

30 January '09

## Market Update

The Tet holiday ushering in the Year of the Ox came early this year in Vietnam occurring from 25-29 January and brought with it the normal "Tet Effect" of overall slowing growth but increasing retail sales and inflation. In January, imports declined 44.8% YoY and 27.6% on month; exports declined 24.2% YoY and 18.6% on month, and industrial production declined 4.4% YoY and 8.6% on month. Also, inflation was up 0.32% on month and retail sales were up 27.1% YoY in January. However, with the overall economic slowdown deemed to last at least for the 1H09, deflation might come in March and last for months. The silver lining on January's collapse in trade was the trade deficit which came in at only an estimated US\$300 million.

This January conformed to the general "Tet Effect," but the Government remained unconvinced that the slowdown was due only to Tet, and to further combat the broader macroeconomic slowdown, they announced further details of fiscal stimulus including tax cuts benefiting primarily small and medium enter-

prises and increased sovereign bond issuance. Furthermore, the State Bank of Vietnam has slashed the base rate by another 150bp to 7%, a rate even lower than the one which preceded the pre-inflation crisis of 2008.

The currency remained unchanged against the US dollar in January, although the exchange rate continued to be at the upper limit of the trading band suggesting some mild market pressure for further depreciation.

January's market trading was shortened by 6 days due to holiday, but it seemed many stock market players took much more than a 6-day holiday as volume and volatility disintegrated. The VN-Index closed the month at 303.21, down almost 4% MoM, and the low volatility was expressed in the difference between the monthly high (319.58) and low (300.04) at only 6.1%, with average daily trading volume down 38% on month. Besides the "Tet Effect" on the market, it is likely investors are in a wait-and-see mode for companies' audited reporting of fiscal

year 2008 earnings which should be released by end of 1Q09. As Vietnamese companies do not have to report provisions on certain financial losses until fiscal year end, many ticking time bombs likely await in the form of securities and real estate investment losses, bank NPLs, high cost inventories, and account receivable problems.



VN Index

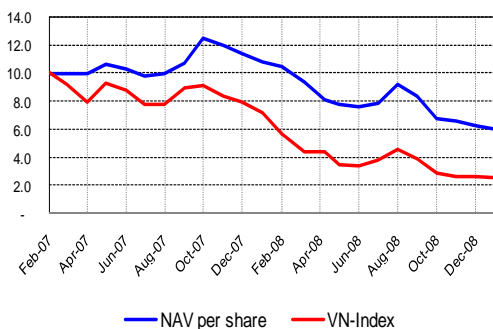
## Vietnam Emerging Market Fund (VEMF)

NAV per share	US\$6.04
Jan-09	-4.3%
YTD	-4.3%
Since inception (Mar 07)	-39.6%
Reuters	65092798
Bloomberg	VAMVEMF KY Equity
ISIN	KYG 936131005
CUSIP	G93613100

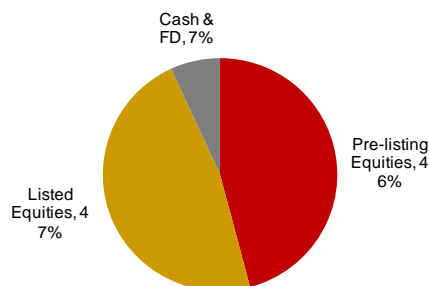
VEMF is a closed-end fund incorporated in the Cayman Islands. The Fund invests in privatization, pre-listing and listed stocks in Vietnam markets.

As at end January, the Fund's NAV per share was \$6.04. Despite a 4.3% decline MoM, the Fund continued to lead the Index, recording outperformance of 34.5% since inception..

