



Interim report (unaudited)
for the six months ended 30 June 2017

PXP VIETNAM SMALLER COMPANIES FUND LIMITED



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This condensed interim financial information for the six months ended 30 June 2017 does not include all the notes of the type normally included in an annual financial statement. Accordingly, this report should be read in conjunction with the annual financial statements for the period ended 31 December 2016 and any public announcements made by PXP Vietnam Smaller Companies Fund Limited during the interim reporting period.

GENERAL INFORMATION

Registered Office	Harneys Services (Cayman) Limited 4th Floor, Harbour Place, 103 South Church Street PO Box 10240, Grand Cayman, KY1-1002 Cayman Islands
Board of Directors	Mr Christopher Vale (Chairman) Mr John Gavin
Investment Manager	PXP Vietnam Asset Management Limited Vistra Corporate Services Centre Wickhams Cay II, Road Town, Tortola VG1110 British Virgin Islands www.pxpvietnam.com
Administrator and Registrar	Apex Fund Services Ltd. 3rd Floor, Williams House, 20 Reid Street, Hamilton HM11 Bermuda
Administrator and Registrar's Agent	Apex Fund Services (HK) Limited 17th Floor, Beautiful Group Tower, 77 Connaught Road, Central Hong Kong
Custodian	DBS Bank Ltd., Hong Kong Branch 18th Floor, The Center, 99 Queen's Road, Central Hong Kong
Vietnam Sub-Custodian	Standard Chartered Bank (Vietnam) Limited Hanoi Towers, 49 Hai Ba Trung Street, Hoan Kiem District Hanoi, Vietnam
Legal Adviser to the Fund on Cayman Islands Law	Harney Westwood & Riegels Two Exchange Square, 8 Connaught Place, Central Hong Kong
Legal Adviser to the Fund on Vietnamese Law	Freshfields Bruckhaus Deringer LLP 11th Floor, Saigon Tower, 29 Le Duan Boulevard, District 1 Ho Chi Minh City, Vietnam
Auditors	Ernst & Young Ltd. 62 Forum Lane, Camana Bay, Grand Cayman, KY1-1106 Cayman Islands

OBJECTIVE AND HIGHLIGHTS

OBJECTIVE

The investment objective of PXP Vietnam Smaller Companies Fund Limited (“the Fund”) is to seek long-term capital appreciation of its assets by investing in a portfolio of the equity securities of smaller Vietnamese companies.

FINANCIAL SUMMARY

Financial position	30 June 2017	31 December 2016	% change
Total Net Assets	US\$7,968,511	US\$6,260,683	27.3%
Participating shares of US\$0.05 in issue	2,413,395	2,216,256	8.9%
Net Asset Value (“NAV”) per share (average)	US\$3.302	US\$2.825	16.9%
NAV per share (Lead Series)	US\$3.279	US\$2.820	16.3%

Results for the period	1 January 2017 to 30 June 2017	20 November 2015 to 30 June 2016
Net profit for the period	US\$1,141,730	US\$297,838
Expense ratio ¹	2.4%	4.6%

VIETNAM MARKET DATA

	30 June 2017	31 December 2016	% change
Vietnamese dong (“VND”)/US dollar (“US\$”) exchange rate	22,720	22,770	-0.2%
Viet Nam Index	776.47	664.87	16.8%
Viet Nam Index adjusted US\$ rate	481.60	411.48	17.0%

¹ The expense ratio is calculated as total expenses, excluding brokerage commissions, performance fee, foreign exchange gain/(loss) and preliminary expenses on the launch of the Fund, as a percentage of the average month-end net assets for the period and is presented on an annualised basis.

DIRECTORS' REPORT

THE BOARD OF DIRECTORS

The members of the Board of Directors during the period and to the date of this report were:

Name	Position
Mr Christopher Vale	Chairman
Mr John Gavin	Director

Christopher Vale is an independent non-executive director.

John Gavin is the Chief Financial Officer of PXP Vietnam Asset Management Limited ("the Investment Manager") and has been appointed as a Director to create operational efficiencies in the initial phase of the Fund's operation. He receives no remuneration from the Fund in order to minimise costs during the post-launch period. The Board has made a commitment that when the Net Asset Value of the Fund reaches US\$10 million, John Gavin will resign from the Board and be replaced by one or more independent directors.

