

VietNam Holding Ltd. (VNH) is a value investor aiming to achieve long-term capital appreciation by focusing on high-growth companies based primarily in Vietnam that demonstrate strong environmental, social and corporate governance awareness. Its current high conviction investment themes are domestic consumption and urbanization. VNH's ordinary shares are listed on the London Stock Exchange's Alternative Investment Market (AIM).

Portfolio Information

Total Asset Value	USD 201,985,113.27
Shares in Issue	65,988,673
NAV/share	3.061
Cash	1.4%
Number of investments	27
AIM Capitalization (USD m)	176.2
Median Portfolio Company Market Cap (USD m)	459.2
Share Price Discount to NAV	12.8%
Total Expense Ratio (12M rolling)	2.7%
30-Day Avg Trading Value (USD)	287,693
P/E Ratio (12M Trailing)	13.22x
Dividend Yield	1.8%
PEG (2017-2019)	0.54x
EPS Growth (2017-2019 CAGR)	23.4%

Market Statistics

	VNASTR	VN30TR
Index	968.22	1,023.0
Monthly change (USD)	-0.8%	-0.4%
YTD change (USD)	-4.1%	-3.1%
YOY change (USD)	17.2%	24.6%
P/E Ratio (12M Trailing)	14.2	15.5
P/B Ratio	2.1	2.9
Dividend Yield	2.2	2.1
Market capitalization (USD bn)	98.7	85.5
30-Day Avg Trading Value (USD m)	138.3	98.4
30-Day Avg Trading Value (Shs m)	117.5	51.9

Performance

Figures in %	1M	YTD	1YR	3YR	5YR	5YR CAGR
VNH NAV per share	-2.6	-2.0	6.6	46.2	85.7	13.2
VNH Share price	-4.6	-2.3	13.5	48.1	115.3	16.6
VNAS (USD)	-1.1	-5.0	14.9	46.9	72.2	11.5
VN30 (USD)	-0.7	-3.9	22.5	44.1	61.7	10.1
MSCI EM Index	-4.6	-7.7	5.8	10.0	13.7	2.6

Source: Bloomberg, VNH Asset Management Ltd. Data for VNAS Total Return and VN30 Total Return (including dividends) is available after July 24 2015. For consistency, figures reflect the respective simple index and not total return. Total return adds 2-3% to annual index performance reflecting the index dividend yield.

Manager Commentary

A long pause after the heady rush

The Vietnamese stock market in June continued its new phase of range bound trading, indicating that the euphoria of 2017 is ever more firmly in the past.

The VNH fund's financial year ended with a 12-month net asset value per share provisional gain of 6.6%, compared to the Vietnam All Share Index total return in dollars of 17.2%. The six-month, calendar- year-to-date performance of the fund has been -2.0% (versus VNAStr in USD -4.1%); for the month of June itself, -2.6% (versus index -0.8%). So, tentatively, the VNH fund has been regaining its footing during calendar 2018, after the steep underperformance it registered during the euphoric, expensive large-cap dominated market performance of 2017.

June's headwinds have in part been foreign. The Chinese currency value versus the dollar retreated 4.1% in June, and 6.1% since it started its fall in late March. Even though the Vietnamese dong has been relatively strong amidst the recent pressure on emerging market currencies, June's dong fall of 0.6% makes up the bulk of the year-to-date depreciation of 1.1%. This together with a higher June inflation reading of 4.7% year-on-year (and 0.6% month-on-month) has led to renewed wariness about the value of local money and the prospects for dollar-based returns.

The government's proclamations that it will suspend further "administrative" price increases (such as for healthcare and electricity) in order to keep consumer price index growth below 4% by year-end doesn't really engender investor confidence – pointless sticking plaster that harms the underlying soundness of the sectors concerned.

Other economic barometers remain buoyant. Second quarter gross domestic product growth came in at 6.8%, making the first half 7.1%. The implied quarter-on-quarter slowing was mostly down to lower growth in oil and gas extraction, and feeble government investment disbursement. Industrial production remains strong (+10.5% YoY in the first half and +12% YoY in June itself), as do foreign direct investment (disbursals up 8% YoY) and exports (up 16% YoY in dollars). Credit growth at 6.4% year-to-date is healthy but not exuberant, the way we like it.

Vietnam, as a highly open and export-driven economy, simply can't be a beneficiary of a more tariffed and trade-restricted world, so eyes remain on such developments for good reason. At 14x trailing earnings, VNAS index valuation has retreated to a fair and proper level, we feel, reflecting a mix of (a) great long term Vietnam economic story, (b) patchy corporate governance, and (c) global mostly-Trump-induced world economic risks. Selectivity and long term horizon are required for happy investing.

