



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 145,897,017

NAV per share USD 2.650*

Shares in issue 55,046,148

Treasury shares 9,449,269

Equity investments 97.30%

Number of investments 29

*Warrants-diluted NAV per share: USD 2.481

Vietnam News & VNH Insights

2016: A year of two parts

The Vietnam All Share Index declined 1.6% in December to 623.2, thus making the stock market's 2016 full calendar year performance +7.5% in local currency terms and +6.2% in US dollar terms. Amid this somewhat tepid year for the market, VNH continued its multiyear string of annual market outperformances, rising 19.1% in the year to an NAV per share of USD 2.650. For December alone, the fund was down 1.5%.

It was a year, broadly speaking, of two parts, with market performance through September being very positive: the year's VNAS index peak of 674 occurred in late September, marking at that time a year-to-date rise of over 16%. But things were tougher towards the year end, with the hitherto solid dong cracking under the weight of a rising US dollar and ending the year with a depreciation of 1.2%, and the local interest rate environment becoming tighter, with overnight interbank rates moving from under 1% to about 5% in the final quarter of 2016. The fund, too, felt this pressure on its results, with all of 2016's NAV per share gain taking place in the year's first half.

Crazy world, but Vietnam largely controls its own economic destiny

Of course, 2016 was a year of dramatic global political events that few predicted, and therefore the outlook as we look forward to 2017 and 2018 is more uncertain than usual.

What we can say, however, is that Vietnamese policy makers, for the most part, control their own fate. Firstly, although Vietnam is a very open economy, with exports plus imports equalling some 175% of GDP, most of Vietnam's exports are likely to see solid progress based on global market share growth amid long term structural advantages for the country, especially vis-a-vis China (on cost) and other frontier markets (on political stability, infrastructure progress, and friendly economic policy making).

Secondly, Vietnam - compared to most major southeast Asian economies - remains a place with only a partially opened capital account, so this stands it in good stead in what could be a fairly turbulent year for global capital flows. Global interest rates are likely to increase and capital could wash away from emerging and frontier markets, but Vietnam benefits from (a) a relatively high proportion of country-dedicated money in its stock market and (b) a structurally strong overall balance of payments (a surplus of about USD 8.5bn in 2016 or c. 4% of GDP).

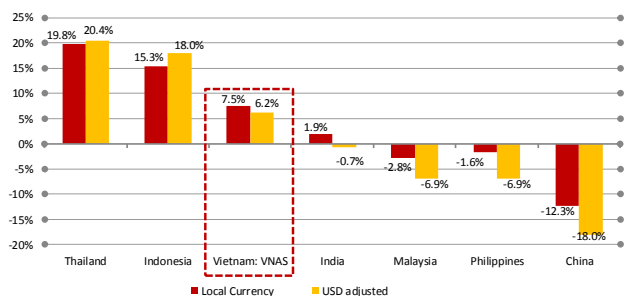
Thirdly and finally, Vietnamese policy makers have the power to effect very noticeable improvement in government finances and the overall business environment. There are still some 700+ state-owned enterprises in Vietnam, with a historically-accounted total asset value of some USD 220bn. Privatisation is accelerating.

Regional Valuation and Dividend Yield Comparison

	P/E trailing	Price to Book	Dividend Yield
Indonesia	24.2	2.4	1.6
India	19.9	2.6	1.6
Philippines	18.6	2.2	1.9
Malaysia	17.9	1.5	3.1
China	17.6	1.7	1.8
Thailand	16.7	1.9	3.2
Vietnam: VNAS	13.3	1.5	2.8

Source: Bloomberg.

Regional Performance Comparison



Source: Bloomberg. Date range: 31 December 2015 to 31 December 2016.

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	-1.49%
Year-to-date	19.05%
Last 12 months	19.05%

Portfolio Statistics

P/E (trailing)	12.34x
Dividend yield	3.45%
PEG (2016-2018)	0.72
Beta	0.72

Median market cap / investment (USD million)	171.43
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Share Price / Discount

Share Price Performance

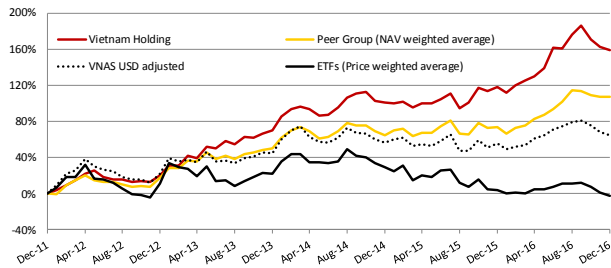
Last month	0.45%
Year-to-date	15.75%
Last 12 months	15.75%

Sharpe ratio	1.36
Alpha	0.09
Beta	0.65

Market capitalisation (USD million)	122.20
Share Price Discount to NAV	16.23%

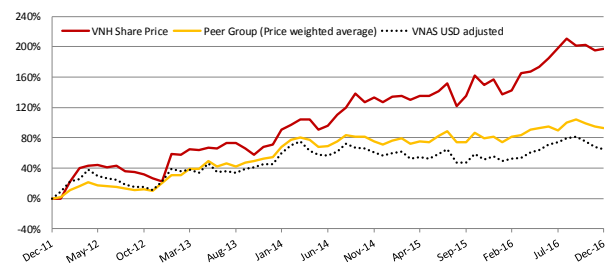
Operating Expense Ratio (12 month rolling)	2.86%
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NAV Performance vs. VNAS and Peers



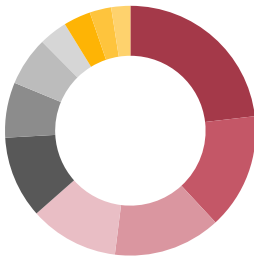
Source: Bloomberg. Peer Group: VEIL, Vietnam Opportunity Fund, VEH, DWS Vietnam Fund, PXP Emerging Equity. ETFs: Market Vectors Vietnam ETF and db x-trackers FTSE Vietnam ETF.

Share Price Performance vs. Index and Peers



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

Industry Allocation



- Industrial Goods & Services (22.5%)
- Health Care (14.5%)
- Retail (13.5%)
- Construction & Materials (11.2%)
- Food & Beverage (10.3%)
- Telecommunications (6.9%)
- Real Estate (6.2%)
- Personal & Household Goods (3.6%)
- Oil & Gas (3.4%)
- Automobiles & Parts (2.7%)
- Utilities (2.4%)

Top 10 Holdings

Investee Company	Market	Percent of NAV
Traphaco	HOSE	12.36%
FPT Corporation	HOSE	6.95%
Binh Minh Plastic	HOSE	6.93%
Thien Long Group	HOSE	6.75%
Phu Nhuan Jewelry	HOSE	6.72%
Hoa Phat Group	HOSE	6.66%
Viconship	HOSE	6.16%
Vinamilk	HOSE	4.41%
Vinh Hoan Corporation	HOSE	3.54%
Petrovietnam Transportation	HOSE	3.40%

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
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finncap	James Simpson +44 207 220 0558
Peel Hunt	David Kininmonth +44 207 418 8895



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