OBJECTIVE, STRATEGY AND ACTIVITY

The primary investment objective, strategy and activity of the Fund and its investment policies and restrictions have remained unchanged throughout the interim period to 30 June 2017.

PERFORMANCE AND POSITION

Over the six month period ended 30 June 2017, the NAV per share for the Lead Series of the Fund (Dealing NAV) increased to US\$3.279, a gain of 16.3% compared to an increase in the Viet Nam Index ("VNI") in US dollar terms of 17.0% over the same period.

In accordance with the Prospectus of the Fund, preliminary expenses will be amortised on a straight-line basis over a period of two years from the initial issue of shares for the purposes of determining the Dealing NAV. As at 30 June 2017 there is an unamortised balance of preliminary expenses of US\$8,641 which comprised legal, professional and regulatory fees in connection with the preparation of the Fund's Prospectus and the launch of the Fund. Under IFRS, such preliminary expenses are charged to the income statement when incurred, resulting in a difference of US\$8,641 in the net assets at 30 June 2017 in this interim financial information in comparison to the net asset valuation used for the purposes of the Dealing NAV.

Investments held as at 30 June 2017 were valued at US\$8,037,095. Changes to investments are shown in Note 4 of this interim report. Net assets at 30 June 2017 amounted to US\$7,968,511 (after preliminary expenses adjustment). The Fund had no borrowings as at 30 June 2017.

ECONOMY AND STOCK MARKET

Vietnam GDP growth of 5.7% for the first six months of 2017 continued to be driven by industries with foreign direct investment and expansion in the domestic retail sector. This rate was higher than the 5.5% growth for the equivalent period in 2016, although below Government target with a large impact from the decline in oil export revenue. For the first six months of 2017, the total exports of goods at US\$97.8 billion was up 18.9% over the same period in 2016, and the trade deficit of US\$2.7 billion was largely attributable to the import of machinery and equipment, electronics and other components for production. The Vietnamese dong (the "Dong") has been stable year-to-date, appreciating by 0.2% against the US dollar as at 30 June. Price inflation, which had increased to 4.7% for the full year 2016, was subdued in the first six months of 2017 with the CPI in June 2017 increased by only 0.2% compared to December 2016.

DIRECTORS' REPORT

ECONOMY AND STOCK MARKET (CONTINUED)

The Vietnam stock markets made impressive gains over the six month period, with the VNI increasing from 664.87 points on 31 December 2016 to reach a nine-year high close of 776.47 points on 30 June 2017. The stable macroeconomic conditions and strong growth in manufacturing and services sectors have underpinned this market rally, which has pushed on despite the slow progress of blue chip stocks in relaxing their foreign ownership limits and the non-inclusion of Vietnam in the MSCI Emerging Markets Index watch-list as announced in June.

PRINCIPAL RISKS

The Fund's assets consist mainly of listed securities and the principal risks are market related such as price volatility and foreign exchange risk. The Fund is exposed to market price risk on all of its investments. Most of the investments of the Fund are in equity securities of listed Vietnamese companies, resulting in a concentration of market price risk as the value of the financial assets of the Fund are particularly heavily dependent on the performance of the Vietnam stock markets. Other risks faced by the Fund are described in the Prospectus of the Fund dated November 2015 and updated in December 2015 and more details on the market risks are included in the Financial Risks note in the Annual Report for the period ended 31 December 2016, both of which documents may be found in the section relating to the Fund on the website of PXP Vietnam Asset Management Limited: www.pxpvietnam.com.

RELATED PARTY TRANSACTIONS

Details of related party transactions during the period can be found in Note 8 to the accompanying condensed interim financial information.

STATEMENT OF THE BOARD OF DIRECTORS IN RESPECT TO THE INTERIM REPORT

The Directors confirm that the condensed interim financial information has been properly prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

For and on behalf of the Board of Directors

Christopher Vale

Chairman

25 August 2017

INVESTMENT MANAGER'S REVIEW



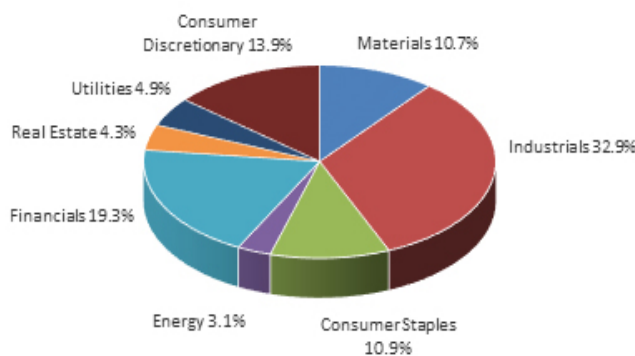
The Fund is managed by PXP Vietnam Asset Management Limited, a British Virgin Islands company incorporated in October 2002. The co-portfolio managers for the Fund are Nguyen Ngoc Dao Chi and Lawrence Brader, under the supervision of the Chief Investment Officer, Kevin Snowball.