LSE Market Maker

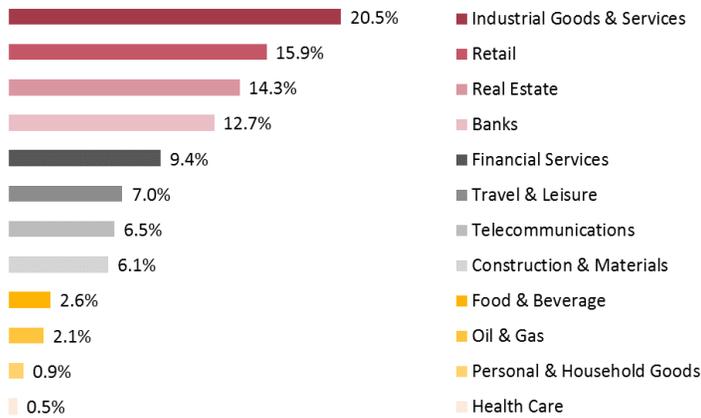
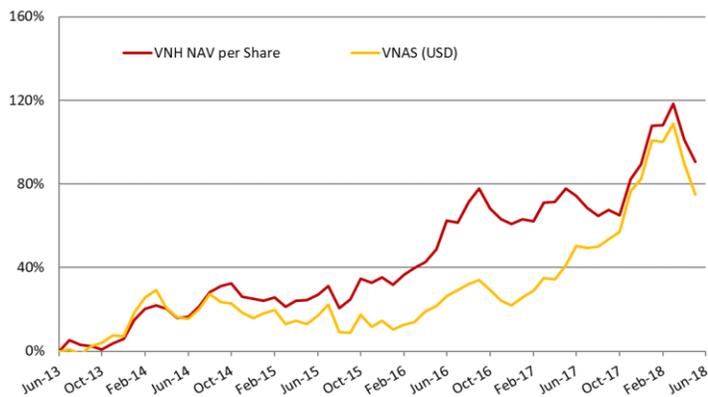
finncap
Johnny Hewitson

+44 207 220 0558
JHewitson@finncap.com

Investment Manager

VietNam Holding Asset Management
www.vnham.com

+44 781 078 5933
Investorrelations@vnham.com

Sector Weights

Rolling 5YR

Vietnam Macro

	2017	YTD
GDP Growth	6.8%	7.1%
CPI (YOY)	2.6%	3.3%
FX Rate (USD/VND)	22,709	22,959
FX Rate YTD Change (%)	-0.3%	1.1%
Export (USD bn)	214.0	113.9
Import (USD bn)	211.1	111.2
Trade Balance (USD bn)	2.9	2.7
FDI commitments (USD bn)	35.9	16.2
FDI disbursement (USD bn)	17.5	6.8
FDI no. of new project approvals	2,591	1,366
	Dec 2017	Jun 2018
Retail sales growth (Nominal YOY)	10.9%	10.7%
Purchasing Managers' Index (Nikkei)	52.5	55.7

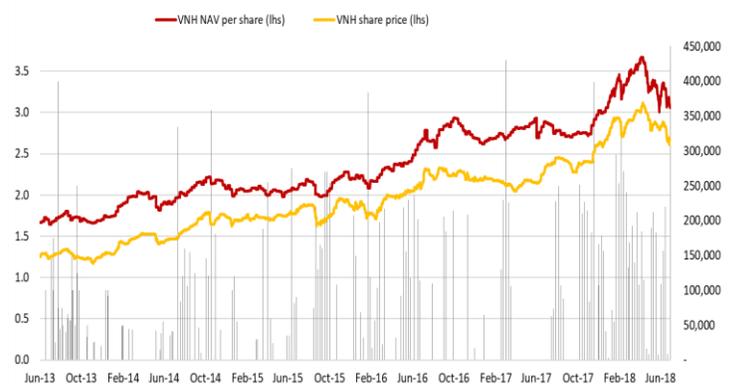
Source: GSO, Customs, Bloomberg, FiiPro

DISCLAIMER

This factsheet is prepared on behalf of Vietnam Holding Ltd. (the "Fund") by Vietnam Holding Asset Management Limited, and is solely communicated to, and directed only at persons who are investment professionals, high net worth companies or others who are entitled to be given the factsheet under the law of the jurisdiction in which it is given. Persons receiving this factsheet should note that past performance is no guide to the future and, in particular, that the past returns of the Vietnamese stock market, or of companies listed on it, are no guarantee of the future returns of Vietnam Holding. This factsheet and the information contained herein must not be acted on or relied on for any purpose whatsoever. This factsheet is strictly confidential and may not be copied or distributed or passed on by recipient. No understanding representation or warranty or other assurance, express or implied, is made or given by any person to the accuracy, fairness or completeness of the information or opinions contained in this factsheet and no responsibility or liability is accepted for any such information or opinions. It is the responsibility of every person reading this document to satisfy themselves as to the full observance of the laws of any relevant country, including obtaining any government or other consent which may be required or observing any other formality which needs to be observed in that country.

Top 10

Company	Sector	NAV (%)
Sai Gon Cargo Service Corp	Industrial	9.8%
Viet Capital Securities JSC	Financial Services	9.4%
Hoa Phat Group JSC	Industrial	8.2%
Phu Nhuan Jewelry JSC	Retail	7.9%
FPT Corp	Telecommunications	6.5%
Khang Dien House	Real Estate	5.8%
Yeah1 Group Corporation	Travel & Leisure	4.8%
Van Phu - Invest	Real Estate	4.7%
Thien Long Group Corp	Retail	4.5%
MB Bank	Banks	4.5%
Total		66.1%

Share Price – NAV per Share – Buybacks

Fund Information

Structure	Closed-end fund
Listed	London Stock Exchange
LSE Ticker	VNH LN
Inception Date	30 June 2006
NAV Frequency	Daily starting from Jan 2018
Management fee	2.00% on NAV below USD 100m 1.75% on NAV between USD 100-150m 1.50% on NAV above USD 150m
Performance fee	15% (hurdle rate 5%)
AIM Nominated Advisor	finnCap
Administrator & Custodian	Standard Chartered Bank
ISIN	KYG9361X1043
Bloomberg Ticker	VNH LN Equity
Clearing	CREST / Euroclear / Clearstream
Settlement	BIC Code: SCBLSGSG
Quotation	LSE direct feed VNH LN
	www.vietnamholding.com