



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 is listed on both the London and the Frankfurt stock exchanges.

Fund Statistics

Total NAV USD 125,112,331

NAV per share USD 2.070

Shares in issue 60,426,534

Treasury shares 7,110,706

Equity investments 96.02%

Number of investments 23

Vietnam News

February was a short month in Vietnam, truncated by the ten-day Tet holiday. Market sentiment in the month was largely positive, with the Vietnam All Share Index (VNAS) rising 1.6% in the month to 575. The economic growth outlook for 2015 (6.2%) remains positive, supported by data such as the HSBC February Purchasing Managers' Index, at 51.7 (January - 51.5; December - 52.7), and non-existent inflation (minus 0.05% year-on-year for the four weeks to mid-Feb), which provides scope for still-further interest rate cuts (currently 4.5% for the discount rate and 6.5% for the refinance rate).

Quiescent inflation also provides an opportunity for the liabilities of the largest state-owned enterprise, national electricity distributor EVN, to begin to be addressed with price increases – a much more politically difficult exercise in an environment with higher cost of living pressures.

The government has announced a new \$2.3bn subsidised loan package for residential property buyers. This perhaps helps the recovering confidence in this sector, though one should take the efficacy of such government measures with a pinch of salt.

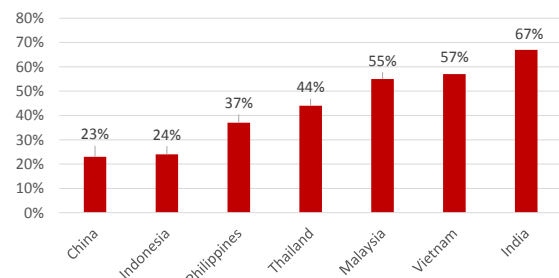
Figures showing that the VAMC, the government's bad debt warehouse for non-performing banking sector loans, had bought an accumulated total of VND135tn (\$6.3bn) of loans by year-end 2014 were a positive surprise, after lacklustre progress in the first half of last year. That said, recycling these loans into the private-sector remains purely theoretical at this stage rather than acted upon. Progress on this would be welcome, as the government has limited room for manoeuvre in committing public money to the problem, given the largest macroeconomic concern facing Vietnam, namely its upwardly trending public debt to GDP ratio – 57% by year-end 2015 on the IMF's forecast (2009: 47%).

Regional Valuation and Dividend Yield Comparison

	P/E trailing	Price to Book	Dividend Yield
Indonesia	24.5	2.4	1.8
Philippines	21.5	3.0	1.9
Thailand	20.8	2.2	2.8
India	20.6	3.1	1.4
China	16.0	2.1	2.0
Malaysia	15.8	1.8	3.2
Vietnam: VNAS	12.4	1.6	3.1

Source: Bloomberg.

Regional Gross public Debt to GDP Comparison



Sources: IMF, McKinsey & Company, VNHAM. Latest data available 2013/2014.

VNH Insights

VietNam Holding's NAV per share at the end of February was US\$ 2.07, up 1.1% for the month (and up 0.5% ytd) versus a 1.6% rise (ytd up 3.3%) for the VNAS. For the last five years, the fund is up 52.7% versus the VNAS which is up 1.4%.

We remain strongly committed to our top investment themes of consumption and urbanisation; during the month our consumption theme weighting rose by 7 percentage points to 45% of the portfolio, with a 23% weighting for urbanisation. In comparison to the VNAS, we are heavily overweight in healthcare, retail, and construction/materials; and very underweight in banks, other financials, and property.

We have been analysing Vietnamese public debt. Our view is that this is a potential weak spot in the macro-economy, but that current levels are manageable and will not engender a crisis. External debt to GDP (the large majority of it public) has been stable for six years at a modest c. 38%, a healthy level at a very low (2%) average concessional interest rate. The overall public debt ratio (internal plus external) of 57% is of greater concern, and bears watching in light of lower tax rates and increased infrastructure spending, which could make for continued annual c. 5% fiscal deficits and hence further debt growth. But this is not a red flag (only yellow) and the overall Vietnamese growth story remains sound and improving.

Fund Facts

Domicile	Cayman Islands
Admission Exchanges	15 June 2006 London AIM Frankfurt Entry Standard
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

Altium Capital Limited
Tim Richardson +44 20 7484 4102

AIM Broker

Winterflood Securities Limited
Neil Langford +44 20 3100 0301

Entry Standard Adviser

Oddo 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@vnh.com



Net Asset Value / Portfolio

NAV per Share Performance

Last month	1.12%
Year-to-date	0.53%
Last 12 months	4.33%

Portfolio Statistics

P/E (trailing)	10.48x
Dividend yield	3.06%
PEG (trailing)	0.68
PEG (forward)	0.66
Beta	0.84