REVIEW OF THE INTERIM PERIOD

During the period under review the Fund’s Net Asset Value (“NAV”) per Share for the Lead Series (Dealing NAV) increased by 16.3%, from US\$2.820 to US\$3.279. This compares with an increase in the Viet Nam Index (“VNI”) of 17.0% in US dollar terms over the same period. The Vietnamese dong (“the Dong”) appreciated by 0.2% over the period under review. The table below presents NAV performance as compared to that of the VNI in US dollar terms for the stated periods to 30 June 2017:

	NAV per share ²	Viet Nam Index ³
	%	%
6 months	16.3	17.0
1 year	13.2	20.6
Since inception	31.2	33.8

An analysis of the portfolio at an industry sector level as at 30 June 2017 is shown in the chart below.



The Fund underperformed its benchmark Viet Nam Index in the period under review. A turbulent finish to 2016, which was driven predominantly by selling around protectionist anti-trade rhetoric from the new President of the United States, ended abruptly with the VNI gaining 5.7% in the first month of the new year. The gain in the VNI was mainly driven by the listed banks as the Prime Minister returned attention to a relaxation of foreign ownership limits in banks – something we have heard nothing further on. Being outside of the scope of PXP Vietnam Smaller Companies Fund by virtue of their size this provided no upside to the Fund, which rose by only 0.7% in the month.

² The Fund applies series accounting and the NAV of the Lead Series is the published NAV of the Fund.

³ Viet Nam Index performance is the total percentage movement in the Viet Nam Index (presented in US dollar terms) for the stated periods up to 30 June 2017.

INVESTMENT MANAGER'S REVIEW

REVIEW OF THE INTERIM PERIOD (CONTINUED)

February was spent reviewing financial results for the year ended 31 December 2016 for portfolio holding companies and those under consideration for inclusion. The results were positive in portfolio companies, and in line with PXP research expectations, with total net income rising 27% year-on-year, faster growth than that of the broader market. The underperformance of the Index by the Fund continued however through March and April as the focus of retail investors prevailed elsewhere; specifically in some larger real estate companies again outside of the investable space for the Fund.

Then in May there was a catch up and as the VNI moved back above 700 points for the first time in nine years, the NAV of the Fund increased by 5.2%. A number of holdings rose sharply as the market absorbed new information released during forward-looking annual shareholder meetings. The most significant move within the portfolio in the month was that of leading broker Ho Chi Minh City Securities, which gained 69% in the four weeks to the end of May as it received shareholder permission for a total removal of its foreign ownership limit. This meant that foreign orders that had previously gone unfilled due to lack of availability were now a part of price discovery and higher it went.

June was the Fund's strongest month since inception, with the NAV rising 6.7% compared to a VNI increase of 5.2% in USD. Whilst the period under review therefore started poorly in a relative fashion the gap was mostly closed in the remaining five months with the NAV to finish up 16.3% year-to-date to 30 June 2017, as compared to a rise in the Viet Nam Index of 17.0% in USD.

MSCI EMERGING MARKET UPDATE

We wrote in the Fund's 2016 Annual Report that we expected to see developments related to achieving the goal of the reclassification of Vietnam as an Emerging Market by MSCI. The announcement in June of countries to be included on the list for review did not include Vietnam, and we have had comment from neither the Government nor MSCI since. It would appear clear however that with still fewer than 20 companies of nearly 700 listed having removed their foreign ownership limits, nobody can claim there is "equitable treatment of foreign and domestic investors" in Vietnam's stock markets. Given the publicly stated intention to move up a development category and the link to a growing budget deficit, we hope to see efforts to improve access, liquidity and ease of participation for foreign institutions over the next 10 months ahead of the next annual review, with any of the three elements likely to assist in a rerating of the stock market.

