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Market Update

Investor conservative sentiment kept the market's fluctuation in a narrow band in the first half of April before it broke through the strong resistance level of 580 points on 22 April to close the day at YTD-high at 592.48 points. Positive mood continued to the month-end with robust foreign capital inflows. Excluding the large net sold amount of VinGroup (VIC), foreigners played as net buyers with total value of US\$56mn, the highest monthly number over the past 12 months. Market liquidity in general slightly decreased by -8% MoM though with average daily trading value at VND2,860bn (US\$127mn). Closing an exciting April, VN-Index successfully advanced to 598.4 points, +6.6% MoM meanwhile HNX-Index increased to 80.7 points, +2.1% MoM.

New Prime Minister elected on 6 Apr with tough tasks ahead

On 6 April, Mr. Nguyen Xuan Phuc was elected as the new Prime Minister of Vietnam for a 5-year term from 2016-2020. Three days later, a complete list of the new cabinet with 27 members was released, 22 of whom are new faces including the new central bank governor - Mr. Le Minh Hung. As Vietnam is currently under lots of pressure from banking system reform, state-owned sector restructure to high public debt and a severe drought and salt-water intrusion, the new Government faces many challenges to achieve the set target of 6.7% GDP growth in 2016 while still adhering to commitments in signed free trade deals.

Registered FDI continued to surge thanks to massive projects and loosening investment policies

Registered FDI in 4M16 continued to reach a high

level at US\$6.9bn (+85% YoY) while disbursed FDI was also up 12% YoY at US\$4.7bn. Korea is so far the largest FDI investor, accounting for 36% of total registered amount, followed by Singapore (7%) and Taiwan (6%). Vietnam is on the way to loosen its protection of domestic companies by allowing foreign firms to participate in more sectors such as retail fuel market since 2017 in accordance with its commitment when joining WTO and other FTAs. The new Prime Minister also showed strong commitment in fighting bureaucracy and corruption to support businesses, hence the country's economic growth, in his first address to the business community, both local and foreign, on 29 April in Ho Chi Minh City, which further enhanced investor confidence in doing business in Vietnam.

A trade surplus of US\$1.48bn up to mid-April; Manufacturing Purchasing Manager's Index (PMI) in April at record 9-month high

According to Vietnam's Customs Office, Vietnam had a trade surplus of US\$1.48bn from the beginning of the year to mid-April versus a deficit of US\$3.25bn recorded in the same period last year. The FDI sector continued to be the main contributor with a net surplus of US\$5.64bn during the period vs. US\$1.26bn surplus for the same time in 2015. This will support the current account and currency. Another positive signal is Vietnam Manufacturing Purchasing Manager's Index (PMI) reached 52.3 points in April, markedly higher than 50.7 points in March, thanks to continuous expansion of new orders and significant increase in input/output price.

Our view

Record 9-month PMI reading in April, following 4 consecutive months of above 50-threshold, indicated that Vietnam manufacturing continues its expansion this year at a faster pace. In addition, with strong activities of FDI sector contributing to a trade surplus YTD, controlled inflation and stable currency, the broad economic picture looks bright. Though gloomy oil revenue and fierce drought are creating headwinds, Vietnam's GDP growth in 2016 is widely forecasted at 6.5%, slightly lower than Government target of 6.7% but still one of the highest growth across the region. On the market side, according to the State Securities Commission, Vietnam market is on track to satisfy MSCI criteria of emerging-market status. We think multiple tasks still lie ahead to be fulfilled before the upgrade is approved. But it is worth every effort. Over the longer-term, Deputy Prime Minister Vuong Dinh Hue committed to scale up the stock market size to 70% of GDP by 2020 from roughly 30% at the moment. All in, we see Vietnam market has a lot of potential to deliver to investors.

