



VietNam Holding Ltd. (VNH) is a value investor, aiming to generate high risk-adjusted returns by combining rigorous financial analysis with interactive sustainability research. Its current investment themes are agriculture, domestic consumption and urbanization. VNH's ordinary shares and warrants are listed on the London Stock Exchange's AIM.

Fund Statistics

Total NAV USD 129,635,632

NAV per share USD 2.306

Shares in issue 56,218,067

Treasury shares 10,404,007

Equity investments 96.50%

Number of investments 24

Vietnam News

March was a month of continued relief rally - driven by US Federal Reserve dovishness, bouncing oil, and renminbi stability - among emerging market assets, but on low volumes that suggest a lack of investor conviction. We are staying focused on the longer term fundamentals for most emerging markets, which continue to look poor, and contrast this with Vietnam, which has strong reasons to count as a clear exception to the general trend.

China is still far from out of the woods. Moody's and S&P both downgraded the country's credit rating outlook in March. It is tempting for PRC leadership to resort to fiscal stimulus - and indeed to some extent it is doing just that. China cannot achieve a stable renminbi, increasing use of the renminbi as an international means of payment, strong fiscal reflation and easier monetary policy all at once - something will have to give. That "give" likely remains some combination of further growth deceleration and a weaker currency. China is these days as much a bellwether as the US, so it sets the tone for emerging market conditions worldwide.

Such conditions are sobering: 23 out of the 30 leading global emerging markets were in dollar-terms recessions last year, with many continuing to be into 2016. This recession - measured by percentage GDP fall in dollars - for the two years 2015/16 exceeds even the last big one in 1998/99 for these 30 nations.

There are myriad problems extant in the emerging world. It is easy to call this crisis a great long term buying opportunity for emerging market assets, as some have. But, to us, the bottom has not been reached yet, with the problems in many places still severe and unaddressed.

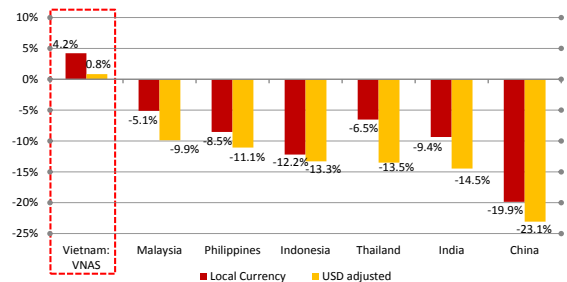
Stock market valuations in Vietnam at less than 12x trailing earnings remain attractive and reform progress is quietly proceeding in a helpful direction. The country is set to continue its recent-years' record of emerging and frontier stock market outperformance - which exceeds 30% over the past five years - over the coming few years.

Regional Valuation and Dividend Yield Comparison

	P/E trailing	Price to Book	Dividend Yield
Indonesia	26.4	2.4	2.0
Philippines	21.3	2.6	1.8
India	19.5	2.7	1.6
Thailand	19.3	1.8	3.3
Malaysia	18.5	1.6	3.1
China	15.8	1.7	2.0
Vietnam: VNAS	11.5	1.5	3.5

Source: Bloomberg.

Regional Performance Comparison



Source: Bloomberg. Date range: 31 March 2015 to 31 March 2016.

VNH Insights

Last month was rather flat for Vietnam, with the VNAS index up just 1% at 570.5, having traded in a narrow range of 564-582. This made Vietnam a distinctly dull market in the month, with the MSCI emerging markets index contrastingly having gained a sizzling 13%. VNH's NAV per share was up 2.5% in March to USD 2.306, to stand 3.3% up year-to-date as against a flat year-to-date index performance in dollars.

We see Vietnam as an exception to the poor global picture. Recently, headline first quarter GDP growth disappointed, at 5.5% YoY, but this was driven down by a 1.2% drought-induced fall in the agricultural/forestry/fishing segment, and in this context is a good number - one that very few countries will reach this year.

Business start-ups by number and registered capital rose by 25% and 67% YoY respectively in March. The stable dong has seen Vietnamese growth at a very strong level even in dollar terms (at over 5% pa) over the past few years. The country's balance of payments remains very robust, with foreign direct investment having started 2016 strongly yet again (up 15% YoY at USD 3.5bn in the first quarter), a year-to-date trade surplus (USD 1.4bn), and healthy forex reserves of USD 40bn.

