



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 119,363,569

NAV per share USD 2.054

Shares in issue 58,125,739

Treasury shares 8,906,000

Equity investments 97.84%

Number of investments 21

Vietnam News

Vietnam's markets held up well in September, with the VNAS down only 0.3% month-on-month, versus falls of 3% for frontier markets, 5% for emerging markets, and 6% for world markets according to the MSCI indices. The global investment environment is at a remarkably uneasy juncture, but Vietnam's resilient calendar year-to-date performance - 1.2% down (VNAS) in local currency and 6% down in dollars, versus a 19% fall for MSCI Frontier - is bearing out Vietnam's relatively well-sheltered position amidst the commodity price-, China-, and US interest rate- driven global uncertainties.

The main factors that explain this resilience are (a) Vietnam's massive net import status (imports 23% of GDP, exports 8%) in its trade with China, and its exports to China being predominantly of commodities likely to be relatively insensitive to slowing Chinese GDP growth; (b) Vietnam's only minor amount of commercial dollar debt (less than 15% of GDP); and

(c) the long-ruling distinctiveness of Vietnam's economic cycle, based on the FDI-driven structural growth story and the economy's rise from a relatively low base. Meanwhile, Vietnam's overall commodity profile is not centered on the extraction industries and therefore has been relatively well protected - for example, it is a net *beneficiary* of the oil price fall.

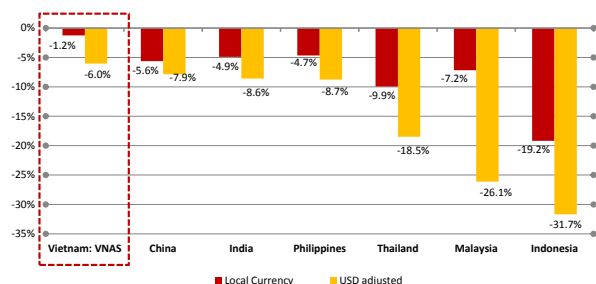
Strong economic data in September has borne out this distinctiveness: third quarter GDP growth of 6.8%, above expectations and accelerating; retail sales growth and industrial production both running at +10% year-on-year; inflation running at nil (or 2.2% ex- food and energy); and credit growth of 10.8% year-to-date. Also note that this GDP performance has been achieved despite the trade deficit with China having risen in 2015 to date by 21% to USD 24bn.

Regional Valuation and Dividend Yield Comparison

	P/E trailing	Price to Book	Dividend Yield
Indonesia	22.7	2.0	2.3
India	20.7	2.8	1.4
Philippines	19.5	2.5	2.0
Thailand	16.8	1.8	3.3
Malaysia	15.6	1.5	3.5
China	15.3	1.8	2.0
Vietnam: VNAS	10.7	1.4	3.9

Source: Bloomberg.

Regional Performance Comparison YTD



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

VNH Insights

VietNam Holding's NAV per share rose 3.2% in the month to USD 2.054, driven by good gains in newly listed yarn producer STK which was bought pre-listing (+23.1%), ship and port operator VSC (+13.1%), mid-market residential property developers KDH and DXG (+10.8% and +12.0% respectively), plastic pipe maker BMP (+12.1%), and pen maker TLG (+9.1%). Performance drops included property developer PDR (-10.0%) and pharma group DHG (-5.7%). Calendar year-to-date, risers in the existing portfolio outnumber fallers by about two-to-one, making for a calendar year-to-date performance of the fund up just a shade by 0.5%.

Despite the challenging global environment, it is encouraging that Vietnam's growth outlook remains good (6.5-7% being widely forecast, best in Asia), inward FDI strong (+8% year-to-date at USD 9.7bn), and export growth resilient (+10% year-on-year, the best export growth in Asia). Foreign ownership limit changes and the Trans-Pacific Partnership trade agreement (the latter now initially signed) remain big events that are likely to cause sustained buoyancy for the Vietnamese market over the coming one to two years. Vietnam remains a good story, both for its low correlation to global storms and its durable structural growth outlook.

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	3.22%
Year-to-date	-0.24%
Last 12 months	-4.95%

Portfolio Statistics

P/E (trailing)	10.46x
Dividend yield	3.18%
PEG (trailing)	0.87
PEG (forward)	0.77
Beta	0.77

Median market cap / investment (USD million)	129.28
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Share Price / Discount

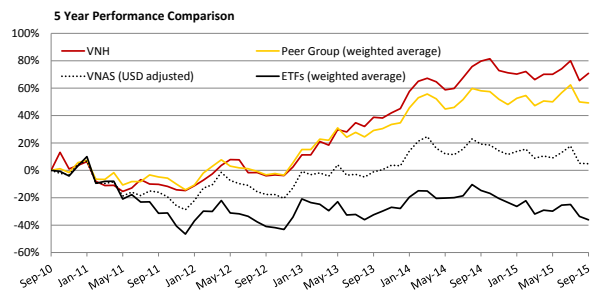
Share Price Performance

Last month	6.34%
Year-to-date	3.83%
Last 12 months	-1.12%
Sharpe ratio	-0.43
Alpha	0.02
Beta	0.38
Market capitalisation (USD million)	102.30

Share Price Discount to NAV

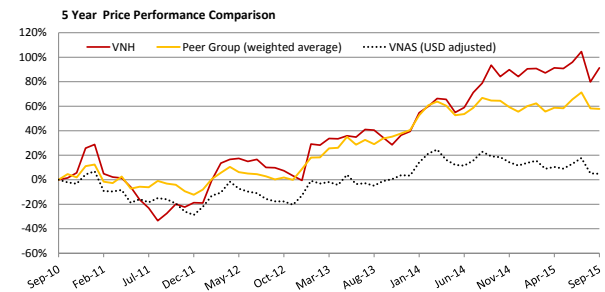
VNH	14.31%
Peer Group weighted average	23.20%
Operating Expense Ratio (12 month rolling)	3.00%

NAV Performance vs. VNAS and Peers



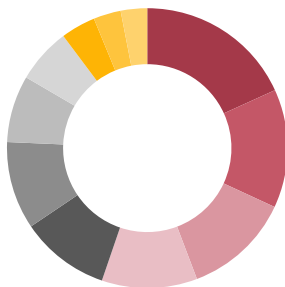
Source: Bloomberg. Peer Group: VEIL, Vietnam Opportunity Fund, VEH, DWS Vietnam Fund, PXP Emerging Equity. ETFs: Market Vectors Vietnam ETF and db x-trackers FTSE Vietnam ETF.

Share Price Performance vs. VNAS and Peers



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

Industry Allocation



- Industrial Goods & Services (17.8%)
- Health Care (13.4%)
- Real Estate (12.1%)
- Retail (10.8%)
- Construction & Materials (10.1%)
- Food & Beverage (9.9%)
- Telecommunications (7.6%)
- Automobiles & Parts (6.2%)
- Personal & Household Goods (3.9%)
- Travel & Leisure (3.1%)
- Financial Services (3.0%)

Top 10 Holdings

Investee Company	Market	Percent of NAV
Viconship	HOSE	7.94%
Traphaco	HOSE	7.77%
FPT Corporation	HOSE	7.56%
Vinamilk	HOSE	6.93%
Danang Rubber	HOSE	6.23%
Binh Minh Plastic	HOSE	6.22%
Thien Long Group	HOSE	5.74%
Hoa Phat Group	HOSE	5.05%
Phu Nhuan Jewelry	HOSE	5.02%
Dat Xanh Real Estate	HOSE	4.91%

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
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