



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 151,977,492

NAV per share USD 2.818*

Shares in issue 53,924,319

Treasury shares 10,482,785

Equity investments 97.07%

Number of investments 27

*Warrants-diluted NAV per share: USD 2.601

Vietnam News & VNH Insights

Another solidum annos singulos in prospect

March was another strong month for Vietnam, with the USD-adjusted Vietnam All Share Index rising 4.8% and VNH's NAV per share rising 5.4% to USD 2.818. Given that economic momentum and economic reform indicators remain positive, favorable investor sentiment towards the Vietnam market is likely to continue in the coming months.

Government finances were well under control in the first quarter, with only a nominal fiscal deficit of only VND 4tn which amounts to virtual balance. This probably will not be sustained, but it does demonstrate the government's ability to reduce the habitual 5-6%-of-GDP fiscal deficit if it really aims to do so. As such, the start of year fiscal deficit target of 3.5% of GDP is eminently achievable.

Helping confidence on government finances is the sustained commitment being shown to partial privatisation of state-owned enterprises. Whether the government really achieves the USD 10bn of proceeds from such sales during 2016-2020 that it talks of, or a lesser but still considerable figure, is not so critical - what is important is continuing the heightened reform momentum compared to the slow 2007-2015 period.

Such listings from SOEs have revived the significance of the UpCom (unlisted public companies) market, which is in reality (for major names) now a waiting room towards listing on one of the two established exchanges. When one includes UpCom, with market cap of over 2.5x that of the Hanoi exchange, the total listed market cap of Vietnam is now breaching the "serious" threshold of USD 100bn.

When the heightened pace of private-company listings, and the continuing trend towards liberalised foreign ownership limits are also taken into account, the whole package burnishes Vietnam's credentials for being upgraded to emerging market status by index-makers MSCI. A potential inclusion in the MSCI Emerging Markets Index is currently indeed subject to a lively debate among market pundits whilst the exact timeline remains unclear.

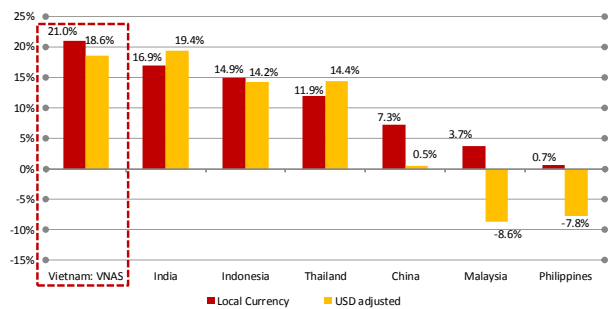
Although first quarter Vietnamese GDP disappointed with "only" 5.1% YoY growth, leading indicators such as the Nikkei purchasing managers index (at 54.6 and a 22-month high) and foreign direct investment approvals (up 92% YoY in the first quarter at USD 7.7bn) suggest that the economic growth outlook overall remains strong. Valuations are somewhat higher than in recent years, such as a trailing price/earnings ratio of 13.6x on the VNAS, but this looks reasonable in light of events and suggests that this bull market still has plenty of legs to go.

Regional Valuation and Dividend Yield Comparison

	P/E trailing	Price to Book	Dividend Yield
Indonesia	25.0	2.5	1.6
India	22.0	2.9	1.3
Philippines	20.3	2.5	1.7
Malaysia	19.2	1.6	2.9
China	18.7	1.8	1.7
Thailand	17.0	1.9	3.1
Vietnam: VNAS	13.6	1.6	3.3

Source: Bloomberg.

Regional Performance Comparison



Source: Bloomberg. Date range: 31 March 2016 to 31 March 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	5.39%
Year-to-date	6.30%
Last 12 months	22.52%

Portfolio Statistics

P/E (trailing)	12.84x
Dividend yield	3.20%
PEG (2017-2019)	0.88
Beta	0.72

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

Share Price Performance

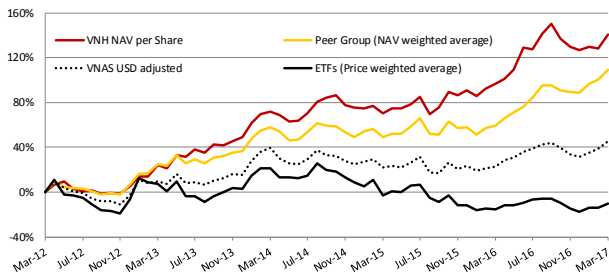
Last month	-3.93%
Year-to-date	-7.61%
Last 12 months	3.59%

Sharpe ratio	0.46
Alpha	0.55
Beta	0.71

Market capitalisation (USD million)	110.60
Share Price Discount to NAV	27.22%

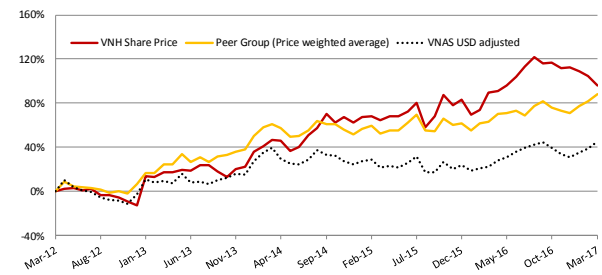
Operating Expense Ratio (12 month rolling)	2.84%
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NAV Performance vs. VNAS and Peers



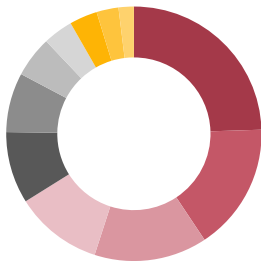
Source: Bloomberg. Peer Group: VEIL, Vietnam Opportunity Fund, VEH, Vietnam Phoenix Fund, PXP Emerging Equity. ETFs: Market Vectors Vietnam ETF and db x-trackers FTSE Vietnam ETF.

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 (23.3%)
- Health Care (15.4%)
- Retail (13.6%)
- Construction & Materials (10.6%)
- Food & Beverage (8.7%)
- Telecommunications (7.2%)
- Real Estate (4.9%)
- Oil & Gas (3.6%)
- Personal & Household Goods (3.4%)
- Utilities (2.6%)
- Banks (1.8%)

Top 10 Holdings

Investee Company	Market	Percent of NAV
Traphaco	HOSE	12.41%
Phu Nhuan Jewelry	HOSE	7.35%
FPT Corporation	HOSE	7.18%
Binh Minh Plastic	HOSE	7.17%
Thien Long Group	HOSE	6.24%
Viconship	HOSE	6.11%
Hoa Phat Group	HOSE	5.39%
Petrovietnam Transportation	HOSE	3.61%
Vinamilk	HOSE	3.28%
Vinh Hoan Corporation	HOSE	3.19%

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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