ECONOMY

The macroeconomic environment remains strong with second quarter GDP growing at 6.2% year on year, from 5.1% year on year in the first quarter, for an overall economic growth rate of 5.73% year on year in the first six months of the year. Our full year forecast remains at 6.5% year on year, which although lower than the Prime Minister's 2017 promise of 6.7% is an improvement on growth in 2016 of 6.2%. This year we have not been held back by the surprise of weaker oil prices nor a repeat of the drought in the Mekong Delta, and we expect GDP growth to pick up again in coming years and move closer to 7.0% by 2020.

Imports and exports have risen 24.0% year on year and 18.7% year on year respectively for a trade deficit of US\$3.1 billion to the end of July. A large proportion of imports comprise raw materials for export production as well as purchases of machinery in tandem with Foreign Direct Investment flows, as in previous periods. Total FDI of US\$9.1 billion so far in 2017, an increase of 5.8% year on year, supports our forecast of a trade surplus for 2017 despite the deficit so far. Export growth would have been higher still had the impact of the recall by Samsung of the Note 7, on risk of explosion, not dragged on into first quarter data.

INVESTMENT MANAGER'S REVIEW

ECONOMY (CONTINUED)

The balance of payments situation has not dented confidence in the Vietnamese dong, with strength in the VND/USD exchange rate prevailing despite both a 25 basis point cut in Vietnam's refinancing rate and discount rate (to 6.25% and 4.25% respectively) and also a hike in rates by the U.S. Federal Reserve in the period. Credit growth was faster at 19% on an annualised basis in the first six months, compared to 14% over the same period last year, and we are watching closely for an impact on consumer price inflation, currently under control at 2.5% year on year in July 2017. The outlook for the manufacturing sector remains bright as evidenced by the Nikkei PMI numbers showing unabated expansion and indeed rising to a 22-month high in March 2017. This in turn will drive infrastructure development, domestic consumption and further growth in the burgeoning middle class, all themes we aim to capitalise on in the Fund.

OUTLOOK AND STRATEGY

We remain positive on the outlook for the market and for the Fund. A number of core elements remain in place for further strong index performance through the rest of the year, namely, a supportive macroeconomic environment, political stability, and a reform-minded government supporting earnings growth at the company level. Increased market visibility and significant foreign interest add to possible upside.

So far this year however much of the activity and upside has been outside of the scope of PXP Vietnam Smaller Companies Fund. Certainly moves in the larger company stocks likely to be bought first by new entrants following an opening up of the market that achieves MSCI Emerging Market status could result in further underperformance in the portfolio, although not limiting upside in absolute terms. Over the longer-term however, with large-caps trading at a valuation premium to small-caps, in general, we would expect to see increased foreign activity to filter down through to the area of focus for the Fund.

There remain a number of compelling opportunities in the universe of stocks with a market capitalisation of between US\$20 million to US\$250 million, and indeed companies are being added to this list through both new listings and price moves of those outside it.

The primary risks to our positive outlook remain the same although their order of importance has perhaps changed. We now see the risk of a possible return to the pre-2011 days of "growth above everything" as more significant than previously - as evidenced by the Prime Minister's insistence on GDP growth of 6.7% year-on-year in 2017, with both an interest rate cut and relaxation of credit growth limits in the period. Core inflation data will give us insight into the impact on the economy of this growth push. The risk of protectionism under Donald Trump in the U.S. has diminished however and Vietnam continues to produce items that the U.S. cannot compete with on price or quantity.

We thank Shareholders for their support as we continue with our long-term strategy to build and maintain a high conviction portfolio providing Shareholders with access to the highest quality smaller companies in Vietnam.

On behalf of the Investment Manager

Lawrence Brader & Nguyen Ngoc Dao Chi

Ho Chi Minh City
25 August 2017

INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2017

	Note	1 January 2017 to 30 June 2017	20 November 2015 to 30 June 2016
		US\$ (Unaudited)	US\$ (Unaudited)
Income			
Net gains on financial assets at fair value through profit or loss	4	1,185,755	382,415
Interest income		4	18
Dividend income		159,200	54,997
Foreign exchange gain - net		2,170	745
		1,347,129	438,175
Operating expenses			
Management fee	8.1	(52,200)	(16,032)
Performance fee	8.1	(116,071)	(46,344)
Custodian, administration and secretarial fees		(21,470)	(18,013)
Transaction costs		(2,577)	(4,568)
Directors' fees	8.2	(2,500)	(2,829)
Preliminary expenses		-	(39,477)
Other operating expenses		(10,581)	(13,074)
		(205,399)	(140,337)
Net profit for the period		1,141,730	297,838
Other comprehensive income			
<i>Item that will not be reclassified to profit or loss:</i>			
Currency translation differences		10,238	13,593
Total comprehensive profit for the period		1,151,968	311,431