Median market cap / investment (USD million)	123.22
--	--------

Share Price / Discount

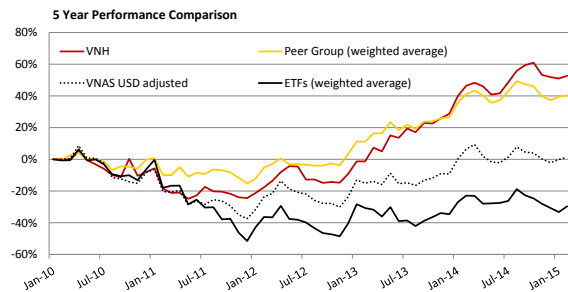
Share Price Performance

Last month	0.14%
Year-to-date	3.54%
Last 12 months	19.39%
Sharpe ratio	0.38
Alpha	0.34
Beta	0.37
Market capitalisation (USD million)	106.05

Share Price Discount to NAV

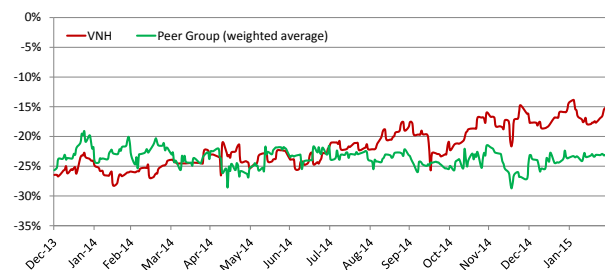
VNH	15.22%
Peer Group weighted average	23.09%
Operating Expense Ratio (12 month rolling)	3.04%

NAV Performance vs. VNAS and Peers



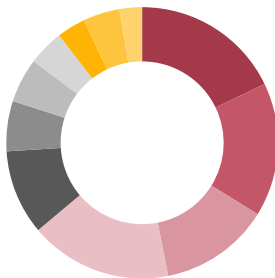
Source: Bloomberg. Peer Group: VEIL, Vietnam Opportunity Fund, VEH, DWS Vietnam Fund, PXP Emerging Equity. ETFs: Market Vectors Vietnam ETF and db x-trackers FTSE Vietnam ETF.

Share Price Discount to NAV vs. Peers



Source: Bloomberg and Morningstar. Peer Group: VEIL, Vietnam Opportunity Fund and DWS Vietnam Fund.

Industry Allocation



- Health Care (17.2%)
- Food & Beverage (15.3%)
- Construction & Materials (12.6%)
- Industrial Goods & Services (16.3%)
- Retail (9.7%)
- Automobiles & Parts (5.8%)
- Telecommunications (5.1%)
- Oil & Gas (4.1%)
- Real Estate (3.3%)
- Banks (4.2%)
- Travel & Leisure (2.6%)

Top 10 Holdings

Investee Company	Market	Percent of NAV
Hau Giang Pharma	HOSE	7.90%
Traphaco	HOSE	7.52%
Hoa Phat Group	HOSE	7.07%
Binh Minh Plastic	HOSE	6.63%
Vinamilk	HOSE	6.10%
Danang Rubber	HOSE	5.75%
Viconship	HOSE	5.57%
Hung Vuong Corporation	HOSE	5.49%
Thien Long Group	HOSE	5.24%
FPT Corporation	HOSE	5.09%

London Stock Exchange Market Makers

Winterflood	Richard Browne +44 203 100 0251	Oriel Securities	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

Signatory of:



www.vietnamholding.com

Disclaimer

This monthly update ("Update") is for information only and does not constitute or form part of, and should not be construed as, any offer, inducement or an invitation to sell, acquire or issue, or any solicitation of any offer to purchase or subscribe for, any shares or securities, including any ordinary shares in VIETNAM HOLDING LIMITED (the "Company") in any jurisdiction. Neither this Update, nor any part of it nor anything contained or referred to in it, nor the fact of its distribution, should form the basis of, or be relied on in connection with or act as an inducement in relation to, a decision to purchase or subscribe for or enter into any contract or make any other commitment whatsoever in relation to any such securities. This update does not constitute a recommendation in relation to an investment in the Company. This Update is strictly confidential and may not be copied, distributed or passed on by any recipient. The information contained in this Update has not been verified, is subject to change without notice, updating, revision, further verification and amendment, and no reliance may be placed for any purpose whatsoever on the information contained in this Update or on its completeness. No representation or warranty, expressed or implied, is given by the Company or any of their respective directors, officers, employees, agents or advisers or any other person as to the accuracy or completeness of the information or opinions contained within this Update and no responsibility or liability is accepted for such information or opinions. In particular, no representation or warranty is given as to the achievement or reasonableness of, no responsibility is accepted or undertaken to update or revise, and no reliance should be placed on any forward-looking statements, including projections, targets, estimates or forecasts, and nothing in this Update is or should be relied on as a promise or representation as to the future. The distribution of this Update in certain jurisdictions may be restricted by law. Persons reading this Update must inform themselves about and satisfy any such restrictions and formalities.