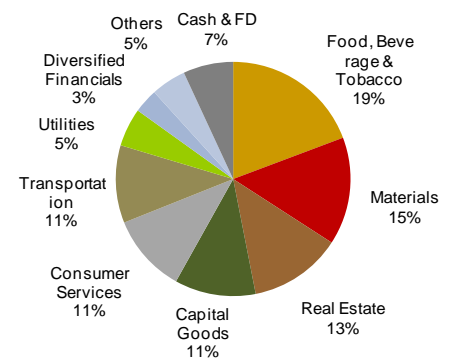
### Performance vs. VN-Index



### Fund Breakdown



### Sector Breakdown



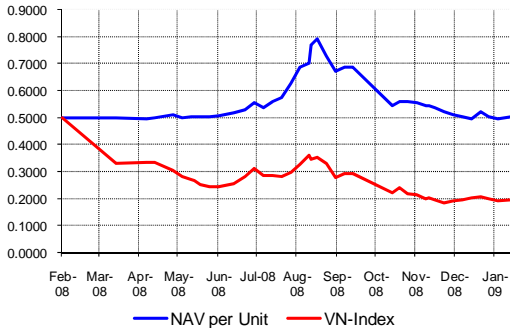
## HLG Vietnam Fund (HLGVF)

NAV per unit	RM 0.5035
	US\$ 0.1392
Jan-09	1.6%
YTD	1.6%
Since inception (Mar08)	0.7%

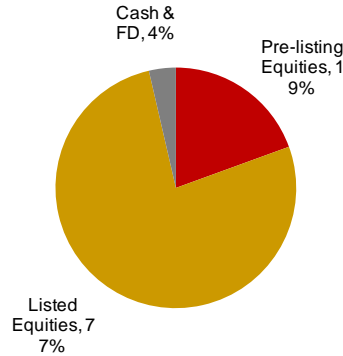
HLGVF is an open-ended unit trust incorporated in Malaysia. The Fund invests in pre-listing and listed stocks in Vietnam markets.

As at end January, the Fund's NAV per unit was RM0.5035. With a 1.6% increase MoM, the Fund continued to lead the Index, recording outperformance of 5.5% YTD and 62% since inception.

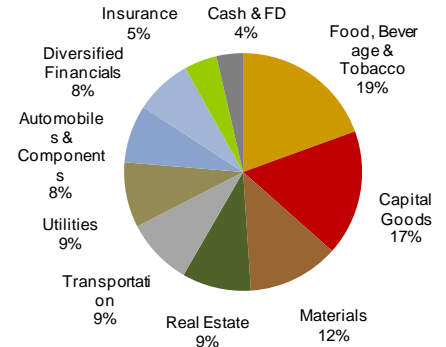
### Performance vs. VN-Index



### Fund Breakdown



### Sector Breakdown



## HS-VAM Vietnam Index Linked Fund

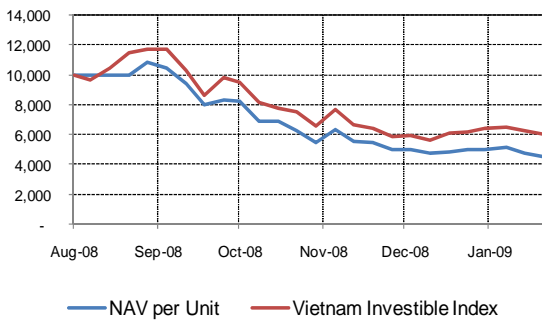
NAV per unit	JPY 4,497
	US\$ 51.32
Jan-09	-9.3%
YTD	-9.3%
Since inception (Jul08)	-55.0%

As of 22 Jan '09

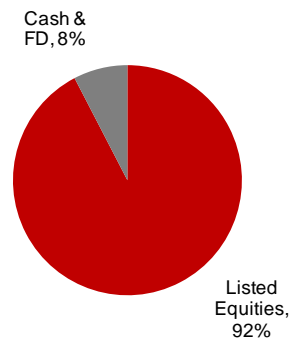
VILF is an open-ended unit trust incorporated in the Cayman Islands. The Fund invests in listed blue-chips in Vietnam markets.

The Fund's NAV per unit dropped 9.3% MoM to close at JPY 4,497 on 22 January 2009.

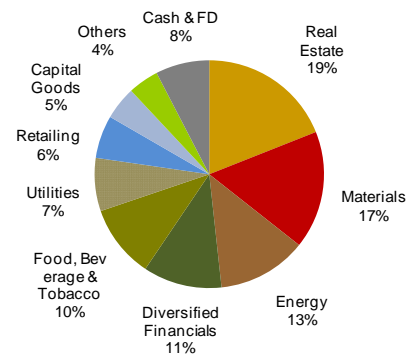
### Performance vs. VII



### Fund Breakdown



### Sector Breakdown



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