

30 September '09

Market Update

Vietnam's economy continues its solid recovery with GDP growth rate of 4.56% through the first 9 months, making the government target of 5% for FY09 an easy task. Year to date industrial output picked up to 6.5%, the highest rate this year, providing further evidence that the economic recovery is spreading from construction to manufacturing sector. The retail sales growth improved modestly to 18.6% year to date in September from 18.4% in August. Concern about the return of inflation was slightly fostered when CPI rose 0.62% MoM in September, marking the highest level since March this year. However, the government kept confidence with the view that CPI would increase less than 1.0%/month on average in 4Q09 CPI and end the year at around 10%.

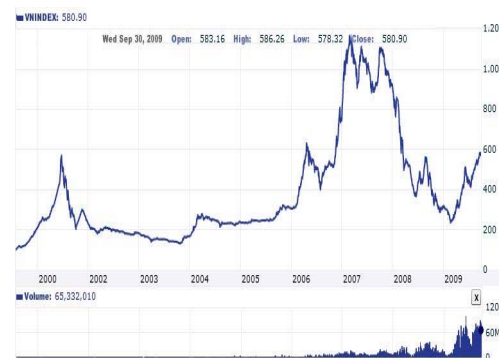
September saw exports and imports decrease 14.3% and 25.2% respectively year to date, causing the nine month trade deficit to reach US\$6.5 billion, though it was still within the government's expected range of US\$10 billion for the whole year. Policy makers are considering the second stimulus package to support local enterprises, especially those in manufacturing and export sectors, as they think these enterprises need

a transitional phase after the first package finishes by year end.

The VN-Index experienced another bullish month, ending September at 580.9, up 6.24% MoM. However, the last few days saw an expected correction after the constant uptrend for most of the month.

For the quarter ending September 30th, the stock market advanced an impressive 30%, with some stocks even ending 100%-200% higher. We have observed that those stocks that exhibited such phenomenal performances are often those that either announced upward revisions to their FY09 profit targets or were rumored to have certain corporate actions pending. These one-off increases in some companies' FY09 profit guidance, which were the main cause of such rapid surge in stock price performance of the underlying companies, were mostly due to financial investments or revaluation of assets (e.g. land).

For instance, one of the largest food manufacturing companies has recently doubled its profit target for the current year based only on land revaluation. This news caused the company's stock price to surge proportion-



VN Index

ately (i.e. double!) in the same period. Another company in the port business was rumored to have sold one of its ports and booked huge gains amounting to 3 times its previously announced FY09 profit target. That company's share price advanced 250 percent within three months and the price surge only stopped when the management stepped out to correct the rumor.

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%	-2%	14%	49%	19.6	18.5	16.4	10.6	3.7	2.1	14.8	23.1	16.0	18.5	0.1
Automobiles & Components	1%	44%	104%	390%	15.2	15.9	13.0	10.3	6.2	0.7	34.2	18.0	9.9	8.0	0.7
Banks	25%	-5%	-5%	71%	20.2	19.1	17.9	12.4	3.4	2.5	-	-	-	-	-
Capital Goods	3%	15%	47%	147%	14.2	13.9	12.6	8.6	3.5	2.5	26.1	30.8	20.5	18.7	0.3
Commercial Services & Supplies	0%	29%	62%	95%	-	-	-	-	-	-	-	-	-	-	-
Consumer Durables & Apparel	1%	4%	12%	56%	14.7	15.7	13.6	10.4	2.9	1.5	17.6	5.5	3.0	2.0	-0.2
Consumer Services	3%	-10%	8%	19%	-	-	-	-	-	-	-	-	-	-	-
Diversified Financials	5%	13%	29%	180%	29.5	28.1	25.4	15.8	2.7	-	10.8	32.3	24.9	106.9	-0.3
Energy	6%	3%	16%	21%	15.8	16.2	14.7	9.1	4.6	2.5	27.8	24.9	20.3	15.6	1.7
Food, Beverage & Tobacco	10%	-27%	17%	38%	16.0	18.4	15.6	11.4	5.8	2.6	31.5	32.7	18.2	19.1	-
Household & Personal Products	0%	12%	25%	52%	26.8	16.6	13.7	6.0	0.7	1.2	4.3	24.1	7.6	3.1	1.0
Insurance	9%	-6%	-22%	-12%	27.6	23.0	20.4	13.7	2.4	2.6	8.7	24.2	1.9	9.3	-0.9
Materials	12%	-2%	21%	63%	13.5	13.4	12.1	9.9	4.1	2.4	24.5	27.9	22.1	19.6	-
Pharmaceuticals & Biotechnology	2%	12%	28%	39%	16.3	15.2	12.2	6.9	3.2	2.1	17.7	42.4	10.4	9.3	-0.3
Real Estate	12%	20%	50%	37%	30.9	26.1	20.3	9.8	4.3	0.4	14.3	52.8	45.2	32.8	0.4
Retailing	4%	1%	25%	65%	14.3	13.0	11.9	6.1	4.3	2.2	27.0	11.3	6.7	4.7	-0.1
Transportation	2%	19%	79%	173%	18.3	24.8	28.5	10.4	2.5	0.3	13.7	20.7	15.2	13.5	0.1
Utilities	5%	-1%	16%	58%	13.4	11.7	9.9	7.2	2.6	4.1	19.4	40.1	38.2	37.6	0.5

