

PERFORMANCE AND COMMENTARY

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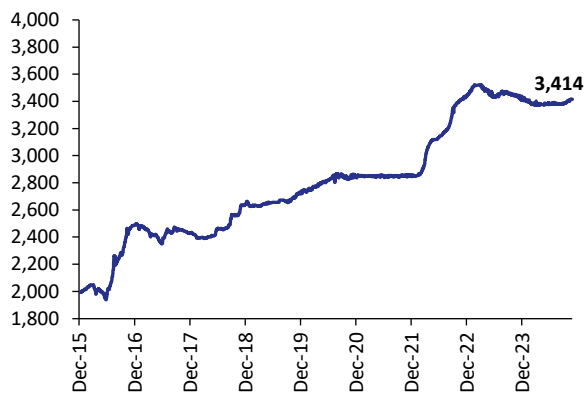
In Nov, we estimate the NAV of Impera Mongolia Holding (equities) to be USD 498 per share, -0.7% vs. our estimated NAV of USD 502 per share at end Oct. Year-to-date, we estimate we are +20.6%.

Market Update

Mongolian Stock Market in November

In October, the stock market, as measured by the MSE20 Index*, 0.9% m/m in MNT and 0.6% in USD terms, as the MNT lost 0.3% against the USD (Fig. 1). On a year-to-date basis the index is up 19% in MNT and 20% in USD terms.

Fig. 1: USD vs. MNT Rate



Source: Bloomberg | Last data point: 29.11.2024

For the month, the price performances of locally listed stocks were mixed. Of the 4 systemic private commercial banks, Khan was strong with +13% followed by XaC +6%, whilst Golomt and TDB were +0% and -2%. The leading consumer companies were positive excluding with APU (beverage) -1%, as SUU (dairy) and TUM (poultry/eggs) gained +6% and +2%. In the offshore listed universe, we saw continued weakness in MMC (HK listed met coal producer) -6%, Erdene (ERD:CN, gold developer) -11%, Xanadu (XAM:AU, copper/gold developer) -22%. In contrast, Entrée (ETG:CN) had another positive month with +6% (year-to-date: +57%)

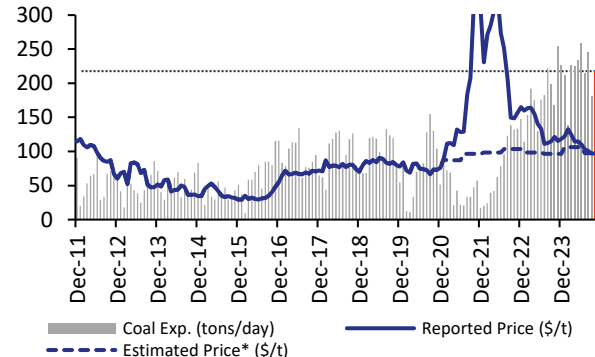
* We shared our doubts about the methodology used in constructing / calculating the MSE-20 in our [Feb 2021 Letter](#). Here, we provide MSE-20 perf. figures for illustrative purposes.

Macro Update

Coal exports jumped back to elevated levels

In October, Mongolian metallurgical (met) coal exports materialized at 6.7m tons, equivalent to a run rate of 217k tons/day, up 30% y/y & 20% m/m (Fig. 10). This was in line with our expectations and the usual positive seasonality we see towards the end of every year as Chinese demand strengthens in late autumn before slowing down in the December-February period. The implied price of Mongolian met coal was USD 97 per ton, down 20% y/y & flat m/m.

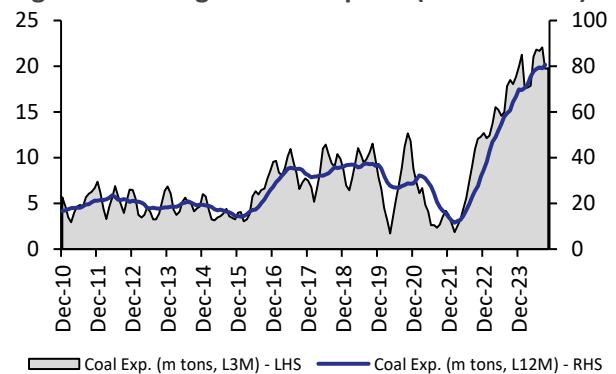
Fig. 2: Monthly Met Coal Exports & Pricing



Source: National Statistical Office | Last data point: Oct 2024 | * Estimated average price of exports for the period between Feb 2021 and Oct 2024 due to inaccurate official reporting, which is confirmed by coal exporting companies

Over the twelve months to end October, met coal exports amounted to over 80m tons, which is at an all-time high and well above the government's official target of 70m (Fig. 3).

