

Market Update

In response to the global and domestic economic slowdown and two consecutive months straight of CPI deflation (-0.19% and -0.76% MoM in October and November respectively), the Vietnamese government has recently shown intent to shift its focus from monetary tightening and inflation control to monetary easing and growth stimulus. Already the State Bank of Vietnam has slashed the base rate by 300bp in 3 separate moves in the past 1½ months to 11% and certain Government officials are signaling more to come before the Lunar New Year.

Since exports, which are nearly 70% of GDP, have experienced 3 straight months of decline, supporting exports is now the top priority for Vietnam. As a result of the global commodity bubble bursting, Vietnam's biggest export item (crude oil) has seen a decrease in price of more than 60% since its high in July. Some other export items such as garment and seafood are also facing a decline in orders. However, the trade deficit is estimated at sub \$1 billion level for a sixth consecutive month in November, at roughly \$700 million, meaning aggregate imports are also dropping on a monthly basis.

The Vietnam Dong has crept up to the upper end of the managed +/- 3% trading band with Vietcombank currently selling US Dollars for 16,975 VND while in the black market the rate is an estimated 3-4%

higher yet. It is likely that capital outflows and expectations for currency depreciation to support exports are the primary causes behind the recent movements.

The VN-Index declined 9.3% in November, reacting to the global and domestic prospects of deepening slowdown instead of to monetary policy easing and continued dropping petrol prices. During the month, foreigners were net sellers of \$42 million worth of listed equities and \$444 million worth of bonds. In the 6 months since June – time of the Vietnamese stock market's liquidity crisis – till end of November 2008, the net selling of bonds from foreign investors was \$2.15 billion, which reflects the global trend of capital flight from emerging economies in times of crisis.

After half a year of almost no IPO activity, we have started to see companies going public again since September. In the 3 months till end November, there were about 10 IPOs albeit with lackluster response. Year-to-date there have been 27 IPOs, and another 8 are lined up for December, of which the most important ones are Vietinbank (third biggest State-owned bank by assets, and second State-owned bank to go public after Vietcombank) and the 2 finance leasing subsidiaries of Agribank (Vietnam's biggest bank by assets). There has been a pick-up in

new listings as well. In November alone, there were 8 new listings on both bourses, bringing the number of new listings so far this year to 62. By end of November, another 22 companies had obtained approval to list; however, only 3 have set their listing date in December. HOSE and HASTC now together have 330 listed companies and funds, with aggregate market capitalisation of approximately \$12.25 billion, of which foreign ownership is estimated at \$2.7 billion, equivalent to 22%. In terms of privatisation progress, the State has only sold shares in 73 state-owned enterprises (SOEs) in the first 11 months of this year, meeting only 28% of the Government's plan for 2008.



VN-Index

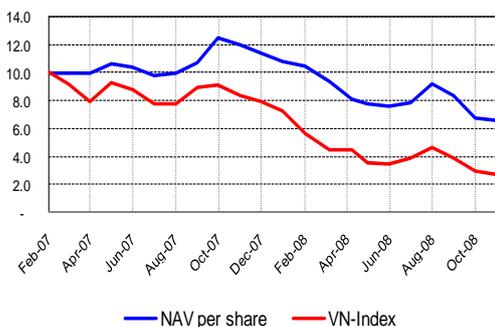
Vietnam Emerging Market Fund (VEMF)

NAV per share	US\$6.62
Nov-08	-2.6%
YTD	-42.1%
Since inception (Mar 07)	-33.8%
Reuters	65092798
Bloomberg	VAMVEMF KY Equity
ISIN	KYG 936131005
CUSIP	G93613100

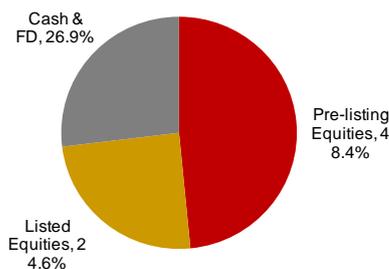
VEMF is a closed-end fund incorporated in the Cayman Islands. The Fund invests in privatization, pre-listing and listed stocks in Vietnam markets.

As at end November, the Fund's NAV was \$6.62, dropping 2.6% MoM. The Fund continues to lead the Index, recording outperformance of 23.9% year-to-date and 39.4% since inception..

