

VIETNAM EQUITY (UCITS) FUND – VEF

The Fund's benchmark, the FTSE VN Index, was driven in Jan by strong gains by its top weightings Vinamilk (VNM, +12.5%), Vingroup (VIC, +9.0%) and VIC's two subsidiaries, Vinhomes (VHM, +9.0%) and Vincom Retail (VRE, +4.7%). Together these four stocks account for around 57% of the Index. VEF was underweight VNM and VHM while having no positions in the other two due to their expensive valuations and weak earnings outlook. Against that backdrop, VEF lost 2.1%, while the Index gained 3.3%.

Detracting the most from the Fund's performance was steel maker Hoa Phat Group (HPG), due to weak market sentiment for the steel sector amidst a decrease in selling prices and dwindling margins. It should be noted, however, that the steel selling price has recently recovered somewhat. Property and infrastructure projects are expected to pick up strongly in 2019 after stalling for two long years. That could be a bright spot for the sector in 2019. And despite lower margins, HPG's net profit can still increase thanks to the additional capacity from the new Dung Quat facility.

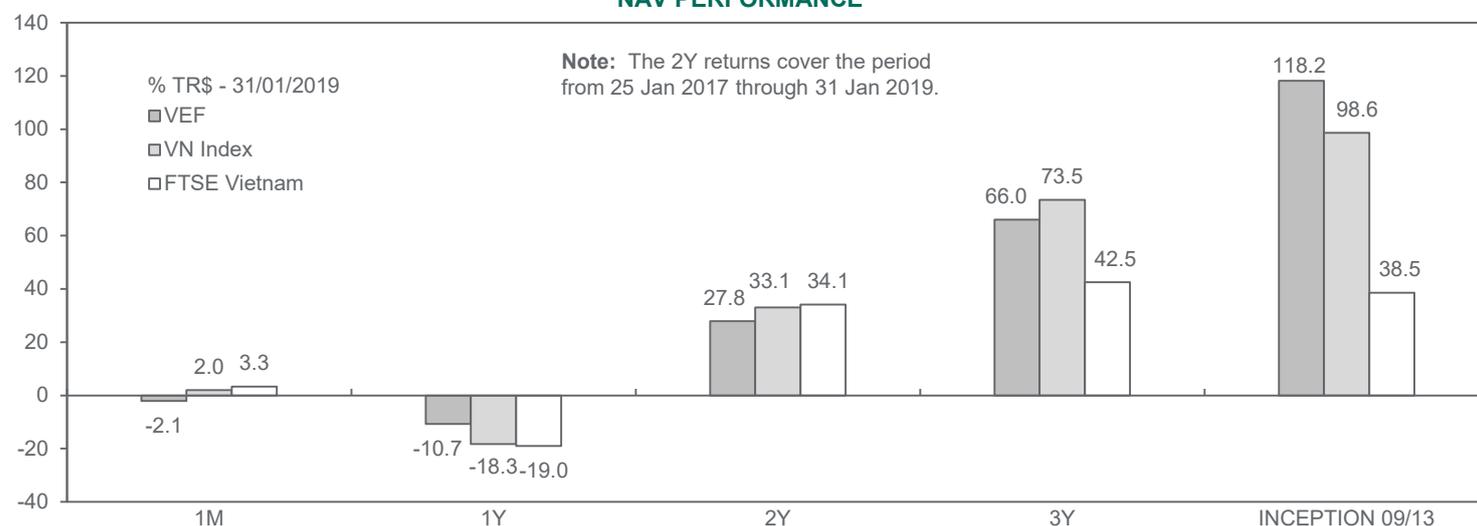
The second biggest detractor from VEF's performance was Cotecons (CTD). Despite posting full-year earnings in line with its target, investors shifted their concerns to the company's 2019 outlook. Rising competition between builders bidding for fewer residential projects weighed on margins in 4Q18. However, total new orders signed in 2018 increased by around 25% yoy and total backlog at year end was some 22% higher yoy. These higher numbers are usually followed by an increase in revenue growth in the following year. Furthermore, CTD is trading at a forward PER of 6.6x, with a no-debt / cash-rich balance sheet. We think the stock's downside is limited while upside potential remains significant in the long term.

We believe the Fund's underperformance versus its benchmark in Jan was just a normal short-term market fluctuation. Once investors come back from the long Tet (Lunar New Year) holiday and the market goes back to being driven by fundamentals rather than technicals, we expect the Fund return to positive performance. VEF has maintained a high active share ratio of above 80%, indicating that it has been less volatile than the benchmark. Since inception, the Fund's beta has been as low as 0.63, while its alpha of 11.5 accounts for most of the return.