Sector Valuation

Industry group	Weight %	1M %	3M %	YTD %	2015 PE	2016 PE	2017 PE	2021 PE	P/B	Dvd Yield	ROE	Gross Margin	Op Margin	Net Margin	Net D/E
Vietnam Market	100.0	5.3	9.7	3.3	23.8	15.1	13.6	9.2	2.7	4.5	18.6	34.7	18.6	14.8	3.79
Automobiles & Components	1.2	3.9	12.6	1.9	8.4	7.6	7.3	5.5	1.6	6.2	23.8	28.0	22.6	19.2	0.4
Banks	29.1	4.7	4.2	-3.0	15.2	13.1	11.6	8.6	1.6	3.7	12.6	40.3	16.6	11.8	13.1
Capital Goods	3.2	-4.1	17.4	12.2	10.8	9.2	8.5	6.3	1.7	5.0	19.6	31.0	16.1	15.0	-0.3
Commercial Services & Supplies	0.7	8.8	6.2	2.9	13.0	9.8	9.1	6.1	2.0	2.8	22.6	28.6	16.2	14.3	-0.5
Consumer Durables & Apparel	1.0	10.6	10.6	13.1	162.0	15.6	18.5	8.9	2.5	3.1	19.5	14.4	7.7	5.0	0.7
Consumer Services	0.3	12.7	21.4	16.8	9.1	7.6	6.8	5.1	1.5	-	22.8	52.5	36.8	29.0	-0.1
Diversified Financials	2.0	1.7	7.5	2.2	14.1	12.3	10.8	-	1.4	5.2	11.8	60.3	53.7	52.7	-0.7
Energy	10.2	14.0	28.6	33.9	11.1	14.5	12.9	9.0	2.2	6.1	15.2	17.0	12.3	11.0	-0.3
Food & Staples Retailing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food, Beverage & Tobacco	19.6	-4.1	0.1	-6.1	29.3	25.0	22.4	14.2	5.5	3.0	27.2	39.8	20.4	13.7	-
Health Care Equipment & Services	0.1	0.0	16.1	-20.4	-	-	-	-	-	-	-	-	-	-	-
Household & Personal Products	0.6	10.6	34.3	32.6	14.2	9.1	8.0	6.1	1.5	3.6	17.8	27.5	12.4	11.9	-0.1
Insurance	4.7	12.5	15.1	10.7	13.2	11.1	11.6	3.0	1.4	1.8	13.6	22.6	-0.1	20.9	-0.9
Materials	5.5	8.6	15.2	11.1	8.1	8.3	7.9	10.1	1.4	7.3	18.5	22.1	14.8	11.5	0.4
Pharmaceuticals & Biotechnology	1.6	-1.2	24.8	25.0	13.5	12.2	11.4	7.9	2.3	3.4	20.6	38.4	16.8	13.0	-
Real Estate	11.1	9.0	7.1	3.6	65.8	13.5	12.6	8.3	3.2	4.8	18.4	38.6	28.4	18.0	0.4
Retailing	1.6	-2.9	-0.3	-3.8	12.3	10.6	9.5	6.3	2.8	7.9	29.8	13.2	4.8	3.8	-0.2
Software & Services	0.2	-7.8	4.3	3.6	19.8	15.0	14.2	9.5	1.2	3.6	8.0	34.0	17.3	14.1	-0.3
Telecommunication Services	1.9	1.9	4.2	1.3	10.2	9.7	7.5	5.1	2.0	4.1	19.6	18.8	7.3	4.6	0.3
Transportation	3.1	-1.7	2.2	-2.3	14.3	12.7	11.8	8.6	2.3	4.3	20.2	34.0	26.3	20.6	-0.1
Utilities	2.5	-4.6	6.5	4.4	9.6	8.9	8.0	6.4	1.3	9.1	15.8	34.6	31.8	26.6	0.6

* It is generated by VAM in-house Company Analysis System - VCAS at of 29 April, 2016 comprising of both bourses

