

Fund Category	Vietnam Public Equities
Country Focus	Vietnam
Subscriptions	Monthly at NAV (five business days before month end)
Redemptions	Monthly at NAV 60 days notice
Benchmark	VN Index
Fund Manager	Vicente Nguyen
Investment Manager	Asia Frontier Capital (Vietnam) Ltd., Cayman Islands
Investment Advisor	Asia Frontier Investments Ltd., Hong Kong
Fund Base Currency	USD
Minimum Investment	USD 10,000
Subsequent Investments	USD 1,000
Management Fee	1.8% p.a. of NAV
Performance Fee	12.5% p.a. of NAV appreciation with high watermark
Fund Size	USD 38.1 million
Fund Domicile	Cayman Islands
Launch Date	23 December 2013
Custodian	Viet Capital Securities, Ho Chi Minh City
Auditor	Ernst & Young, Hong Kong
Administrator	Custom House, Singapore
Legal Advisor	Ogier, Hong Kong

Contact Information

Asia Frontier Capital Ltd.
www.asiafrontiercapital.com

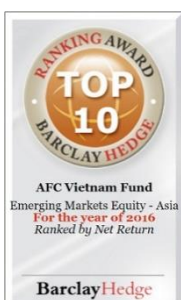
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Winner Relative Value: AFC Vietnam Fund



Investment Objective

Achieve long-term capital appreciation by investing in a diversified portfolio of listed Vietnamese companies as well as those that relate to non-Vietnamese companies with main business operations in Vietnam. The fund currently has a focus on small to medium cap equities which are considered underpriced.

Fund Manager Comment

The AFC Vietnam Fund returned +4.5% in June with an NAV of USD 1,867.93, a new all-time high, bringing the net return since inception to +86.8%. This represents an annualised return of +19.4% p.a. The June performance of the Ho Chi Minh City VN Index in USD was +5.2% while the Hanoi VH Index gained +5.5% (in USD terms). Since inception, the AFC Vietnam Fund has outperformed the VN and VH Indices by +45.0% and +51.9% respectively (in USD terms). The broad diversification of the fund's portfolio resulted in a low annualized volatility of 8.87%, a high Sharpe ratio of 2.16, and a low correlation of the fund versus the MSCI World Index USD of 0.30, all based on monthly observations since inception.

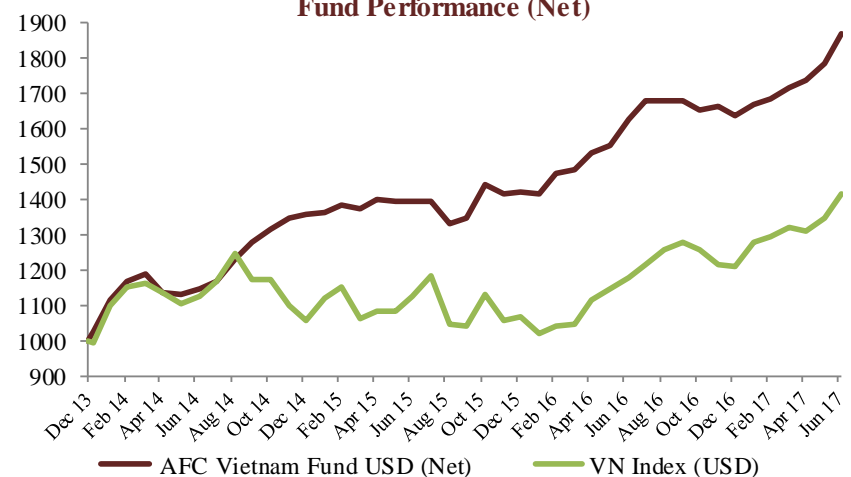
With strong gains seen in recent months some people are concerned that the markets got ahead of themselves and could offer only limited upside potential in the near future. In reality, we were expecting Hanoi to finally break out of its long-term consolidation phase, having written about it on several occasions. Despite the recent index gains, we are now only 10% above the highs of 2014, while are still trading more than 70% below the market peak of 2007! It is true that the headline valuation of the market has almost caught up with other markets in the region, but that has mainly to do with a rally in a few expensive and heavy weighted index stocks. With our portfolio still valued around 10 times earnings and with quite a few newly added and inexpensive stocks, we see plenty of upside for both the near and long-term.

Vietnam is now seen as one of the growth engines of South East Asia and we can only agree. Over the next 10-20 years the country will simply catch up with other economies in the region as Vietnam opened up much later. Some of the drivers of this will certainly be Vietnam's much better educated, motivated and younger workforce. Another example is the growing tourism sector which was not considered as important in the past.

