



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 152,469,531

NAV per share USD 2.827*

Shares in issue 53,924,319

Treasury shares 10,281,430

Equity investments 96.83%

Number of investments 27

*Warrants-diluted NAV per share: USD 2.610

Vietnam News & VNH Insights

Tam Ngung – which means “pause” in Vietnamese

The first "down" month of the year is to be welcomed, in that it was a very modest down - of under half a percent off the Vietnam All Share (total return) Index to 724.7 - and also in that healthy bull markets need regular pauses in order not to stir up trouble down the road. Now that VNAS total return data are available, we will in future refer to these as our chief comparator - total return figures provide a stiffer bar to beat, but are the correct one, since VNH reinvests dividends rather than pays them out. With the index up 18% in local terms (16% in dollars) over the past 12 months, and 11% thus far in 2017 (same in dollars), Vietnam's bull market has been reliably chugging on. VNH's NAV per share rose 0.4% in the month of April to USD 2.827, making the 12-month and 2017-to-date appreciation 20.6% and 6.7% respectively.

Important hurdles loom

A market pause in Vietnam might be justified at this point, on the basis that we are nearing a number of "acid tests" on the government's appetite for reform follow-through. First, having commendably accelerated the rate of state company listings over the past two years, it is now vital that additional stakes in these already-listed businesses are sold, as per stated intent. The difficulty for some dyed-in-the-wool government apparatchiks will be that additional stake sales may well have to be done at lower-than-market prices, given the extremely high valuations certain low-free-float stocks have been bid to - brewer Sabeco and airport

operator ACV provide apt examples here. But if this mismatch is trotted out as an excuse for open-ended delay, many stock market observers including us would be most disappointed. This is therefore a key moment of truth for the prime minister and his still-new leadership team.

The second test concerns banking. While this sector has meandered its way out of acute crisis over the past four years, with the helpful separation of bad loans into the regulator's textbook-guided asset management company, the process has remained only half-addressed, because recycling of bad debts to new buyers has failed to take place. This is a pity, in that it elongates the recovery process, and also makes the sector's readiness for Basel 2 capital adequacy standards dubious. It would be great news to see meaningful progress on bad debt transactions, but it is all too easy to imagine that this nettle will fail to be grasped by Vietnam's leaders. The instability they fear from such a course would in fact unleash even faster growth and dynamism in the economy, with very few downside consequences.

Growth indicators are very solid

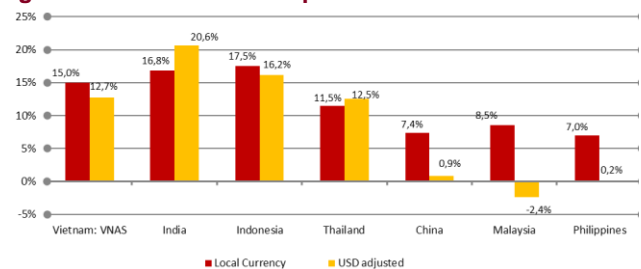
Economic momentum remains strong. Moody's this month confirmed Vietnam's B1 rating, but upgraded the outlook to positive. Foreign direct investment forward indicators remain very positive (up 40% YoY in the first four months), construction company order books robust, mid-market property development projects active, and credit growth firm (up 4.4% YTD in the first quarter).

Regional Valuation and Dividend Yield Comparison

	P/E trailing	Price to Book	Dividend Yield
Indonesia	23,2	2,5	1,6
India	21,9	2,8	1,3
China	17,1	1,7	1,7
Philippines	21,0	2,4	1,6
Malaysia	19,5	1,6	2,9
Thailand	16,3	1,9	3,1
Vietnam: VNAS	13,0	1,6	3,1

Source: Bloomberg

Regional Performance Comparison



Source: Bloomberg. Date range: 31 March 2016 to 30 April 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	0.32%
Year-to-date	6.64%
Last 12 months	20.55%

Portfolio Statistics

P/E (trailing)	13.33x
Dividend yield	2.86%
PEG (2017-2019)	0.99
Beta	0.71

Median market cap / investment (USD million)	180.79
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Share Price / Discount

Share Price Performance

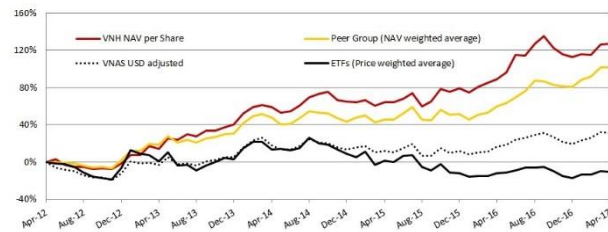
Last month	6.19%
Year-to-date	-1.89%
Last 12 months	9.17%

Sharpe ratio	0.67
Alpha	0.60
Beta	0.71

Market capitalisation (USD million)	117
Share Price Discount to NAV	23.04%

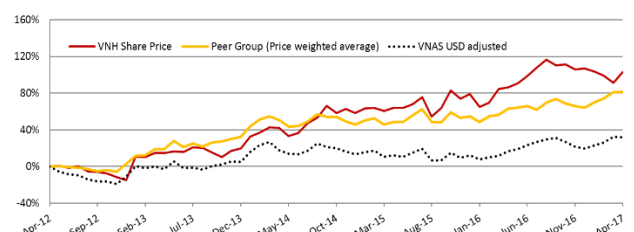
Operating Expense Ratio (12 month rolling)	2.84%
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NAV Performance vs. VNAS and Peers



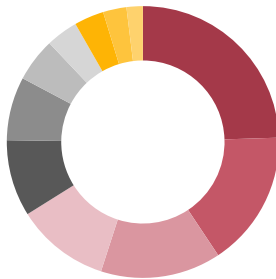
Source: Bloomberg. Peer Group: VEIL, Vietnam Opportunity Fund, VEH, Vietnam Phoenix Fund, PXP Emerging Equity. ETFs: Market Vectors Vietnam ETF and db x-trackers FTSE Vietnam ETF.

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%)
- Health Care (15%)
- Retail (14%)
- Construction & Materials (11%)
- Food & Beverage (09%)
- Telecommunications (07%)
- Real Estate (05%)
- Oil & Gas (04%)
- Personal & Household Goods (03%)
- Utilities (03%)
- Banks (02%)

Top 10 Holdings

Investee Company	Market	Percent of NAV
Traphaco	HOSE	12,89%
Phu Nhuan Jewelry	HOSE	8,51%
FPT Corp	HOSE	7,03%
Binh Minh Plastic	HOSE	6,24%
Viconship	HOSE	6,07%
Thien Long Group Corporation	HOSE	4,97%
Hoa Phat Group	HOSE	4,72%
Petrovietnam Transportation Corp	HOSE	3,57%
Vinamilk	HOSE	3,38%
Transimex-Saigon Corp	HOSE	3,29%

London Stock Exchange Market Makers

Winterflood	Richard Browne +44 203 100 0251
Jefferies	Michele White +44 207 898 7127
JPM Cazenove	Steven Cheshire +44 207 155 8063
Investec	Peter Brown +44 207 597 5063

Stifel Nicolaus	Shayne Barge +44 207 710 7665
Numis Securities	David Cumming +44 207 260 1376
finnCap	James Simpson +44 207 220 0558
Peel Hunt	David Kininmonth +44 207 418 8895

Fund Rating



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