

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 have 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

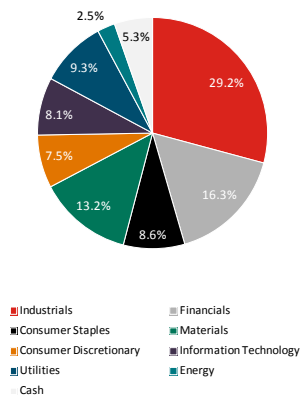
	Fund ¹	VN Index
May 2016 (month-on-month)	3.8%	2.9%
Year-to-date	6.5%	7.3%
Cumulative since inception	9.1%	(5.7%)
% of Up months	71.4%	57.1%
Annualised standard deviation	14.2%	20.2%
Tracking error	7.7%	

¹Fund information calculated from Class A shares

Performance Chart



Sector Allocation



Calendar

VVF Roadshows

European roadshow, week of 13 June 2016, to include Germany, Switzerland, Sweden, Finland, Luxembourg and the UK.

Manager's monthly commentary

May was a good month for Vietnam's equity market, with the VN Index increasing by 2.9% in USD terms. Foreign net inflows totalled USD33 million on the Ho Chi Minh Stock Exchange, the highest monthly level year to date, despite ETFs being net sellers in May to the tune of USD12.7 million.

One of the largest winning sectors during the month was energy, which benefitted from the 3.2% increase in the Brent oil price to nearly USD50/bbl at the end of the month. PetroVietnam Drilling (PVD, +30%) and PetroVietnam Gas (GAS, +18%) were among the Index's largest gainers. A further catalyst for the Index's rise was President Obama's visit to Vietnam, as it highlighted the ever-closer economic ties between the two countries, and raised hopes for greater US investment in Vietnam.

The fund outperformed the VN Index this month, with Class A NAV per share climbing 3.8% in USD terms. Key contributors in this month's outperformance included Mobile World (MWG, +17%), Vietnam Container Shipping (VSC, +7%) and Hoa Sen Group (HSG, +12.7%).

Consumption stocks continue to thrive

MWG is the leading mobile devices and consumer electronic retail chain in Vietnam, and it continues to grow. The company recently reported compelling four-month earnings figures, including sales of USD572 million, an increase of 78% y-o-y, and net profit growth of 82% y-o-y to USD25 million. Further, through the first four months of FY2016, MWG opened 154 new mobile phone stores, and 25 new electronics retail stores. As a result, the company now boasts 718 mobile phone stores, up 70% y-o-y, and 94 electronics stores, up an impressive 276% y-o-y.

The fund's largest holding, Vinamilk (VNM, +2%), held its annual general meeting (AGM) in May, and took the opportunity to deliver some exciting news. The company officially announced its intention to remove its foreign ownership limit (FOL), with the board of directors to be responsible for implementing the necessary procedures to do so as required by law. VinaCapital issued a press release praising VNM's decision, which can be viewed [here](#). The FOL was not the only topic covered at the AGM however, as the company also announced rather conservative earnings guidance for FY2016, including revenue and net profit growth of 11% and 6%, respectively. We, however, believe VNM can achieve higher growth as the company continues to benefit from low input costs while strengthening its foothold in the domestic market and aggressively expanding its export markets. In fact, VNM saw its domestic market share in liquid milk rise to 54.4% in the first quarter of 2016 from 53% at the end of 2015 amidst rising competition from international and local brands.

Steel company shows strength

HSG's share price returned 12.7% this month on surprisingly strong business results in the second quarter of the company's 2016 fiscal year (Jan – Mar). During the quarter, sales volume of galvanised steel reached 218,838 tons, a 34.6% y-o-y increase, while net profit advanced by 254% y-o-y to reach USD18.7 million aided by an expanded gross profit margin. Such margin expansion was prompted by a recovery in the selling price in March coupled with holding a low cost raw material inventory, as well as a pick-up in real demand for steel products in Vietnam, given growth of the construction industry reached 9.94% y-o-y during the period, its highest level since 2010.