* Vietnam Market composes 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

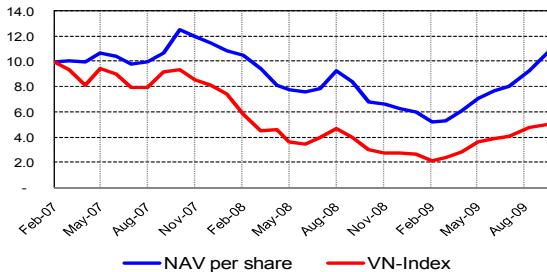
Vietnam Emerging Market Fund (VEMF)

NAV per share	US\$10.81
Sep-09	17.0%
YTD	71.3%
Since inception (Mar 07)	8.1%
Reuters	65092798
Bloomberg	VAMVEMF KY Equity
ISIN	KYG 936131005
CUSIP	G93613100

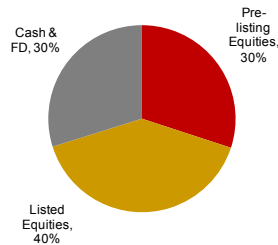
VEMF is a Cayman closed-end fund for offshore investors. The Fund invests in private equities, privatization, OTC and listed stocks in Vietnam.

As at end September, the Fund's NAV per share was \$10.81. With a 17% increase MoM, the Fund continued to lead the VN-Index, recording outperformance of 10.8% MoM and 57% since inception.

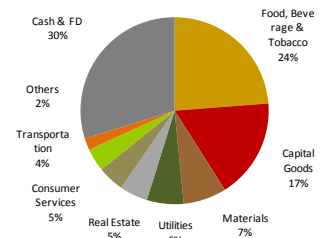
Performance vs. VN-Index



Fund Breakdown



Sector Breakdown



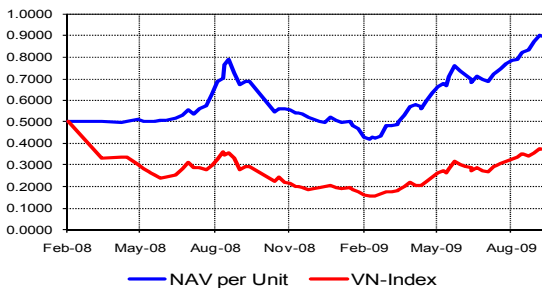
HLG Vietnam Fund (HLGVF)

NAV per unit	RM 0.8918
	US\$ 0.2560
Sep-09	8.7%
YTD	80.0%
Since inception (Mar08)	78.4%

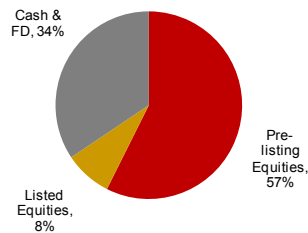
HLGVF is an actively-managed open-ended unit trust for Malaysian high-net-worth investors. The Fund invests in OTC, pre-listing and listed stocks in Vietnam.

As at end September, the Fund's NAV per unit was RM0.8918. With a 8.7% increase MoM, the Fund continued to lead the Index, recording outperformance of 2.4% MoM and 104.1% since inception.

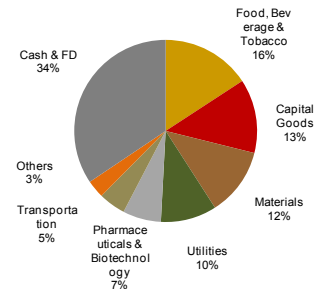
Performance vs. VN-Index



Fund Breakdown



Sector Breakdown



HS-VAM Vietnam Index Linked Fund (VILF)

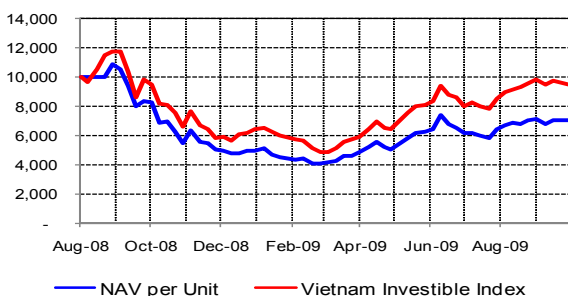
NAV per unit	JPY 7,056
	US\$ 78.81
Sep-09	-0.1%
YTD	42.3%
Since inception (Jul08)	-29.4%
Bloomberg	VAMINLI KY Equity

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.

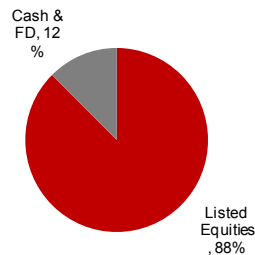
The Fund's NAV per unit decreased 0.1% MoM to close at JPY 7,056 on 30 September 2009.

As of 30 Sept '09

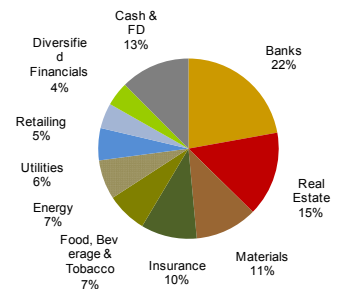
Performance vs. VII



Fund Breakdown



Sector Breakdown



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