



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.

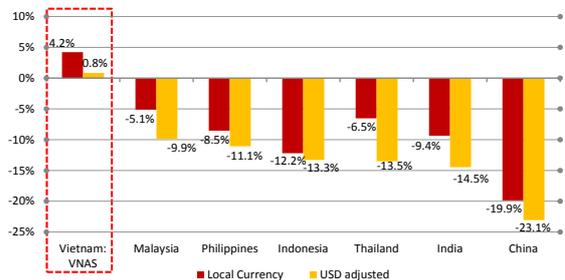
Stock market valuations in Vietnam at less than 12x trailing earnings remain attractive and reform progress is quietly proceeding in a helpful direction. The country is set to continue its recent-years' record of emerging and frontier stock market outperformance - which exceeds 30% over the past five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

AIM Nominated Adviser

Smith & Williamson Corporate Finance Limited
Azhic Basirov +44 20 7131 4000

AIM Broker

Winterflood Investment Trusts
Neil Langford +44 20 3100 0301

Administrator & Custodian

Standard Chartered Bank
7 Changi Business Park Crescent,
Level 3, Securities Services,
Singapore 486028

Investment Manager

VietNam Holding Asset Management Ltd.
Tel: +41 43 500 2810
investorrelations@vnham.com



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
--	--------

Share Price / Discount

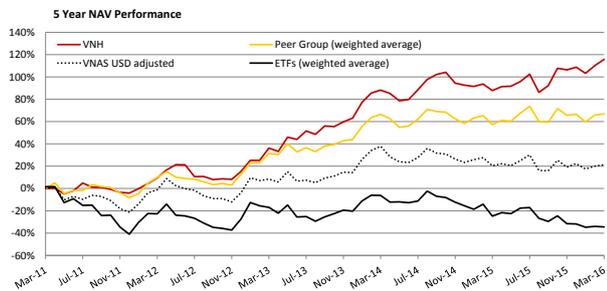
Share Price Performance

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

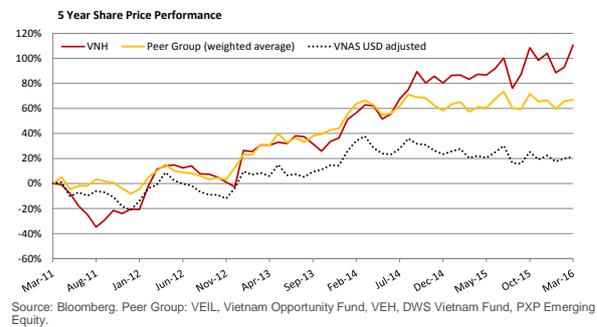
Share Price Discount to NAV

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

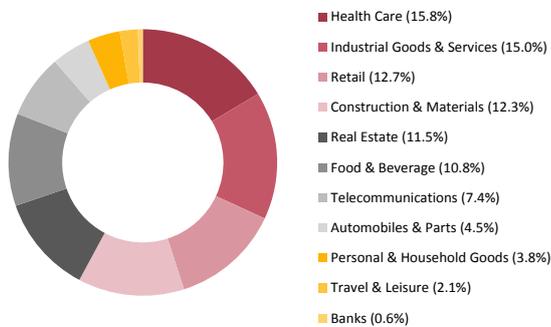
NAV Performance vs. VNAS and Peers



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



Disclaimer

This monthly update ("Update") is for information only and does not constitute or form part of, and should not be construed as, any offer, inducement or an invitation to sell, acquire or issue, or any solicitation of any offer to purchase or subscribe for, any shares or securities, including any ordinary shares in VIETNAM HOLDING LIMITED (the "Company") in any jurisdiction. Neither this Update, nor any part of it nor anything contained or referred to in it, nor the fact of its distribution, should form the basis of, or be relied on in connection with or act as an inducement in relation to, a decision to purchase or subscribe for or enter into any contract or make any other commitment whatsoever in relation to any such securities. This update does not constitute a recommendation in relation to an investment in the Company. This Update is strictly confidential and may not be copied, distributed or passed on by any recipient. The information contained in this Update has not been verified, is subject to change without notice, updating, revision, further verification and amendment, and no reliance may be placed for any purpose whatsoever on the information contained in this Update or on its completeness. No representation or warranty, expressed or implied, is given by the Company or any of their respective directors, officers, employees, agents or advisers or any other person as to the accuracy or completeness of the information or opinions contained within this Update and no responsibility or liability is accepted for such information or opinions. In particular, no representation or warranty is given as to the achievement or reasonableness of, no responsibility is accepted or undertaken to update or revise, and no reliance should be placed on any forward-looking statements, including projections, targets, estimates or forecasts, and nothing in this Update is or should be relied on as a promise or representation as to the future. The distribution of this Update in certain jurisdictions may be restricted by law. Persons reading this Update must inform themselves about and satisfy any such restrictions and formalities.