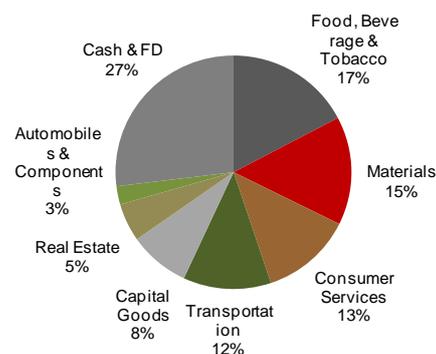
Performance vs. VN-Index



Fund Breakdown



Sector Breakdown



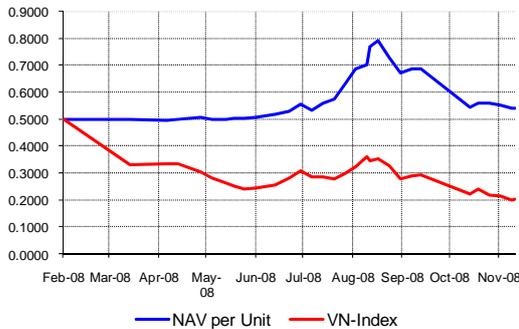
HLG Vietnam Fund (HLGVF)

NAV per unit	RM 0.5431
	US\$ 0.1502
Nov-08	-0.5%
YTD	8.6%
Since inception (Mar08)	8.6%

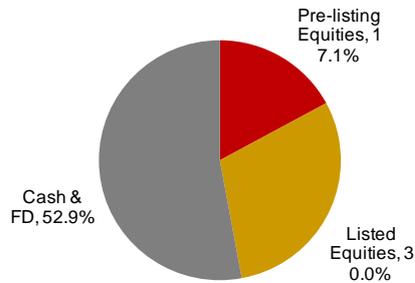
HLGVF is an open-ended unit trust incorporated in Malaysia. The Fund invests in pre-listing and listed stocks in Vietnam markets.

The Fund's NAV per unit declined 0.5% in November to close at RM 0.5431 at month end. Since inception, the Fund has returned 8.6% and outperformed the VN Index by 68.4%.

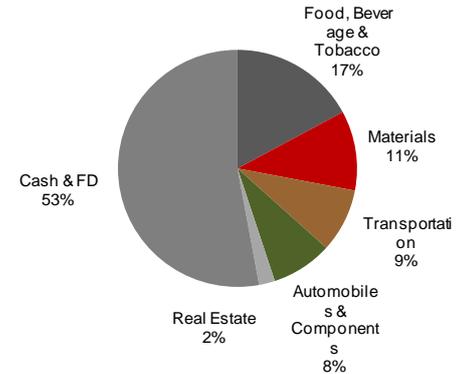
Performance vs. VN-Index



Fund Breakdown



Sector Breakdown



HS-VAM Vietnam Index Linked Fund

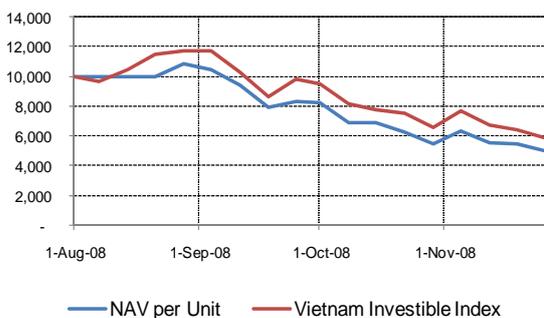
NAV per unit	JPY 4,991
	US\$ 52.52
Nov-08	-8.8%
YTD	-50.1%
Since inception (Jul08)	-50.1%

As of 27 Nov '08

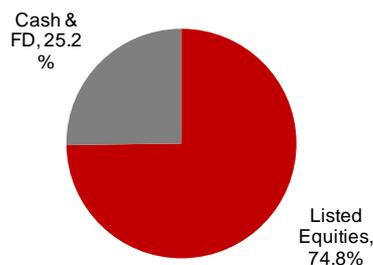
VILF is an open-ended unit trust incorporated in the Cayman Islands. The Fund invests in listed blue-chips in Vietnam markets.

The Fund's NAV per unit dropped 8.8% MoM to close at JPY 4,991 on 27 November 2008.

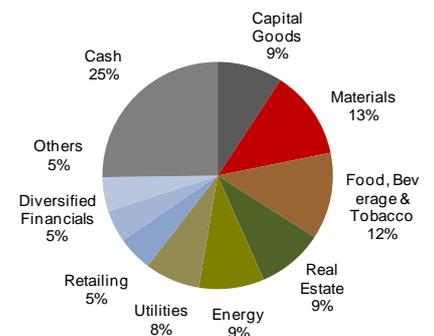
Performance vs. VII



Fund Breakdown



Sector Breakdown



VAM Corner:

This month VAM rolls out its new and improved website. It is much more informative, with a more user friendly design. Now visitors to the website can download VAM's brochure, monthly newsletters, and special reports. And with a password, visitors will be able to download funds' specific documents such as monthly reports, offering memorandums, and subscription agreements. Furthermore, the website now has a list of Vietnam's Listed and OTC Securities, Financial Institutions, Government Bodies, and useful links to websites with information on Vietnamese equities. Please come visit at www.vietnamam.com!

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