

Newsletter

A Cayman-domiciled mutual fund with monthly liquidity. The 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 smaller Vietnamese companies with a market capitalisation of US\$ 20 million to US\$ 250 million at time of initial investment.



Manager's Commentary

A note from the Chief Investment Officer: We wish to advise Shareholders that, due to some minor health concerns Ms Nguyen Ngoc Dao Chi has decided that she is only able to work on a part-time basis for the next four months. Since the title "Co-Portfolio Manager" implies an equal contribution I have asked her to step down from the role until such time as she is able to resume full-time employment, and she will return to the research department as Acting Head of Research in the meantime. Lawrence Brader has therefore been appointed sole Portfolio Manager of the Fund, under my continued supervision. I have every confidence that Lawrence, having spent over six years at PXP in the Investment Team, is fully equipped and ready to assume the role and he has my full support and backing to do so.

Kevin Snowball
HCMC, 14 May 2019

Another positive month of benchmark divergence as the NAV of the Fund gained 0.61% in USD compared to a decline of 1.76% in the VNMid in USD. The Viet Nam Index contracted by 0.39% over the same period. The recovery seen in Vietnam's equity markets following the inverted-yield-curve-sell-off in March proved fleeting as news of renewed corruption-related arrests surprised the market mid-April. Specifically the arrest of the brother of the Chairman of the largest listed property group in the country over links to the sale of a network TV company to state-owned Mobifone had local investors running for cover. We note that whilst there is no implication whatsoever of the involvement by the listed-group in the deal, it was taken as a potential sign that nobody is immune from the strengthening arm of the law in the corruption purge; good news in the long-run, surely.

Strong performances from Dong Hai JSC of Ben Tre (DHC) and Bao Minh Insurance (BMI) in the month were countered by declines in Ho Chi Minh City Securities (HCM) and Vietnam Container Shipping (VSC). Outperformance by the NAV has continued through May even as Vietnam has held up well following the resurgent Sino-US trade-war. As Trump follows through on his bombastic threats to increase tariffs on Chinese goods there is plenty of press coverage on Vietnam as a potential beneficiary and continued FDI flows supporting export growth are evident. This is perhaps behind the relative modesty of the scale of sell-off seen in Vietnam compared to China and elsewhere, but with some pre-summer selling evident we would suggest the recent weakness offers an interesting entry point on a long-term view given the clear and well-trod path of manufacturing-led moving up the value-chain that Vietnam is following, with the ensuing development of the economy and consumer classes.

Apologies for the moderate delay in this newsletter which has come as we have been completing the 2018 Annual Report for the Fund which will be published shortly.

Fund NAV

Launch Date	8 December 2015
Issue Price	US\$2.50
NAV per share	At 26 April 2019
Lead Series	US\$ 3.304
Series 12,13,18	US\$ 3.304
Series 14	US\$ 3.295
Series 15	US\$ 3.297
Series 16	US\$ 3.300
Series 17	US\$ 3.296
Fund Size	US\$17.3mn
ISIN (Lead Series)	KYG7307A1058

Top 10 Holdings

(As at 26 April 2019)	% of Assets
Vinh Hoan Corporation (VHC)	12.9
Dong Hai JSC of Ben Tre (DHC)	9.2
HCMC Securities Corporation (HCM)	8.5
Power Construction JSC No.1 (PC1)	7.5
Nam Long Group (NLG)	6.4
Phuoc Hoa Rubber (PHR)	5.9
Vietnam Container Shipping (VSC)	4.7
Saigon Cargo Service Corporation (SCS)	4.6
Phu Tai Corporation (PTB)	4.6
Taseco Air Services (AST)	4.1
Number of Listed Holdings	24

Vietnam Macro & Market Releases

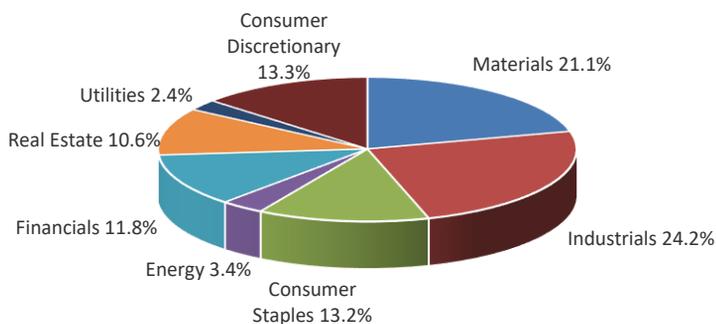
	2018	2019 YTD
GDP Growth y/y**	7.08%	6.79%
Trade surplus*	US\$ 7.2bn	US\$ 0.7bn
CPI y/y*	2.98%	2.90%

	Latest
Vietnam Dong / USD*	23,266
Nikkei PMI*	52.5
Disbursed FDI y/y*	7.5%

HCMC Stock Exchange	Apr 18	Apr 19
Market Cap*	US\$ 126bn	US\$ 138bn
Average Daily Trade*	US\$ 327mn	US\$ 154mn
Foreign Buying YTD*	US\$ 554mn	US\$ 251mn

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

Portfolio Breakdown



NAV Performance: Rolling

	PXP VSCF*	VNMidcap Index**
Apr 2019	+0.61%	-1.72%
1 Year	-5.14%	-10.46%
2 Years	+13.15%	+1.40%
3 Years	+24.68%	+22.20%
Inception	+32.16%	+28.86%

NAV Performance: Calendar

	PXP VSCF*	VNMidcap Index**
YTD	+5.46%	+4.96%
2018	-8.55%	-14.59%
2017	+21.49%	+33.47%
2016	+13.44%	+6.89%
2015	-0.56%	+0.76%

*All figures are NET of fees **Index performance in US\$
All performance data as at 26 April 2019

Fund Information

Legal Form: Cayman Islands Mutual Fund
Fund Manager: PXP Vietnam Asset Management
Inception: 8 December 2015
Issue Price: US\$2.50
Administrator: Apex Fund Services
Custodian: DBS Bank Ltd, Hong Kong
Auditor: Ernst & Young Ltd
ISIN: KYG7307A1058
FATCA GIIN: CS5VS4.99999.SL.136
Bloomberg: PXPVSCF KY

Fund Directors

Mr. Christopher Vale
 Non-Executive Director
Ms. Rachel Provost
 Non-Executive Director

Portfolio Manager

Mr. Lawrence Brader

Liquidity & Fees

Dealing Day: First business day of each month
Subscriptions: 2 business days notice
Redemptions: 3 months notice
Management fee: 1.5% per annum
Performance fee: 15% over 8% per annum with high water mark
Redemption fee: 3% within first 12 months, 1% thereafter payable to the Fund

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