

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.

Performance summary

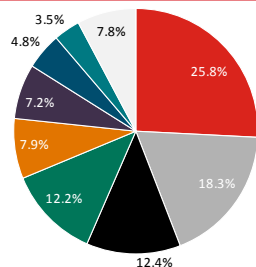
	Fund ¹	VN Index
December 2015 (month-on-month)	1.7%	1.0%
Year-to-date	2.4%	(11.8%)
Cumulative since inception	2.4%	(11.8%)
% of Up months	63.6%	36.4%
Annualised standard deviation	13.5%	18.8%
Tracking error	9.5%	

¹Fund information calculated from Class A shares

Performance Chart



Sector Allocation



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

Calendar

VVF Roadshow **January** **25 to 29**

Thu Nguyen will be in Germany, Switzerland, Liechtenstein, Finland and the UK talking about Vietnam and VVF. Contact us if you would like to arrange a meeting.

Manager's monthly commentary

The Fund ended 2015 on a positive note, with Class A NAV per share up 2.4% since inception on 14 July 2015, outperforming the benchmark which dropped 11.8% during that same period. For full year 2015, the VN Index increased an anaemic 0.9% in USD terms. The fund's performance since inception was most helped by Cotecons (CTD, +59%), Vietnam Container Shipping (VSC, +55%) and Vinamilk (VNM, +32%). Laggards on the other hand included PetroVietnam Technical Services (PVS, -33%), Danang Rubber (DRC, -19%) and Vietcombank (VCB, -14%).

In December, VVF NAV per share increased 1.7%, outperforming the VN Index which increased 1.0%. Strongest performers during the month were VSC (+11%), VNM (+3.4%) and Mobile World (MWG, +4.9%). As VNM and VSC rallied, we realized some profit in those two stocks at a (foreign room) premium and reinvested the capital in a transportation company which stands to benefit from growing demand as well as the economic potential of the province in which it operates. We also increased our allocation to a mid-sized real estate company with a large land bank, and to the construction materials sector.

Mobile World continues to ring up results

We have highlighted Mobile World in the past, and the company continues to post positive results. For the 11M2015, year-over-year revenue was up 60% to USD1bn while net income increased 57% to USD42.6mn. During this period, the company opened 226 new stores nationwide, including 190 mobile device shops and 36 consumer electronics stores; raising their total number of stores in both segments to 590 as of the end of November. The company also provided guidance for 2016: revenue of USD1.5bn and net profit of USD61.7mn. We continue to be upbeat about this stock.

Full speed ahead for 2016

Despite the mediocre market performance in 2015, Vietnam's economic growth surpassed its regional peers. That strong growth is expected to gain momentum in 2016, with GDP projected to increase 6.7%, driven by manufacturing, construction, retail sales, exports and FDI. The State Bank of Vietnam has targeted credit growth of 18-20% but will look to control inflation at less than 5% over the course of the year.

These and other factors reinforce our belief that the domestic consumption story continues to be the impetus for Vietnam's economic development, and that the consumer, logistics, property and property-related (construction and materials) sectors are where real growth potential lies in 2016. We also expect to see significant progress on the removal of foreign ownership limits and privatisation of state-owned enterprises. These moves will benefit those stocks with full foreign room and solid fundamentals. We see tremendous potential in the year ahead.

Top holdings

Ticker	Market Cap (USDm)	Sector	% of NAV	2015F PE	Div Yield
VSC	141	Industrials	9.9%	10.8	1.9%
VNM	6,832	Consumer Staples	9.8%	19.2	3.9%
FPT	854	Information Technology	7.2%	10.4	5.2%
HPG	952	Materials	6.2%	6.3	6.8%
VCB	5,203	Financials	5.6%	22.5	2.3%
SJD	53	Utilities	4.8%	6.6	9.7%
CTD	294	Industrials	4.4%	12.0	3.3%
CI	204	Industrials	4.1%	6.6	6.5%
MWG	488	Consumer Discretionary	4.0%	10.5	1.3%
DRC	177	Consumer Discretionary	3.9%	10.2	6.9%
VVF Portfolio				10.9	4.3%
VNIndex				12.7	4.0%

Source: VinaCapital's estimates

Macroeconomic update

Vietnam's macroeconomic story in 2015 was one of increasing globalisation, continued foreign direct investment, rising consumer confidence and a resurgent property market. Looking back on 2015, one of the premier storylines was the signing of the Trans-Pacific Partnership, a free trade agreement that may one day have a dramatic economic impact on Vietnam. It has already reignited significant FDI inflows to the country, with FDI disbursements up 15% to USD14.5 billion, from 2014.

