



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 147,886,630

NAV per share USD 2.687*

Shares in issue 55,046,148

Treasury shares 9,360,956

Equity investments 94.18%

Number of investments 29

*Warrants-diluted NAV per share: USD 2.507

Vietnam News & VNH Insights

Apocalypse Not Now

The new year has started well for the Vietnamese stock market, with the currency gaining 0.7% against the dollar in January and the local-currency VNAS up 2.4%; the VNH fund's NAV lagged somewhat with a 1.4% rise to USD 2.687.

The outlook for 2017 looks good from within, but appreciable risks from without bear careful watching. Taking the former first, (a) domestic economic momentum looks strong, with buoyant double-digit sales and net profit growth forecasts predominant for the aggregate market; (b) privatisation momentum remains justifiably hopeful; (c) government finances will if anything strengthen from here on account of future privatisations; and (d) there is further evidence that foreign direct investors remain bullish on the country and its long term progress up the value curve in manufacturing continues.

As for the latter, (a) Trump's trade policies could yet upset the apple cart, depending on how much they amount to, and indeed the early signs are worrying; (b) the course of interest rates is almost certainly upwards, which logically means the deservance of lower valuation multiples for equities; and (c) the Vietnamese market cannot be an unaffected island if global ructions of various kinds, especially those concerning China, are severe.

Minding its own shop

The most important thing to say is that Vietnamese policy makers seem to be on the right track for the continuing increase in importance of the stock market. 2016 was the most active year for a decade in partial sales and new listings of state owned enterprises (SOEs), and it seems clear that this progress is set to be maintained if not accelerated in 2017-18. This should strongly improve global perceptions of the market and, by 2020 one surmises, see Vietnam become an emerging rather than just frontier market according to MSCI.

The government envisages proceeds from SOE stake sales running at some USD 5bn per year on average through 2020, thus answering the question "can the over-5%-of-GDP fiscal deficit realistically be pared?" comfortably in the affirmative. As for the six year old Achilles Heel that is the banking sector, Vietnam has done enough to essentially grow out of the non-performing loan problem, opening up the prospect of a key stock market sector that can begin to lead the market over the coming years rather than remain a debilitating millstone around the neck.

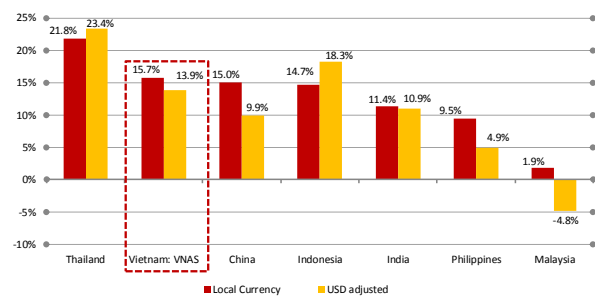
Patience and resolve in Vietnam will continue to be rewarded.

Regional Valuation and Dividend Yield Comparison

	P/E trailing	Price to Book	Dividend Yield
Indonesia	23.9	2.2	1.6
India	20.4	2.8	1.5
Philippines	19.9	2.4	1.8
Malaysia	18.5	1.5	3.0
China	18.1	1.8	1.8
Thailand	17.3	1.9	3.1
Vietnam: VNAS	13.4	1.5	3.2

Source: Bloomberg.

Regional Performance Comparison



Source: Bloomberg. Date range: 31 January 2016 to 31 January 2017.

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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Signatory of:





Net Asset Value / Portfolio

NAV per Share Performance

Last month	1.36%
Year-to-date	1.36%
Last 12 months	24.11%

Portfolio Statistics

P/E (trailing)	12.39x
Dividend yield	3.79%
PEG (2016-2018)	0.77
Beta	0.72

Median market cap / investment (USD million)	162.98
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Share Price / Discount

Share Price Performance

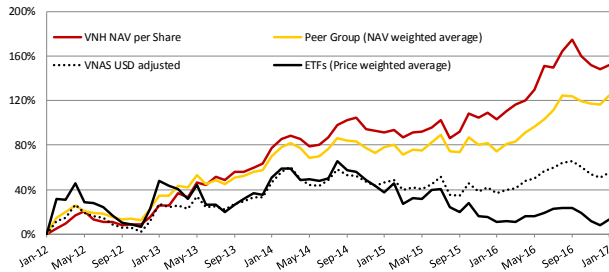
Last month	-1.71%
Year-to-date	-1.71%
Last 12 months	23.07%

Sharpe ratio	1.67
Alpha	0.12
Beta	0.62

Market capitalisation (USD million)	120.11
Share Price Discount to NAV	18.79%

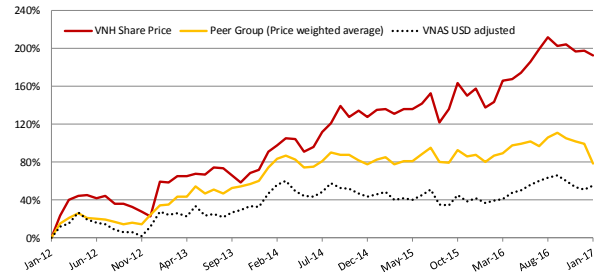
Operating Expense Ratio (12 month rolling)	2.84%
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NAV Performance vs. VNAS and Peers



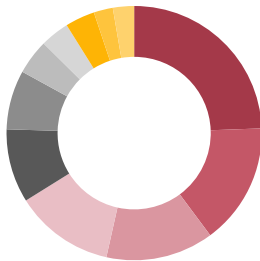
Source: Bloomberg. Peer Group: VEIL, Vietnam Opportunity Fund, VEH, Vietnam Phoenix Fund, PXP Emerging Equity. ETFs: Market Vectors Vietnam ETF and db x-trackers FTSE Vietnam ETF.

Share Price Performance vs. Index and Peers



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

Industry Allocation



- Industrial Goods & Services (23.0%)
- Health Care (14.5%)
- Retail (12.8%)
- Construction & Materials (11.9%)
- Food & Beverage (8.8%)
- Telecommunications (7.1%)
- Real Estate (4.2%)
- Personal & Household Goods (3.5%)
- Oil & Gas (3.5%)
- Automobiles & Parts (2.3%)
- Utilities (2.5%)

Top 10 Holdings

Investee Company	Market	Percent of NAV
Traphaco	HOSE	12.08%
FPT Corporation	HOSE	7.08%
Binh Minh Plastic	HOSE	6.97%
Phu Nhuan Jewelry	HOSE	6.93%
Hoa Phat Group	HOSE	6.49%
Viconship	HOSE	6.48%
Thien Long Group	HOSE	5.91%
Petrovietnam Transportation	HOSE	3.53%
Vinh Hoan Corporation	HOSE	3.44%
Vinamilk	HOSE	3.05%

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	finnCap	James Simpson +44 207 220 0558
Investec	Peter Brown +44 207 597 5063	Peel Hunt	David Kininmonth +44 207 418 8895

Fund Rating



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