



AFC VIETNAM FUND UPDATE

Fund Category	Vietnam Public Equities
Country Focus	Vietnam
Subscriptions	Monthly at NAV (five days before month end)
Redemptions	Monthly at NAV 60 days notice
Benchmark	VN Index
Fund Manager	Andreas Karall
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 Domicile	Cayman Islands
Launch Date	11 December 2013
Custodian Bank	Viet Capital Securities, Ho Chi Minh City
Auditor	KPMG, Cayman Islands
Administrator	Amicorp Fund Services Asia Pte Ltd., Singapore
Legal Advisor	Ogier, Hong Kong

Contact Information

Asia Frontier Capital Ltd.
www.asiafrontiercapital.com

Andreas Vogelsanger, CEO
Asia Frontier Capital (Vietnam) Ltd.
Tel: +66 84435 7472, Fax: +852 3904 1017
vietnam@asiafrontiercapital.com

Stephen Friel, Marketing Director
Asia Frontier Capital Ltd.
Tel: +852 3904 1015, Fax: +852 3904 1017
sf@asiafrontiercapital.com

Registered Office:
c/o Ogier Fiduciary Services (Cayman) Limited,
89 Nexus Way, Camana Bay, Grand Cayman,
KY1-9007, Cayman Islands

Hong Kong Office:
Asia Frontier Investments Limited
1208, 12th Floor, Loon Kee Building
267-275 Des Voeux Road Central
Hong Kong

The volatility which we saw on the world stock markets in October, also reached Vietnam in past few days. Both exchanges performed very nicely at the beginning of the month, mainly due to 2 heavily weighted large caps, but now came back to around +1%. Even though we don't hold these 2 companies in our portfolio, our NAV also increased to about USD 1'287, according to our internal calculation.

The bigger fluctuations currently take place in the large-cap stocks that are increasingly bought and sold by foreigners, while the slightly higher buying activity on margin of private investors poses a certain risk. Nevertheless we are now entering in the best period in terms of stock market performance, which typically lasts from late October until January. Given that most geo political risks, which were and still are influencing most stock markets, are to a large extent already priced in and it therefore can be assumed that a short-term recovery will take place. Whether it first will come to a broad sell off which could also include Vietnam and our investments, has more to do with betting rather than investing and we therefore prefer to focus on the upcoming reporting season for the third quarter. After all, the markets have already lost between 7% in the USA and 10-15% in Europe (in USD terms even much more!) and most indices are now negative on an annual basis. The Vietnamese stock market however didn't experience a dramatic year and can look back to some impressive gains. The chart below illustrates nicely this year's performance in a long-term comparison going back to the year 2000:



The next subscription deadline for this month will be on October 24.

Best regards,

Andreas Karall, CIO

DISCLAIMER

Investments in equities in Vietnam are subject to market risk, idiosyncratic risk, liquidity risk, and currency exchange rate risk. The fund may use financial derivative instruments as a part of the investment process. This document does not constitute an offer to sell, or a solicitation of an offer to buy shares in AFC Vietnam Fund. We will not make such offer or solicitation prior to the delivery of an offering memorandum, the operating agreement or articles of association, a subscription booklet, and other materials relating to the matters herein. Before making an investment decision, we advise potential investors to read these materials carefully and to consult with their tax, legal, and financial advisors. The materials have not been reviewed by the regulatory authority of any jurisdiction. Investment is open only to accredited investors as defined by the relevant legal jurisdiction of residence and/or nationality. We have compiled this information from sources we believe to be reliable, but we cannot guarantee its accuracy. We present our opinions without warranty. Past performance is no guarantee of future results. © 2013 Asia Frontier Capital Limited. All rights reserved.