

Market Update

April 2010 showed an improvement in the inflation situation in Vietnam, as it was up only 0.14%, the lowest MoM rise since April 2009. Year-to-date inflation stands at 4.27%. The lower than expected inflation has enabled the State Bank of Vietnam (SBV) to keep the based interest rate at 8% for a sixth consecutive month despite many pundits predicting an increase has been due. The trade deficit continues to be pesky, and is estimated at US\$1.25 billion for April. So far in 2010, on an annualized basis, Vietnam is running a trade deficit equivalent to 23% of total export turnover, slight higher than the 20% Government target set for the year.

When comparing the first four months of 2010 with the same period in 2009, Vietnam is certainly showing some impressive growth figures, with industrial production growth of 13.5%, export growth of 8.9%, and retail sales growth of 25%. Furthermore, it would seem the SBV's recent moves to bring the official VND/USD exchange rate in line with the free mar-

ket rate are paying dividends as the currency situation appears to be the most stable it has been in many months.

The VN-Index responded relatively well to April's news, finishing at 542.37, up 8.6% on the month.

Our View

Supporting news about CPI inflation, lower loan rate and other macroeconomic indicators in April were considered positive signals, suggesting that the Vietnamese economy is safely out of financial crisis. These elements have also contributed to bringing back investors' confidence and capital flow into the stock market, especially from foreign investors. Coupled with the conducive monetary market (banks continuing to lower lending rates, SBV's stable monetary policy), optimistic 1Q2010 business results released by a majority of listed firms would be another catalyst for the market to reach a higher level. However, the VN Index is unlikely to experience a significant jump in the near future as

short-term profit taking trend from penny stocks is still the main strategy for the retail investors and all these positive macroeconomic factors have somehow already been priced in. In the long-term, accumulating stocks of strong-fundamental companies, which benefit from the steady economic development of Vietnam will be our key investment strategy. Therefore, construction materials, F&B, real estate and banks are still our favourite sectors in the coming time.



VN Index

Sector valuation

Industry group	Weight %	1M %	3M %	YTD %	2009PE	2010PE	2011PE	2014PE	P/B	Dvd Yield	ROE	Gross Margin	Op Margin	Net Margin	Net D/E
Vietnam Market	100.0%	3.7%	8.0%	5.7%	14.7	12.9	11.3	8.4	2.8	2.6	20.2	33.2	23.2	23.9	1.3
Automobiles & Components	1.3%	0.3%	-1.8%	-5.1%	11.8	9.6	7.7	5.6	3.7	0.4	27.1	17.2	10.0	6.8	0.8
Banks	19.8%	-0.6%	-1.9%	-6.3%	13.5	11.8	10.3	8.0	1.6	2.1	11.1	35.4	23.0	16.9	6.0
Capital Goods	4.1%	2.2%	5.9%	-2.1%	12.7	11.6	10.0	8.0	2.7	3.2	22.0	26.1	17.4	13.5	0.1
Commercial Services & Supplies	0.3%	1.6%	8.9%	1.8%	7.9	5.8	4.4	2.9	1.5	5.6	18.5	38.2	14.5	9.3	0.2
Consumer Durables & Apparel	1.0%	7.6%	16.9%	8.0%	14.4	12.5	11.1	9.5	2.1	1.6	14.0	8.5	4.5	2.9	-
Consumer Services	1.5%	28.0%	24.2%	8.6%	-	-	-	-	-	-	-	-	-	-	-
Diversified Financials	5.6%	-1.9%	4.5%	0.1%	10.2	9.7	8.9	7.1	1.4	0.1	13.5	46.8	40.8	126.4	-0.4
Energy	5.6%	4.3%	3.1%	-8.5%	8.7	8.8	7.8	5.8	2.8	3.6	29.6	27.1	23.0	15.2	2.0
Food, Beverage & Tobacco	15.5%	8.4%	18.5%	20.7%	12.8	10.7	8.7	6.5	4.1	3.4	30.9	33.0	18.9	17.7	-0.3
Household & Personal Products	0.3%	6.9%	60.4%	55.5%	50.5	41.9	33.3	16.2	1.4	0.7	4.4	24.4	7.9	4.0	0.7
Insurance	7.9%	15.0%	32.5%	45.5%	28.1	24.9	21.8	16.8	2.9	2.2	10.0	23.7	2.4	8.7	-1.7
Materials	8.6%	-7.5%	-2.3%	-4.6%	9.7	10.3	9.0	8.2	2.7	3.1	25.2	27.6	21.9	19.3	-
Pharmaceuticals & Biotechnology	3.6%	-0.8%	-7.0%	-15.7%	9.6	9.0	7.3	4.6	1.6	3.4	15.7	32.9	10.6	8.4	-0.1
Real Estate	16.5%	3.9%	6.0%	4.5%	22.8	18.3	16.5	10.9	4.1	2.1	23.6	45.9	41.4	27.3	0.6
Retailing	3.9%	4.5%	15.8%	11.3%	10.3	8.2	6.6	4.7	3.7	2.8	32.7	18.6	9.7	5.5	0.3
Transportation	2.1%	3.6%	12.5%	2.7%	17.0	19.4	24.4	7.8	1.5	1.6	11.8	20.4	15.5	10.1	0.6
Utilities	2.6%	12.4%	7.3%	3.7%	7.7	5.7	5.1	6.2	1.3	5.5	15.6	39.6	37.7	37.4	0.4

* Vietnam Market comprises of both the Ho Chi Minh Stock Exchange (HoSE) and the Hanoi Stock Exchange (HNX).

