

# 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

Another forgettable month, with the Viet Nam Index trading in a 31-point range, testing (and holding) support at the 940 level. Most notable action concerned performance buffering among the peer group after five months of poor returns. We saw a fair degree of selling from funds of, most notably, the foreigners' darlings (except for us) Mobile World (MWG) and Phu Nhuan Jewelry (PNJ), with the always inflated premia coming in a bit. The last trading day of June saw some frankly outrageous 1980s style window dressing, with one of the larger funds having their month- (and year-) end estimated Net Asset Value re-stated by a "small" amount (1.3%) after a Directors' review. That knocked us down a few places in the peer group YTD performance table given the limited overlap in our portfolio but we imagine that was corrected in the first trading day or so of July, and in any event you are familiar with our views on race distance.

The market shrugged off any mild disappointment with MSCI very quickly, with a final re-test of the 940 level on 28th June before said window dressing kicked in, and has been trending upwards for the past two weeks on better trade sentiment and expectations of an early cut in US interest rates, although how long that will last is anyone's guess.

Locally we are about to enter the thick of 2nd quarter earnings season, with optimism picking up after a relatively poor first quarter had calculators elsewhere working overtime before admitting their failure to be able to maintain mid- to high-teen percentage growth forecasts for 2019. Hopefully indications of a pick-up as with the economy post-Tet will set the foundations for the achievement of more realistic targets, with an acceleration in 2020.

The firming of the Dong against the USD by almost 1% since the May lows should be taking the pressure off any "currency manipulator" action, and the government's positive engagement with the US on trans-shipment and its close monitoring of any breaches should ensure that there is no rush to tariffs. Add that to a reasonable string of foreign net buying and better earnings growth and we can certainly hope for a more interesting second half to the year, Trump permitting.

## Fund NAV

**Launch Date** 3 November 2005  
**Issue Price** US\$ 5.00

**NAV per share** **At 28 June 2019**  
Series 1 (Lead Series) US\$ 9.087  
Series 1A, 1B US\$ 9.964  
Series 40, 41, 43-45, 48, 49, 51, 52 US\$ 9.088  
Series 42, 46, 47, 50, 53 US\$ 9.087

**Fund Size** **US\$ 76.7mn**

## Top 10 Holdings

(As at 28 June 2019)	% of Assets
HCMC Securities (HCM)	21.9
Hoa Phat Group (HPG)	15.2
FPT Corporation (FPT)	14.0
Vinamilk (VNM)	12.4
CotecCons Construction (CTD)	5.3
Danang Rubber (DRC)	5.0
PXP Vietnam Smaller Companies Fund*	4.7
Vietnam Container Shipping (VSC)	4.0
Nui Nho Stone (NNC)	3.2
Viet Capital Securities (VCI)	2.2
Number of Holdings	Listed 24 Unlisted 3

\*all fees rebated by the Investment Manager

## Vietnam Macro & Market Releases

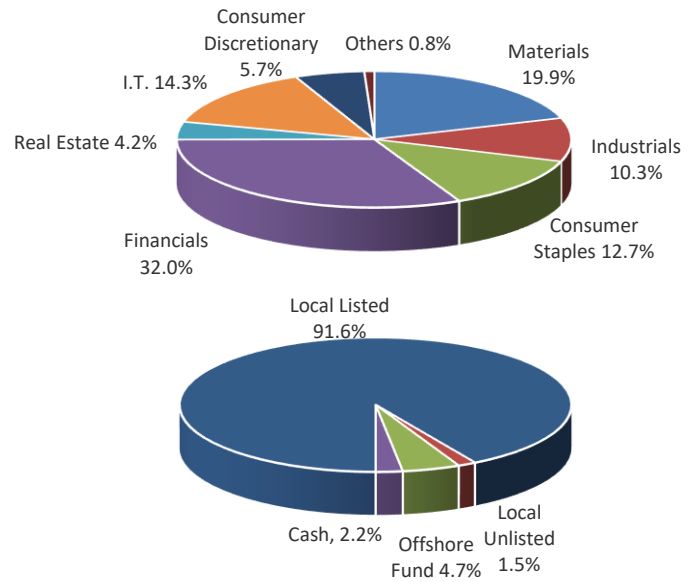
	2018	2019 YTD
GDP Growth y/y**	7.08%	6.76%
Trade surplus/(deficit)*	US\$ 7.2bn	US\$ (0.04bn)
CPI y/y*	2.98%	2.16%

	Latest
Vietnam Dong / USD*	23,303
Nikkei PMI*	52.5
Disbursed FDI y/y*	8.1%

HCMC Stock Exchange	Jun 18	Jun 19
Market Cap*	US\$ 133bn	US\$ 137bn
Average Daily Trade*	US\$ 216mn	US\$ 167mn
Foreign Buying YTD*	US\$ 1,564mn	US\$ 434mn

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

## Portfolio Breakdown



## NAV Performance: Rolling

	PXP VEEF*	Viet Nam Index**
June 2019	-2.14%	-0.56%
1 Year	-11.13%	-2.60%
2 Years	-1.47%	+19.28%
3 Years	+26.65%	+43.80%
4 Years	+43.44%	+49.33%
5 Years	+46.14%	+50.39%
6 Years	+88.76%	+78.76%
7 Years	+118.07%	+101.60%
8 Years	+142.84%	+93.34%
9 Years	+68.56%	+53.25%
10 Years	+99.93%	+61.84%
11 Years	+110.88%	+71.90%
12 Years	-25.15%	-35.83%
13 Years	+37.41%	+26.47%
Inception	+81.74%	+100.92%

## NAV Performance: Calendar

	PXP VEEF*	Viet Nam Index**
YTD	+0.26%	+5.91%
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 June 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  
**ISIN:** KYG7306V1005  
**FATCA GIIN:** G11WDZ.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% per annum  
**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)