



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 two main investment themes are agriculture and domestic consumption. VNH is listed on both the London and the Frankfurt stock exchanges.

### Fund Statistics

Total NAV USD 103,546,325

NAV per share USD 1.688

NAV last month 5.06%

NAV last 12 months 44.42%

Equity investments 86.71%

Number of investments 23

NAV per share performance is adjusted to reflect dilution from past warrants exercises.

### Vietnam News

Vietnam's Ministry of Finance is to formally propose a means by which overseas investors can buy shares in listed companies that have already hit the 49% limit on foreign ownership. The proposal emulates the Thai model of offering depository rights for a certain number of shares beyond the 49% limit. Holders would not be entitled to voting rights. If the aggregate number of shares held by foreign investors subsequently falls below 49%, then those holding depository rights will be given the opportunity to convert them into common shares, until the cap is reached again. The aim is to increase market liquidity, and is in line with an initiative that the State Securities Commission has been proposing for some time.

The General Statistics Office announced that GDP growth in 3Q2013 was 5.54%, up from 5.00% growth achieved in 2Q2013 and 4.76% in 1Q2013. At the same time, the Purchasing Manager's Index (PMI) passed the critical 50 mark in September, at 51.5; up from 48.5 in July and 49.4 in August. Revised trade balance numbers for September by the Customs Office show a surplus of USD 90 million. Cumulatively for the first 9 months of 2013, the trade balance carries a small surplus of USD 12 million, backed by import value of USD 96.27 billion and export value of USD 96.26 billion. Foreign invested enterprises also posted a trade surplus balance of USD 3.85 billion YTD.

In September, LG Electronics announced that it is to build a US\$1.5bn manufacturing complex near Haiphong, in which a range of products – from air conditioners to televisions – will be made. This is one of a number of large-scale manufacturing projects that have been approved so far in 2013, and as a result Vietnam has already hit its target of US\$15bn in FDI pledges for the year.

Inflation remains under control, with a 1.06% rise in September, taking the YTD figure to 4.63%. Vietnam was able to strike an important deal with the United States as part of the on-going negotiations for the Trans-Pacific Partnership (TPP). Essentially, Washington has agreed to drop its demand that all fabrics used in garments imported into the US must have been made in a TPP country; a demand that would have constrained Vietnam's exports of garments to the US significantly. In return, Hanoi has pledged to undertake reforms that will allow local SOEs and foreign private firms to compete on a level playing field, within five years.

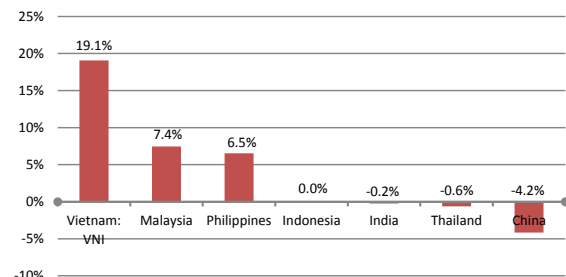
The Vietnam Asset Management Company is reported to be preparing for its first auction of up to VND10 trillion in bonds, which will then be used to buy NPLs from commercial banks with NPL levels exceeding 3%.

### Regional Valuation and Dividend Yield Comparison

	P/E trailing	Price to Book	Dividend Yield
Philippines	18.19	2.69	2.26
Indonesia	17.92	2.54	2.31
Malaysia	16.69	2.00	3.39
India	16.49	2.51	1.61
Thailand	15.16	2.17	3.21
<b>Vietnam: VNI</b>	<b>12.76</b>	<b>1.77</b>	<b>3.99</b>
China	11.38	1.49	2.92

Source: Bloomberg.

### Regional Stock Market Performance Comparison



Source: Bloomberg.

### VNH Insights

At the Annual General Meeting held in Zurich on September 11, 2013, the VNH shareholders overwhelmingly approved all resolutions proposed by the Board. All Ordinary Business resolutions were approved with full or near-complete unanimity.

Three resolutions were approved as Special Business:

An adjusted Fee Structure for VNHAM as the investment manager; (1) for incremental NAV amounts between USD 100 and 150 million, the management fees will be reduced by 12.5% from 2% to 1.75%, for all incremental amounts above USD 150 million, by 25% from 2% to 1.5%; (2) the manager's share of the performance above the hurdle rate was decreased from 20% to 15%, a 25% reduction. The incentive fees are capped at 3% of NAV annually, the High Water Mark for June 30, 2014 will be reset at 8% over NAV per share as of September 30, 2013; and (3) 15% of the potential annual incentive fees are to be paid in form of VNH shares out of the treasury pool, if there are any.

Furthermore, the shareholders approved a continuation of the active Share Repurchase Program. The target of the 52-week average discount is to be at least 5% lower than the weighted average of a revised peer group.

Finally, a highly rewarding 89.6% of the shareholder votes extended VNH's corporate life and thus VNHAM's management mandate at least until 2016.

The line-up of good news continued on September 25 with the conversion of 10.25 million warrants into VNH shares. An additional 2.45 million warrants were subsequently placed by the trustee, for a final warrant conversion of 12.96 million new shares and incremental capital of USD 15.49 million.

