



Newsletter

A Cayman-domiciled mutual fund with twice-monthly liquidity. The primary investment objective of the Fund is to seek long-term capital appreciation of its assets by investing in a portfolio of the equity securities of Vietnamese companies.

Manager's Commentary

The market delivered a salutary lesson in not getting cocky in October after we had self-lauded over-hauling the VNI's 2018 YTD performance at the end of September. Whilst we doubt that was the primary motivation for the precipitous fall over the course of the month and may, in fact, have had more to do with the pressure from external factors exacerbated by domestic margin calls, the Fund's NAV took a severe pounding to the extent that a month with 4% out-performance relative to the benchmark was followed by one of 3% under-performance. The year is not, of course, over until it's over but we take scant comfort from having been right about 2018 being a year of heightened volatility.

We have been pounding the streets in both Asia and the United States in recent weeks, hopefully getting the message across that Vietnam remains an attractive investment destination once the dust of the fallout from the trade wars has settled and investors are once again willing to discriminate between markets. We have perhaps begun to see the first signs of that this week, with weakness in the US largely ignored in Vietnam. The investment case in short: a strong macroeconomic background supported by decent earnings growth at least this year and next delivers the prospect of a firm market into the year end, with the potential kicker of speculation from early 2019 regarding MSCI Emerging Market Index watch-list inclusion in the lead-up to the June announcement. Consultation on the draft Securities Law has been open and inclusive on the part of the State Securities Commission and we remain optimistic that the law will improve the investment landscape in a meaningful way.

Keen observers will notice a different format for this month's Newsletter; we would welcome your views as to whether or not the new layout is an improvement on the old.

Fund NAV

Launch Date	3 November 2005
Issue Price	US\$ 5.00
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NAV per share	At 31 October 2018
Series 1 (Lead Series)	US\$ 9.705
Series 1A, 1B	US\$ 10.641
Series 39,40,42,46,47,49	US\$ 9.705
Series 41,43,45,48	US\$ 9.706
Series 44	US\$ 9.702
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Fund Size	US\$ 95.6mn (31 Oct 2018)

Top 10 Holdings

(As at 31 October 2018)	% of Assets
Hoa Phat Group (HPG)	22.6
HCMC Securities (HCM)	18.3
VinaMilk (VNM)	14.2
FPT Corporation (FPT)	12.2
CotecCons Construction (CTD)	5.5
Danang Rubber (DRC)	4.4
Vietnam Container Shipping JSC (VSC)	3.5
PXP Vietnam Smaller Companies Fund"	3.5
VietCapital Securities (VCI)	2.4
Nui Nho Corporation (NNC)	2.3

Number of Holdings Listed 22
Unlisted 3

*all fees rebated by the Investment Manager

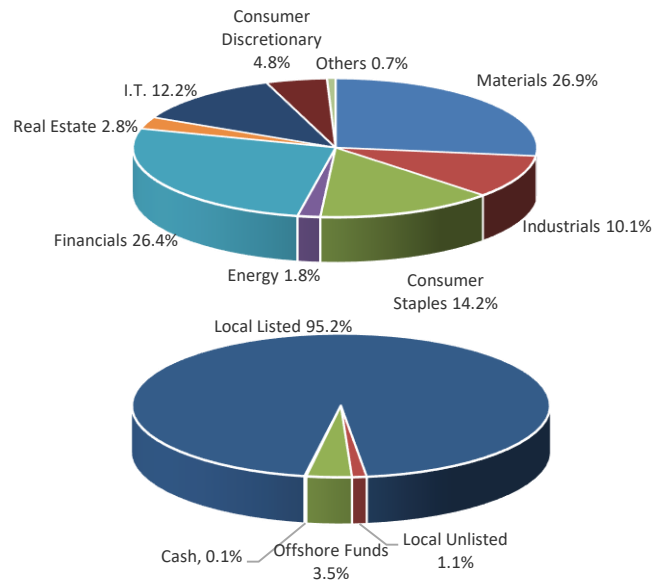
Vietnam Macro & Market Releases

	2017	YTD
GDP Growth y/y**	6.81%	6.98%
Trade surplus / (deficit)*	US\$2.9bn	US\$6.4bn
CPI y/y*	2.60%	3.89%
Latest		
Vietnam Dong / USD *	23,347	
Nikkei PMI *	53.9	
Disbursed FDI y/y *	6.3%	

HCMC Stock Exchange	Oct 17	Oct 18
Market Cap*	US\$ 94bn	US\$ 122bn
Daily Trade*	US\$ 178mn	US\$ 299mn
Foreign Buying YTD*	US\$ 607mn	US\$ 1,799mn

Source: GSO, Customs Office & Bloomberg
*Latest monthly data **Latest quarterly data

Portfolio Breakdown



NAV Performance: Rolling

	PXP VEEF*	Viet Nam Index**
Oct 2018	-13.36%	-10.17%
1 Year	+7.65%	+6.33%
2 Years	+26.55%	+29.43%
3 Years	+45.02%	+44.09%
4 Years	+47.54%	+38.64%
5 Years	+85.64%	+66.19%
6 Years	+149.68%	+110.23%
7 Years	+163.44%	+95.57%
8 Years	+111.76%	+68.78%
9 Years	+48.42%	+19.20%
10 years	+148.40%	+89.95%
11 Years	-22.72%	-40.48%
12 Years	+34.87%	+23.13%
Inception	+94.10%	+93.11%

NAV Performance: Calendar

	PXP VEEF*	Viet Nam Index**
YTD	-12.24%	-9.60%
2017	+51.70%	+48.43%
2016	+11.62%	+13.39%
2015	+7.26%	+0.91%
2014	+12.72%	+6.61%
2013	+30.58	+20.47%
2012	+24.91	+18.89%
2011	-30.58%	-32.76%
2010	-15.56%	-7.16%
2009	+82.43%	+48.31
2008	-73.59%	-68.81
2007	+24.68%	+23.61
2006	+87.37	+142.38

* All figures are NET of fees ** Index performance in US\$
All performance data as at 31 October 2018

Fund Information

Legal Form: Cayman Islands Mutual Fund
Fund Manager: PXP Vietnam Asset Management
Inception: 3 November 2005
Issue Price: US \$5.00
Administrator: Apex Fund Services
Custodian: DBS Bank Ltd, Hong Kong
Auditor: Ernst & Young Ltd

Isin: KYG7306V1005
FATCA GIIN: GI1WDZ.99999.SL.136
Bloomberg: PXPVEEF KY

Fund Directors

Mr. Philip Smiley
Mr. Antony Jordan
Ms. Trinh Thanh Mai
Mr. Simon Raybould
Mr. Christopher Vale

Portfolio Manager

Mr. Kevin Snowball

Liquidity & Fees

Dealing Day : The 1st business day and 15th calendar day of each month
Subscriptions: 2 business days notice
Redemptions: 10 business days notice
Management fee: 1.5% p.a
Performance fee: 15% over 8% per annum with high water mark
Redemption fee: 1% payable to the Fund

For further details please refer to the Fund's Prospectus via www.pxpvietnam.com