The growth of FDI has been a key driver in the reappearance of consumer confidence and the increases in domestic wealth that also characterised 2015. Domestic consumption rose 9.1% year-on-year, the Services sector expanded 6.3% and retail sales grew 8%. In addition, with inflation of just

0.6% year-on-year, increased purchasing power has helped usher in a long awaited recovery in the property market. Prices rose 10-20% over the course of the year alongside surges in both project sales and new launches. Increased lending was also a factor in the recovery, with overall credit growth reaching 18% for the year driven by 23-25% growth in property loans. Heightened activity in the property market has been a boon to the Industrial and Construction sector, which grew 9.6% for the year, and remains a sector we continue to target within our own portfolio. In all, 2015 proved to be a year of promise for Vietnam, with GDP growth coming in at 6.7%, the strongest performance in the past five years.

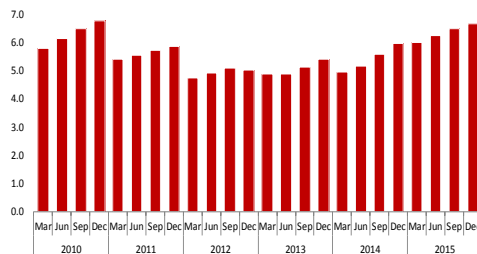
Looking ahead, the State Bank of Vietnam expects credit growth to climb another 18-20% and inflation to be controlled at below 5%, which we believe will fuel investment and drive GDP growth beyond 2015's impressive mark.

Macroeconomic indicators

	2014	Dec-15	2015 YTD	Year-on-year
GDP growth ¹	6.0%		6.7%	7.0%
Inflation (%YOY)	1.8%	0.0%	0.6%	0.6%
FDI commitments (USDbn)	20.2	2.5	22.8	12.5%
FDI disbursements (USDbn)	12.4	1.3	14.5	17.4%
Imports (USDbn)	148.0	14.5	165.6	11.9%
Exports (USDbn)	150.0	14.2	162.4	8.2%
Trade surplus/(deficit) (USDbn)	2.0	(0.3)	(3.2)	
Exchange rate (USD/VND) ²	21,450	22,450	-4.7%	

Sources: GSO, Vietnam Customs, SBV, VCB | 1. Annualized rate, updated quarterly 2. (-) Denotes a devaluation in the currency, Vietcombank ask rate

Quarterly GDP growth (%)



Key terms

	Class A	Class B	Class C	Class D	Class E	Class F	Class G
Currency	USD	USD	EUR	EUR	USD	GBP	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	FOVIEBU LX	FOVIECX LX	FOVIEDE LX	FOVIEEU LX	-	-
ISIN	LU1163030197	LU1163027052	LU1214542463	LU1214545136	LU1286782559	LU1286782716	LU1286783011

Fund structure

Launch date	14 July 2015
Trading Period	Daily Subscriptions/Redemptions
Fund Size	USD66.8m
Incorporation	Luxembourg
Registered	UK, Germany, Singapore, Austria
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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The current Sales Prospectus, the Key Investor Information Document (KIID), the Articles of Association as well as the annual reports of the Forum One – VCG Partners Vietnam Fund (“the Fund”) are the sole binding basis for the purchase of fund shares. These documents can be obtained in English and free of charge from the Fund Manager’s website (www.vinawealth.vn/en) and the Management Company’s website (<http://navcentre.edmond-de-rothschild.eu>). This document is prepared by VinaWealth Fund Management Joint Stock Company (“VinaWealth”) for the information of shareholders in the Fund and other eligible recipients, on the basis of information obtained from sources VinaWealth considered to be reliable, but VinaWealth does not make any representation or warranty, express or implied, as to its accuracy, completeness, timeliness or correctness. The information contained in this document is for background purposes only and is subject to updating, revision and amendment, and no liability whatsoever is accepted by VinaWealth or any other person, in relation thereto. Please refer to the Fund’s prospectus for more information on the Fund and its risks. This document is neither a prospectus nor an offer or invitation to apply for shares and neither this document nor anything contained herein shall form the basis of any contract of commitment whatsoever. Past performance is not necessarily guidance to the future. The value of shares in the Fund and the income derived there from may go down as well as up. You are advised to exercise caution in relation to this document. If you are in any doubt about this document or any information contained in this document, you should obtain independent professional advice. The information contained in this document is strictly confidential and is intended only for the use of the individual or entity to which VinaWealth has provided the report. No part of this report may be reproduced or distributed without the prior consent of VinaWealth.