The notes on pages 12 to 20 are an integral part of this condensed interim financial information

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Note	30 June 2017	31 December 2016
		US\$ (Unaudited)	US\$ (Audited)
Assets			
Financial assets at fair value through profit or loss	4	8,037,095	6,155,503
Receivables and prepayments		75,604	14,925
Cash and cash equivalents		56,895	473,464
Total assets		8,169,594	6,643,892
Liabilities			
Performance fee payable and accrued	8.1	116,071	15,581
Other accrued fees and payables		30,716	19,100
Payables to brokers		54,296	63,958
Subscription in advance		-	284,570
Total liabilities		201,083	383,209
Net assets		7,968,511	6,260,683
Equity			
Share capital		120,670	110,813
Share premium		6,664,163	6,118,160
Cumulative translation reserve		(97,231)	(107,469)
Retained earnings		1,280,909	139,179
Total equity		7,968,511	6,260,683

The notes on pages 12 to 20 are an integral part of this condensed interim financial information

INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2017

	Share capital	Share premium	Cumulative translation reserve	Retained earnings	Total equity
	US\$	US\$	US\$	US\$	US\$
As at 1 January 2017	110,813	6,118,160	(107,469)	139,179	6,260,683
Issue of participating shares	9,800	546,060	-	-	555,860
Participating shares increased on series consolidation	57	(57)	-	-	-
Net profit for the period	-	-	-	1,141,730	1,141,730
Currency translation differences	-	-	10,238	-	10,238
As at 30 June 2017 (Unaudited)	120,670	6,664,163	(97,231)	1,280,909	7,968,511
As at 20 November 2015	-	-	-	-	-
Issue of participating shares	55,771	2,849,126	-	-	2,904,897
Net profit for the period	-	-	-	297,838	297,838
Currency translation differences	-	-	13,593	-	13,593
As at 30 June 2016 (Unaudited)	55,771	2,849,126	13,593	297,838	3,216,328

The notes on pages 12 to 20 are an integral part of this condensed interim financial information

INTERIM STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017

	1 January 2017 to 30 June 2017	20 November 2015 to 30 June 2016
	US\$ (Unaudited)	US\$ (Unaudited)
Cash flows from operating activities		
Purchases of financial assets at fair value	(1,384,262)	(2,873,789)
Proceeds from sales of financial assets at fair value	690,461	109,162
Dividends received	95,325	26,702
Interest received	4	18
Expenses paid	(89,387)	(82,199)
Net cash used in operating activities	(687,859)	(2,820,106)
Cash flows from financing activities		
Proceeds from participating shares issued	271,290	2,904,897
Proceeds from management shares issued	-	100
Net cash generated from financing activities	271,290	2,904,997
Net (decrease)/increase in cash and cash equivalents	(416,569)	84,891
Cash and cash equivalents at beginning of the period	473,464	-
Cash and cash equivalents at end of the period	56,895	84,891

The notes on pages 12 to 20 are an integral part of this condensed interim financial information

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2017

1. CORPORATE INFORMATION

PXP Vietnam Smaller Companies Fund Limited (“the Fund”) was incorporated in the Cayman Islands on 27 March 2008 under the Companies Law as an exempted company with limited liability with the name PXP Vietnam Value Fund Limited. Its Certificate of Incorporation number is CD-207503.

The name of the Fund was changed to PXP Vietnam Smaller Companies Fund Limited on 11 June 2015.

The Fund was established as a closed-end investment company. The Fund was converted to an open-ended mutual fund effective from 20 November 2015. It is registered under Section 4(3) of The Mutual Funds Law (2015 Revision), with registration number 1266252.

The Fund had not traded since incorporation up to the initial issue of shares on 8 December 2015.

The principal activity of the Fund is investment holding with an objective to seek long-term capital appreciation of its assets by investing in a portfolio of equity securities of smaller Vietnamese companies.