The actual NAV per share fell very slightly last month from USD 1.699 to USD 1.688 as a result of a 7.15% dilution following the warrant conversions which have been adjusted for the NAV performance figures in this report.

### Fund Facts

Domicile	Cayman Islands
Admission	15 June 2006
Exchanges	London AIM Frankfurt Entry Standard
Management Fee	2.00% for NAV > \$100M 1.75% for NAV < \$100M 1.50% for NAV < \$150M
Performance Fee	15% (hurdle rate 5%)
Shares in issuance	61,360,041
LSE Ticker	VNH
Bloomberg Ticker	VNH LN Equity
ISIN	KYG9361X1043

### AIM Nominated Adviser

Oriel Securities Limited  
Stewart Wallace +44 207 710 7600

### AIM Broker

Oriel Securities Limited  
Neil Winward +44 207 710 7460

### Entry Standard Adviser

Close Brothers Seydler Bank AG  
Jennifer C. Hoffmann +49 69 92054 128

### 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](mailto:investorrelations@vnham.com)



**Net Asset Value**

Lowest NAV per Share since inception	USD 0.72
Highest NAV per Share since inception	USD 2.35
Positive Months	47.13%
Worst Month	-20.24%
Best Month	18.30%
Maximum Drawdown	-69.44%
Volatility p.a.	24.83%

**Performance NAV per Share**

Last 3 Months	8.33%
Year-to-Date	35.37%
Since inception annualized	-1.00%

**Share Price**

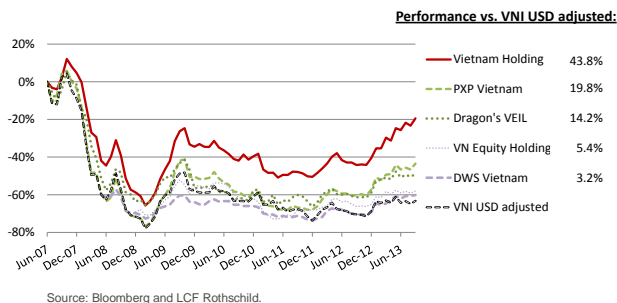
Share Price	USD 1.24
Discount to Net Asset Value	-26.67%
Market Capitalisation	USD 75.93M
Lowest Share Price since inception	USD 0.24
Highest Share Price since inception	USD 2.85

**Performance**

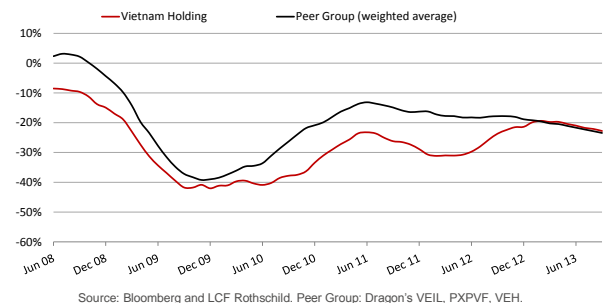
Last Month	-4.26%
Last 3 Months	-0.20%
Year-to-Date	35.25%
Last 12 Months	22.52%

<b>Portfolio TER</b>	<b>PEG (forward): 0.63</b>	<b>Beta: 0.72</b>	<b>P/E (trailing): 9.31x</b>
	<b>3.59% (FY 2013)</b>		

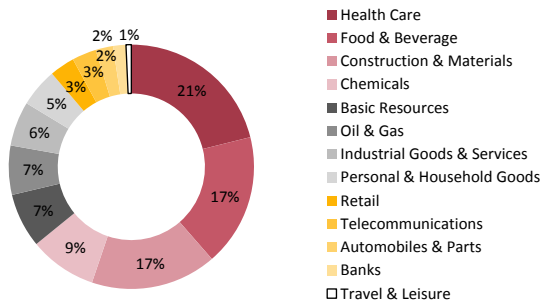
**NAV Performance vs. VN Index and Peer Group**



**52 Weeks average Share Price Discount to NAV per Share**



**Industry Allocation**



**Top 10 Holdings**

Investee Company	Market	Percent of NAV
Hau Giang Pharma	HOSE	8.13%
Vinamilk	HOSE	7.79%
AnGiang Plant Protection	OTC	7.75%
Binh Minh Plastic	HOSE	7.53%
Traphaco	HOSE	7.14%
Petrovietnam Drilling	HOSE	5.60%
Hung Vuong Corporation	HOSE	5.15%
Viconship	HOSE	4.65%
Thien Long Group	HOSE	4.41%
National Seeds	HOSE	3.46%

**London Stock Exchange Market Makers**

<b>Oriel Securities</b>	Shayne Barge +44 207 710 7665	<b>Winterflood</b>	Richard Browne +44 203 100 0251
<b>Jefferies</b>	Michele White +44 207 898 7127	<b>Numis Securities</b>	David Cumming +44 207 260 1376
<b>JPM Cazenove</b>	Steven Cheshire +44 207 155 8063	<b>LCF Rothschild</b>	Johnny Hewitson +44 207 845 5960
<b>Investec</b>	Peter Brown +44 207 597 5063		



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