

31 March '09

Market Update

March was a relatively upbeat month for Vietnam with announcements of 2.5% export growth and 3.1% GDP growth year-on-year in 1Q09. With exports in the past decade rising to as high as 70% of Vietnam's GDP, and with roughly 60% of Vietnam's exports going to developed countries, these numbers appear markedly resilient in the face of the global macroeconomic downturn.

Inflation was back into negative territory at -0.2 % in March, and now stands at 11.3% YoY, a sharp drop from the 23.8% peak in August 2008. The trade surplus for 1Q09 stands at an estimated US\$1.65 billion. The combined factors have enabled the Government to focus aggressively on stimulating the economy. By increasing the VND/USD trading band from +/-3% to +/-5%, the Dong was able to depreciate by 2% in March in an effort to support export competitiveness. Also, with retail sales up 21.9% on year in 1Q09, this is a strong indicator that the Government's focus on stimulating domestic demand and consumption in the face of a difficult export environment is yielding results.

The market was also a very bright spot in Vietnam this month, with the VN-Index closing at 280.67, up 14.2% in March and on par with

the MSCI Asia ex-Japan Index, which advanced 14% this month.

By 31st March, most companies had announced their audited FY 2008 financial results. As expected, the real estate companies suffered badly as the property market froze during 2008 while interest rates and construction costs both surged to sky-high levels. Despite having much slower credit growth in 2008 compared to 2007, the banking sector managed a small profit growth which exceeded investors' expectation. However, there are 2 issues with this. First, the profit growth was very skewed toward the State-owned banks and big joint-stock banks; in other words, the smaller joint-stock banks shrank significantly, pointing to a possibility of industry consolidation in the near future. Second, many people are skeptical about the provisions for financial investments made, and hence earnings quality of the banks. Commodity companies had a tough year coping with the roller coaster ride of global commodity prices and some ended up with lower profits than targeted due to large provisions for declines in inventory values. The pharmaceutical companies generally met their targets; however, the sector's outlook remains unexcit-

ing due to product price control. The seafood companies were helped by the devaluation of the VND but were hurt by a number of factors including loss of markets (most notably Russia), large swings in raw materials price and supply, and for some, huge losses from financial investments. Nevertheless, the tone set at quite a few AGMs has been relatively positive as Vietnamese corporates are guiding for possibly better than expected 2009 earnings.



VN Index

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

Sector valuation

Industry group	1M	YTD	Current PE	5-Y PE	P/B	Div Yield	ROE	Op. Margin	D/E
Market valuation*	17%	-9%	9.5	6.1	1.7	2.1	14.8	20.4	0.1
Automobiles & Components	22%	14%	6.4	2.4	1.6	-	24.8	7.5	0.5
Capital Goods	21%	-4%	12.1	11.7	1.4	2.2	14.7	16.7	0.3
Diversified Financials	28%	-3%	14.4	11.5	1.0	2.6	7.1	28.8	-0.6
Energy	9%	-23%	9.6	4.8	2.7	3.4	25.4	23.0	1.7
Food, Beverage & Tobacco	10%	-8%	11.9	7.0	2.6	1.9	17.1	12.6	-0.2
Household & Personal Products	24%	-17%	2.9	1.6	0.4	2.2	14.5	14.7	0.6
Insurance	18%	-4%	5.9	4.2	1.1	-	17.6	9.7	-1.8
Materials	14%	-6%	9.7	6.4	2.3	3.2	21.6	19.4	0.2
Pharmaceuticals & Biotechnology	4%	-15%	12.7	5.6	2.3	3.1	16.4	9.5	-0.3
Real Estate	16%	-30%	17.6	10.4	2.1	1.6	11.8	48.1	0.1
Retailing	8%	-14%	8.5	6.3	2.5	3.7	26.8	7.0	-0.1
Transportation	24%	-6%	9.4	3.8	0.8	0.8	11.4	16.0	0.2
Utilities	25%	20%	9.6	7.0	2.4	4.3	26.9	41.7	0.6

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

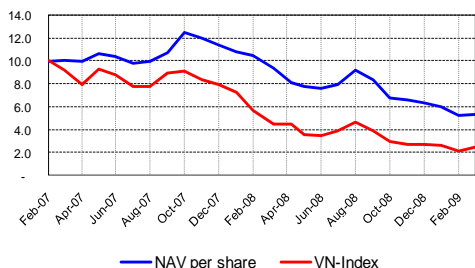
Vietnam Emerging Market Fund (VEMF)

NAV per share	US\$5.36
Mar-09	2.3%
YTD	-15.1%
Since inception (Mar 07)	-46.4%
Reuters	65092798
Bloomberg	VAMVEMF KY Equity
ISIN	KYG 936131005
CUSIP	G93613100

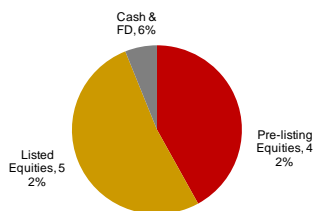
VEMF is a closed-end fund incorporated in the Cayman Islands. The Fund invests in privatization, pre-listing and listed stocks in Vietnam markets.

