



Annual Report

SKFM Mekong Fund

for the period of July 1, 2018

to June 30, 2019.

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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. The Fund shall not invest in structured notes, non-investment grade debt securities, or unrated debt securities.</p>		
Minimum Initial Subscription:	General Investors	50,000	Baht
	Institutional Investors	10,000,000	Baht
Minimum Subsequent Subscription:	General Investors	5,000.00	Baht
	Institutional Investors	1,000,000.00	Baht
Minimum Redemption:	General Investors	5,000.00	Baht
	Institutional Investors	1,000,000.00	Baht
Minimum Outstanding Balance:	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



A member of MFG
a global financial group

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 1 July 2018 to 30 June 2019.

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

A handwritten signature in black ink, appearing to read 'Jatupoom'.

(Mr. Jatupoom Prachyangprecha)
Vice President Head of Department
Securities Services Business Development
and Compliance Control Department

Securities Services Business Development
and Compliance Control Department
July 10, 2019

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S. P. P.

Comment from Asset Management Company on SKFM Mekong Fund

To Unitholder of SKFM Mekong Fund (SMF)

For first half of 2019, the SET index was in an uptrend closing at 1,730 (+10.6% YTD). The peaceful general election in Thailand following the 2014 coup was the key domestic catalyst behind the market's rise. The new elected government should continue the policies started by the previous government reducing risks of major changes economic direction. Globally, the resumption of trade negotiations between US and China has reduced negative market sentiment. During the negotiation period, the US said that they will not impose tariffs on the remaining US\$300bn of imported goods from China not currently subject to tariffs and cancelled the Huawei ban. China also agreed to buy more US agricultural products to narrow the massive trade deficit. Market expectations that the Fed would cut interest rates was encouraging funds to flow into emerging markets in June including Thailand. There was a net US\$1.3bn inflow into the Thai stock market YTD, while net inflows into the Vietnamese stock markets reached US\$300mn. During the first half 2019, market consensus has revised down global GDP growth. OPEC and Russia agreed to maintain a supply cut of 1.2m barrel per day for at least 6 more months with oil prices increasing from the end of last year. Gold prices rose sharply in June as investors sought safety in gold given uncertainties of when the current US-China trade dispute would be resolved.

Thailand's economy may slow down in 2019 and Bank of Thailand revised down GDP growth to 3.3% due to negligible export growth and slowing tourist arrivals. However, the economy should recover in second half fueled by fresh stimulus spending from the new government. The World Bank also revised down Thai GDP growth to 3.5% because 1Q19 exports contracted the most in three years, public investment slowed down due to the delayed general election results and private investment grew at a slower pace than expected. However, the World Bank expects the economy will expand to 3.6% in 2020. The number of foreign tourists visiting Thailand during Jan-Jun was 19.6mn (+0.7%) and total receipts was Baht 1.01 trillion (+0.3%). Chinese tourists are still the biggest source of tourists, but numbers of Indian tourists grew 22% June as a result of free visa on arrival measures.

In Vietnam, the VN Index also moved upwards in the first half 2019 to close at 949 (+6.4% YTD). Economic growth in the first half was +6.8%, slightly lower than the same period last year of +7.1% driven by the construction and industrial sectors which grew by +8.9% and the service sector which grew +6.7%. The Vietnam government's target was slightly lower in the range of +6.6 to +6.8% for 2019. Vietnam's public debt has also been steadily declining. In 2018, it was 58.4% of the GDP, which was the lowest level in three years. The Vietnamese government signed a free trade agreement with the EU in June. The export value of goods from Vietnam to the EU stood at US\$56.3bn in 2018, which increased four-fold in 10 years 2009, making Vietnam the EU's second largest trade partner in ASEAN after Singapore. Vietnam's tourism industry is also growing well with foreign tourists increasing 7.5% in the first half of 2019 to 8.5 million. Over 80% of tourists were from Asia whose arrivals grew 8.2%, followed by tourists from Europe which grew 5.5%. Chinese tourists were the largest single group at 29%, followed by South Korean at 25%. The growth in tourism will attract further investment in the hotel, retail and related businesses. For Cambodia, which is

expected to benefit from trade tensions between the US and China, it will be beneficial to the development of infrastructure and industrial estates. The Cambodian government has promoted investment by providing tax incentives to investors. In Myanmar, the government has increased spending on infrastructure investment, but relies on foreign investment which came mostly from ASEAN countries, especially from Singapore.

