

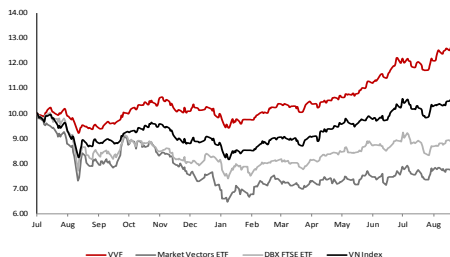
VVF is an actively managed UCITS-compliant fund that invests in equities and equity-related securities of companies that are based in Vietnam or that have substantial exposure to Vietnam, with an objective to outperform the Vietnamese benchmark index over the long term, through bottom up stock picking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

## Performance Summary

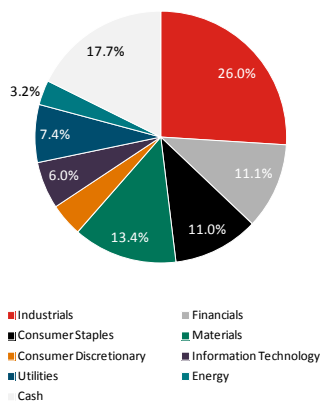
	Fund <sup>1</sup>	VN Index
August 2016 (month-on-month)	5.4%	3.4%
Year-to-date	23.9%	17.5%
Cumulative since inception	26.9%	3.3%
% of Up months	77.8%	66.7%
Annualised standard deviation	14.2%	18.4%
Tracking error	8.4%	

<sup>1</sup>Fund information calculated from Class A shares

## Performance Chart



## Sector Allocation



## Manager's Monthly Commentary

The VN Index started August with a pullback but quickly recovered over the rest of the month and ended up 3.4% versus July's close, near an eight-year high. The Index traded above 660 for much of the month, buoyed in part by the government's announcement that it plans to divest from Vinamilk, Sabeco, and Habeco. These divestments are expected to quench the thirst of foreign investors who are constantly in search of investment opportunities in good Vietnamese consumer companies with strong brand equity and high growth prospects.

The market cap of the food & beverage sector grew 15.3% during the month, led by Vinamilk and Masan, whose share prices rose 21.3% m-o-m and 7.8% m-o-m, respectively. We believe the Vietnamese consumer sector will continue to demonstrate higher growth than the regional average and remain a driver of the broader market given Vietnam's young population, rising individuals wealth and strong consumer confidence.

After three consecutive months of foreign buying, August saw foreigners turn net sellers to the tune of USD78.5 million. Foreign selling activity focused mostly on blue chips such as Vingroup (USD24.9 million), Masan (USD12.3 million), Vinamilk (USD11.8 million), and Vietcombank (USD10.8 million).

The fund continued to outpace the VN Index in August, with VVF Class A NAV per share increasing 5.4% in USD terms, helped by solid performances from Vinamilk, Hoa Phat Group (+14%), FPT (+9.7%), and PetroVietnam Technical Services (+24%).

VNM (+21.3%): Vinamilk rose sharply during the month due to a number of factors, including its addition to the MSCI Frontier Markets Index and Forbes Magazine's 50 best listed firms in Asia Pacific list, a first for any Vietnamese company. There were also clearer signs that the government is finally prepared to part with at least some of its stake in Vinamilk, a much anticipated development following the abolishment of the company's foreign ownership limit. Solid sales and market share growth in the first six months of the year also translated into stronger investor confidence in the dairy champion.

HPG (+14%): Hoa Phat Group reported that August steel sales volume was up 37.5% y-o-y on the opening of HPG's phase 3 plant, significantly higher than industry growth of 28%. The company's market share is estimated to reach 21.6% as of August from 20.6% in July. With the industry as a whole reporting robust growth and increasing ASP, the opening of HPG's new plant is well-timed to meet continued strong steel demand.

PVS (+24%): PetroVietnam Technical Services reported better-than-expected results for the first half of 2016 thanks to stable earnings from its FPSO/FSO business (which met 70% of the full year target) coupled with an attractive dividend yield of 6%. Despite continued low oil prices, foreigners were net buyers of the stock in August, to the tune of USD5 million. Going forward, improving business prospects on the back of any oil price recovery, potential upside from M&C contract wins (including large new development projects), and a reasonable valuation coupled with a solid dividend yield will continue to be positive catalysts for PVS.

FPT (+9.7%): FPT released preliminary results for the first seven months of the year, with profit before tax of VND1.54 trillion (USD69 million), -7.5% compared to the same period in 2015. Software outsourcing continued to deliver solid growth while distribution dragged down bottom line. Although results lagged behind the target, the company is expected to see improvement in the second half of the year thanks to the completion of a number of domestic IT projects, while the expected sell-down of the distribution and retail divisions remains a catalyst for the stock in the fourth quarter of 2016.

## Calendar

### VinaCapital Investor Conference

VinaCapital will hold its annual Investor Conference from 12-14 October, 2016. The event will include a range of speakers from a number of listed, private and OTC companies.

