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Market Update

The market fluctuated in a narrow range in March with its uptrend from February being unable to continue into the second half of the month. However, average daily trading value increased sharply, up 27% MoM on Ho Chi Minh Stock Exchange and +42% MoM on Hanoi Stock Exchange. Also, foreigners returned to a net buy position (net buy value of US\$30m) after four consecutive months of being net sellers. Ending March, both main indices VN-Index and HNX-Index were almost flat, at 561.2 points and 79.05 points, respectively.

1Q16 GDP growth rate slowed down amid unfavorable climate change

GDP growth rate in 1Q16 was estimated at 5.46% YoY, a slowdown when compared to 6.12% growth recorded in the same period last year. Services sector was the main driver with an increase of 6.13% YoY (up from 5.68% YoY in 1Q15) thanks to marked improvement in Retail, Financial Services and Transportation. Industry & Construction sector, though having a decelerated growth at 6.72% YoY in 1Q16 (vs. 8.74% YoY in 1Q15), contributed 2.33 percentage points to the general growth. Noticeably, Construction witnessed a strong increase at +9.94% YoY, the highest level since 2010. In contrast, Agriculture, Forestry & Fishery sector, which declined by 1.23% YoY as a consequence of harsh cold season in the North, severe drought coupled with saltwater intrusion in the South Central Coast, the Central Highlands and the Mekong Delta- a major hub for Vietnam's agricultural production, was quoted as the main reason for the lower growth in Q1. That being said, in comparison with peer countries, Vietnam is expected to remain a regional

growth outperformer in the next 2 years thanks to strong manufacturing activities and FDI inflows, according to Moody's Investor Service (March 2016).

Registered foreign direct investment (FDI) doubled the amount in 1Q15, exceeding US\$4b

Registered FDI in 1Q16 increased strongly, up 119% YoY, at over US\$4b, while disbursed FDI reached US\$3.5b (+14.8% YoY). Processing & Manufacturing continued to attract most of capital inflow (72% of total registered FDI). Some noticeable projects registered in March included (Korea) Samsung's R&D Center in Ha Noi (worth US\$300m) and (UK) Zinco Resources' steel-dust-recycling plant in Ba Ria-Vung Tau province (US\$115m). Recently, Nestlé (Switzerland) has announced the construction of its 6th factory in Vietnam which costs US\$70m, increasing its total capital invested in Vietnam from US\$24m in 1995 to US\$520m in 2016 on the back of the country's huge labor resources, improved infrastructure and transportation network. Most recently on 5 April, (Korea) LG Display Corp. signed an MoU with Hai Phong on its second US\$1.5

billion project to be built in this northern province, after its first same-sized project went into operations in March 2014. Construction for the new project is scheduled to start next month.

A trade surplus and positive Purchasing Managers' Index (PMI) in March

In 1Q16, Vietnam recorded a trade surplus of US\$776m thanks to encouraging export activities from FDI sector (turnover up 5.8% YoY). Of US\$37.9b total export turnover (+4.1% YoY), 20% was from telephone and spare parts, 13.6% from textiles and 10% from electronic components. America and EU remained the biggest export markets, with a turnover of US\$7.9b and US\$7.5b, respectively. On the other hand, import turnover fell to US\$37.1b (-4.8% YoY). China continued to be the biggest exporter to Vietnam in 1Q16, accounted for US\$10.4b, followed by ASEAN countries with US\$5b. On manufacturing side, Vietnam's PMI ticked at 50.7 points in March, higher than 50.3 recorded last month, indicating a faster pace of growth in manufacturing activities owing to a modest increase in number of new orders, both export and domestic.