Siam Knight Fund Management Securities Co., Ltd.

Fund Performance

SKFM Mekong Fund (SMF)

For the period 1 July 2018 Through 30 June 2019

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

As of 29 June 2019

Asset Value of the fund (Baht)					Net Asset Value (Baht)			
19,693,165.52					8.5790			
Fund	% Cumulative			% Annualized ⁽²⁾				% Cumulative
	YTD	3 M	6 M	1Y	3Y	5Y	10Y	Since Inception
SMF-A	11.06%	5.90%	11.06%	2.26%	n/a	n/a	n/a	-8.31%
Benchmark ⁽¹⁾	7.62%	-0.53%	7.62%	2.00%	n/a	n/a	n/a	8.80%
Standard Deviation SMF-A ⁽²⁾	9.88%	9.68%	9.88%	10.79%	n/a	n/a	n/a	10.06%
Standard Deviation Benchmark ⁽²⁾	9.35%	7.36%	9.35%	10.86%	n/a	n/a	n/a	12.01%

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

As of 29 June 2019

Asset Value of the fund (Baht)					Net Asset Value (Baht)			
40,836,823.60					8.6416			
Fund	% Cumulative			% Annualized ⁽²⁾				% Cumulative
	YTD	3 M	6 M	1Y	3Y	5Y	10Y	Since Inception
SMF-A	11.28%	6.00%	11.28%	2.67%	n/a	n/a	n/a	-7.94%
Benchmark ⁽¹⁾	7.62%	-0.53%	7.62%	2.00%	n/a	n/a	n/a	8.80%
Standard Deviation SMF-A ⁽²⁾	9.88%	9.67%	9.88%	10.79%	n/a	n/a	n/a	10.06%
Standard Deviation Benchmark ⁽²⁾	9.35%	7.36%	9.35%	10.86%	n/a	n/a	n/a	12.01%

Remark:

- (1) Benchmark: 50% of SET Total Return Index / 50% of FTSE Vietnam Total Return Index in USD currency adjusted with the exchange rate for conversion to Thai Baht.
- (2) Returns that are over one year will show returns per year.

Please understand the nature of the products, conditions of return and risks before making an investment decision / past operating result. Comparative results of the operations relating to products in the capital market It is not a guarantee of future performance.

That fund performance measurement document has been prepared in accordance with the fund performance measurement standards of the Association of Investment Companies.

Total Expenses charged to the fund

SKFM Mekong Fund (SMF)
For the period 1 July 2018 Through 30 June 2019

Called expenses from fund (Fund's Direct Expense)	Amount (Unit :Baht)	Percentage of Net Asset Value ⁽¹⁾
Management fee	1,013,864.21	82.98%
Trustee fee	26,438.00	2.16%
Registrar fee	51,277.80	4.20%
Audit fee	60,000.00	4.91%
Operating fee	29,439.96	2.41%
Other expenses	40,851.03	3.34%
Total Expenses ⁽²⁾	1,221,871.00	100%

⁽¹⁾ Fee and expenses collected from the above mutual funds is the rate including VAT or withholding tax or any other taxes

