

30 April '09

Market Update

April marked a return to single digit inflation of 9.23% YoY, while on a monthly basis prices rose 0.35%. The trade balance remains in an estimated surplus of US\$800 million, with exports having contracted 0.1% through the first 4 months of 2009 while imports have plummeted 41% in the same period.

Domestically, there is some indication of recovery given industrial production grew 3.3% in the first 4 months of 2009, and retail sales remain strong at up 21.5% YoY. Furthermore, through the interest rate subsidy stimulus, banks and financial companies have lent more than US\$15 billion in just under 3 months, nearly two thirds of the projected amount, to businesses throughout Vietnam providing much needed affordable capital.

Two areas for concern amidst these generally upbeat undercurrents are the currency and FDI. In the black market, the VND/USD exchange rate continues to trade at a modest 2-3% premium to the upper limit of the official trading band. FDI commitments in the first 4 months of 2009 are estimated at \$6.4 billion, or so far about 10% of 2008's total commitments.

The VN-Index continued its strong run through the first half of April peaking at

347.07, before some profit taking led to a mild 10.7% correction. Still, the market finished at 321.63 in April, up 14.6% on the month.

By end April, most companies have released their audited FY 2008 financial results and held their AGMs. While the tones of many AGMs have been positive, we find that management generally sets very unambitious targets, citing the current global financial and economic instability as a major obstacle. Nevertheless, we think there are companies which stand to benefit from the current business climate, such as the plastics companies which saw their gross margins expand as their input prices dropped more than their selling prices. Fertilizer and basic material companies have cleared their inventories and started to see their margins go back and expand. Rubber companies are seeing their margins improve given the recent rise in oil price. Some other sectors which we think will continue performing well are the pharmaceutical and staples consumer companies, provided that the VND does not depreciate much further as these companies import a large part of their raw materials. In recent months, the seafood industry has welcomed back some markets which were lost

in 2008 due to quality issues. We also see good prospect in the insurance industry where penetration rates for both life and non-life products are still low. Lower interest rates have also brought back life to the real estate sector which should also benefit companies in construction and construction materials. Overall, we are cautiously optimistic about corporates earnings in 2009.



VN Index

Sector valuation

Industry group	1M	YTD	2009 PE	2014 PE	P/B	Dvd Yield	ROE	Op Margin	D/E
Market Valuation*	11%	3%	11.6	7.4	1.9	1.9	14.6	20.1	0.1
Automobiles & Components	18%	32%	6.6	2.5	1.6	-	24.8	7.5	0.5
Capital Goods	17%	16%	14.7	14.3	1.6	1.9	14.7	17.2	0.2
Diversified Financials	18%	13%	18.6	14.7	1.3	2.0	7.1	28.8	-0.6
Energy	10%	-13%	10.5	5.2	3.0	3.1	25.4	22.9	1.7
Food, Beverage & Tobacco	8%	1%	12.4	7.3	2.7	1.8	17.1	12.6	-0.2
Household & Personal Products	25%	9%	3.1	1.7	0.4	2.1	14.5	14.7	0.6
Insurance	4%	2%	6.9	4.8	1.3	-	17.6	9.7	-1.8
Materials	12%	11%	10.6	7.0	2.5	3.0	21.6	19.4	0.2
Pharmaceuticals & Biotechnology	2%	-8%	13.3	5.9	2.4	2.9	16.4	9.4	-0.3
Real Estate	13%	-22%	26.3	14.8	2.4	1.3	10.3	46.6	0.2
Retailing	15%	5%	9.4	7.0	2.8	3.4	26.8	7.0	-0.1
Transportation	21%	16%	10.4	4.2	0.9	0.7	11.4	15.9	0.2
Utilities	6%	31%	10.0	7.3	2.6	4.1	26.9	41.2	0.6

* Market Valuation composes of both the Ho Chi Minh Stock Exchange (HoSE) and the Hanoi Stock Trading Center (HaSTC).

*The Sector valuation table is calculated by VAM in-house Company Analysis System - VCAS

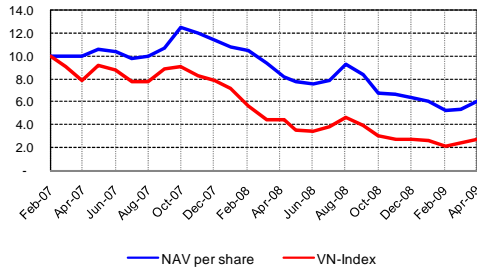
Vietnam Emerging Market Fund (VEMF)

NAV per share	US\$6.09
Apr-09	13.6%
YTD	-3.5%
Since inception (Mar 07)	-39.1%
Reuters	65092798
Bloomberg	VAMVEMF KY Equity
ISIN	KYG 936131005
CUSIP	G93613100

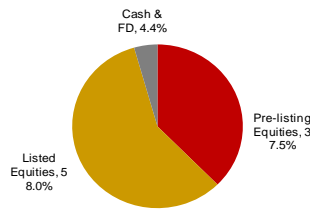
VEMF is a closed-end fund incorporated in the Cayman Islands. The Fund invests in privatization, pre-listing and listed stocks in Vietnam markets.