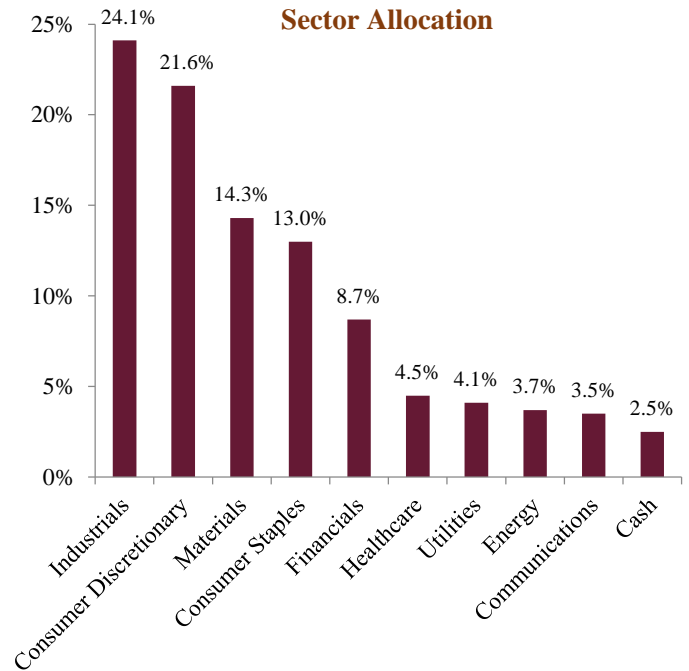
At the end of June 2017, the fund's largest positions were: Agriculture Bank Insurance JSC (4.2%) – an insurance company, Sam Cuong Material Electrical and Telecom Corp (2.4%) – a manufacturer of electrical and telecom equipment, Pharmedic Pharmaceutical Medical JSC (2.2%) – a pharmaceutical company, Dong Phu Rubber JSC (2.0%) – a producer of rubber and rubber products, and Cantho Pesticides JSC – a manufacturer of agricultural chemicals. (1.8%).

The portfolio was invested in 77 names and held 2.5% in cash. The sectors with the largest allocation of assets were consumer goods (34.6%) and industrials (24.1%). The fund's estimated weighted average trailing P/E ratio was 10.48x, the estimated weighted average P/B ratio was 1.68x and the estimated portfolio dividend yield was 6.56%.

Fund Performance (Net)



Top 5 Holdings			
Ticker	Company	Sector	Weighting
ABI	Agriculture Bank Insurance JSC	Financials	4.2%
SMT	Sam Cuong Material Electrical Telecom Corp.	Industrials	2.4%
PMC	Pharmedic Pharmaceutical Medical JSC	Healthcare	2.2%
DPR	Dong Phu Rubber JSC	Industrials	2.0%
CPC	Cantho Pesticides JSC	Industrials	1.8%


NAV as of 30th June 2017

NAV	1,867.93
Since Inception	+86.79%
Inception Date	23/12/2013

Monthly Performances AFC Vietnam Fund

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	USD												+2.37%	+2.37%
2014	USD	+8.75%	+4.50%	+2.18%	-4.65%	-0.32%	+1.45%	+1.86%	+5.49%	+3.87%	+2.83%	+2.50%	+0.60%	+32.50%
2015	USD	+0.44%	+1.76%	-0.96%	+1.93%	-0.48%	+0.06%	+0.22%	-4.57%	+1.18%	+6.90%	-1.82%	+0.25%	+4.62%
2016	USD	-0.10%	+3.30%	+1.28%	+3.17%	+1.40%	+4.97%	+3.00%	+0.13%	+0.11%	-1.83%	+0.88%	-1.76%	+15.29%
2017	USD	+1.90%	+1.10%	+1.94%	+1.03%	+2.96%	+4.52%							+14.18%

Security Numbers

ISIN	KYG0133A1673
CUSIP	G01333A167
Bloomberg	AFCVIET KY
Valoren	23095153

**The representative of the Fund in Switzerland is Hugo Fund Services SA, 6 Cours de Rive, 1204 Geneva. The distribution of Shares in Switzerland must exclusively be made to qualified investors. The place of performance and jurisdiction for Shares in the Fund distributed in Switzerland are at the registered office of the Representative. The fund is authorized for distribution to professional investors in Hong Kong, Japan, Singapore and the UK. By accessing information contained herein, users are deemed to be representing and warranting that they are either a Hong Kong Professional Investor or are observing the applicable laws and regulations of their relevant jurisdictions.*

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