

Market Update

In this issue

- Market update
- Our view
- Sector valuation
- VAM funds
- Fund factsheets:
 - [VEMF Cayman](#)
 - [VEMF SICAV \(UCITS-compliant fund\)](#)

The market had strong correction in November after delivering stellar performance in October. The retreat was attributable mainly to profit-taking and margin call pressures as well as lack of new positive news during the month. Local investors' sentiment was also dampened by foreign investors turning net sellers with net sell of US\$ 16.4mn in November. Closing the month, both indexes came down, with VN-Index decreasing -5.63% MoM to 573.2 points, and HNX-Index retreating to 80.6 points, down -1.97% MoM.

Complete text of Trans-Pacific Partnership (TPP) was released with clearer implications for Vietnam

One month after reaching conclusion in Hawaii, a complete text of the TPP agreement was finally released on Nov 5th by the 12 participating countries. The agreement is set to be officially signed on Feb 4th, 2016 in New Zealand and come into force in 2 years. Once implemented, Vietnam would immediately remove around 65.8% of import tariffs upon Entry into Force ("ETF"), 85.5% after 4 years and 97.8% after 11 years. Almost all tariff lines would be eliminated in 16 years. In return, the other parties have committed to remove 78% - 95% tariffs on Vietnam's exports upon ETF and the remaining in next 5-10 years. With TPP, Vietnam's exports growth in the next 5 years is expected to reach 10%-12% p.a. to achieve an export turnover of about US\$ 300bn by

2020, according to Minister of Industry and Trade.

Disbursed FDI 11M15 reached a record high of US\$13.2bn (+17.9% vs 11M14)

Recent FTAs, especially TPP agreement, continued to show strong impact on Vietnam's FDI inflows with disbursed FDI in 11M15 reaching US\$13.2bn, much higher than the annual average of US\$ 8.7bn in 2004-2014. Registered FDI YTD also increased to US\$ 20.2bn (+16.7% YoY) with 64% of capital pledges going to processing industry, 14% to manufacturing and power distribution. South Korea and Malaysia have been the biggest foreign investors in 2015 with registered investments of US\$ 2.5bn and US\$ 2.4bn, respectively. FDI sector continued its leading position in export activities, generating a trade surplus of US\$ 15bn in 11M15 while domestic sector incurred a US\$ 18.8bn trade deficit in the same period. Hence, the

country had a trade deficit of approx. US\$ 3.8bn YTD.

November's Purchasing Manufacturing Index (PMI) fell to 49.4 points while Index of Industrial Production (IIP) grew by 8.9% YoY

Vietnam's manufacturing sector faced sluggishness again with Nikkei's Vietnam PMI reading falling to 49.4 in November (lowest level in the last 27 months). There were declines on both new order and new export order sub-indexes, a result of weakening demand onshore and offshore. Continued reduction in new orders led to a slump in employment for the first time since March 2015. In fact, export turnover of domestic sector diminished by 2.6% YoY in 11M15. However, some firms still had their production output unchanged or slightly increased in November as a result of a moderate improvement in new orders last month when PMI was at 50.1. Accordingly, IIP this month indicated a growth in production at 8.9% YoY.

Our view

Slowdown in global economic activities coupled with geopolitical tensions in the world has set negative impact on markets across the globe. 2015 has been a tough year for emerging and frontier markets. Still, Vietnam has somehow stood out against the overall picture when VN-Index has gained roughly 5% YTD. Weakening demand from big trade partners like China will continue to affect Vietnam's manufacturing, but ongoing strong surge in FDI inflows thanks to TPP and other recent FTAs will boost the country's economic activities and exports significantly in the coming time. GDP growth this year may well reach 6.7% with full-year inflation being at record low of around 1%. World Bank very recently estimated that Vietnam's GDP growth may reach 6.6% in 2016 (from its previous estimate of 6.2%). We keep a positive view on the country, though risk on currency will need to be monitored more closely given high possibility of Fed's rate hike in December and of further remarkable devaluation of the CNY in 2016 after IMF most recently approved to add it to the basket of "Special Drawing Rights", which would support a more flexible yuan policy.