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

Brokerage Fee

SKFM Mekong Fund (SMF)
For the period 1 July 2018 Through 30 June 2019

Brokerage Name	Brokerage Fee (Baht)	% of Total Brokerage Fee
1. KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED	18,424.44	16.21
2. KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED	15,110.64	13.30
3. KTZMICO SECURITIES COMPANY LIMITED	11,259.17	9.91
4. KTB SECURITIES (THAILAND) PUBLIC COMPANY LIMITED	3,164.25	2.78
5. MAYBANK KIM ENG SECURITIES (THAILAND) PUBLIC COMPANY LIMITED	6,542.54	5.76
6. BUALUANG SECURITIES PUBLIC COMPANY LIMITED	19,988.62	17.59
7. FINANSIA SYRUS SECURITIES PUBLIC COMPANY LIMITED	18,625.49	16.39
8. IV GLOBAL SECURITIES PUBLIC COMPANY LIMITED	20,516.27	18.06
Total	<u>113,631.42</u>	<u>100.00</u>

Report on non-compliance of investment limit

SKFM Mekong Fund (SMF)
For the period 1 July 2018 Through 30 June 2019

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

List of Related Person with transaction

SKFM Mekong Fund (SMF)
For the period 1 July 2018 Through 30 June 2019

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

Information on the exceeding of 1/3 unit holding

SKFM Mekong Fund (SMF)

For the period 1 July 2018 Through 30 June 2019

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 1 July 2018 Through 30 June 2019

Revised matter	Reason for the amendment	Approval date	Effective date
Additional information	Additional selling agent	14 August 2018	14 August 2018

Borrowings and Securities Sold under Repurchase Agreements

SKFM Mekong Fund (SMF)

For the period 1 July 2018 Through 30 June 2019

-None-

Investment in Structured Notes

For the period 1 July 2018 Through 30 June 2019

-None-

Record on debt securities/claim write off

For the period 1 July 2018 Through 30 June 2019

-None-

Portfolio Turnover Ratio (PTR)

SKFM Mekong Fund (SMF)

For the period 1 July 2018 Through 30 June 2019

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

$$\text{PTR} = \frac{40,756,514.05}{65,040,419.66}$$

$$\text{PTR} = 0.62$$

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 2019

	Market Value (Baht)	% of NAV
Details of investment		
Investment In Thailand	30,883,788.00	51.02%
Common Shares		
Agro & Food Industry: Food & Beverage	1,779,338.00	2.94%
Resources: Energy & Utilities	4,648,750.00	7.68%
Financials: Banking	4,168,000.00	6.89%
Finance: Securities	2,114,700.00	3.49%
Services: Transportation & Logistics	580,000.00	0.96%
Services: Media & Publishing	585,000.00	0.97%
Services: Commerce	3,474,000.00	5.74%
Property & Construction: Construction Services	7,370,000.00	12.18%
Property & Construction: Property Development	6,164,000.00	10.18%
Overseas Investments	22,149,014.37	36.59%
Common Shares		
Materials: Metals & Mining	3,521,885.55	5.82%
Utilities: Water Utilities	1,976,000.00	3.26%
Property & Construction: Property Development	7,377,342.97	12.19%
Industrials Trading: Companies & Distribution	2,223,854.52	3.67%
Property & Construction: Property Development	5,075,709.33	8.39%
Consumer Staples: Hotels, Restaurants & Leisure	1,974,222.00	3.26%
Close end funds		
Other	7,496,871.35	12.39%
Other Assets	7,637,625.69	12.62%
Other Receivables	29.30	0.00
Other Payable	(140,783.64)	(-0.23%)
Net Assets Value	60,529,673.72	100%

INDEPENDENT AUDITOR'S REPORT

PVA PV Audit Co., Ltd.

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Tel: 662-645-0080

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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 2019, and the statement of income, statement of changes in net assets, statement of cash flows and significant financial information for the year then ended, 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 2019, and its financial performance, changes in its net assets, cash flows and significant financial information for the year then ended 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 be 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 Viwanthananut
Certified Public Accountant
Registration Number 4917

PV Audit Co., Ltd.
Bangkok, 5 September 2019

Balance Sheet

SKFM Mekong Fund (SMF)