This interim financial information was approved for issue on 25 August 2017.

This interim financial information has neither been audited nor reviewed by the auditors.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

This condensed interim financial information for the six months ended 30 June 2017 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The condensed interim financial information should be read in conjunction with the annual financial statements for the period ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

The condensed interim financial information is presented in United States dollars (“US\$”) unless otherwise indicated.

2.2 Accounting policies

The accounting policies applied in this condensed interim financial information are consistent with those of the annual financial statements for the period ended 31 December 2016, as described in those annual financial statements.

There are no new or amended IFRS or IFRIC interpretations that are mandatory for the first time for the financial year beginning 1 January 2017 that have an impact on the condensed interim financial information of the Fund.

3. ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Fund’s interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Fund’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the period ended 31 December 2016.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2017

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2017	31 December 2016
	US\$	US\$
Financial assets designated at fair value through profit or loss upon initial recognition		
- Listed equity securities	7,693,785	6,155,503
- Unlisted equity securities	343,310	-
Total financial assets at fair value through profit or loss	8,037,095	6,155,503

Movements in financial assets at fair value through profit or loss in the period:

	1 January 2017 to 30 June 2017	20 November 2015 to 30 June 2016
	US\$	US\$
Opening balance	6,155,503	-
Purchases	1,374,600	2,935,921
Sales proceeds	(690,461)	(109,162)
Net gains recognised in profit or loss	1,185,755	382,415
Difference arising on translation to presentation currency	11,698	8,328
Closing balance	8,037,095	3,217,502

As at 30 June 2017 and 31 December 2016, all of the financial assets at fair value through profit or loss are equity securities of companies incorporated in SR Vietnam and all of the equity securities are denominated in Vietnamese dong.

Exchange rates at the reporting dates were:

	30 June 2017	31 December 2016
Vietnamese dong/US dollar	22,720	22,770

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2017

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Net gains/(losses) arising from changes in the fair values of financial assets at fair value through profit or loss in the period:

	1 January 2017 to 30 June 2017	20 November 2015 to 30 June 2016
	US\$	US\$
Realised gains/(losses) on sales of financial assets at fair value	127,784	(2,251)
Unrealised gains on financial assets at fair value	1,057,971	384,666
Net gains recognised in profit or loss	1,185,755	382,415

5. FAIR VALUE ESTIMATION

Financial instruments carried at fair value are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The following table presents the Fund's financial assets (by class) that are measured at fair value:

	Level 1	Level 2	Level 3	Total balance
	US\$	US\$	US\$	US\$
As at 30 June 2017				
Financial assets designated at fair value through profit or loss upon initial recognition:				
- Equity securities	7,693,785	-	343,310	8,037,095
Total financial assets measured at fair value	7,693,785	-	343,310	8,037,095
As at 31 December 2016				
Financial assets designated at fair value through profit or loss upon initial recognition:				
- Equity securities	6,155,503	-	-	6,155,503
Total financial assets measured at fair value	6,155,503	-	-	6,155,503

All fair value measurements disclosed are recurring fair value measurements.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2017

5. FAIR VALUE ESTIMATION (CONTINUED)

Transfers between levels

The Fund recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred.

In the interim periods to 30 June 2017 and 30 June 2016, there were no reclassifications of financial assets and no transfers between levels.

Financial instruments in Level 1

The fair values of financial assets traded in active markets are based on their closing prices at the last official close of the relevant stock exchange on or before the reporting date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily equities listed on the Ho Chi Minh City Stock Exchange or Hanoi Stock Exchange which are all designated as financial assets at fair value through profit or loss.

Financial instruments in Level 2

There were no holdings in Level 2 financial assets as at 30 June 2017 or 31 December 2016.

Financial instruments in Level 3

If one or more of the significant inputs required to fair value an instrument is not based on observable market data, the instrument is included in Level 3. As observable prices are not available for these securities, the Fund has used valuation techniques to derive the fair values.

The Level 3 equity amount at 30 June 2017 consists of one unlisted equity holding of an issuer in the consumer staples sector.

The method used for the valuation of this unlisted equity holding is a 50:50 weighting of earnings multiple valuation and discounted cash flow, with the application of a marketability discount.

Valuation process

The research team of the Investment Manager performs the valuations of financial assets required for financial reporting purposes, including Level 3 fair values. The valuations are reviewed by the Chief Financial Officer of the Investment Manager. The valuations are reviewed and approved by the Board of the Fund on a quarterly basis.