Our view

Unfavorable climate change has taken its toll on Vietnam's economy. Lower-than-expected GDP growth in 1Q16 was largely attributable to the decline of Agriculture, Forestry & Fishery sector – victims of harsh weather conditions. However, in general Q1 historically accounts for about 18-19% of the whole year growth. If the severity of the weather persists in coming quarters, the new Government would be expected to apply further growth-spurring measures to (closely) achieve targeted 6.7% GDP growth in 2016. Meanwhile, other sectors continued to do well on the back of resilient domestic consumption, robust manufacturing activities, stable currency, coupled with continued FDI influx. We think growth outlook for the economy remains positive. Market-wise, with combination of a positive macro theme, good corporate earnings prospect, attractive valuation and significantly visible relaxation of foreign room of one of the most favourite blue-chips Vinamilk, which can start in as soon as May 2016, we expect to see more sizeable inflows into the market in the coming time, hence improve liquidity further.

Sector Valuation

Industrial Groups	Weight %	1M %	3M %	YTD %	2016 PE	2017 PE	2018 PE	P/B	Dvd Yield	ROE	Gross Margin	Op Margin	Net Margin	Net D/E
Vietnam Market	100.00	1.88	-1.65	-1.58	13.4	12.6	10.9	2.8	4.5	21.0	34.8	18.8	15.7	4.12
Automobiles & Components	1.22	3.91	-0.64	-1.41	7.2	6.9	5.9	1.6	6.5	23.7	26.9	21.6	18.2	0.4
Banks	29.72	-2.09	-9.07	-7.36	13.9	12.5	11.0	1.7	3.1	12.5	39.9	16.2	11.6	13.7
Capital Goods	3.36	17.90	18.45	17.60	9.7	8.9	7.8	1.8	5.0	19.5	29.5	15.3	14.3	-0.2
Commercial Services & Supplies	0.71	-1.04	-4.03	-4.10	9.2	8.4	7.3	1.9	3.1	22.0	29.1	15.9	14.0	-0.5
Consumer Durables & Apparel	1.04	-1.15	2.32	1.63	12.6	16.8	9.5	2.2	3.5	21.6	16.1	10.2	6.4	1
Consumer Services	0.32	2.52	5.47	4.81	8.1	7.2	6.5	1.5	-	22.1	53.8	36.8	29.1	-0.1
Diversified Financials	1.92	-3.45	-2.03	0.45	12.3	10.7	9.4	1.4	5.2	11.8	59.9	53.4	52.6	-0.7
Energy	9.58	4.67	15.52	16.62	10.9	8.9	7.9	1.8	7.1	17.0	19.0	13.9	12.0	-0.3
Food, Beverage & Tobacco	19.58	-1.76	-2.06	-1.36	18.4	19.2	17.1	6.3	3.2	34.8	39.5	21.1	18.0	-0.3
Health Care Equipment & Services	0.05	-12.27	-18.87	-20.38	-	-	-	-	-	-	-	-	-	-
Household & Personal Products	0.56	10.20	21.97	23.15	8.4	7.4	7.0	1.4	3.4	17.8	26.9	11.5	11.4	0.1
Insurance	4.68	-0.48	-3.69	-2.40	9.6	10.1	5.7	1.2	2.0	13.6	22.5	-0.1	20.9	-0.9
Materials	5.51	3.68	1.03	2.35	7.7	7.4	6.8	1.3	7.9	18.7	22.3	15.1	12.0	0.4
Pharmaceuticals & Biotechnology	1.49	4.76	28.10	27.80	11.3	9.4	8.2	2.4	3.7	22.4	42.1	17.1	14.0	0.1
Real Estate	11.59	4.41	-3.47	-4.59	13.2	11.6	10.1	3.1	5.2	23.5	39.2	28.9	17.8	1.1
Retailing	1.63	0.71	-2.75	-1.51	10.7	9.4	8.1	2.9	7.8	31.4	13.8	4.9	4.0	-0.2
Software & Services	0.20	7.31	12.33	12.06	21.4	19.5	16.3	1.8	4.9	8.2	22.6	9.5	7.2	0.3
Telecommunication Services	1.89	-0.72	-1.76	-0.66	9.4	7.3	6.5	1.9	4.2	19.6	18.8	7.3	4.7	0.3
Transportation	2.51	1.98	-2.20	-0.89	10.0	9.1	7.8	2.5	4.6	24.8	31.5	24.7	21.2	-0.1
Utilities	2.43	10.48	6.64	7.53	9.5	8.8	8.0	1.4	8.2	16.0	36.1	32.9	29.8	0.4