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

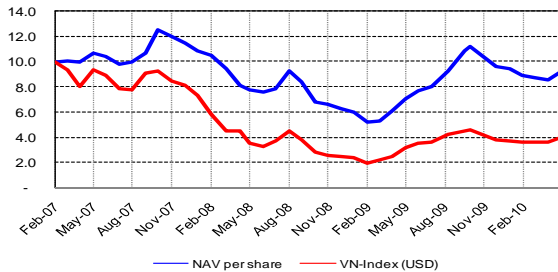
Vietnam Emerging Market Fund (VEMF)

NAV per share	US\$9.14
Apr-10	6.5%
YTD	-2.8%
Since inception (Feb 07)	-8.6%
Reuters	65092798
Bloomberg	VAMVEMF KY Equity
ISIN	KYG 936131005
CUSIP	G93613100

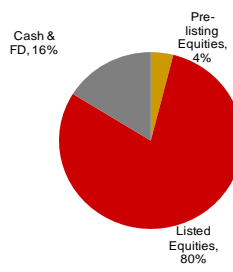
VEMF is a Cayman open-ended fund with monthly liquidity for offshore investors. The Fund invests in private equities, privatization, OTC and listed stocks in Vietnam on an actively-managed basis.

As at end April, the Fund's NAV per share was \$9.14. With a 6.5% increase MoM, the Fund still continued to lead the VN-Index (in US\$), recording outperformance of 51.37% since inception.

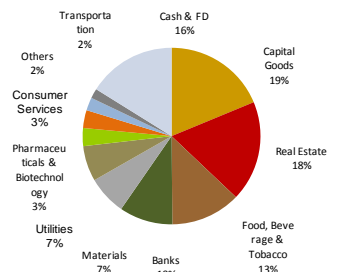
Performance vs. VN-Index (US\$)



Fund Breakdown



Sector Breakdown



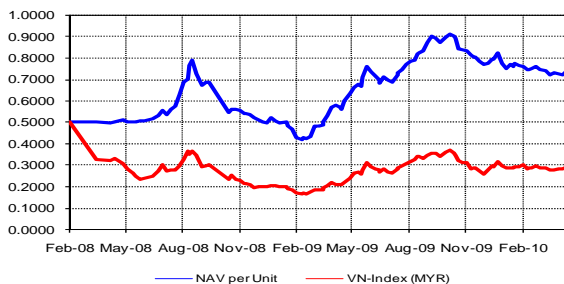
HLG Vietnam Fund (HLGVF)

NAV per unit	RM 0.7388
	US\$ 0.2309
Apr-10	2.54%
YTD	-6.87%
Since inception (Feb08)	47.8%
Bloomberg	HLGVIET:MK

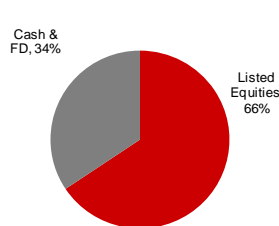
HLGVF is an actively-managed open-ended unit trust for Malaysian high-net-worth investors. The Fund invests in OTC, pre-listing and listed stocks in Vietnam.

As at end April, the Fund's NAV per unit was RM0.7388. With a 2.54% increase MoM, the Fund still continued to lead the VN-Index (in MYR), recording outperformance of 89.3% since inception.

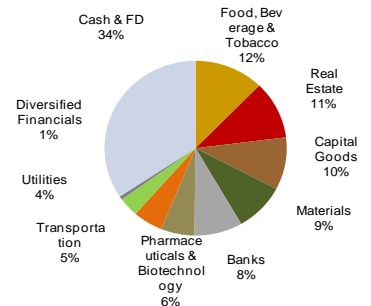
Performance vs. VN-Index (MYR)



Fund Breakdown



Sector Breakdown



HS-VAM Vietnam Index Linked Fund (VILF)

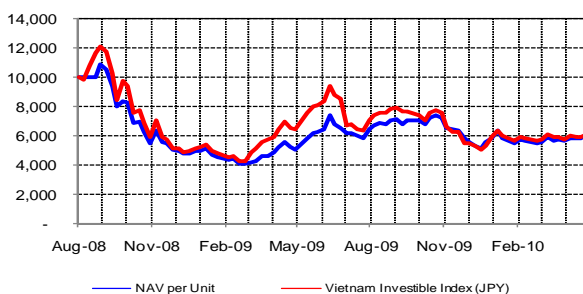
NAV per unit	JPY 6,041
	US\$ 64.22
Apr-10	6.4%
YTD	3.3%
Since inception (Jul08)	-39.6%
Bloomberg	VAMINLI KY Equity

VILF is a Cayman open-ended unit trust for Japanese retail investors. The Fund invests in top 20 investible listed blue-chips in Vietnam on a passively-managed basis.

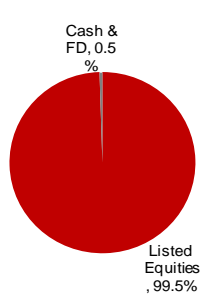
The Fund's NAV per unit increased 6.4% MoM to close at JPY 6,041 on 28 April 2010.

As of 28 Apr '10

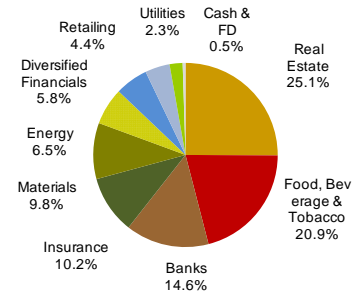
Performance vs. VII (JPY)



Fund Breakdown



Sector Breakdown



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