



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 122,591,088

NAV per share USD 2.045

Shares in issue 59,933,239

Treasury shares 7,604,001

Equity investments 93.66%

Number of investments 22

### Vietnam News

The VNAS index climbed 1.6% in April to 556.2. The strong economy continued to be a theme, with the World Bank raising its current year GDP growth forecast to 6.5% (from 6.0%), and some private sector economists beginning to whisper 7%.

The HSBC April purchasing managers index came in at an impressive reading of 53.7 (March: 50.7), with a sharp increase in business from new customers cited. Meanwhile, April inflation remained virtually absent, at 0.14% MoM and 1% YoY. Government finances are fine despite the oil price situation, with the January-April deficit running well below the government projection at an annualised rate of under 4% of GDP.

FDI disbursed flows remain solid (USD4.2bn through April) and the property market recovery is broad-based (e.g. Saigon office occupancy is at 91%, its highest level in seven years).

Even seasoned watchers, who have learned not to over-expect on the speed of economic reform in Vietnam, have been surprised by recent measures. First, in banking, the government is moving to improve the workings of its bad-bank (the VAMC), by planning for it to raise more capital and by enabling it to more flexibly determine its purchase prices for NPLs. Banking mergers are proceeding in line with the sound goal of rationalising the industry. Second, with the major local brewer Sabeco set to see its government holding sold down from 89% to 36%, we see concrete signs of substantive privatisations. And thirdly, it is distinctly possible that the stock foreign ownership limit will at last be relaxed in one way or another starting later this year.

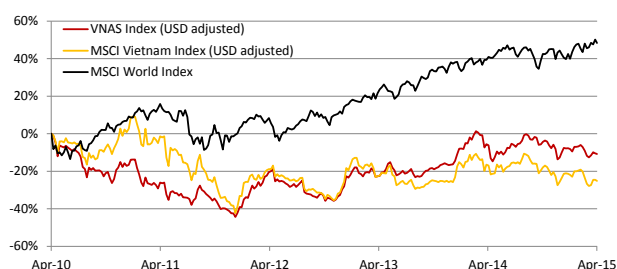
Other positive signs include leading cement company HT1 projecting 8.5% volume growth in 2015 and the auto market booming with YTD growth of over a third.

### Regional Valuation and Dividend Yield Comparison

	P/E trailing	Price to Book	Dividend Yield
Indonesia	22.1	2.5	1.9
Philippines	21.0	2.9	1.8
Thailand	19.9	2.0	2.9
India	20.0	2.8	1.4
China	22.0	2.6	1.5
Malaysia	16.1	1.8	3.2
<b>Vietnam: VNAS</b>	<b>11.8</b>	<b>1.5</b>	<b>3.2</b>

Source: Bloomberg.

### Decorrelation: Vietnam Stock Market vs. MSCI World



Source: Bloomberg. April 2010 to April 2015.

### VNH Insights

Your fund - whose NAV in April rose 2.4% to USD2.045, for a calendar year to date decline of 0.7% - on 23 April announced EGM approval for a new issue of warrants to shareholders: 1 warrant per 3 shares held, with an 18/24 month life and an exercise price of USD1.998 (equal to the 31 March 2015 NAV). Assuming the warrants are exercised, the increased fund size is expected to provide the potential for increased liquidity in VNH's shares and lower charges per share.

We think that the timing for these warrants is excellent because (a) the economic cycle in Vietnam is favourable, more so than in many other emerging/frontier markets; (b) the correlation with

world stock markets is very low (please see our recent article on this at [blog.vietnamholding.com](http://blog.vietnamholding.com)); (c) Vietnam looks very modestly valued compared to its peer markets; (d) Vietnamese policy makers are showing signs of enhanced reform commitment; and (e) the external impetus of prospective free trade agreements, especially the US-led Trans-Pacific Partnership, will likely be the strongest for Vietnam compared to all other likely signatories.

With a record participation level, VNH shareholders approved the warrant issuance, as well as the deferment of our continuation vote to 2018, with over 95% supportive votes for each.

### Fund Facts

Domicile	Cayman Islands
Admission	15 June 2006
Exchanges	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

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### Investment Manager

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Net Asset Value / Portfolio

NAV per Share Performance

Last month	2.35%
Year-to-date	-0.68%
Last 12 months	3.28%

Portfolio Statistics

P/E (trailing)	11.14x
Dividend yield	2.94%
PEG (trailing)	1.32
PEG (forward)	1.22
Beta	0.82

Median market cap / investment (USD million)	132.84
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Share Price / Discount

Share Price Performance

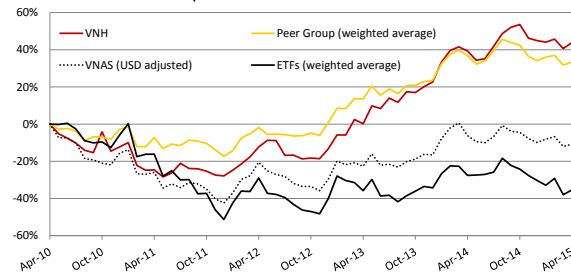
Last month	2.18%
Year-to-date	3.83%
Last 12 months	15.50%
Sharpe ratio	0.45
Alpha	0.27
Beta	0.38
Market capitalisation (USD million)	105.48

Share Price Discount to NAV

VNH	13.94%
Peer Group weighted average	20.22%
Operating Expense Ratio (12 month rolling)	2.98%

NAV Performance vs. VNAS and Peers

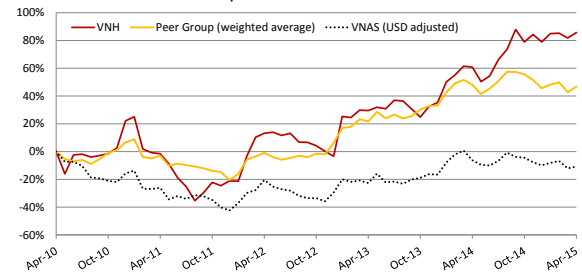
5 Year Performance Comparison



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.

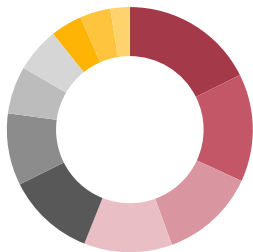
Share Price Performance vs. VNAS and Peers

5 Year Price Performance Comparison



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

Industry Allocation



- Health Care (16.5%)
- Industrial Goods & Services (13.3%)
- Food & Beverage (11.8%)
- Real Estate (10.9%)
- Retail (10.9%)
- Construction & Materials (8.9%)
- Automobiles & Parts (5.9%)
- Telecommunications (5.5%)
- Oil & Gas (3.9%)
- Banks (3.8%)
- Travel & Leisure (2.4%)

Top 10 Holdings

Investee Company	Market	Percent of NAV
Traphaco	HOSE	7.88%
Hau Giang Pharma	HOSE	6.72%
Binh Minh Plastic	HOSE	6.56%
Phu Nhuan Jewelry	HOSE	6.45%
Vinamilk	HOSE	6.16%
Danang Rubber	HOSE	5.87%
Viconship	HOSE	5.67%
Hung Vuong Corporation	HOSE	5.60%
FPT Corporation	HOSE	5.52%
Thien Long Group	HOSE	4.41%

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>LCF Rothschild</b>	Johnny Hewitson +44 207 845 5960
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