PRICE AND NAV DATA

NAV/Share	NAV Change (%)		Net Assets		Std. Dev.	Sharpe Ratio
	Monthly	YTD	Total	Net Cash (% of NAV)		
\$21.82	-2.1	-2.1	\$91.19m	2.1	14.70	1.17

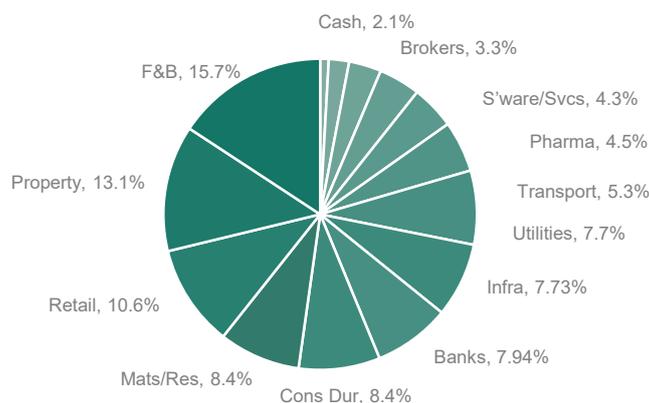
NAV PERFORMANCE



TOP 10 HOLDINGS (56.9% of NAV)

COMPANY	SECTOR	FTSE %	NAV %	CH %
1 Vinh Hoan	F&B	-	9.10	-3.5
2 Mobile World	Retail	-	8.42	-4.6
3 Hoa Phat Group	Mats/Res	7.78	7.11	-10.5
4 Phu Nhuan Jewelry	Cons Dur	-	6.33	1.9
5 Airports Corp VN	Transport	-	5.30	-6.6
6 PV Power	Utilities	-	4.61	2.8
7 FPT Corp	S'ware/Svcs	-	4.30	2.4
8 Hau Giang Pharma	Pharma	-	4.14	7.6
9 Vinamilk	F&B	16.06	3.86	12.5
10 MB Bank	Banks	-	3.74	12.6

SECTOR BREAKDOWN



VIETNAM MONTHLY REPORT

Performance Data as at 31 January 2019

Fund	Bloomberg	ISIN	SEDOL	CUSIP	Listed
VEIL	VEIL LN	KYG9361H1092	BD9X204	G9361H109	London (Main Market)
VEF	VIETNAM ID	IE00BD5HPH84	n/a	n/a	n/a
VDeF-B	VNDEBTB	KYG936151136	B3K9234	G93615113	Ireland
VPF	VPF ID	KYG9362H1083	B9JL3Q3	G9362H108	Ireland

Price Providers	Funds	Bloomberg	Reuters	Contact
Dragon Capital Markets	VPF	DGCP	DRAGON1	Nick Ainsworth +84 28 3823 9355
Jefferies International	VEIL,VPF	JCEF	n/a	Michele White / Trevor Hunt +44 207 898 7127 invcos@jefferies.com
BNP Paribas	VEF	-	-	Transfer Agency Department +353 1 612 5379

Operational VEIL	
Trading	Shares trade as depositary interests on the London Stock Exchange
Clearing	CREST Participant ID 393 (UK Equity)
Settlement	BIC Code: JEFFGB2X
Legal Entity Identifier (LEI)	213800SYT3T4AGEVW864

VEF	
Subscription & Withdrawals	Daily
The Fund has appointed BNP Paribas as its transfer agent, depository and fund administrator. A range of third party fund platforms also include VEF in their product offerings, including Clearstream (www.clearstream.com), Fundsettle (www.euroclear.com), Banco Inversis (www.inversis.com), IFSAM (www.ifsam.lu), Pareto Securities (www.paretosec.com), Attrax (www.attrax.lu) and MFEX (www.mfex.com)	

VDeF	
Subscription & Withdrawals	Monthly

Operational VPF	
Trading	Shares trade OTC on a matched-market basis on the Irish Stock Exchange
Clearing	Euroclear or Clearstream
Settlement	Standard Chartered Bank Singapore, Clearstream No. 73418

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Representative and Paying Agent in Switzerland: The representative and paying agent for VEF in Switzerland is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich, Switzerland. The VEF prospectus, the key investor information documents (KIIDs), the articles of incorporation as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.

UCITS HAVE NO GUARANTEED RETURN AND PAST PERFORMANCE DOES NOT GUARANTEE FUTURE PERFORMANCE.