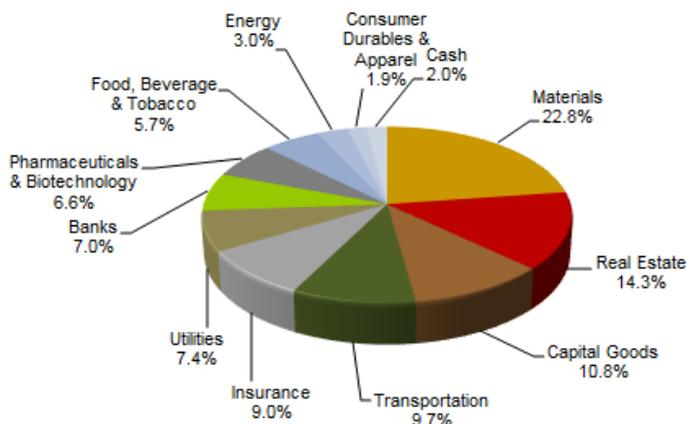
Vietnam Emerging Market Fund SICAV (VEMF SICAV)

	Class A	Class B
Inception date	19-Jun-14	31-Jul-14
NAV per share	EUR 1,046.29	EUR 1,025.39
29-Apr-16	7.1%	7.1%
YTD	1.2%	1.0%
Since inception	4.6%	2.5%
Reuters	68266524	68266525
Bloomberg	IPCHEMA LX	IPCHEMA LX
ISIN	LU1042536018	LU1042536281
Securities No.	A1XE8U	A1XE8V

VEMF SICAV is a Luxemburg-incorporated UCITS compliant open-ended fund with daily liquidity for European investors. The fund invests in public listed equities and equity-related securities in Vietnam, on an actively-managed basis.

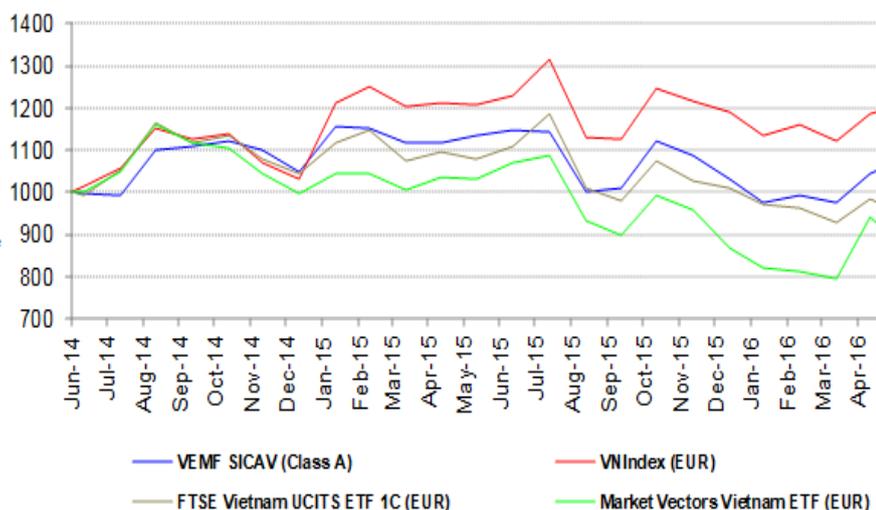
In April, the Fund (share-class A) showed a strong return of 7.1% MoM versus 5.8% MoM of the VN-Index in Euro term. The Fund significantly outperformed the Market Vectors Vietnam ETF by 4.1% in Euro term and the DB x-trackers FTSE Vietnam UCITS ETF by 1.2%.

Sector Breakdown



Source: Union Investment Financial Services S.A.

Performance of Class A vs. VN-Index (EUR) and ETFs (EUR)



Source: Bloomberg, HOSE, VAM, HSBC exchange rate

Vietnam Emerging Market Fund (VEMF Cayman)

