

Forum One - VCG Partners Vietnam Fund (VVF)



30 September 2015

Class A NAV/share: USD9.62

VVF is an actively managed UCITS-compliant fund that invests in equities and equity-related securities of companies that are based in Vietnam or that has substantial exposure to Vietnam, with an objective to outperform the Vietnamese benchmark index over the long term, through bottom up stock picking and disciplined risk management.

Manager's monthly commentary

VVF continued to outperform the VN Index in September, finishing the month up 1.6% while the benchmark closed down 0.4% (in USD terms). Though the market was slightly down, September was generally a good month for stocks at maximum foreign ownership capacity. Many of the fund's top holdings belong to this category, and thus contributed positively to the fund's performance. Of note, Vietnam Container Shipping (VSC) extended its strong run (+13% in September) thanks to increasing put-through volume in the Hai Phong area and enhanced capacity for growth stemming from the ongoing construction of a new port. Our position in FPT Corporation (FPT) also helped bolster performance as the fund was able to secure some profit on the stock at a 23.6% premium versus its September close. FPT's outlook is quite promising as it recently won a turnkey IT contract in Bangladesh worth USD33.6m.

Despite near term challenges, Vietnam saw strong GDP growth of 6.8% in the third quarter while inflation remained low at just 0.4% YTD2015. Such an economic environment has lent support for the real estate sector and related industries such as construction and building materials in the country. As a result, over the course of the month we accumulated positions in real estate and construction companies that are forecast to deliver positive results in upcoming earnings seasons given their strong sales activities and project pipelines.

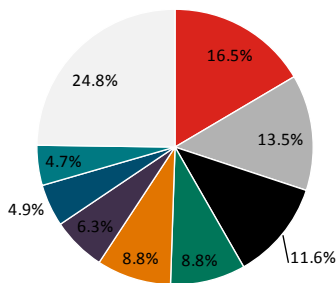
The wave of positivity kept on rolling through 6 October, as it was announced that the 12 signatory nations (Australia, Brunei, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam) reached agreement as to the terms of the Trans-Pacific Partnership (TPP). The TPP is a historic trade pact that eliminates trade barriers between member states, a group that collectively accounts for 40% of global GDP. While the TPP must still be ratified within the respective legislative bodies of each involved party, we are confident that once the agreement is fully implemented it will create significant value for Vietnam. Specifically, we anticipate that the TPP will substantially increase foreign investment into the country, as TPP members and non-members alike will be eager to capitalise on the newly created trade opportunities. In particular, the TPP reinforces our bullish stance on infrastructure, ports and industrial construction stocks, all of which stand to benefit tremendously from the TPP in the long-term.

Performance summary

	Fund ¹	VN Index
September 2015 (month-on-month)	1.6%	(0.4%)
Year-to-date	(3.8%)	(14.5%)
Cumulative since inception	(3.8%)	(14.5%)
% of Up months	66.7%	0.0%
Annual standard deviation	14.2%	24.3%
Tracking error	8%	

¹Fund information calculated from Class A shares

Asset allocation



■ Industrials	■ Financials
■ Consumer Staples	■ Consumer Discretionary
■ Materials	■ Information Technology
■ Utilities	■ Energy
■ Cash	

Calendar

VinaCapital Investor Conference **October 14th to 16th**

Thu Nguyen, CFA will be presenting at VinaCapital's annual investor conference in Ho Chi Minh City.

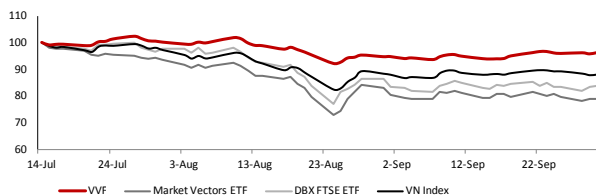
For more details you can download the investor conference agenda [here](#)

VVF European Roadshow **November 9th to 13th**

Thu Nguyen, CFA will be travelling through Europe and to meet clients in Stockholm, Frankfurt, Munich and Zurich.

Please contact us if you would like to arrange a meeting

Performance chart



Top holdings

Ticker	Market Cap (USDm)	Sector	% of NAV	2015F PE	Div Yield
VNM	5,339	Consumer Staples	9.3%	16.9	5.0%
VSC	111	Industrials	7.8%	9.8	2.5%
FPT	786	Information Technology	6.3%	9.3	4.5%
VCB	5,081	Financials	6.2%	22.0	2.3%
HPG	990	Materials	6.2%	6.9	6.6%
SJD	53	Utilities	4.9%	6.1	10.1%
DRC	188	Consumer Discretionary	4.2%	10.8	6.5%
PVS	413	Energy	4.2%	5.7	5.8%
CII	221	Industrials	4.1%	7.1	5.2%
MWG	379	Consumer Discretionary	3.0%	9.0	1.6%

Source: VinaCapital's estimates

Key terms

	Class A	Class B	Class C	Class D	Class E	Class F	Class G
Currency	USD	USD	EUR	EUR	USD	USD	JPY
Min. Investment	500,000	5,000	500,000	5,000	500,000	3,000,000	10,000,000
Management fee	1.25%	2.00%	1.25%	2.00%	1.25%	1.25%	2.00%
Performance Fee	None	15.00%	15.00%	15.00%	15.00%	None	None
Bloomberg	FOVCPVA LX	-	-	-	-	-	-
ISIN	LU1163030197	LU1163027052	LU1214542463	LU1214545136	LU1286782559	LU1286782716	LU1286783011

Fund structure

Launch date	14 July 2014
Fund Size	USD70.6m
Incorporation	Luxembourg
Registered	UK, Germany, Singapore
Management company	Edmond de Rothschild Asset Management (Luxembourg)
Investment manager	VinaWealth FM JSC
Depository Bank	Edmond de Rothschild (Europe)
Auditor	PwC Societe Cooperative Luxembourg

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