



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 128,074,380

NAV per share USD 2.232

Shares in issue 57,370,334

Treasury shares 9,389,405

Equity investments 96.69%

Number of investments 23

Vietnam News

For the full year 2015, the VNAS rose 4.2% in Vietnam Dong (VND) terms and declined by 0.9% in USD terms. Currency stress again featured in December, with the VND frequently trading beyond its upper trading band (VND22,547 per USD) by almost 1% in the interbank and unofficial markets. This is a direct result of the renminbi's further creeping lower. The market appears to have decided that the VND must follow the Chinese currency in near lock-step.

Standard Chartered, in their annual market outlook for the year ahead states that "USD-VND remains vulnerable to a stronger USD around the Fed rate hike, as well as a potential further uptick in USD-CNY."

Should this currency lock continue to hold, it does suggest heightened devaluation risk in the coming months for the VND – due to Chinese slowdown and political instability impacting the business.

As Vietnam's major Asian peers will be subject to the same currency pressures, the country's relative competitiveness as a producer for exports remains strong.

GDP growth has steadily improved quarter-by-quarter in the past two years from 5.1% in Q1-2014 to 7.0% for Q4-2015.

As a potential offset to the currency uncertainties, several other bull points for Vietnam will provide for a sharper distinction of the country in investors' eyes vis-a-vis its Asian neighbors: higher GDP growth rates, more stable politics, a friendlier investment climate and a highly competent and efficient labor market at less than one-third of China's cost.

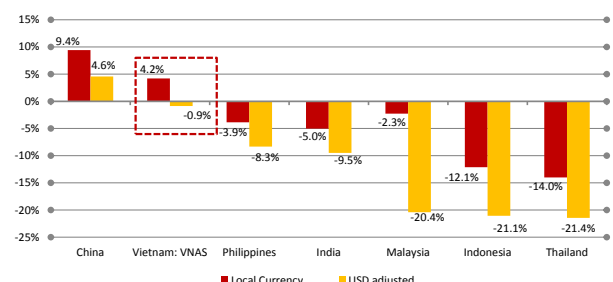
The chart below shows Vietnam's 2015 stock market performance. In combination with a relatively stronger currency compared to all but the Chinese RMB, this has resulted in it out-performing all of its Asian peers other than China.

Regional Valuation and Dividend Yield Comparison

	P/E trailing	Price to Book	Dividend Yield
Indonesia	26.8	2.3	2.2
Philippines	19.9	2.5	2.0
India	19.8	2.9	1.4
China	18.6	2.0	1.7
Thailand	16.8	1.7	3.6
Malaysia	16.7	1.5	3.1
Vietnam: VNAS	11.7	1.5	3.5

Source: Bloomberg.

Regional Performance Comparison 2015



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

VNH Insights

VNH's investment performance continues to be well ahead of the wider market's. Its NAV per share increased by 8.4% for the full year.

Over the five-year period, VNH's 79.1% investment return took into account cumulative VND/USD value losses of 15.3% and outperformed the USD-adjusted VNAS Index by as high as 73.1%. During the same period, the two ETFs have underperformed the VNAS by a combined weighted 41.6%. In other words, VNH has out-performed the two ETFs by a full 114.7% over five years.

VNH is now leading all its peers in every cumulative past performance period from one to six consecutive years. Our combination of value investing with sustainability works well.

Vietnam's steadily increasing GDP growth, as the next page shows, was the major driver of the stock market performance which has done very well in comparison to most its Asian and practically all other Emerging Market countries in 2015.

Supported by gratifying economic strengths and ongoing strong retail sales, projected EPS consensus growth for the market this year is 14% and for the VNH portfolio it is a much higher 23%.

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

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Investment Manager

VietNam Holding Asset Management Ltd.
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Net Asset Value / Portfolio

NAV per Share Performance

Last month	2.10%
Year-to-date	8.40%
Last 12 months	8.40%

Portfolio Statistics

P/E (trailing)	10.69x
Dividend yield	2.83%
PEG (trailing)	0.47
PEG (forward)	0.38
Beta	0.75

Median market cap / investment (USD million)	121.94
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Share Price / Discount

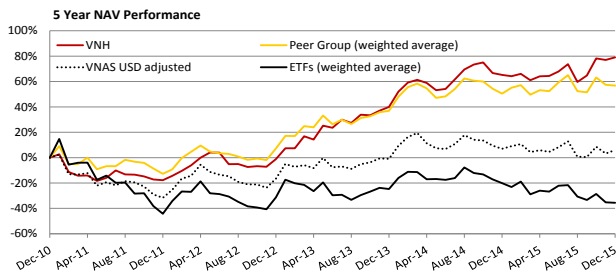
Share Price Performance

Last month	2.82%
Year-to-date	13.13%
Last 12 months	13.13%
Sharpe ratio	0.86
Alpha	0.72
Beta	0.85
Market capitalisation (USD million)	110.01

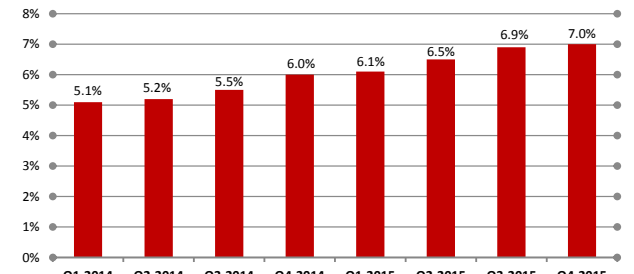
Share Price Discount to NAV

VNH	14.68%
Peer Group weighted average	22.30%
Operating Expense Ratio (12 month rolling)	2.99%

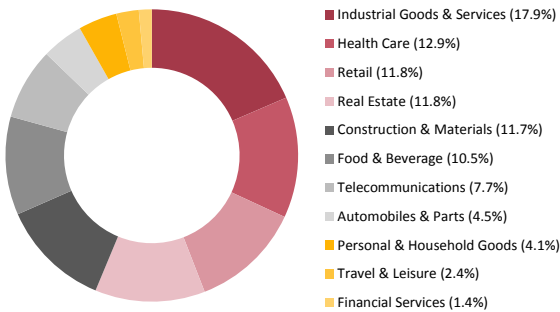
NAV Performance vs. VNAS and Peers: Last 5 Years



Vietnam quarterly GDP Growth: 2014-2015



Industry Allocation



Top 10 Holdings

Investee Company	Market	Percent of NAV
Viconship	HOSE	8.89%
Traphaco	HOSE	7.91%
FPT Corporation	HOSE	7.65%
Binh Minh Plastic	HOSE	6.84%
Vinamilk	HOSE	6.64%
Phu Nhuan Jewelry	HOSE	6.08%
Thien Long Group	HOSE	5.73%
Dat Xanh Real Estate	HOSE	4.61%
Hoa Phat Group	HOSE	4.52%
Hoa Sen Group	HOSE	4.50%

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



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