Fig. 4: Metallurgical Coal Exports (L3M & L12M)

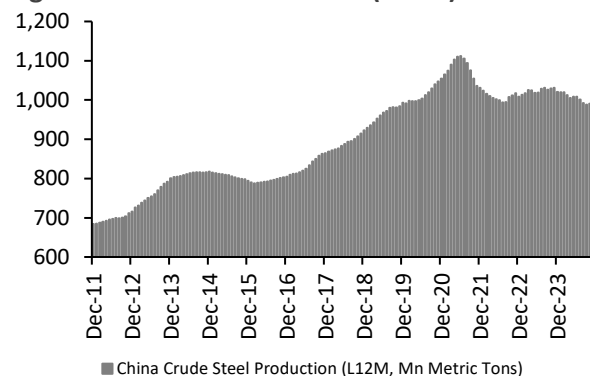


Source: National Statistical Office | Last data point: Oct 2024

China’s steel industry, the main customer for Mongolian met coal, reported gross production of 82m tons in October, up 5% y/y and 4% m/m as positive seasonality kicked in. The picture in 10M 2024 remains soft as total output materialized at 847 tons, down 3% y/y, confirming the publicized challenges of the Chinese economy, especially its property sector (Fig. 4).

Despite the weakening trend, we believe that Chinese demand for Mongolian coal will continue to be supported due to a challenging environment for local production of met coal in China, and geopolitical considerations, including a desire to reduce dependence on geopolitically vulnerable seaborne imports from the US, Canada, and Australia. The combination of these factors continues to underpin Mongolia’s target of achieving met coal exports of c.70m tons in 2024. However, the coming 12-18 months may well see some softness in export volumes and the pricing of Mongolian met coal.

Fig. 5: China Steel Production (L12M)



Source: Bloomberg, World Steel Association | Last data point: Oct 2024

Mongolia’s GDP expands 3.9% y/y in 3Q 2024

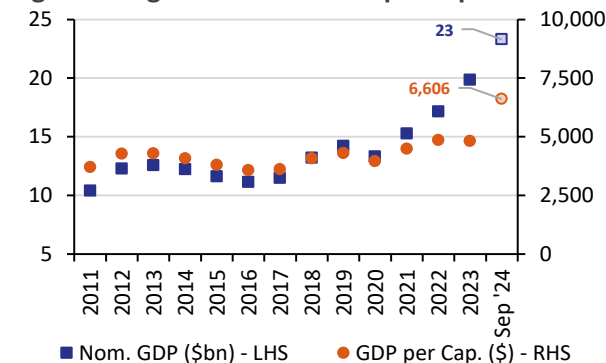
According to new data released by the National Statistical Office (NSO), the Mongolian economy grew at a good pace of 3.9% y/y in 3Q but at a growth rate that was lower than the 5.6% y/y growth seen in 1H 2024. As a result, the 9M 2024 GDP growth rate materialized at 5.0% y/y vs. the IMF’s revised estimate of 5.5% for FY 2024 (previous estimate: 6.5%). The IMF expects growth to accelerate to 7.0% y/y in 2025 with the ramp up of copper concentrate production at Oyu Tolgoi mine.

Looking at the constituents of GDP by sector, mining and services continued to grow at impressive rates of 5.6% and 10.2% in 3Q. Similarly to previous quarters in 2024, agriculture was weak (-21.9% y/y) and industry contracted 5.5% y/y (1H 2024: +7.9% y/y).

Looking at GDP through the expenditure method, both households and the public sector continued to see strong growth with +9.7% y/y and +18.9% y/y but moderated vs. highly elevated levels seen in 1H 2024, which was largely fueled by spending in the run-up to the legislative elections in June.

With robust GDP growth and FX rate stability, GDP continued to expand in hard currency terms. We now estimate it has reached USD c.23bn and over USD 6,500k on a per capita basis. (Fig. 6)

Fig. 6: Mongolia GDP and GDP per cap in USD



Source: IMF, National Statistical Office, Bloomberg | Last data point: L12M to Jun 2024

INVESTMENT STRATEGY (EQUITIES)

Impera Mongolia Holdings Ltd (equities) owns equity stakes in some of the most promising Mongolia-focussed listed companies. Most of our holdings are listed on the Mongolia Stock Exchange, with some on the Canadian, US, Hong Kong and Australian stocks exchanges. The investment objective is to achieve high absolute investment returns over a medium-term timeframe

FUND PERFORMANCE (EQUITIES 2022-)

	2021	2022	2023	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	Oct 24	Nov 24	Dec24	YTD**
NAV	588.2	429.8	578.6										
Dist. 1 & 2				170.0									
Post-Dist NAV				461.1	454.4	509.4				502	498		
Perf. % *		-26.9%	34.6%	11.6%	-1.4%	12.1%				-1.5%	-0.7%		20.6%

PORTFOLIO DETAILS (EQUITIES)

SUMMARY	SECTOR	% CONCENTRATION	% MCAP (USDm)	%
AUM	\$5.6m Mining	34% Positions 1-5	62% > 250	52%
W. Avg. MCap	\$158m Staples	31% Positions 6-10	31% 50 - 250	18%
Positions	13 Financials	23% Positions 11-20	6% 10 - 50	11%
Perf. since Dec-22	62% Construction and RE	11% Positions 21+	0% < 10	18%
MSE / Offshore Listing	65% / 34% Net Cash / Debt / WC	0% Net Cash / Debt / WC	0% Net Cash / Debt / WC	0%

