



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 128,322,125

NAV per share USD 2.221

Shares in issue 57,763,739

Treasury shares 9,196,000

Equity investments 97.32%

Number of investments 23

Vietnam News

October was emblematic of the overall Vietnamese equity story: a highly attractive overall long term case accompanied by certain frustrating policymaking deficiencies. The market performed very well in the month, with the VNAS index rising 7.4%, broadly in line with the worldwide equity bounce in the month (MSCI World up 7.8%) - the latter helped by soothing talk from central bankers and buoyant global M&A activity.

Taking the key positive news of the month first:

1) The signing of the Trans-Pacific Partnership (TPP) trade agreement finally happened, a very important milestone for Vietnam especially. Investors might occasionally be blasé about the impact of TPP, but we are convinced it is a very powerful support pillar for long run structural development of Vietnam in a pro-investor manner. A recent Credit Suisse report reiterated the fact that, of all participating countries, Vietnam's economy is expected to benefit the most from the TPP.

2) Inward FDI data is very robust as FDI in 2015 is likely to represent a major step-up in disbursements to a new high of around \$15bn, which would be a jump from the average of recent years of about a quarter. This is keeping Vietnam away from the slowing feeling hitting most other countries in the emerging world.

3) Other growth dynamics look good too, especially for consumption (retail sales up 10% YoY) and in the property sector, where unsold inventories are down more than half in the past two years as the sector's healthy development appears to have firmly taken hold.

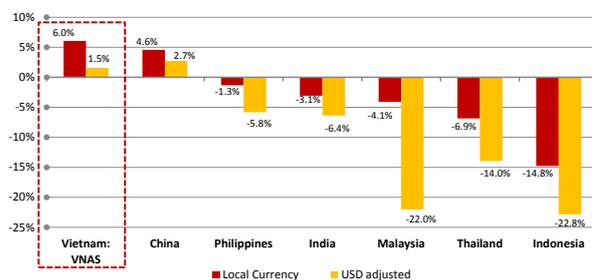
4) Plenty of good corporate results abound, with bellwether Vinamilk impressing this month with its Q3 results, which featured 12% domestic volume growth: a reminder that Vietnam remains an exciting growth market, even for large companies specializing in basic consumer products.

Regional Valuation and Dividend Yield Comparison

	P/E trailing	Price to Book	Dividend Yield
Indonesia	24.7	2.1	2.1
India	21.2	2.8	1.4
Philippines	20.2	2.6	1.9
China	17.7	1.9	1.8
Thailand	16.1	1.9	3.2
Malaysia	15.8	1.5	3.4
Vietnam: VNAS	11.6	1.6	3.4

Source: Bloomberg.

Regional Performance Comparison YTD



Source: Bloomberg. Date range: 31 December 2014 to 31 October 2015.

VNH Insights

On the back of the positive news listed in the Vietnam News section above, VietNam Holding's NAV per share increased by a rewarding 8.2% in October, bringing the year-to-date gain to 7.9%, which compares well against the VNAS Index' 1.6% USD-adjusted performance for the first ten months of 2015. Even more pleasing is VNH's share price performance so far this year as it ended October at USD 1.96 (+15.5% YTD).

As previously mentioned there are still some concerns despite the overall very bright picture in Vietnam. As so often, this month they were to do with the privatization progress: the country's policy makers say great things about divesting from state owned

enterprises, but then fail to deliver. This month, the government grandly proclaimed that nine major listed company stakes must be sold, most importantly its 45% Vinamilk stake. However, in the passing days since it looks more and more likely that this might mean "by 2030" rather than a more impressive "by 1H2016, and global book runners have been appointed". Another example: Airports Corporation of Vietnam, with a \$1bn+ likely equity value, has decided to sell a paltry 3.47% stake to the public, making another coming member of the club of big cap "phantom" stocks (like GAS and BIDV) where meaningful ownership and management change fails to occur.

