

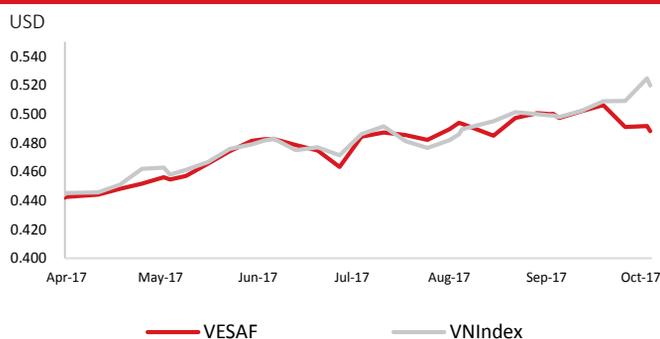
VESAF is a fund that invests in all equity opportunities unencumbered by foreign restriction or size. The strategy of the fund is to take meaningful stakes in companies with a robust franchise that we believe can benefit from the domestic growth of the country.

## PERFORMANCE SUMMARY

	Fund	VN Index
October 2017	-2.4%	4.2%
Year-to-date	10.9%	18.1%
Cumulative since inception	10.9%	18.1%

\* Performance figures are in USD

## PERFORMANCE CHART



TOP 5 HOLDINGS	SECTOR	NAV (%)	PE 2017 (x)	ROE (%)
FPT	Technology	12.2%	11.7	18.2
MWG	Consumer Discretionary	8.1%	18.8	37.7
MBB	Financials	7.6%	11.1	12.6
ACB	Financials	6.2%	15.9	12.0
PNJ	Consumer Discretionary	5.9%	18.8	21.5
<b>Total</b>		<b>39.9%</b>		

## EQUITY ALLOCATION

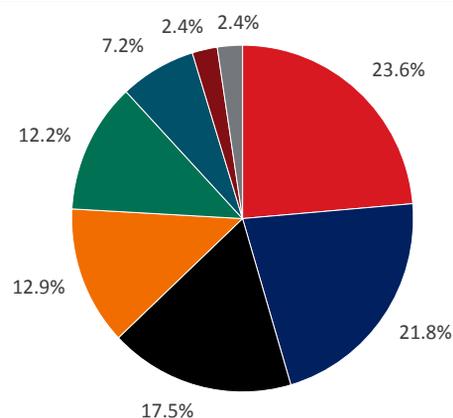
Small- & mid- cap	59%
Stocks traded on UpCom	14%
Stocks at full Foreign Ownership Limit	58%

- Small- cap: stocks with market capitalization below US\$250 million
- Mid- cap: stocks with market capitalization from US\$250 million to US\$1 billion
- UpCom: Unlisted Public Company Market

## FUND INFORMATION

Structure	Open-ended fund
Launch date	25 April 2017
Fund size	VND88bn (USD3.9m)
Domicile	Vietnam
Valuation policy	NAV
NAV frequency	Weekly
Fund Manager	VinaCapital Fund Management JSC
Auditor	Ernst & Young (Vietnam) Ltd
Administrator & Custodian bank	Standard Chartered Bank (Vietnam) Ltd
Management fee	1.75%
Subscription/ Redemption frequency	Weekly on every Tuesday (T), requests must be submitted by 10:30am on T-1
Subscription charges	Subscription amount below VND2bn: 2% Subscription amount of VND2bn or above: 0%
Redemption charges	None
Currency	VND

## SECTORS ALLOCATION



- Financials
- Consumer Discretionary
- Materials
- Industrials
- Information Technology
- Health Care
- Consumer Staples
- Cash

## MANAGER'S COMMENTARY

The VN Index advanced 4.1% in October to reach its highest level in nearly ten years at 837 points. This increase was fuelled by a handful of large cap stocks including Faros Construction (ROS, +87%), Vingroup (VIC, +14%), and Sabeco (SAB, +10%). It was a tough month for the fund as its small- and mid-cap holdings did not enjoy the same rally. In fact, the fund's net asset value (NAV) declined 2.4% during the month due to corrections in some key holdings such as Phu Nhuan Jewelry (PNJ, -5.4%) and Hoa Phat Group (HPG, -4.9%), and no exposure to the aforementioned three large-caps.

With its share price nearly doubling in October, ROS contributed the most to the Index's gains, and its sharp rise has skewed market statistics. Vietnamese market indices that do not have ROS as a component (including VN Mid-Cap, VN Small-Cap and HNX-Index) declined 6.6%, 3.3% and 2.3%, respectively. The VN Index's trailing P/E ratio rose to 16.6x at the end of October, largely affected by ROS, whose trailing P/E is 238x. At 16.6x, the discount gap with regional peers narrowed to 3%; while removing ROS would bring the Index's trailing P/E down to 15.6x, a more reasonable market valuation. The fund does not own ROS shares due to its speculative nature, unjustifiable valuations, and some other fundamental reasons. We acknowledge that our view toward ROS will have an impact on the fund's performance in months like October in which the stock did very well; however, we are unwilling to invest your capital in such a volatile and speculative stock.

Though the market reacted quite cautiously around the peak, both the macroeconomic outlook and earnings growth remain favourable. On a positive note, Moody's upgraded the outlook for Vietnam's banking system from stable to positive based on the country's strong economic prospects and the encouraging outlook for most rated banks over the next 12-18 months. Amongst listed companies, the Q3 earnings season has ended with reported net profits of companies covered by our in-house team growing 17% y-o-y in the quarter, driven by the banking, property and property-related, and utilities sectors. Given these positive results, we remain optimistic about the market and believe that companies with strong fundamentals and good growth prospects will do well over the long run despite short-term market anomalies as we saw in October.

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### Enquiries

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### Disclaimer

The current Prospectus, the Fund Charter as well as the semi-annual, annual reports of Vietnam Equity Special Access Fund ("the Fund") are the sole binding basis for the purchase of Fund shares. These documents can be obtained in English and free of charge from the Investment Manager's website ([www.vinawealth.vn/en](http://www.vinawealth.vn/en)). This document is prepared by VinaCapital Fund Management Joint Stock Company ("VinaCapital") for the information of shareholders in the Fund and other eligible recipients, on the basis of information obtained from sources VinaCapital considered to be reliable, but VinaCapital does not make any representation or warranty, express or implied, as to its accuracy, completeness, timeliness or correctness. The information contained in this document is for background purposes only and is subject to updating, revision and amendment, and no liability whatsoever is accepted by VinaCapital or any other person, in relation thereto. Please refer to the Fund's prospectus for more information on the Fund and its risks. This document is neither a prospectus nor an offer or invitation to apply for shares and neither this document nor anything contained herein shall form the basis of any contract of commitment whatsoever. Past performance is not necessarily guidance to the future. The value of shares in the Fund and the income derived there from may go down as well as up. You are advised to exercise caution in relation to this document. If you are in any doubt about this document or any information contained in this document, you should obtain independent professional advice. The information contained in this document is strictly confidential and is intended only for the use of the individual or entity to which VinaCapital has provided the report. No part of this report may be reproduced or distributed without the prior consent of VinaCapital.