It is worth remembering the trade balance's evolution: from a deficit of several percent of GDP in 2006-10, to one of only 1.9% of GDP in 2011-15, and now no deficit at all.

Fund Facts

Domicile Cayman Islands
 Admission 15 June 2006
 Stock Exchange London AIM

Management Fee 2.00% for NAV < \$100M
 1.75% for NAV > \$100-150M
 1.50% for NAV > \$150M

Performance Fee 15% (hurdle rate 5%)
 LSE Ticker VNH
 Bloomberg Ticker VNH LN Equity
 ISIN KYG9361X1043

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Net Asset Value / Portfolio

NAV per Share Performance

Last month	2.53%
Year-to-date	3.32%
Last 12 months	15.42%

Portfolio Statistics

P/E (trailing)	11.18x
Dividend yield	2.92%
PEG (trailing)	0.87
PEG (forward)	0.77
Beta	0.73

Median market cap / investment (USD million)	119.60
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Share Price / Discount

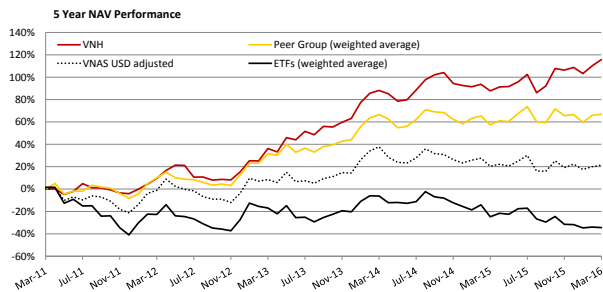
Share Price Performance

Last month	9.09%
Year-to-date	3.26%
Last 12 months	14.95%
Sharpe ratio	1.16
Alpha	1.90
Beta	1.18
Market capitalisation (USD million)	111.31

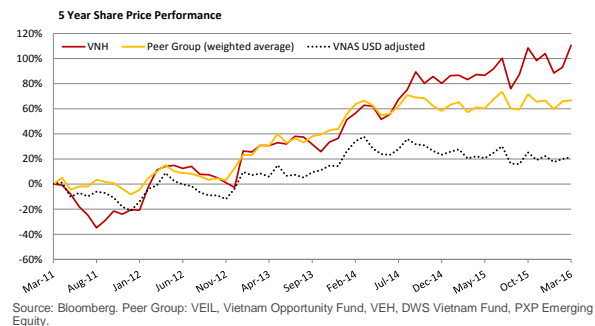
Share Price Discount to NAV

VNH	14.14%
Peer Group weighted average	20.08%
Operating Expense Ratio (12 month rolling)	3.00%

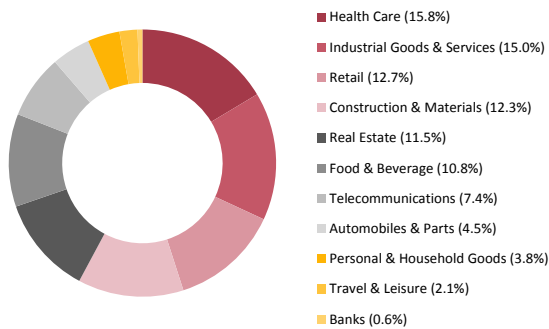
NAV Performance vs. VNAS and Peers



Share Price Performance vs. VNAS and Peers



Industry Allocation



Top 10 Holdings

Investee Company	Market	Percent of NAV
Traphaco	HOSE	9.62%
Vinamilk	HOSE	7.56%
Binh Minh Plastic	HOSE	7.54%
FPT Corporation	HOSE	7.44%
Viconship	HOSE	6.90%
Phu Nhuan Jewelry	HOSE	6.78%
Thien Long Group	HOSE	5.89%
Hoa Phat Group	HOSE	4.55%
Danang Rubber	HOSE	4.53%
Khang Dien House	HOSE	3.96%

London Stock Exchange Market Makers

Winterflood	Richard Browne +44 203 100 0251	Stifel Nicolaus	Shayne Barge +44 207 710 7665
Jefferies	Michele White +44 207 898 7127	Numis Securities	David Cumming +44 207 260 1376
JPM Cazenove	Steven Cheshire +44 207 155 8063	LCF Rothschild	Johnny Hewitson +44 207 845 5960
Investec	Peter Brown +44 207 597 5063	finncap	James Simpson +44 207 220 0558



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