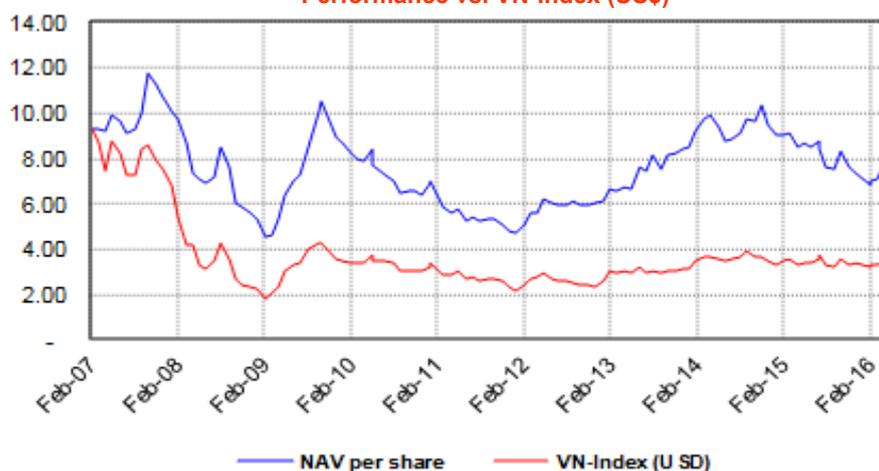
VEMF is a Cayman open-ended fund with monthly liquidity for offshore investors. The Fund invests in private equities, privatization, OTC and listed stocks in Vietnam on an actively-managed basis.

In April, the Fund showed a strong return of 7.7% MoM versus 6.3% MoM of the VN-Index in USD term. The Fund also significantly outperformed the Market Vectors Vietnam ETF by 4.7% and the DB x-trackers FTSE Vietnam UCITS ETF by 1.1% in USD term.

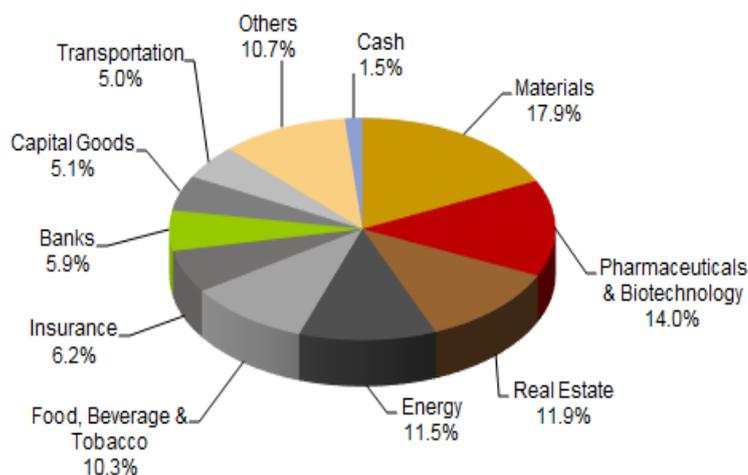
Fund performance

NAV per share	US\$7.66
Apr-16	7.7%
YTD	4.4%
Since inception (Feb 07)	-17.3%
Reuters	65092798
Bloomberg	VAMVEMF KY Equity
ISIN	KYG 936131005
CUSIP	G93613100

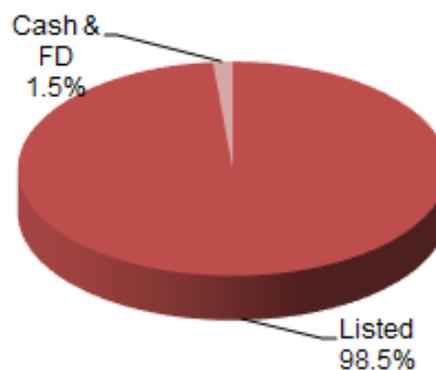
Performance vs. VN-Index (US\$)



Sector Breakdown



Fund Breakdown



Source: VAM, HOSE, HSBC FX rate

Disclaimer:

The current Sales Prospectus, the Key Investor Information Document (KIID), the Articles of Association as well as the annual and semi-annual reports of the Vietnam Emerging Market Fund SICAV ("the Fund") are the sole binding basis for the purchase of fund shares. These documents can be obtained in English and free of charge from the Fund Manager's website (www.vietnamam.com) and the Management Company's website (www.ipconcept.com).

the source of NAV.

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