* It is generated by VAM in-house Company Analysis System - VCAS at of 31 March, 2016 comprising of both bourses

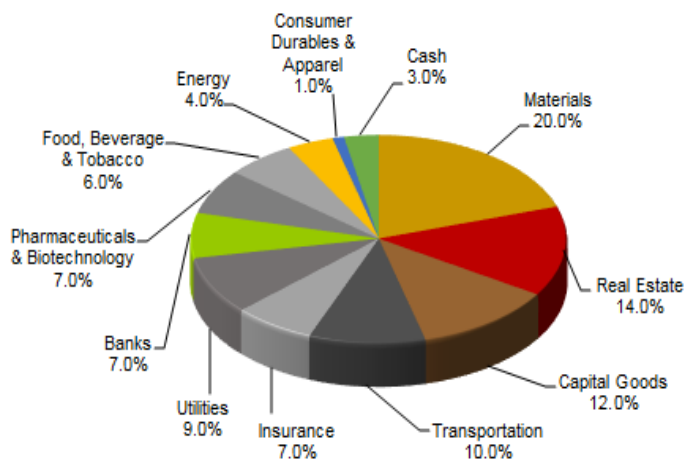
Vietnam Emerging Market Fund SICAV (VEMF SICAV)

	Class A:	Class B:
Inception date	19-Jun-14	31-Jul-14
NAV per share	EUR 977.00	EUR 957.80
Mar-16	-1.51%	-1.51%
YTD	-5.50%	-5.60%
Since inception	-2.30%	-4.20%
Reuters	68266524	68266525
Bloomberg	IPCVEMA LX	IPCVEMB 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.

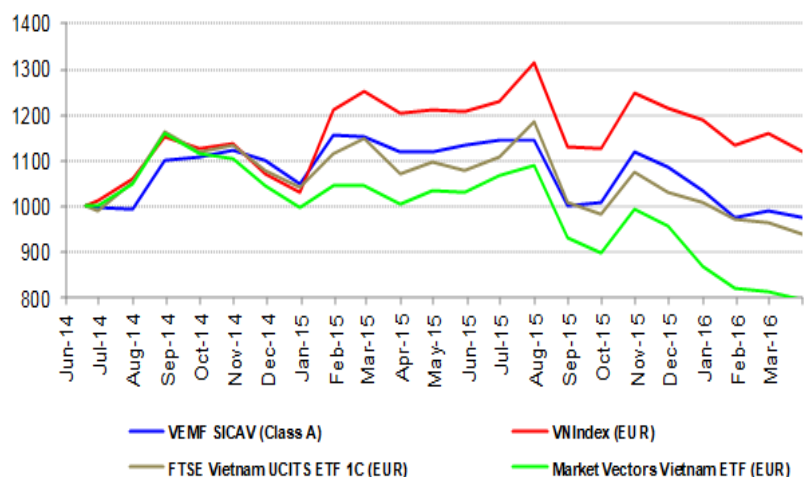
In March, the Fund (Class A) decreased 1.5% MoM versus -3.3% MoM of the VN-Index in Euro term. The Fund also significantly outperformed the DB x-trackers FTSE Vietnam UCITS ETF by 4.3%, and the Market Vectors Vietnam ETF by 0.9% in Euro term. During the month, foreign investors net bought approximately US\$30m versus net selling of US\$11m in February.

Sector Breakdown



Source: Union Investment Financial Services S.A.