As at end April, the Fund's NAV per share was \$6.09. With a 13.6% increase MoM, the Fund continued to lead the Index, recording outperformance of 33.5% since inception.

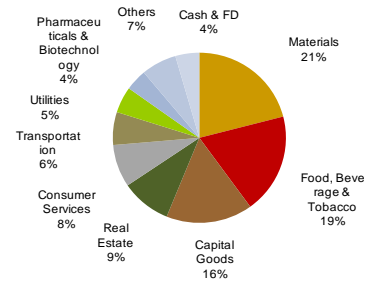
Performance vs. VN-Index



Fund Breakdown



Sector Breakdown



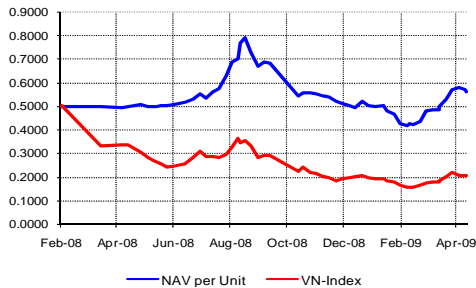
HLG Vietnam Fund (HLGVF)

NAV per unit	RM 0.5619 US\$ 0.1556
Apr-09	15.5%
YTD	13.4%
Since inception (Mar08)	12.4%

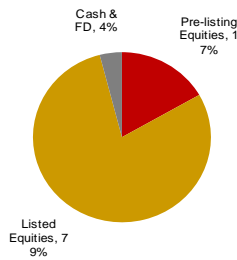
HLGVF is an open-ended unit trust incorporated in Malaysia. The Fund invests in pre-listing and listed stocks in Vietnam markets.

As at end April, the Fund's NAV per unit was RM0.5619. With a 15.5% increase MoM, the Fund continued to lead the Index, recording outperformance of 11.5% year-to-date and 71.3% since inception.

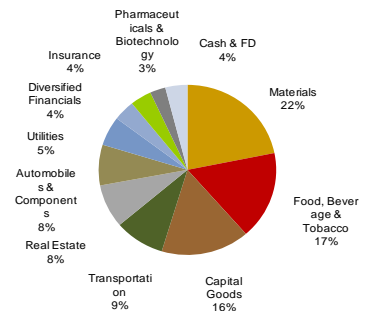
Performance vs. VN-Index



Fund Breakdown



Sector Breakdown



HS-VAM Vietnam Index Linked Fund (VILF)

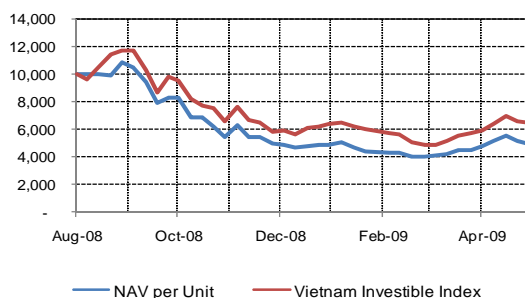
NAV per unit	JPY 5,039 US\$ 52.17
Apr-09	9.7%
YTD	1.6%
Since inception (Jul08)	-49.6%
Bloomberg	VAMINLI KY Equity

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

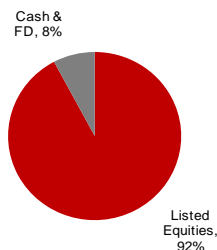
The Fund's NAV per unit increased 9.7% MoM to close at JPY 5,039 on 28 April 2009.

As of 28 Apr '08

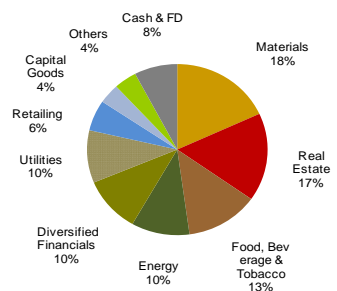
Performance vs. VII



Fund Breakdown



Sector Breakdown



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