

# 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

Whilst pleased to report the Fund's best monthly performance since January 2018, taking us comfortably ahead of all bar the two offshore ETFs in the peer group for the first two months of 2019, we will neither crow nor get over-confident, remembering how 2018 panned out and that our exhortations regarding the distance of the race are equally valid when we're ahead as behind. Not a bad month, certainly, and sticking to our guns in terms of conviction got us there.

Credit for the somewhat more ebullient market conditions can be laid at the respective doors of Messrs Trump, Kim and Xi. Although the historic meeting between the first two named didn't end well and achieved nothing in particular, the successful hosting of the meetings and Vietnam's moment in the spotlight served us (and, more importantly, the country) well, and we thank them for coming. We await concrete progress on trade talks between the US and China, but sentiment towards the world's theoretically riskier outposts continues benign for the time being.

Our second "Thought for Food" piece seems to have started a conversation among market participants if it wasn't one already, and we have heard little if any dissent to our thesis that Vietnam is deserving of serious consideration for MSCI EMI watch-list inclusion, not that that is in any way evidence that it is going to happen. Neither the Vietnamese Government nor MSCI have entered the public debate, any more than we would or should expect them to, so we stress that we are still in the realm of speculation with a coin toss as valid a way of predicting the outcome as any until June.

We are hearing whispers that the "off market" foreign transactions which we despise for their negative impact on our preferred improvements in transparency are beginning to run into some difficulty, with a number at risk of being delayed beyond completion deadlines by some (we think deliberate) stasis at the office of the regulator. It might sound somewhat counter-intuitive for us to welcome this as helpful to the long-term development of the market in the same way as we did earlier suggestions that foreigner (and broker) favourites MWG and PNJ might have foreign ownership limits 49% too high for their sectoral activity, but we are of the opinion that the State Securities Commission knows exactly what it is doing and has its eyes firmly on the prize. Happy to explain that in a call.

In the meantime, the index yesterday broke through the technically crucial (because it ends in three zeroes: who knows?) 1,000 barrier so, external hiccups aside; onwards and upwards.

## Fund NAV

<b>Launch Date</b>	<b>3 November 2005</b>
<b>Issue Price</b>	<b>US\$ 5.00</b>
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<b>NAV per share</b>	<b>At 28 February 2019</b>
Series 1 (Lead Series)	US\$ 9.896
Series 1A, 1B	US\$ 10.850
Series 40, 41, 43, 45-49	US\$ 9.896
Series 42	US\$ 9.895
Series 44	US\$ 9.849
Series 50	US\$ 9.865
Series 51	US\$ 9.789
Series 52	US\$ 9.774
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<b>Fund Size</b>	<b>US\$ 98.5mn (28 Feb 2019)</b>

## Top 10 Holdings

(As at 28 February 2019)	% of Assets
HCMC Securities (HCM)	18.3
Hoa Phat Group (HPG)	18.1
Vinamilk (VNM)	13.6
FPT Corporation (FPT)	13.3
CotecCons Construction (CTD)	5.3
Danang Rubber (DRC)	4.8
Vietnam Container Shipping (VSC)	4.2
PXP Vietnam Smaller Companies Fund*	3.7
Viet Capital Securities (VCI)	2.6
Nui Nho Stone (NNC)	2.4
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Number of Holdings	Listed 23 Unlisted 3

\*all fees rebated by the Investment Manager

## Vietnam Macro & Market Releases

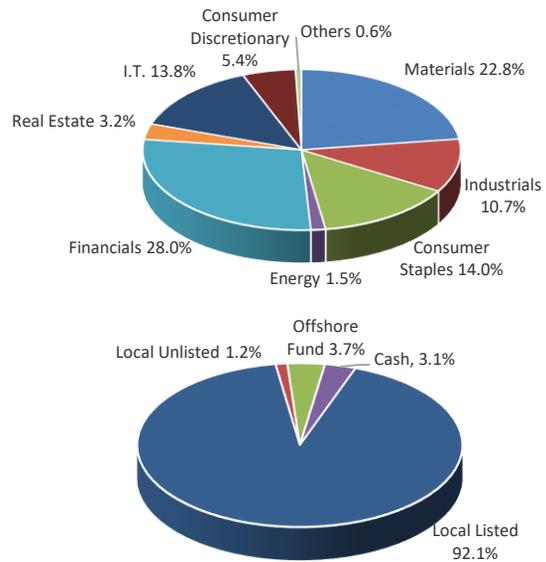
	2018	2019 YTD
GDP Growth y/y**	7.08%	-
Trade surplus/(deficit)*	US\$ 7.2bn	(US\$ 0.9bn)
CPI y/y*	2.98%	2.64%

	Latest
Vietnam Dong / USD*	23,199
Nikkei PMI*	51.2
Disbursed FDI y/y*	9.8%

HCMC Stock Exchange	Feb 18	Feb 19
Market Cap*	US\$ 133bn	US\$ 136bn
Average Daily Trade*	US\$ 124mn	US\$ 199mn
Foreign Buying YTD*	US\$ 516mn	US\$ 181mn

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

## Portfolio Breakdown



## NAV Performance: Rolling

	PXP VEEF*	Viet Nam Index**
Feb 2019	+10.58%	+5.98%
1 Year	-19.72%	-15.60%
2 Years	+29.89%	+33.39%
3 Years	+52.46%	+65.91%
4 Years	+58.31%	+49.92%
5 Years	+59.38%	+49.68%
6 Years	+117.88%	+83.57%
7 Years	+143.86%	+104.58%
8 Years	+146.54%	+88.33%
9 Years	+78.82%	+59.76%
10 Years	+274.71%	+196.01%
11 Years	+20.52%	-0.05%
12 Years	-23.19%	-41.49%
13 Years	+71.06%	+69.49%
Inception	+97.92%	+105.12%

## NAV Performance: Calendar

	PXP VEEF*	Viet Nam Index**
YTD	+9.19%	+8.13%
2018	-18.05%	-11.20%
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 28 February 2019

### 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 Branch  
**Auditor:** Ernst & Young Ltd  
**Swiss Representative Agent:** ARM Swiss Representatives SA  
**Swiss Paying Agent:** Banque Cantonale de Genève  
**ISIN:** KYG7306V1005  
**FATCA GIIN:** GI11WDZ.99999.SL.136  
**Bloomberg:** PXPVEEF KY

### Fund Directors

Mr. Philip Smiley  
Mr. Antony Jordan  
Ms. Trinh Thanh Mai  
Mr. Simon Raybould  
Mr. Christopher Vale  
(all Non-Executives)

### Portfolio Manager

Mr. Kevin Snowball

### Liquidity & Fees

**Dealing Day:** First business day and 15<sup>th</sup> calendar day of each month  
**Subscriptions:** 2 business days notice  
**Redemptions:** 10 business days notice  
**Management fee:** 1.5% p  
**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](http://www.pxpvietnam.com)