



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 146,781,307	NAV per share	USD 2.690*
Shares in issue	54,563,300	Treasury shares	9,563,825
Equity investments	96.90%	Number of investments	28

\*Warrants-diluted NAV per share: USD 2.505

**Vietnam News**

Some had forecast gloom for the US currency and stock markets on a Trump victory, but this quickly turned to a sense that US interest rates will rise amid a massive US fiscal stimulus set to come, leading to net fund flow increases towards the US. Helping this narrative has been the post election news which suggests that Trump is likely to be more a pragmatist than a radical as president.

Vietnam is likely to weather these tectonic shifts well. The dong may have been weak recently against the dollar, but this wholly reflects general dollar strength. The Vietnamese unit is stronger on the month against both the euro and the yen. Its under-1% fall year-to-date versus the dollar contrasts with the renminbi's c. -5% swoon.

Vietnam's foreign debt to GDP was a modest 43% at year-end 2015, with 40% of it in yen, 25% in dollars, and 15% in euros - so recent moves have helped its debt position rather than hurt it. The US is Vietnam's top export market, at 22% of the total - but it is

unlikely that Trump has his sights set on restricting imports of textiles, footwear, headphones, electronics, wooden products and fisheries that together make up 71% of the total. Dollar strength would, instead, further assist these exports from a Vietnamese perspective.

Rising interest rates are of course a challenge for all equities, including Vietnam's. This might well presage a more difficult period ahead for index returns, emphasising the importance of careful stock-picking in a trickier overall environment. As such, VNH's emphasis on a relatively small number of holdings of conviction should make for relative resilience in such circumstances, and also its disciplined value-oriented approach.

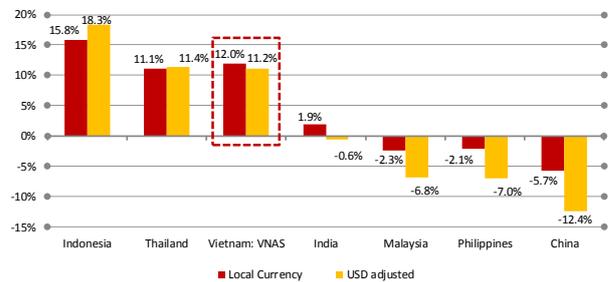
The VNAS trailing P/E ratio, though higher than before, is still a relatively modest 13.5x, illustrating that our fishing ground is still far from over-exploited.

**Regional Valuation and Dividend Yield Comparison**

	P/E trailing	Price to Book	Dividend Yield
Indonesia	23.4	2.3	1.7
India	19.8	2.6	1.6
China	18.4	1.8	1.8
Philippines	18.4	2.2	1.9
Malaysia	18.3	1.5	3.1
Thailand	16.5	1.8	3.2
<b>Vietnam: VNAS</b>	<b>13.5</b>	<b>1.5</b>	<b>2.6</b>

Source: Bloomberg.

**Regional Performance Comparison**



Source: Bloomberg. Date range: 30 November 2015 to 30 November 2016.

**VNH Insights**

November was a choppy month, buffeted by a perceived global macroeconomic turning point on account of Trump's surprising victory. Thus, (1) interest rates turned northward, with two- and three-year Vietnamese government bond yields rising by more than 50 basis points over the month, to 4.51% in the case of the two-year; (2) the dong, rock solid versus the dollar since January, finally cracked a little, falling 1.5% over the month to VND22,666 per USD; and (3) foreign investor fund flows into the stock market were generally negative, with the VNAS Index losing 4.0% in local currency terms and VNH's NAV per share falling 3.3%.

Crude oil as a percentage of government revenue has fallen from 14% in 2013 to just 4% in 2016-to-date. Most would argue that oil

price revival would be good for Vietnam, but we actually believe the opposite. The strain on government finances is a very powerful medicine indeed to force sound economic policy making, and we are seeing that clearly right now, with the plethora of privatisations hitting the stock market - the biggest flow seen for a decade. Credibly investable businesses from brewers to power infrastructure providers to the airport operator are hitting the market, deepening it profoundly. Privately owned businesses of size are joining this listing bonanza too, notably in the consumer, property, and construction material sectors. All this adds up to a market reaching critical size for increased global attention and MSCI emerging market index inclusion. No doubt there will be challenges ahead, but Vietnam's outlook remains strong.