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	8.18%
Year-to-date	7.92%
Last 12 months	1.83%

Portfolio Statistics

P/E (trailing)	11.61x
Dividend yield	2.85%
PEG (trailing)	0.98
PEG (forward)	0.87
Beta	0.70

Median market cap / investment (USD million)	132.75
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Share Price / Discount

Share Price Performance

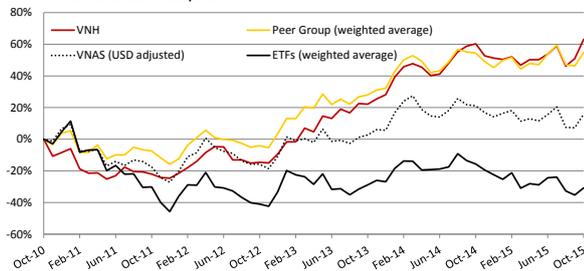
Last month	11.36%
Year-to-date	15.63%
Last 12 months	15.63%
Sharpe ratio	0.26
Alpha	0.29
Beta	0.30
Market capitalisation (USD million)	113.22

Share Price Discount to NAV

VNH	11.75%
Peer Group weighted average	19.38%
Operating Expense Ratio (12 month rolling)	2.99%

NAV Performance vs. VNAS and Peers

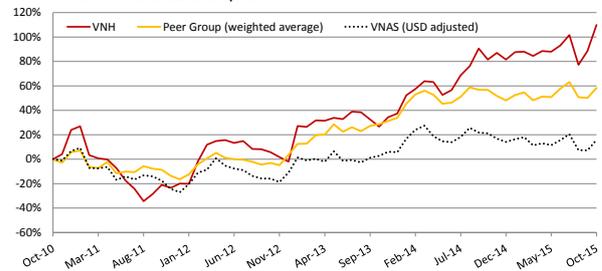
5 Year Performance Comparison



Source: Bloomberg. Peer Group: VEIL, Vietnam Opportunity Fund, VEH, DWS Vietnam Fund, PXP Emerging Equity, ETFs: Market Vectors Vietnam ETF and db x-trackers FTSE Vietnam ETF.

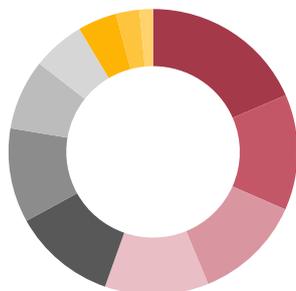
Share Price Performance vs. VNAS and Peers

5 Year Price Performance Comparison



Source: Bloomberg. Peer Group: VEIL, Vietnam Opportunity Fund, VEH, DWS Vietnam Fund, PXP Emerging Equity.

Industry Allocation



- Industrial Goods & Services (18.3%)
- Health Care (12.9%)
- Construction & Materials (12.0%)
- Food & Beverage (11.5%)
- Real Estate (11.4%)
- Retail (10.5%)
- Telecommunications (7.8%)
- Automobiles & Parts (5.8%)
- Personal & Household Goods (4.3%)
- Travel & Leisure (2.6%)
- Financial Services (1.5%)

Top 10 Holdings

Investee Company	Market	Percent of NAV
Viconship	HOSE	8.23%
FPT Corporation	HOSE	7.85%
Vinamilk	HOSE	7.66%
Traphaco	HOSE	7.45%
Binh Minh Plastic	HOSE	6.77%
Thien Long Group	HOSE	5.98%
Danang Rubber	HOSE	5.82%
Hoa Sen Group	HOSE	5.13%
Hoa Phat Group	HOSE	4.90%
Dat Xanh Real Estate	HOSE	4.82%

London Stock Exchange Market Makers

Winterflood	Richard Browne +44 203 100 0251
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JPM Cazenove	Steven Cheshire +44 207 155 8063
Investec	Peter Brown +44 207 597 5063

Stifel Nicolaus	Shayne Barge +44 207 710 7665
Numis Securities	David Cumming +44 207 260 1376
LCF Rothschild	Johnny Hewitson +44 207 845 5960
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