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED	News / Research / Market Overview / Seminar	To help with the investment decisions
KTZMICO SECURITIES COMPANY LIMITED	News / Research / Market Overview / Seminar	To help with the investment decisions
MAYBANK KIM ENG SECURITIES (THAILAND) PUBLIC COMPANY LIMITED	News / Research / Market Overview / Seminar	To help with the investment decisions

Contact Detail:

Additional Information Please Contact:



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Tel. 02-639-2965-6 โทรสาร. 02-639-2980 www.skfm.com Or our Appointed Selling Agent

Subscription Account Detail:

Subscribers shall make the subscription payment to the Management Company or the Selling Agent by Cheque, draft, or direct debit order that can be collected within the same clearing region as that used by the Management Company.

Account Name "SIAM KNIGHT FUND MANAGEMENT SECURITIES CO., LTD – SUBSCRIPTION"

Bank	Branch	Type of Account	Account Number
Krungsri	Rama 3	Saving	777-1-79858-2
Kbank	Silom	Saving	025-8-21586-9
SCB	Sathorn	Saving	101-2-43947-9
BBL	Head office Silom	Saving	101-9-11094-7

Appointed Selling Agent

- Wealth Magik Mutual Fund Brokerage Company Limited
- Finansia Syrus Securities Public Company Limited
- KTB Securities (Thailand) Public Company Limited
- Phillip Securities (Thailand) Public Company Limited
- Krungsri Securities Public Company Limited
- Globlex Securities Company Limited
- Merchant Partners Securities Public Company Limited
- AIRA Securities Public Company Limited
- RHB Securities (Thailand) Public Company Limited



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