As at 30 June 2018

	Note	Baht	
		2019	2018
ASSETS			
Investments at fair value (at cost : Baht 63,617,955.85 in 2019 and Baht 84,883,612.48 in 2018)	3, 8, 9	53,032,802.37	66,110,786.10
Cash at banks	6, 9	7,637,625.69	10,415,314.67
Accounts receivable from dividend and interest	9	29.30	110,172.62
Total Assets		60,670,457.36	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	7	137,969.66	161,776.31
Other liabilities		2,813.98	-
Total Liabilities		140,783.64	2,146,284.20
NET ASSETS		60,529,673.72	74,489,989.19
NET ASSETS :			
Capital received from unitholders		70,210,975.66	88,573,560.36
Retained earnings: (deficit)			
Equalization account		4,246,027.49	726,539.60
Deficit from operations	4	(13,927,329.43)	(14,810,110.77)
Net Assets		60,529,673.72	74,489,989.19

Net asset value per unit calculated by types of unitholders as follows:

SMF-A	8.5790	8.3887
SMF-I	8.6415	8.4168

Investment units sold at the end of the years: (units) classified by types of unitholders as follows:

SMF-A	2,295,494.6180	2,163,346.0218
SMF-I	4,725,602.9479	6,694,010.0144
Total	7,021,097.5659	8,857,356.0362

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

Statement of Income

SKFM Mekong Fund (SMF)
For the period 1 July 2018 Through 30 June 2019

	Note	Baht	
		2019	2018
INVESTMENT INCOME	3		
Dividend income		1,625,011.35	1,323,874.02
Interest income		5,213.55	13,360.23
Total income		1,630,224.90	1,337,234.25
EXPENSES	3		
Management fee	5, 7	1,013,864.21	1,148,852.65
Trustee fee	5	26,438.00	27,618.64
Registrar fee	5	51,277.80	58,519.55
Professional fee		60,000.00	49,808.44
Other expenses		70,290.99	65,661.15
Total expenses		1,221,871.00	1,350,460.43
Net loss from investments		408,353.90	(13,226.18)
Net gain (loss) on investments	3		
Net realized gain (loss) on investments		(4,313,935.73)	5,142,836.28
Net unrealized gain (loss) on investments		8,187,672.90	(18,772,826.38)
Net loss on foreign currency exchange rate		(3,399,309.73)	(1,166,894.49)
Total net realized and unrealized gain (loss) on investments		474,427.44	(14,796,884.59)
Increase (decrease) in net assets resulting from operations		882,781.34	(14,810,110.77)
Increase (decrease) in net assets resulting from operations classified by types of unitholders as follows:			
Types of unitholders			
SMF-A		482,390.67	(4,226,550.74)
SMF-I		400,390.67	(10,583,560.03)
Total		882,781.34	(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 1 July 2018 Through 30 June 2019

	Baht	
	2019	2018
Increase (decrease) in net assets from operations during the year		
Net income (loss) from investments	408,353.90	(13,226.18)
Net realized gain (loss) on investments	(4,313,935.73)	5,142,836.28
Net unrealized gain (loss) on investments	8,187,672.90	(18,772,826.38)
Net loss on foreign currency exchange rate	(3,399,309.73)	(1,166,894.49)
Net increase (decrease) in net assets resulting from operations	882,781.34	(14,810,110.77)
Increase (decrease) in capital received from unitholders during the year		
Units initially offered	-	79,589,672.00
Issuance of investment units during the year	1,869,980.90	15,961,275.47
Redemption of investment units during the year	(16,713,077.71)	(6,250,847.51)
Net increase (decrease) in capital received from unitholders	(14,843,096.81)	89,300,099.96
Increase (decrease) in net assets during the year	(13,960,315.47)	74,489,989.19
Net assets at the beginning of the year	74,489,989.19	-
Net assets at the end of the year	60,529,673.72	74,489,989.19
	Units	
<u>Changes of investment units</u>		
(at Baht 10 each)		
Units initially offered / at the beginning of the year	8,857,356.0362	7,958,967.1904
<u>Add</u> : Investment units issued during the year	234,891.3627	1,596,186.0020
<u>Less</u> : Investment units redeemed during the year	(2,071,149.8330)	(697,797.1562)
Investment units at the end of the year	7,021,097.5659	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 1 July 2018 Through 30 June 2019

