



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.

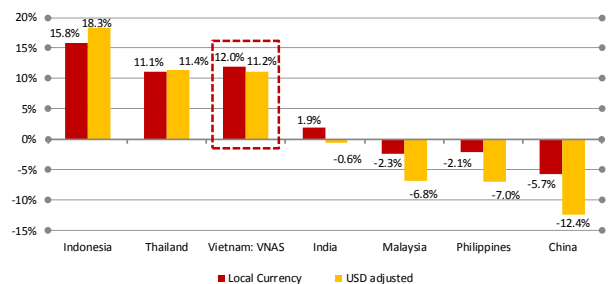
The VNAS trailing P/E ratio, though higher than before, is still a relatively modest 13.5x, illustrating that our fishing ground is still far from over-exploited.

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
Vietnam: VNAS	13.5	1.5	2.6

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

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AIM Broker

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Investment Manager

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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
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Share Price / Discount

Share Price Performance

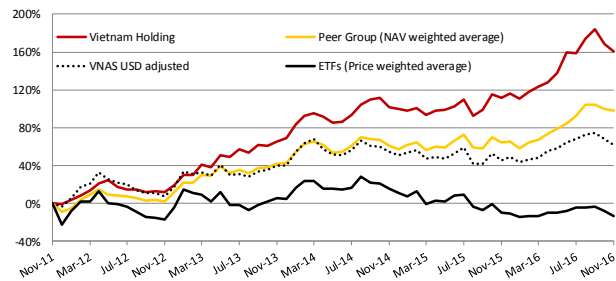
Last month	-2.43%
Year-to-date	15.25%
Last 12 months	18.50%

Sharpe ratio	1.59
Alpha	0.38
Beta	0.76

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

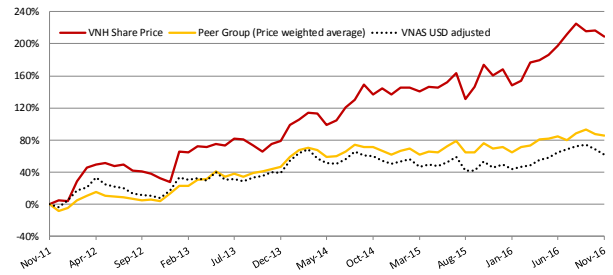
Operating Expense Ratio (12 month rolling)	2.86%
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NAV Performance vs. VNAS and Peers



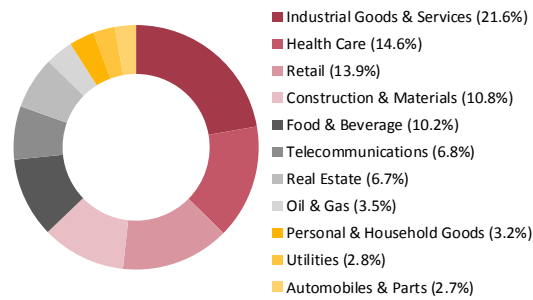
Source: Bloomberg. Peer Group: VEIL, Vietnam Opportunity Fund, VEH, DWS Vietnam Fund, PXP Emerging Equity. ETFs: Market Vectors Vietnam ETF and db x-trackers FTSE Vietnam ETF.

Share Price Performance vs. Index and Peers



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

Industry Allocation



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

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	finnCap	James Simpson +44 207 220 0558
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