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



Source: Bloomberg, HOSE, VAM, HSBC exchange rate

Vietnam Emerging Market Fund (VEMF Cayman)

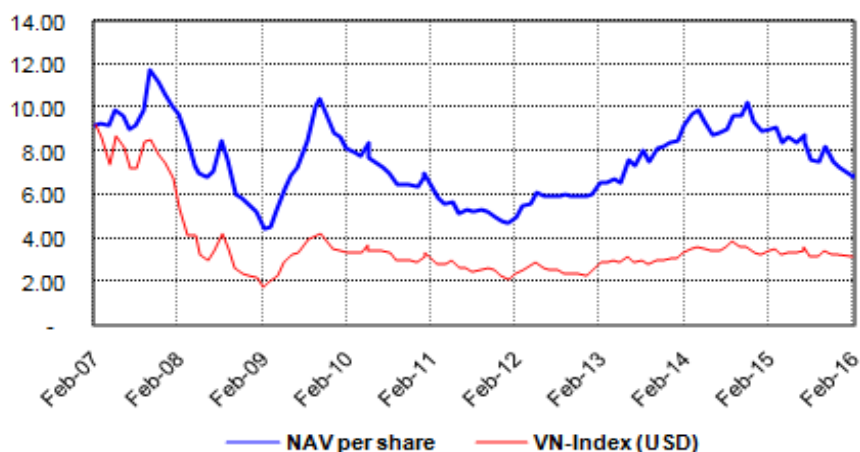
VEMF is a Cayman open-ended fund with monthly liquidity for offshore investors. The Fund invests in private equities, privatization, OTC and listed stocks in Vietnam on an actively-managed basis.

In March, the Fund increased 2.01% MoM versus 0.36% MoM of the VN-Index in USD term. The Fund also significantly outperformed the DB x-trackers FTSE Vietnam UCITS ETF by 2.38% in USD term and the Market Vectors Vietnam ETF by 0.82%.

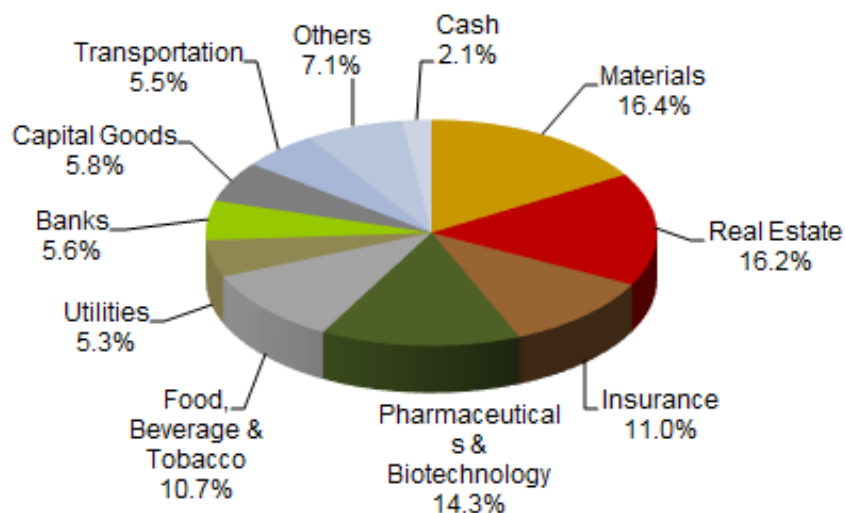
Fund performance

NAV per share	US\$7.11
Mar-16	2.00%
YTD	-3.10%
Since inception (Feb 07)	-23.20%
Reuters	65092798
Bloomberg	VAMVEMF KY Equity
ISIN	KYG 936131005
CUSIP	G93613100

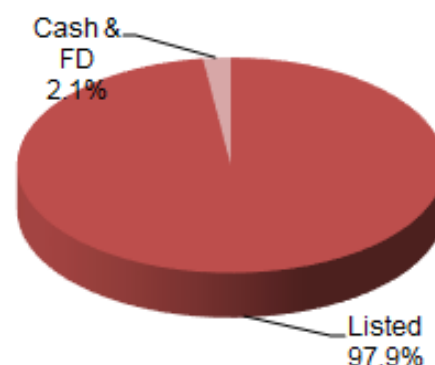
Performance vs. VN-Index (US\$)



Sector Breakdown



Fund Breakdown



Sources: VAM, HOSE

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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