Sector Valuation

Industry group	Weight %	1M %	3M %	YTD %	2014 PE	2015 PE	2016 PE	2017 PE	P/B	Dvd Yield	ROE	Gross Margin	Op Margin	Net Margin	Net D/E
Vietnam Market	100.0	-5.6	0.4	5.1	19.5	13.2	11.8	10.4	2.4	4.9	17.8	34.2	18.2	16.2	3.81
Automobiles & Components	1.3	-2.1	7.5	-1.3	12.7	7.7	8.9	9.1	2.1	7.4	21.8	27.7	22.3	17.6	0.4
Banks	33.3	-10.7	-2.2	32.3	29.2	15.3	13.2	11.9	1.8	4.0	11.6	42.5	17.6	12.4	11.7
Capital Goods	2.6	-0.4	13.9	17.9	12.7	10.4	9.3	8.1	1.9	4.6	18.1	32.3	16.5	15.5	0.1
Commercial Services & Supplies	0.7	-1.9	11.8	15.8	15.0	9.9	8.2	7.5	1.9	3.0	22.6	29.1	17.5	14.1	-0.2
Consumer Durables & Apparel	0.7	7.9	12.3	28.4	18.0	7.1	6.4	5.8	1.6	3.0	25.8	22.8	15.1	9.6	0.8
Consumer Services	0.3	0.8	-7.4	-33.0	14.8	8.9	7.6	7.1	2.2	-	22.5	38.2	25.9	18.6	-
Diversified Financials	2.1	-6.0	-12.1	-11.8	15.0	13.3	12.2	10.9	1.5	4.8	11.2	59.2	51.8	50.3	-0.6
Energy	11.0	-12.4	-10.2	-36.3	5.5	8.8	9.3	7.7	1.8	7.2	20.2	18.1	13.9	11.8	-0.5
Food & Staples Retailing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food, Beverage & Tobacco	17.0	1.0	5.3	26.7	25.7	19.3	18.1	16.3	6.0	3.4	31.7	36.9	19.4	16.6	-0.3
Health Care Equipment & Services	0.1	21.0	21.1	-62.7	-	-	-	-	-	-	-	-	-	-	-
Household & Personal Products	0.6	-4.1	7.1	10.0	9.4	10.4	7.1	6.9	1.5	4.5	16.7	24.6	12.1	11.7	0.2
Insurance	4.8	-9.7	15.6	60.9	14.5	11.4	9.6	10.0	1.4	2.1	12.8	22.5	-0.9	18.4	-0.9
Materials	5.2	-2.6	3.2	-10.3	7.3	7.0	6.5	6.0	1.4	7.3	21.8	21.8	14.8	12.1	0.3
Pharmaceuticals & Biotechnology	1.3	-1.7	-0.1	-13.8	11.1	9.7	8.5	7.3	2.0	4.7	22.0	46.3	16.2	12.3	-0.2
Real Estate	11.2	-4.8	2.9	-7.4	13.5	11.2	8.5	5.4	0.9	7.7	9.8	38.7	29.2	23.5	0.7
Retailing	1.4	1.4	17.5	-2.7	12.4	13.4	12.8	12.2	3.8	5.4	33.4	13.0	4.7	3.5	0.2
Software & Services	0.2	-7.9	11.2	62.4	-	-	-	-	-	-	-	-	-	-	-
Telecommunication Services	1.8	-0.9	6.7	12.9	10.5	9.9	8.2	7.1	2.2	6.1	23.4	19.4	8.4	5.2	0.1
Transportation	2.3	-0.5	20.6	23.8	15.2	12.8	11.6	10.2	3.0	4.6	24.0	30.7	24.0	20.1	-
Utilities	2.4	0.1	2.1	-5.0	16.2	8.0	7.3	7.3	1.4	5.9	19.9	33.5	27.0	60.7	0.5

* It is generated by VAM in-house Company Analysis System - VCAS at of 30th November, 2015 comprising of both bourses

Vietnam Emerging Market Fund (VEMF Cayman)