	Baht	
	2019	2018
Cash flows from operating activities		
Increase (decrease) in net assets from operations	882,781.34	(14,810,110.77)
Adjustments to reconcile the increase (decrease) in net assets from operations to net cash provided by (used in) operating activities		
Purchases of investments	(40,750,814.07)	(139,857,737.35)
Sales of investments	54,841,002.76	59,602,381.28
(Increase) decrease in accounts receivable from dividend and interest	110,143.32	(110,172.62)
Increase (decrease) in accounts payable from redemption of investment	(412,819.25)	412,819.25
Increase (decrease) in accounts payable from purchases of investments	(1,571,688.64)	1,571,688.64
Increase (decrease) in accrued expenses	(23,806.65)	161,776.31
Increase in other liabilities	2,813.98	-
Net realized (gain) loss on investments	4,313,935.73	(5,142,836.28)
Net unrealized (gain) loss on investments	(8,187,672.90)	18,772,826.38
Net unrealized loss on foreign currency exchange rate	2,861,532.21	514,579.87
Net cash provided by (used in) operating activities	<u>12,065,407.83</u>	<u>(78,884,785.29)</u>
Cash flows from financing activities		
Units initially offered	-	79,589,672.00
Proceeds from issuance of investment units during the year	1,869,980.90	15,961,275.47
Payments for redemption of investment units during the year	(16,713,077.71)	(6,250,847.51)
Net cash provided by (used in) financing activities	<u>(14,843,096.81)</u>	<u>89,300,099.96</u>
Net increase (decrease) in cash at banks	(2,777,688.98)	10,415,314.67
Cash at banks at the beginning of the year	10,415,314.67	-
Cash at banks at the end of the year	<u>7,637,625.69</u>	<u>10,415,314.67</u>

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

The Details of Investments

SKFM Mekong Fund (SMF)

As at 30 June 2019

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

<u>Security Name</u>	<u>Units</u>	<u>Fair Value</u> (Baht)	<u>Percent of</u> <u>Investments</u>
Local Listed Securities			
Common Stocks			
Property Development			
Amata VN Public Company Limited	100,000	2,440,000.00	4.60
Ananda Development Public Company Limited	700,000	2,688,000.00	5.07
Sansiri Public Company Limited	700,000	1,036,000.00	1.95
Transportation & Logistics			
Bangkok Airways Public Company Limited	50,000	580,000.00	1.09
Banking			
Bangkok Bank Public Company Limited	14,000	2,758,000.00	5.20
Kasikornbank Public Company Limited	7,500	1,410,000.00	2.66
Commerce			
Beauty Community Public Company Limited	300,000	1,224,000.00	2.31
Robinson Public Company Limited	40,000	2,250,000.00	4.24
Construction Services			
CH. Karnchang Public Company Limited	80,000	2,360,000.00	4.45
Sahakol Equipment Public Company Limited	1,200,000	3,240,000.00	6.11
Unique Engineering and Construction Public Company Limited	150,000	1,770,000.00	3.34
Food & Beverage			
Charoen Pokphand Foods Public Company Limited	250,000	706,250.00	1.33
Khon Kaen Sugar Industry Public Company Limited	372,600	1,073,088.00	2.02
Media & Publishing			
Major Cineplex Group Public Company Limited	20,000	585,000.00	1.10
Energy & Utilities			
PTT Public Company Limited	45,000	2,193,750.00	4.14
Banpu Public Company Limited	75,000	1,125,000.00	2.12
Thai Oil Public Company Limited	20,000	1,330,000.00	2.51

The Details of Investments

SKFM Mekong Fund (SMF)