Fair value of unlisted equity securities

The valuation of the unlisted equity holding as at 30 June 2017 was US\$343,310.

Significant unobservable inputs used in the fair value measurement are as follows:

- Average earnings per share multiple of peers: 18.6x
- Forecast earnings per share - 2017 and 2018 average: VND3,639
- Revenue growth rate - 2018 to 2020: 15%
- Discount rate: 11.1%
- Marketability discount: 17.5%

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2017

5. FAIR VALUE ESTIMATION (CONTINUED)

Financial instruments in Level 3 (continued)

Fair value of unlisted equity securities (continued)

Sensitivity analysis to significant changes in unobservable inputs used in the fair value measurement:

Input	Sensitivity used *	Effect on fair value
		US\$
Average earnings per share multiple of peers	3x increase	29,716
	3x decrease	(29,716)
Forecast earnings per share - 2017 and 2018 average	10% increase	18,390
	10% decrease	(18,390)
Revenue growth rate - 2018 to 2020	5% increase	20,982
	5% decrease	(19,166)
Discount rate	2% increase	(42,504)
	2% decrease	76,684
Marketability discount	7.5% increase	(31,223)
	7.5% decrease	31,223

* The sensitivity analysis refers to a percentage amount added or deducted from the input and the effect this has on the fair value

No interrelationships between unobservable inputs used in the Fund's valuation of its Level 3 equity investments have been identified.

Movement

The following table presents the movement in the Level 3 financial asset, which is in the equity securities class of financial instrument.

	1 January 2017 to 30 June 2017
	US\$
Opening balance	-
Purchases	344,067
Total gains recognised in profit or loss, included in "Net gains on financial assets at fair value through profit or loss"	-
Total losses recognised in other comprehensive income, included in "Currency translation differences"	(757)
Closing balance	343,310
Change in unrealised gains or losses for Level 3 assets held at the period-end and included in "Net gains on financial assets at fair value through profit or loss"	-

There were no holdings in Level 3 financial assets in the period from 20 November 2015 to 30 June 2016.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2017

6. SHARE CAPITAL

The Fund's authorised share capital at 30 June 2017 and at 31 December 2016 is US\$1,000,000 which is divided into 19,998,000 redeemable participating shares of a par value of US\$0.05 each and 100 management shares of a par value of US\$1 each.

Participating shares

The number of shares issued and outstanding in the period was as follows:

	Number of issued shares	Share capital US\$	Share premium US\$
As at 1 January 2017	2,216,256	110,813	6,118,160
Participating shares issued for cash	196,001	9,800	546,060
Participating shares increased on series consolidation	1,138	57	(57)
As at 30 June 2017	2,413,395	120,670	6,664,163
As at 20 November 2015	-	-	-
Participating shares issued for cash	1,115,429	55,771	2,849,126
As at 30 June 2016	1,115,429	55,771	2,849,126

There were no redemptions of participating shares in the periods to 30 June 2017 and 30 June 2016.

Management shares

The 100 management shares were issued to the Investment Manager, PXP Vietnam Asset Management Limited, at par value and are fully-paid.

The management shares are classified as a liability in this interim financial information.

7. NET ASSET VALUE PER SHARE

	30 June 2017	31 December 2016
Net assets per Dealing NAV (US\$)	7,977,152	6,279,693
Preliminary expenses deferred for Dealing NAV purposes (US\$)	(8,641)	(19,010)
Net assets per the financial statements (US\$)	7,968,511	6,260,683
Number of shares in issue (Note 6)	2,413,395	2,216,256
Net asset value per share (average) per the financial statements (US\$ per share)	3.302	2.825

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2017

7. NET ASSET VALUE PER SHARE (CONTINUED)

The average net asset value per share is determined by dividing the net assets attributable to participating shareholders by the number of participating shares issued and outstanding at the reporting date.

In accordance with the Prospectus of the Fund, preliminary expenses will be amortised on a straight-line basis over a period of two years from the initial issue of shares for the purposes of determining the Dealing NAV. As at 30 June 2017 there is an unamortised balance of preliminary expenses of US\$8,641 which comprised legal, professional and regulatory fees in connection with the preparation of the Fund's Prospectus and the launch of the Fund (31 December 2016: US\$19,010). Under IFRS, such preliminary expenses are charged to the income statement when incurred, resulting in a difference of US\$8,641 in the net assets at 30 June 2017 in this interim financial information in comparison to the net asset valuation used for the purposes of the Dealing NAV.

