

**Review & Outlook**

The Fund decreased by +5.6% during the month of June and is +7.2% year-to-date. In May 2016 we stated that the cash position in the Fund was ~11%, as of the end of June 2016 cash decreased to ~5.6% of the Fund.

Oil price volatility, China slowdown, negative interest rates, Fed interest rate hikes, Brexit, Article 50, what shall be next? An Italian Banking Crisis? Needless to say, the first six months of 2016 has been a headline filled extravaganza for the media. So Brexit has come and gone, the UK voted to leave the EU, resulting in chaos for most global markets, however this proved to be short-lived as the majority of equity markets (except Europe and the UK) have rebounded strongly. It certainly was helped when members of the US Fed suggested that the next rate hike may not occur until 1Q17.

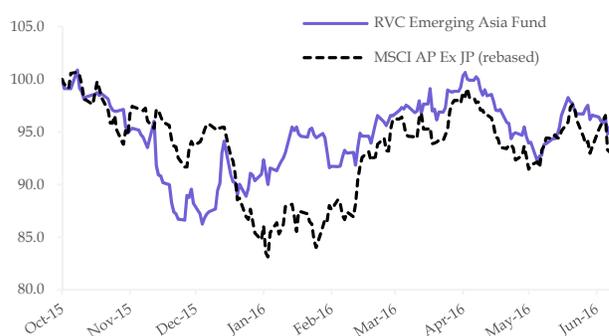
During the course of the past quarter we exited several Non-Core holdings due to our target valuations being achieved. For Value & Growth Holdings: Vibhavadi Hospitals Plc (VIBHA), Asia Sermkij Leasing Plc (ASK) as they had increased by 40% and 20%, respectively. For Special Situations: HTL International Plc (HWA), as confirmation of the tender offer was announced resulting in the price increasing allowing us to recognise a return of ~100%. Subsequent to these exits we saw the market decline as a result of the Brexit vote to enter into new Non-Core Growth and Value holdings, predominately mid and large caps in the Thai equity market.

**Performance**

	1m	3m	YTD	Inc. <sup>2</sup>
<b>RVC Emerging Asia<sup>1</sup></b>	<b>5.6%</b>	<b>3.0%</b>	<b>7.2%</b>	<b>-0.3%</b>
MSCI AP ex Japan	1.5%	-0.7%	0.7%	-3.9%

**NAV / Share (USD)**

	30 June	Year high	Year Low
<b>RVC Emerging Asia<sup>1</sup></b>	<b>99.68</b>	<b>101.16</b>	<b>86.75</b>



**Monthly Returns<sup>1</sup> (%)**

	J	F	M	A	M	J	J	A	S	O	N	D	Y
<b>2015</b>										-0.9	-3.1	-3.1	-7.0
<b>2016</b>	0.0	0.0	4.0	1.7	-4.1	5.6							7.2

**Portfolio Breakdown (% NAV)**

Top 5 by Industry		Allocations	
Real Estate	19.4%	Thailand	87.8%
Eng. & Construction	13.8%	Singapore	3.7%
Telecommunications	13.0%	Malaysia	2.7%
Lodging	10.7%	Philippines	0.2%
Building Materials	8.3%	<i>Total Equity Invested</i>	88.2%
Other	34.8%	Cash & equivalents	5.6%
<b>Total</b>	<b>100%</b>	<b>Total</b>	<b>100%</b>

## Investment Holdings

### Core Growth and Value Holdings

This month we will present one of our core investment holdings, Dusit Thani Plc (DUSIT).

Dusit Thani Plc (DUSIT); Market Capitalisation: THB 8.9 bn (USD 254 mn)

DTC was founded in 1948 with its first hotel the Princess of Bangkok's New Road. Over time the company expanded to own 10 hotels, 8 in Thailand, 1 in Manila and 1 in the Maldives, a total of 2,800 keys. They also own 2 hospitality education business and launched its own property fund, Dusit Thani Freehold & Leasehold in 2011.

For the past decade or more the company has rarely been viewed as attractive by the investing public for a couple of reasons, firstly despite the company being incredibly cheap on asset value, until the property fund launch there was no clear directive that asset values would be realised and reinvested into expansion, secondly the business model was focused upon purely managing existing assets and potentially acquiring or investing into new assets and thirdly the stock was extremely illiquid.

Over the past 18-36 months the company begun to focus on developing a platform to expand via an asset-light strategy, management contracts, something which is not new to the industry as we have seen in the past with Minor International Plc (MINT) and Central Plaza Hotel Plc (CENTEL). In 2013 they launched a joint venture, Dusit Fudu Hotels & Resorts, to focus on expanding their hotel management agreements in China. In 2015, DTC and its subsidiaries entered into 9 hotel management agreements with an additional 9 hotel management contracts signed under their JV in China. They also bolstered their management with the talents of Mrs. Suphajee Suthumpun as Group CEO, the former CEO of Thaicom Plc (THCOM), where she successfully turned around the business and Mrs. Pratana Mongkolkul as an Executive Director, the former CFO of MINT.

As of 2Q16, DTC now has 17 properties that are under either a franchise or management agreements, 4,000 keys across seven countries. There are an additional 45 properties with over 10,000 keys in 18 countries that are in the pipeline and management targets to sign 20+ new agreements each year for the next few years. The impact of the financial performance of DTC will be remarkable over the coming years should these targets be achieved with an increase profit margins and ratios.

As for the liquidity issue, at the beginning of 2016 within their AGM minutes a resolution to change the par value of DTC at a 10:1 ratio which was eventually done by May 2016.

Thus the combination of DTC expanding via an asset light approach, with a strong experienced management team, and improved liquidity gave us confidence increasing our weighting during the first few months of 2016. Despite the recent run-up in their price, we continue to view this holding to be a multi-year one as the economics of their expansion shall be realised over the coming 2 to 3 years.

### Final Thoughts

The month of July should see the continuation of the rally from last month's Brexit's fears. Given that we are effectively fully invested we expect to maintain existing positions and weightings. Finally, we have launched our website ([www.rossvancompernelle.com](http://www.rossvancompernelle.com)) which contains the papers on commentary and factsheets on countries in South East Asia.

<b>Fund information</b>		<b>Management Company</b>	
Fund name:	RVC Emerging Asia Fund	Investment Advisor:	Hybrid Partners Limited (Thailand)
Launch Date:	19 October 2015	Investment Manager:	Ross & Van Compernelle (Cayman)
Current Price:	US\$ 99.68		Harbour Place, 2nd Floor
Bloomberg Ticker:	RVCEMAS KY Equity		103 South Church Street
ISIN:	KYG7742Y1061		P.O. Box 472, George Town
Investment Policy:	The fund is an absolute return long only investment fund. It aims to discover emerging undervalued companies which are primarily, but not exclusively, small to midcaps.	Tel:	+6626585981
		Website:	www.rossvancompernelle.com
Investment Geography:	Asia with a focus on ASEAN	E-mail:	admin@rossvancompernelle.com
Management Fee:	1.5% p.a.	Custodian:	DBS Bank Singapore
		Fund Administrator:	DBS Bank Singapore
Performance Fee:	15% p.a. over high water mark	Auditors:	PricewaterhouseCoopers

**Footnotes:**

- (1) Inception Date was on 19<sup>th</sup> October 2015, NAV is based upon the Lead Series
- (2) Performance data is calculated net of fees

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