As at 30 June 2019

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

<u>Security Name</u>	<u>Units</u>	<u>Fair Value</u> (Baht)	<u>Percent of</u> <u>Investments</u>
Finance & Securities			
Thitikom Public Company Limited	199,500	2,114,700.00	3.99
Total Local Listed Securities		30,883,788.00	58.24
Foreign Listed Securities			
Common Stocks			
Hotel, Lodging & Restaurants			
Donaco International Ltd.	1,627,650	5,075,709.33	9.57
Metals & Mining			
Kingsgate Consolidated Ltd.	482,460	2,542,114.55	4.79
Hatien 1 Cement JSC	16,000	332,800.00	0.63
Hoa Phat Group JSC	3,900	119,145.00	0.22
Petrovietnam Fertilizer & Chemical JSC	26,800	527,826.00	1.00
Water Utilities			
Petrovietnam Power Corp	100,000	1,976,000.00	3.73
Processed Food Products			
CP Pokphand Co., Ltd.	750,000	1,974,222.00	3.72
Develops Real Estate			
Oxley Holdings Ltd.	200,000	1,496,688.60	2.82
Yoma Strategic Holdings Ltd.	220,000	1,920,750.37	3.62
Kinh Bac City Development SH	40,000	738,400.00	1.39
Taseco Air Services JSC	25,200	2,096,640.00	3.95
Vincom Retail JSC	25,600	1,124,864.00	2.12
Trading Companies & Distribution			
Singapore Myanmar Investco Ltd.	428,900	1,215,776.02	2.29
Vietnam Container Shipping	25,300	1,008,078.50	1.90
Total Foreign Listed Securities		22,149,014.37	41.76
Total Investments (At Cost : Baht 63,617,955.85)		53,032,802.37	100.00

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

Significant Financial Information

SKFM Mekong Fund (SMF) For the period from 1 July 2018 Through 30 June 2019

	Baht	
	2019	2018
Information on results from operations (per unit)		
Units initially offered	-	10.0000
Net asset value at the beginning of the year	8.4099	-
Income (loss) from investing activities		
Net gain (loss) from investments *	0.0528	(0.0014)
Net realized gain (loss) on investments **	(1.4403)	0.5522
Net unrealized gain (loss) on investments **	2.7337	(2.0156)
Net loss on foreign currency exchange rate **	(1.1350)	(0.1253)
Total income (loss) from investing activities	0.2112	(1.5901)
Net asset value at the end of the year	8.6211	8.4099
Ratio of net profit (loss) to average net asset value during the year (%)	1.37	(16.74)
Significant financial ratios and additional information		
Net asset value at the end of the year (Thousand Baht)	60,530	74,490
Ratio of total expenses to average net asset value during the year (%)	1.90	1.53
Ratio of total investment income to average net asset value during the year (%)	2.54	1.51
Ratio of weighted average investment turnover to average net asset value during the year (%) ***	167.09	225.44

Supplemental information

- * Based on average investment units outstanding throughout the year.
- ** The amounts reported may not accord with the change in aggregate gains and losses in securities during the year because of the timing of sales and purchases investment units in relation to fluctuating market values during the year.
- *** 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 1 July 2018 Through 30 June 2019

SKFM MEKONG FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

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 Fund’s 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.

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 (“TFAC”) 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”.

Since the Fund was registered on 31 August 2017. Thus, the accounting period of the Fund for the period 2018 was shorter than one year as a result the previous amounts are not comparable with the current amounts in part of the statements of income, changes in net assets, cash flows, significant financial information and related notes to financial statements.

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 TFRS

1. Financial reporting standards that became effective in the current year

During the year, the Fund has adopted the revised TFRS (revised 2017) issued by the TFAC which become effective for fiscal year beginning on or after 1 January 2018. These TFRS were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes and clarifications directed towards disclosures in the note to the financial statements. The adoption of these financial reporting standards does not have any significant impact on the Fund's financial statements.