As at end March, the Fund's NAV per share was \$5.36. With a 2.3% increase MoM, the Fund continued to lead the Index, recording outperformance of 29.7% since inception.

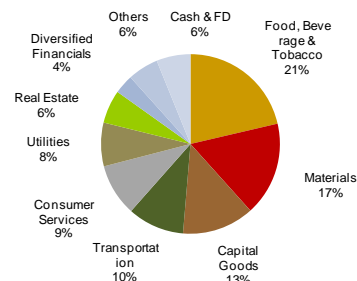
Performance vs. VN-Index



Fund Breakdown



Sector Breakdown



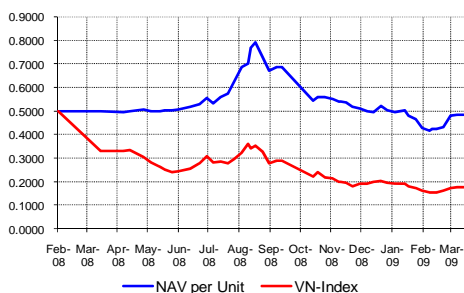
HLG Vietnam Fund (HLGVF)

NAV per unit	RM 0.4865
	US\$ 0.1333
Mar-09	14.1%
YTD	-1.8%
Since inception (Mar08)	-2.7%

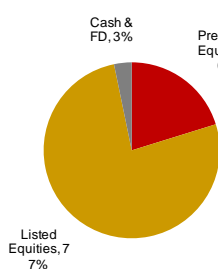
HLGVF is an open-ended unit trust incorporated in Malaysia. The Fund invests in pre-listing and listed stocks in Vietnam markets.

As at end March, the Fund's NAV per unit was RM0.4865. With a 14.1% increase MoM, the Fund continued to lead the Index, recording outperformance of 9.3% year-to-date and 61.4% since inception.

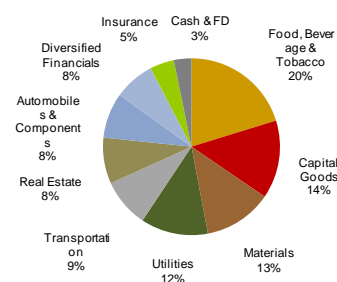
Performance vs. VN-Index



Fund Breakdown



Sector Breakdown



HS-VAM Vietnam Index Linked Fund (VILF)

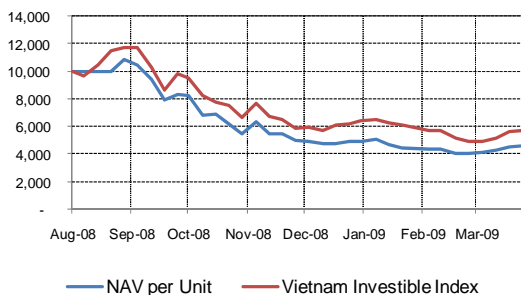
NAV per unit	JPY 4,595
	US\$ 47.01
Mar-09	12.7%
YTD	-7.4%
Since inception (Jul08)	-54.1%
Bloomberg	VAMINLI KY Equity

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

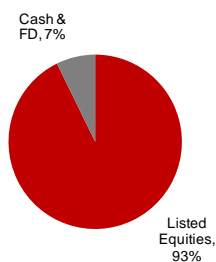
The Fund's NAV per unit increased 12.7% MoM to close at JPY 4,595 on 25 March 2009.

As of 25 Mar '08

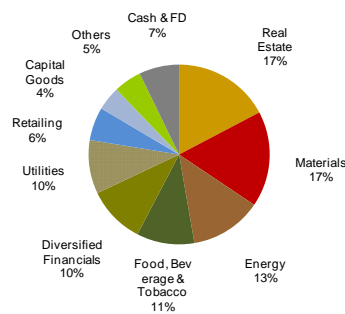
Performance vs. VII



Fund Breakdown



Sector Breakdown



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