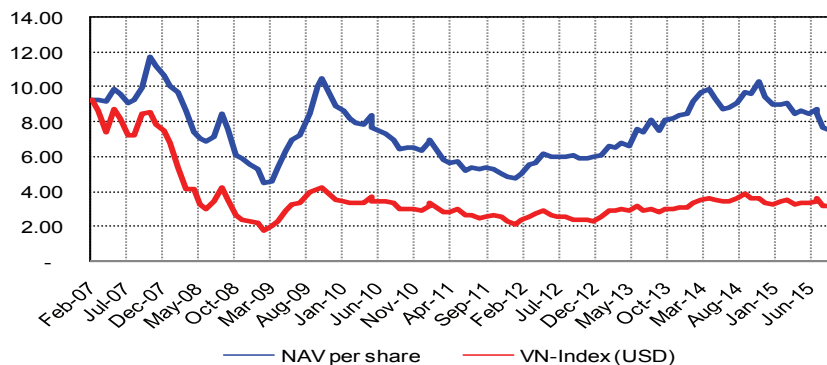
VEMF is a Cayman open-ended fund with monthly liquidity for offshore investors. The Fund invests in private equities, privatization, OTC and listed stocks in Vietnam on an actively-managed basis.

After the stellar performance in October, VEMF decreased -8.3% MoM versus -6.3% MoM of the VN-Index in USD term in November. The market big retreat in this month was mostly attributable to huge profit-taking and margin call pressures. Lack of new positive news and net foreign sell of \$16.4M also did not help investors' sentiment. Main supporters to the market were Food & Beverage and Utilities sectors as they had a slight on-month increase of about 1%.

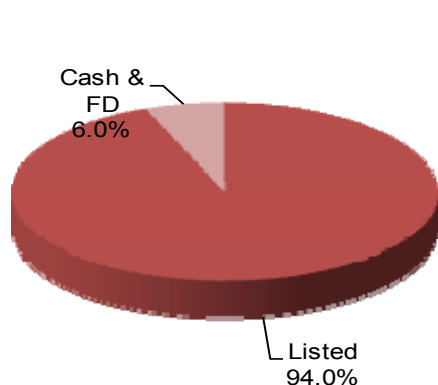
Fund performance

NAV per share	US\$7.58
Nov-15	-8.34%
YTD	-15.59%
Since inception (Feb 07)	-18.14%
Reuters	65092798
Bloomberg	VAMVEMF KY Equity
ISIN	KYG 936131005
CUSIP	G93613100

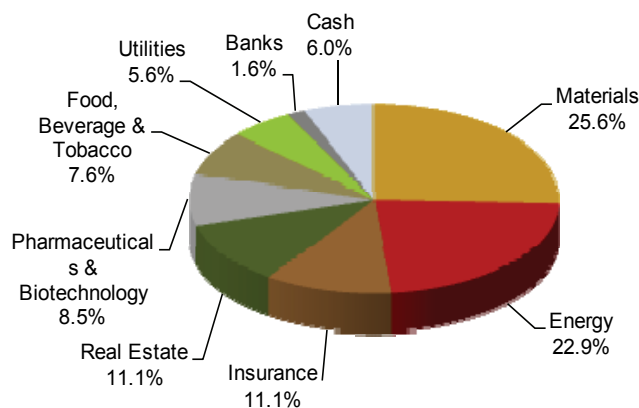
Performance vs. VN-Index (US\$)



Fund Breakdown



Sector Breakdown



Vietnam Emerging Market Fund SICAV (VEMF SICAV)