2. Financial reporting standards that will become effective in the future

During the year, the TFAC issued the revised TFRS (revised 2018) and new TFRS which are effective for the financial statements for the period beginning on or after 1 January 2019. These TFRS were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The new TFRS are as follows:

<u>TFRS/TFRIC</u>	<u>Topic</u>
TFRS 1	First-time Adoption of Thai Financial Reporting Standards
TFRS 15	Revenue from Contracts with Customers
TFRIC 22	Foreign Currency Transactions and Advance Consideration

The management of the Fund has assessed the effects of these TFRS that they will not have any significant impact on the financial statements for the year in which they are initially applied.

A set of 5 TFRSs related to financial instruments, consists of TAS, TFRS and interpretations, which is effective for the financial statements for the period beginning on or after 1 January 2020. Key principles of these standards are summarized below.

<u>TAS/TFRS/TFRIC</u>	<u>Topic</u>
TAS 32	Financial Instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRS related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of financial instruments, the characteristics of the contractual cash flows and the Entity's business model), calculation of impairment of financial instruments using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRS related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Fund is assessing the effects of these TFRS on the financial statements for the year in which they are initially applied.

TFRS 16 Leases which is effective for the financial statements for the period beginning on or after 1 January 2020.

The management of the Fund has assessed the effects of this TFRS that it will not have any significant impact on the financial statements for the year in which it is 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.

Other income and 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. DEFICIT AT BEGINNING OF THE YEAR

	<u>Baht</u>
	<u>2019</u>
Accumulated net loss from investments (accumulated since 31 August 2017)	(13,226.18)
Accumulated net realized gain on investments (accumulated since 31 August 2017)	5,142,836.28
Accumulated net unrealized loss on investments (accumulated since 31 August 2017)	(18,772,826.38)
Accumulated net loss on foreign currency exchange rate (accumulated since 31 August 2017)	(1,166,894.49)
Deficit at beginning of the year	<u>(14,810,110.77)</u>

5. 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

6. CASH AT BANKS

<u>Bank</u>	<u>Baht</u>		<u>Interest Rate (%)</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Bank of Ayudhya Public Company Limited	2,674,500.67	6,778,244.54	0.10 , 0.00	0.10 , 0.00
Cash held by trustee	4,963,125.02	3,637,070.13	-	-
Total cash at banks	<u>7,637,625.69</u>	<u>10,415,314.67</u>		

7. RELATED PARTY TRANSACTIONS

During the year, 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 years ended 30 June 2019 and 2018 were summarized as follows:

	Baht		Pricing Policy
	2019	2018	
Siam Knight Fund Management Securities Company Limited			
Management fee	1,013,864.21	1,148,852.65	The basis stated in the prospectus

As at 30 June 2019 and 2018 the Fund had the significant outstanding balances with the related company as follows:

	Baht	
	2019	2018
Siam Knight Fund Management Securities Company Limited		
Accrued management fee	72,324.94	104,182.00

8. INVESTMENT TRADING INFORMATION

The Fund had investment trading transactions for the year ended 30 June 2019 excluding investments in promissory notes, amounted of Baht 95.59 million (Period 2018 : Baht 199.46 million which is 148.75 percent (Period 2018 : 225.44 percent) of the average net asset value during the year.

9. 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 2019 and 2018, the Fund had foreign currency accounts without hedging as follows:

<u>Accounts</u>	<u>Amount</u>	
	<u>2019</u>	<u>2018</u>
Investments (at fair value)		
HKD	502,500.00	1,040,100.00
SGD	204,312.50	327,158.50
AUD	354,211.95	215,942.12
GBP	-	54,249.66
VND	6,095,195,000.00	
Cash at banks		
HKD	895,517.52	32,965.90
SGD	854.42	1,008.00
AUD	583.80	903.86
GBP	-	79,112.03
VND	1,086,834,294.00	
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.

10. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issued by the authorized persons of the Fund on 5 September 2019.

List of Soft Commission

SKFM Mekong Fund (SMF)

For the period from 1 July 2018 Through 30 June 2019

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
KTB SECURITIES (THAILAND) 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
- SBI Thai Online Securities Co., Ltd.



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