**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**

Smith & Williamson Corporate Finance Limited  
Azhic Basirov +44 20 7131 4000

**AIM Broker**

Winterflood Investment Trusts  
Neil Langford +44 20 3100 0000

**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@vnham.com](mailto:investorrelations@vnham.com)



Net Asset Value / Portfolio

NAV per Share Performance

Last month	-3.48%
Year-to-date	20.52%
Last 12 months	23.17%

Portfolio Statistics

P/E (trailing)	12.43x
Dividend yield	3.34%
PEG (2016-2018)	0.81
Beta	0.71

Median market cap / investment (USD million)	175.30
--	--------

Share Price / Discount

Share Price Performance

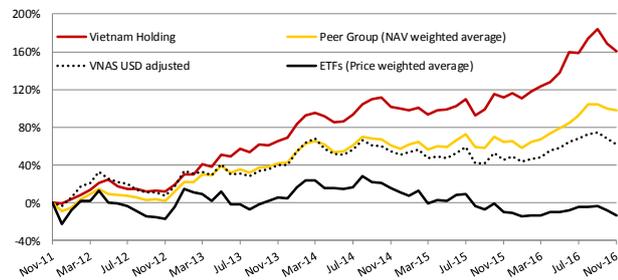
Last month	-2.43%
Year-to-date	15.25%
Last 12 months	18.50%

Sharpe ratio	1.59
Alpha	0.38
Beta	0.76

Market capitalisation (USD million)	120.58
Share Price Discount to NAV	17.84%

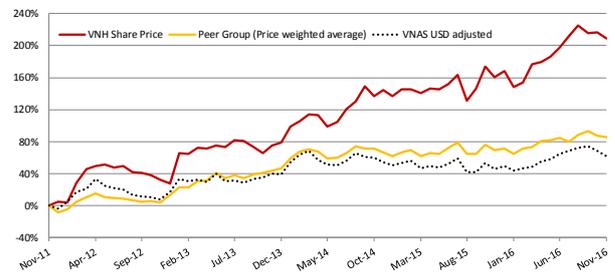
Operating Expense Ratio (12 month rolling)	2.86%
--	-------

NAV Performance vs. VNAS and Peers



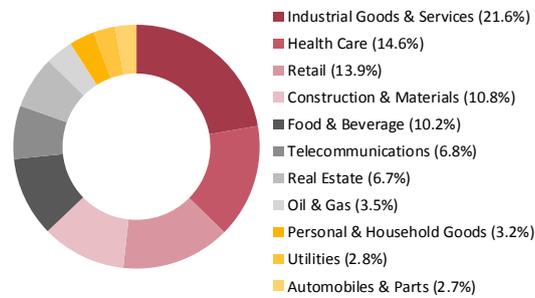
Source: Bloomberg. Peer Group: VEIL, Vietnam Opportunity Fund, VEH, DWS Vietnam Fund, PXP Emerging Equity. ETFs: Market Vectors Vietnam ETF and db x-trackers FTSE Vietnam ETF.

Share Price Performance vs. Index and Peers



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

Industry Allocation



Top 10 Holdings

Investee Company	Market	Percent of NAV
Traphaco	HOSE	12.46%
Binh Minh Plastic	HOSE	7.07%
Phu Nhuan Jewelry	HOSE	6.95%
Thien Long Group	HOSE	6.94%
FPT Corporation	HOSE	6.84%
Hoa Phat Group	HOSE	6.49%
Viconship	HOSE	6.26%
Vinamilk	HOSE	4.84%
Petrovietnam Transportation	HOSE	3.53%
Vinh Hoan Corporation	HOSE	2.88%

London Stock Exchange Market Makers

<b>Winterflood</b>	Richard Browne +44 203 100 0251	<b>Stifel Nicolaus</b>	Shayne Barge +44 207 710 7665
<b>Jefferies</b>	Michele White +44 207 898 7127	<b>Numis Securities</b>	David Cumming +44 207 260 1376
<b>JPM Cazenove</b>	Steven Cheshire +44 207 155 8063	<b>finnCap</b>	James Simpson +44 207 220 0558
<b>Investec</b>	Peter Brown +44 207 597 5063	<b>Peel Hunt</b>	David Kininmonth +44 207 418 8895



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.