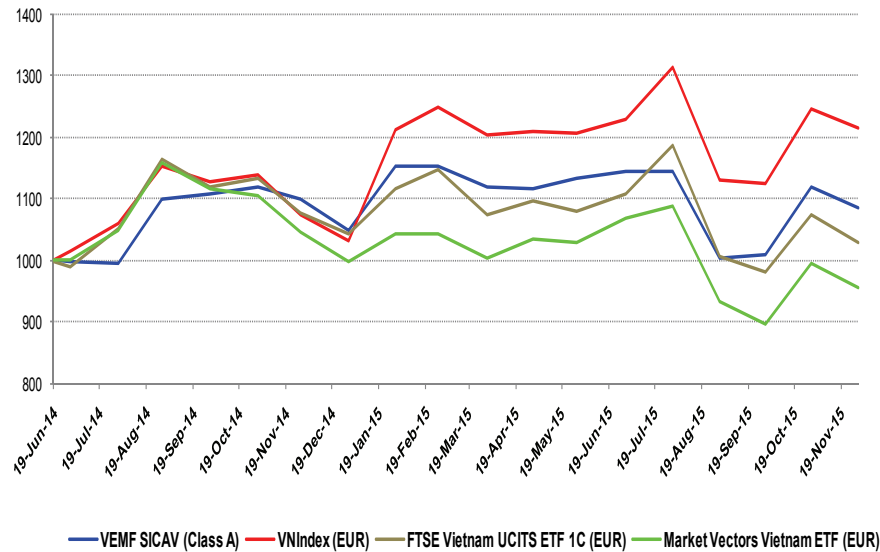
VEMF SICAV is a Luxembourg-incorporated UCITS compliant open-ended fund with daily liquidity for European investors. The fund invests in public listed equities and equity-related securities in Vietnam, on an actively-managed basis.

In November, the Fund decreased -3% MoM versus -2.6% MoM of the VN-Index in EUR term. The Fund continued to outperform FTSE Vietnam UCITS ETF and Market Vectors Vietnam ETF by 0.7% and 0.6%, respectively.

Fund performance

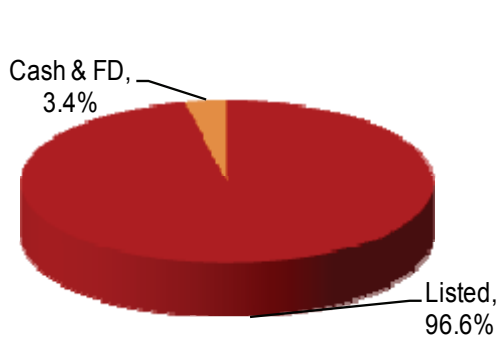
	Class A	Class B
NAV per share	EUR 1,086.22	EUR 1,066.77
30-Nov-15	-3.05%	-3.19%
YTD	3.48%	3.29%
Since inception (Jun 19, 2014)	8.62%	6.70%
Reuters	68266524	68266525
Bloomberg	IPCVEMA LX	IPCVEMB LX
ISIN	LU1042536018	LU1042536281
Securities No.	A1XE8U	A1XE8V

Performance of Class A vs. VN-Index (EUR) and ETFs (EUR)

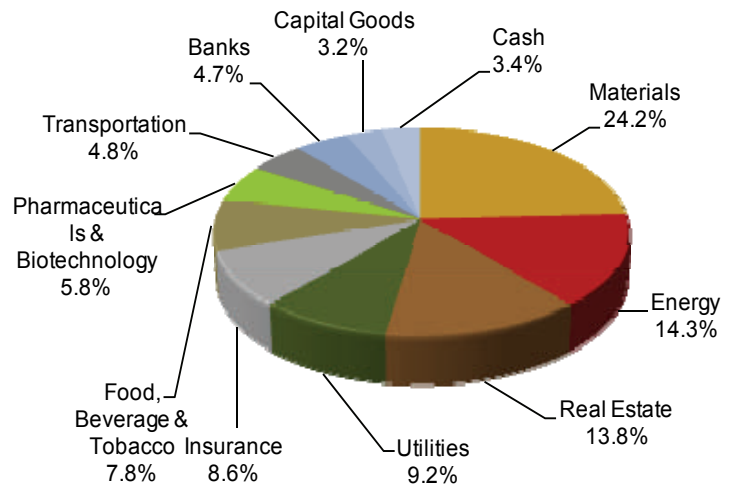


Source: Bloomberg, HOSE, VAM, HSBC exchange rate

Fund Breakdown



Sector Breakdown



Source: Union Investment Financial Services S.A.

Disclaimer:

The current Sales Prospectus, the Key Investor Information Document (KIID), the Articles of Association as well as the annual and semi-annual reports of the Vietnam Emerging Market Fund SICAV ("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 Fund Manager's website (www.vietnamam.com) and the Management Company's website (www.ipconcept.com), the source of NAV.

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