Top holdings

Ticker	Market Cap (USDm)	Sector	% of NAV	2016F PE	Div Yield
VNM	7,611	Consumer Staples	8.6%	18.1	3.5%
FPT	837	Information Technology	8.1%	8.8	4.9%
VSC	112	Industrials	7.8%	10.4	2.5%
CTD	368	Industrials	5.3%	9.9	3.1%
SJD	52	Utilities	4.8%	6.7	9.9%
HPG	1,106	Materials	4.6%	6.7	4.4%
VCB	5,559	Financials	4.6%	20.4	2.1%
MWG	563	Consumer Discretionary	4.4%	9.3	1.2%
MBB	1,118	Financials	4.4%	8.9	3.2%
BMP	282	Industrials	4.0%	11.5	2.9%
VVF Portfolio				10.1	3.9%
VNIndex				14.5	3.7%

Macroeconomic update

In May, the Nikkei Vietnam Purchasing Managers' Index (PMI) rose to 52.7, marking the sixth straight month of PMI expansion. Growth in manufacturing was supported by new export orders, expansion of output and increased staffing. Similarly, the Index of Industrial Production increased 7% y-o-y, fuelled by 11.2% growth in manufacturing. Foreign direct investment (FDI) continues to pour into Vietnam, and FDI commitments have increased 136.4% y-o-y through the first five months of 2016. It is estimated that up to 65% of the new committed capital is destined for manufacturing activities, further aiding the manufacturing sector's healthy growth. On the consumer

side, retail sales through the first five months of 2016 have risen 9.1% in nominal terms, or 7.8% in real terms. Manufacturing, industrial production and domestic consumption continue to be the main drivers of Vietnam's economic growth.

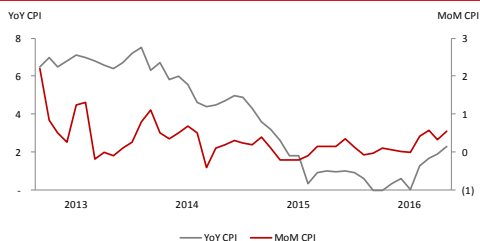
Vietnam's consumer price index (CPI) rose 0.5% m-o-m in May, or 2.3% y-o-y. The increase was driven by gasoline price increases, resulting in transportation costs rising by 2.3% m-o-m. Food and foodstuffs also saw a price increase of 0.7%, stemming from the effects of drought and salt contamination in the Mekong Delta. Going forward, we anticipate inflation to remain low to moderate.

Macroeconomic indicators

	2015	May-16	2016 YTD	Year-on-year
GDP growth ¹	6.7%		5.46%	
Inflation (%)	0.5%	0.5%	1.9%	2.3%
FDI commitments (USDbn)	22.8	3.3	10.2	478.9%
FDI disbursements (USDbn)	14.5	1.1	5.8	46.7%
Imports (USDbn)	165.6	15.0	66.3	4.2%
Exports (USDbn)	162.4	14.6	67.7	6.6%
Trade surplus/(deficit) (USDbn)	(3.2)	(0.4)	1.4	
Exchange rate (USD/VND) ²	22,450	22,365	0.4%	

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

Year-on-year and month-on-month inflation (%)



Key terms

	Class A ¹	Class B	Class C	Class D	Class E	Class F ²	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%	15%	15%	15%	None	None
Bloomberg	FOVCPVA LX	FOVIEBU LX	FOVIECE LX	FOVIEDE LX	FOVIEEU LX	-	-
ISIN	LU1163030197	LU1163027052	LU1214542463	LU1214545136	LU1286782559	LU1286782716	LU1286783011

¹ Class A Shares are restricted to existing holders of the Listed Portfolio Share class (AIM: VNLI) of Vietnam Infrastructure Limited; external investors may subscribe to the Class A Shares at the discretion of the Investment Manager. ² 15% of the outperformance of the NAV per Share over the Adjusted Reference NAV as described in Section IX of the Forum One-VCG Partners Vietnam Fund Prospectus (Updated March 2016). ³ UK investors should note that Class F Shares will comply with the restrictions on the payment of commissions or rebates as a result of the UK Financial Conduct Authority's Retail Distribution Review (RDR).

Fund structure

Launch date	14 July 2015
Trading Period	Daily Subscriptions/Redemptions
Fund Size	USD\$1.8m
Incorporation	Luxembourg
Registered	UK, Germany, Singapore, Austria, Switzerland, Sweden
Management company	Edmond de Rothschild Asset Management (Luxembourg)
Investment manager	VinaWealth FM JSC
Depository Bank	Edmond de Rothschild (Europe)
Auditor	PwC Societe Cooperative Luxembourg
Swiss representative	First Independent Fund Services Ltd, Klausstrasse 33, CH-8008 Zurich, Switzerland
Swiss paying agent	NPB Neue Privat Bank AG, Limmatquai 1/am Bellevue, P.O. Box, CH-8022 Zurich, Switzerland

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