

Dear fellow shareholder,

Through the course of 2017, VEF has remained on the front foot, successfully converting pipeline that has been the groundwork of two years in the making. This has allowed us to transition from the concept of value creation through investing in fintech in the developing world, to a very exciting portfolio of ten holdings across diverse range of scale growth geographies and multiple lines of financial services. Specifically, the recent announcement of our latest and largest transaction to date, a USD 30 mln lead investment into the personal financing platform GuiaBolso in Brazil, is a landmark event in itself and reflects our growing confidence as investors and ability to attract the larger later stage quality deals to our portfolio. On the exit front, we have also begun to gradually reduce our holding in Tinkoff Bank, the one listed asset in our portfolio, a phenomenal success for us to date and strong driver of our NAV and share price. Irrespective of our ongoing positive view on the business and stock, this is a holding that was always medium term in nature and logical we should begin to recycle some capital gains from it to greater return opportunities within our core mandate in the private fintech space. The VEF team has also come together through 2017, individually and collectively, as new members hit the ground running. In summary, we remain well positioned for continued value creation in our EM fintech focus space.

Geographically, Brazil has been the dominant theme for VEF through 2017, with our last three investments, and four of our ten holdings, focused there. For a number of reasons, which we noted in our last management report, outside of some of the larger Asian markets, we have yet to find a fintech market that is more exciting and ripe for our investment money than Brazil. New names to the portfolio are GuiaBolso and Magnetis:

GuiaBolso – USD 30 mln investment into leading Brazilian personal finance platform.

GuiaBolso has the mission of transforming the financial well-being of ordinary Brazilians. They leverage their proprietary bank data aggregation technology to automatically aggregate consumer financial information so they can better understand their finances. From there, GuiaBolso is in a unique position to offer their customers a range of products from credit reports and financial education tools through to credit and investment products, both through partner institutions and their own subsidiaries.

Magnetis – USD 3 mln investment into leading Brazilian Roboadvisor.

In 3Q17 we also led the Series A funding round into Magnetis, Brazil's leading Roboadvisor.

Magnetis is a pioneer of the Roboadvisory scene in Brazil, a model that looks to digitally provide risk aligned investment portfolios for individuals in a low cost digital manner.

Brazil is one of the few emerging markets that has a backdrop that is suited for Roboadvisory success at this juncture and Magnetis is the leading play on this opportunity today.

In line with our portfolio coming together, the positive traction in those assets to date and the arrival of some of the more higher profile new investments, we have spent more time of late on the road meeting and updating current shareholders, as well as educating a wider investor audience, of the unique investment opportunity that is Vostok Emerging Finance. The goal is to continue to broaden and deepen our shareholder base, gradually narrow the traded discount to NAV and to encourage trading liquidity in our shares, in line with the continued growth in our market capitalisation.

As always, I would like to close off my comments by thanking my supportive board of directors and the team at Vostok Emerging Finance for all their input and efforts over the period. To fellow shareholders, we appreciate your on-going support. At VEF, we remain committed to delivering shareholder value through a focused approach on increasing the NAV per share, coupled with healthy level of company transparency and investor communication as we go. We take a long-term view on our company, investments and indeed life, which is a necessary positive when investing in the space that we do.