SUMMARY TERMS AND SERVICE PROVIDERS (EQUITIES)

Fees:	100% Management p.a., 15% carried interest above USD 671per share	Jurisdiction:	Cayman
Fund Expense:	10% p.a. (ex. Man. Fees & trading costs)	Administrator:	Apex Fund Services
Contact Details:	philip.khoury@imperacapital.com or gamze.alpar@imperacapital.com	Custodian:	CSD Mongolia, GIS

INVESTMENT STRATEGY (REAL ESTATE)

Impera Mongolia (Real Estate) owns c.6,000 sqm of retail space built on c.5,000 sqm of land located in Central Ulaanbaatar in two properties; Marketplace and Blue Bazaar. It also owns 5 retail stores in Central Ulaanbaatar. The investment objective of the vehicle is to achieve the best possible absolute returns with an anticipated exit at some point in the middle to late part of this decade

PERFORMANCE (REAL ESTATE 2022-)

	Dec-21	Jun-22	Dec-22	Jun-23	Dec-23	Jun-24	Dec-24	Jun-25	Dec-25	Jun-26	Dec-26	Dec-21 to date
NAV*	277.2	252.4	257.3	262.5	314.3	333.2						
NAV Perf.		-8.9%	1.9%	2.0%	19.7%	6.0%						20.2%

* Cost basis is USD 529 per share, High Water Mark USD 529 / share. NAV excludes carried interest (CI)

Data in italics are Impera Capital estimates and are subject to change

HOLDINGS SUMMARY (REAL ESTATE - JUN 2024)

	Built Up Area	Description	NAV	NAV	Yield	Position Size	
	sqm		USD k	/Sqm	/NAV	% Asset	% NAV
Covered Markets	5,355		4,309	648	7.7%	96.7%	107%
"Marketplace"	3,800	Market on 3,330 sqm land	2,744	548	7.8%	96.7%	69%
"Blue Bazaar"	1,600	Market on 2,330 sqm land	1,565	601	7.3%	96.7%	38%
Retail Units	596	5 units	774	1,065	6.4%	96.7%	22%
Net Debt and Liabilities			-1,355				-28%
Net Asset Value			3,728				100%

SUMMARY TERMS AND SERVICE PROVIDERS (REAL ESTATE)

Size:	USD 3.7 million	Jurisdiction / Form:	Lebanon / Offshore
Original Cost per share / High Water Mark per share:	USD 529 / USD 569	Manager:	Philip Khoury
Type / Life:	To end 2026, extendible to 2028	Auditor:	Grant Thornton Lebanon & Mongolia
Management / Performance Fees:	1.00% per annum / 15% Carried Interest w HWM USD 500/share	Administrator:	Apex Fund Services
Contact Details:	philip.khoury@imperacapital.com or gamze.alpar@imperacapital.com	Lawyers:	Abousleiman & Partners, Lebanon

INVESTMENT STRATEGY (IMPERA MONGOLIA OPPORTUNITIES 2012-21)

Impera Mongolia Opportunities was established at end 2011 as a long-term blank cheque private equity style investment vehicle into Mongolia-related investment opportunities. Capital was increased in 2012 and 2013 and Impera Mongolia invested solely in listed equities and real estate in Mongolia, apportioned approximately 50/50, at cost. In 1Q22 Impera Mongolia Opportunities is spinning out the Cayman vehicle holding its listed equities into a separate Cayman Private Fund, leaving only the real estate assets in the original vehicle

PERFORMANCE (IMPERA MONGOLIA OPPORTUNITIES 2012-2022H1)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022H1	2011-2021
NAV*	1,024.3	993.8	972.5	1,030.0	695.1	923.4	797.8	618.5	554.9	865.4	712.8	
<i>o/w Equities NAV</i>										588.2	460.4	
<i>o/w Real Estate NAV</i>										277.2	252.4	
NAV Perf.	2.4%	-2.1%	-2.1%	5.9%	-32.5%	32.8%	-13.6%	-22.5%	-10.3%	59.5%	-17.6%	-11.5%
NAV Perf.(adj) **	2.1%	-2.1%	-2.1%	5.5%	-32.2%	32.8%	-13.6%	-22.5%	-10.3%	59.5%	-17.6%	-11.5%
MNT/USD	1,391	1,663	1,889	1,993	2,487	2,427	2,639	2,718	2,850	2,848	3,132	
MNT Chg.	0.3%	-16.4%	-11.9%	-5.2%	-19.9%	2.5%	-8.0%	-2.9%	-4.6%	0.1%	-9.1%	-51.0%

* Investors joining on other dates, making additional contributions, may have different returns. NAV excludes carried interest (CI).

** "Perf. adj" takes into account carried interest accrual, *** Figures not reliable due a glitch in the index

Data in italics are Impera Capital Estimates and are subject to change

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