### VVF Roadshows

Roadshows planned for the last quarter of 2016 to include London, Edinburgh, Vienna, Madrid, Brussels, Amsterdam and Milan.

## Top holdings

Ticker	Market Cap (USDm)	Sector	% of NAV	2016F PE	Div Yield
VNM	10,150	Consumer Staples	10.0%	23.3	2.6%
VSC	147	Industrials	6.8%	12.1	2.1%
HPG	1,617	Materials	6.8%	6.8	3.5%
FPT	904	Information Technology	6.0%	9.5	4.6%
BMP	332	Industrials	4.4%	10.9	2.5%
CTD	535	Industrials	4.2%	13.3	2.3%
SJD	58	Utilities	3.5%	7.4	8.9%
PVS	421	Energy	3.2%	11.0	5.7%
SKG	142	Industrials	3.1%	12.7	1.1%
DQC	124	Industrials	3.0%	13.4	3.1%
VVF Portfolio				12.5	3.7%
VNIndex				16.5	2.4%

# Forum One - VCG Partners Vietnam Fund (VVF)



Class A NAV/share: USD12.69

31 August 2016

## Macroeconomic update

Vietnam's economy continued to grow in a stable and sustainable manner in August, with favourable conditions for upward movement over the remainder of the year. The Nikkei Purchasing Managers' Index rose from 51.9 to 52.2, the ninth straight month of steady manufacturing expansion, and continued to outperform regional peers. The Index of Industrial Production grew moderately at 6.9% y-o-y in August, with manufacturing production rising more strongly at 10.6% and the mining sector, which includes oil, declining 6.9%. Disbursed foreign direct investment increased 9% y-o-y in August, totalling USD9.8 billion within the first eight months of this year, with nearly three-quarters of that targeted toward the manufacturing sector. On the consumer side, retail sales continued to be healthy, up 9.3% y-o-y in nominal terms, 7.3% in real terms.

In terms of trade, Vietnam continued to run a surplus of USD700 million in August, bringing the surplus to approximately USD2.5 billion for the first eight months of the year. Mobile

phones, textiles and computer parts led exports. Inflation remained stable in August, rising just 0.1% month-over-month, and hitting its lowest level of the year. Year-to-date inflation stood at 2.6%. The Vietnamese dong (VND) remained steady against the US dollar. Interestingly, since the start of the year, the Chinese yuan has depreciated 5% while the VND has barely moved. It was just a year ago that China devalued the yuan by 5% at one time, causing the VND to also devalue; this year, both countries have transitioned to a managed float, allowing the markets to more easily absorb such moves.

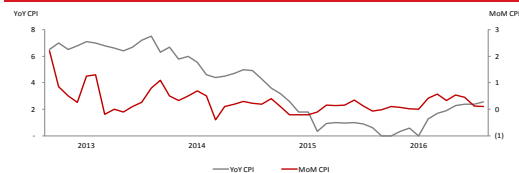
Looking ahead, we believe that the macroeconomic trends will continue to move ahead steadily. While the government's target GDP growth of 6.7% for 2016 is unlikely to be achieved, the pieces are in place for growth of between 6.0-6.3%. The fourth quarter typically sees increased activity, particularly as public investments are approved and initiated. Issues that bear monitoring include a possible US Fed interest rate hike at year's end as well as possible effects from the La Niña on the already battered agricultural sector.

## Macroeconomic indicators

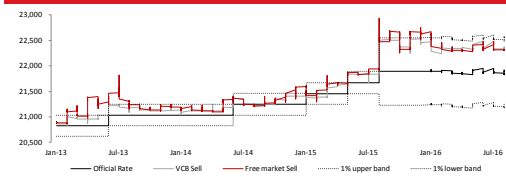
	2015	Aug-16	2016 YTD	Year-on-year
GDP growth <sup>1</sup>	6.7%			
Inflation (%)	0.5%	0.1%	2.6%	2.6%
FDI commitments (USDbn)	22.8	1.4	14.4	7.7% <sup>3</sup>
FDI disbursements (USDbn)	14.5	1.3	9.8	8.9% <sup>3</sup>
Imports (USDbn)	165.6	14.6	95.0	-1.4%
Exports (USDbn)	162.4	14.7	96.8	1.4%
Trade surplus/(deficit) (USDbn)	(3.2)	0.1	1.8	
Exchange rate (USD/VND) <sup>2</sup>	22,450	22,260	0.8%	

Sources: GSO, Vietnam Customs, SBV, VCB | 1. Annualized rate, updated quarterly 2. (-) Denotes a devaluation in the currency, Vietcombank ask rate | 3. Compared to the first 6 months of 2015

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



## Foreign exchange rates (VND/USD)



## Key terms

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

<sup>1</sup> 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.

<sup>2</sup> 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 June 2016).

<sup>3</sup> 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	USD77.8m
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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