



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 126,257,705

NAV per share USD 2.186

Shares in issue 57,763,739

Treasury shares 8,996,000

Equity investments 96.32%

Number of investments 23

Vietnam News

Vietnam had a poor month, with the VNAS off 4.2% on the month to 565.7, with a fragile dong adding another circa 1% to the erosion in dollar terms. Locals mostly talked about over-stretched margin loan totals (USD1bn or so - small beer really) being to blame, but to us this does not explain anything. Rather, we would instead point to two more fundamental explanations for recent weakness.

First, Vietnam is - at least near-term - disappointing on its delivery of higher foreign investment limits: the grand announcement is now months old, the key proclaimed finalization date for a sector-by-sector list of limits was missed twice (September then October), and the SCIC's plans to get out of ten leading stocks don't yet seem to be much more than pie in the sky. Second, an ad-hoc data point that came out on SOE indebtedness rather stuck in the craw: NPLs in that sector up 19% YoY, stated as a 4.6% NPL rate - which by government-

reported standards for NPLs is high, meaning the true figure is of course much higher. It was stated that the debt/equity ratio for SOEs overall is 1.4x - not an alarming figure on its own, but a very sad one when one considers the overall ratio for non-financial listed companies of well under 0.5x: a textbook case of "crowding out" the private sector, to the detriment of Vietnam's achievable growth rate and overall national advancement.

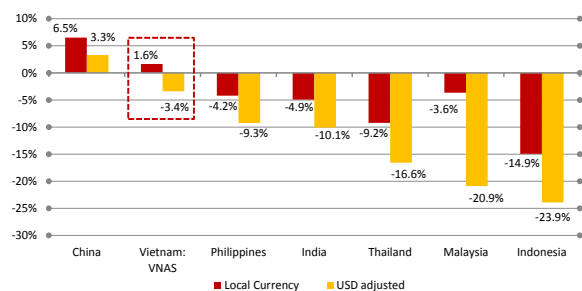
Trade figures look okay in aggregate: we're heading for a 2015 deficit of perhaps USD4bn, or a modest c. 2% of GDP. But the striking dichotomy between the FDI and the locally owned business sectors continues: the former's massive trade surplus of close to 10% of GDP is almost fully offset by the yawning deficit of the latter. This tempers one's stock market enthusiasm because it tends to lead to worries over the paucity of investible, liquid, indigenous, listed companies.

Regional Valuation and Dividend Yield Comparison

	P/E trailing	Price to Book	Dividend Yield
Indonesia	25.8	2.2	2.2
India	20.8	2.7	1.5
Philippines	19.9	2.5	2.0
China	18.1	2.0	1.8
Thailand	17.7	1.8	3.4
Malaysia	16.3	1.5	3.3
Vietnam: VNAS	11.6	1.5	3.4

Source: Bloomberg.

Regional Performance Comparison YTD



Source: Bloomberg. Date range: 31 December 2014 to 30 November 2015.

VNH Insights

VietNam Holding has tended to overcome these difficulties by being more focused than most on the Vietnamese mid-cap space (micro caps, globally speaking). Thus, our NAV per share lost 1.6% in November to USD2.186, another clear outperformance of the major Vietnamese indices.

Vietnam remains in a phase of solid 6-7% annual economic growth, largely unaffected by slowdowns elsewhere. Foreign direct investment inflows are headed for USD14-15bn this year, a multi-year high as the country's attractiveness is further burnished by the recent signing of the Trans-Pacific Partnership.

The good news for Vietnam is that, unlike certain other emerging countries, it has not remained a simple commodity play; so it is no longer the case that the commodity price rout is an overall negative for the economy.

Vietnamese consumption spending remains in fine form, with real retail sales growth continuously exceeding overall GDP growth. Meanwhile, stock market valuations remain modest in Vietnam, at circa 11x for trailing earnings, suggesting great potential for upside.

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	-1.58%
Year-to-date	6.17%
Last 12 months	5.20%

Portfolio Statistics

P/E (trailing)	11.03x
Dividend yield	2.82%
PEG (trailing)	0.94
PEG (forward)	0.84
Beta	0.76

Median market cap / investment (USD million)	124.51
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Share Price / Discount

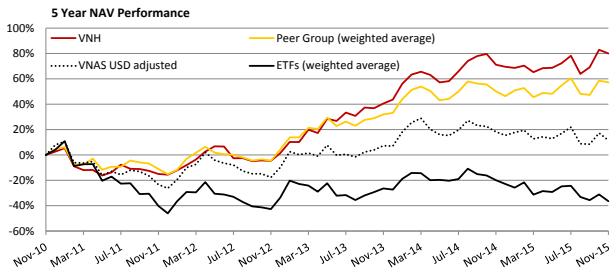
Share Price Performance

Last month	-4.85%
Year-to-date	10.03%
Last 12 months	6.80%
Sharpe ratio	0.56
Alpha	0.16
Beta	0.32
Market capitalisation (USD million)	107.73

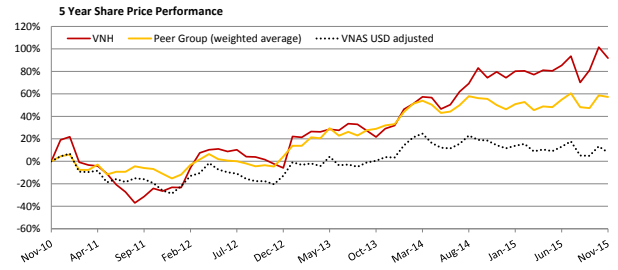
Share Price Discount to NAV

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

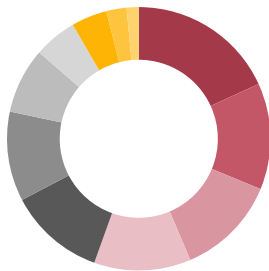
NAV Performance vs. VNAS and Peers



Share Price Performance vs. VNAS and Peers



Industry Allocation



- Industrial Goods & Services (17.5%)
- Health Care (12.6%)
- Construction & Materials (11.9%)
- Real Estate (11.4%)
- Retail (11.4%)
- Food & Beverage (10.6%)
- Telecommunications (7.8%)
- Automobiles & Parts (5.1%)
- Personal & Household Goods (4.2%)
- Travel & Leisure (2.4%)
- Financial Services (1.4%)

Top 10 Holdings

Investee Company	Market	Percent of NAV
Viconship	HOSE	8.13%
FPT Corporation	HOSE	7.76%
Traphaco	HOSE	7.47%
Vinamilk	HOSE	6.84%
Binh Minh Plastic	HOSE	6.51%
Thien Long Group	HOSE	5.81%
Phu Nhuan Jewelry	HOSE	5.59%
Danang Rubber	HOSE	5.09%
Hoa Phat Group	HOSE	4.78%
Hoa Sen Group	HOSE	4.59%

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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