Net asset value per share (Dealing NAV) for each series in issue at the reporting date:

	30 June 2017	31 December 2016
	US\$	US\$
Series 1 (Lead Series)	3.279	2.820
Series 2 *	-	2.818
Series 3	3.303	2.841
Series 4	3.328	2.841
Series 5	3.338	2.840
Series 6	3.350	2.840
Series 7	3.324	2.840
Series 8 *	-	2.837
Series 9	3.279	-
Series 10	3.278	-

* At the beginning of 2017, these series on which a performance fee was payable in respect to the year ended 31 December 2016 were consolidated into the Lead Series.

8. RELATED PARTIES TRANSACTIONS

8.1 Investment Manager

The Fund is managed by the Investment Manager, PXP Vietnam Asset Management Limited, a company incorporated with limited liability under the laws of the British Virgin Islands.

Fees

There has been no change to the basis of calculation of management fee in the six month period to 30 June 2017. Management fee for the six month period to 30 June 2017 amounted to US\$52,200 (period from 20 November 2015 to 30 June 2016: US\$16,032) and there was no outstanding fee payable at 30 June 2017 and at 31 December 2016.

There has been no change to the basis of calculation of performance fee in the six month period to 30 June 2017. Performance fee paid out during the six month period to 30 June 2017 was US\$15,581 in respect to performance in 2016 (period from 20 November 2015 to 30 June 2016: nil).

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2017

8. RELATED PARTIES TRANSACTIONS (CONTINUED)

8.1 Investment Manager (continued)

Fees (continued)

For the interim financial information, performance fee accrued is calculated as 15% of the excess of the net asset value per share at the interim balance sheet date above the hurdle for that share which is pro-rated to the interim balance sheet date at 8% per annum. Performance fee is only paid if the full year performance exceeds the 8% per annum hurdle, or if shares are redeemed during a year, in which case any accrued performance fee on such shares will be payable to the Investment Manager at the time of the share redemption. Performance fee accrued as at 30 June 2017 is US\$116,071 in respect to performance for the six month period to 30 June 2017.

Shares

On the initial launch of the Fund on 8 December 2015, the Investment Manager invested US\$999,975 to subscribe for 399,990 participating shares of the Fund. As at 30 June 2017 this holding of 399,990 shares represents 16.6% of the issued participating shares of the Fund (31 December 2016: 18.1%).

The Investment Manager holds all of the 100 management shares of the Fund. Share capital of US\$100 was paid in full in the period to 30 June 2016.

8.2 Directors

Remuneration

There has been no change to the basis of calculation of Directors' remuneration or to the amounts payable per annum in the six month period to 30 June 2017.

Directors' remuneration accrued for the six month period to 30 June 2017 amounted to US\$2,500 (period from 20 November 2015 to 30 June 2016: US\$2,829).

Shares

At no time during the period did any Director hold shares of the Fund.

9. FINANCIAL RISKS

9.1 Financial risk factors

The Fund invests in equity securities for the long term so as to achieve its investment objective, as set out in Note 1. In pursuing this objective, the Fund is exposed to a variety of risks that could result in a reduction in the Fund's net assets. These risks include market price risk, interest rate risk, credit risk, liquidity risk, currency risk and conversion risk.

The interim condensed financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Fund's financial statements as at 31 December 2016.

There have been no changes in the risk management policies employed by the Fund since 31 December 2016.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2017

9. FINANCIAL RISKS (CONTINUED)

9.2 Liquidity risk

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than one month	One month to 12 months	Total
	US\$	US\$	US\$
As at 30 June 2017			
Payables to brokers	54,296	-	54,296
Accrued fees and other payables	13,116	17,500	30,616
Contractual cash out flows	67,412	17,500	84,912
As at 31 December 2016			
Performance fee payable	-	15,581	15,581
Payables to brokers	63,958	-	63,958
Accrued fees and other payables	3,671	15,329	19,000
Contractual cash out flows	67,629	30,910	98,539

10. SEASONALITY

Due to the nature of its business, the Fund is not subject to any seasonal fluctuations that have a material impact on the results of the Fund within a financial year.

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