

Capital markets

VN Index rallies 3.3%

The VN Index dropped 30 points in the first half of August before rallying in the second half, closing the month at 425 points, a 3.3 percent gain in USD terms. In contrast, the MSCI Asia ex-Japan and MSCI Emerging Markets indices in August dropped by 10.2 and 9.2 percent, respectively, due to the pessimistic global equities outlook.

Trading value and volume on Vietnam's two stock exchanges improved in August to USD760 million and 1.26 billion shares, respectively, month-on-month increases of 70 and 84 percent. The combined market capitalisation of both bourses was USD25.5 billion at the end of the month, at which point the VN Index traded at a trailing P/E of 9.3x and P/B of 1.6x.

Foreigners turn to selling

Foreign investors were net sellers of USD10.7 million in August, compared to net buyers of USD7.3 million the previous month. This was the largest monthly foreign capital remittance so far this year. For the year to date, foreigners have injected a total of USD145.1 million into Vietnam's listed equity markets.

Companies reporting results during August included VNI-investee Dam Phu My (DPM), a fertiliser producer, which saw Q2 2011 sales increase 60 percent over the same period last year, due mainly to the 35 percent rise in urea price. VOF-investee Phu Nhuan Jewelry (PNJ) announced net profit of VND147.8 billion for H1 2011, or 60 percent of the yearly target. PetroVietnam Insurance (PVI) sold a 25 percent stake to Germany-based Talanx Group, in a deal worth USD93 million.

Bond market picks up as inflation seen peaking

Bond market activity picked up in August, with USD269 million in government bonds issued successfully out of USD432 million auctioned. The bid-to-cover ratio increased dramatically from 1.94 in July to 3.17 in August, indicating a higher risk appetite among investors who now anticipate that inflation has peaked and that many banks will roll over the large amount of government bonds set to mature in the coming months. The winning rates of three- and five-year bonds declined slightly over the month to 12.28 and 12.40 percent, respectively, from 12.39 and 12.50 percent at the start of the month. Liquidity on the secondary market remained relatively low as USD334 million in sovereign bonds traded hands, with yields declining slightly across the curve.

During the month, the State Securities Committee (SSC) issued a draft guideline on margin trading that restricts the margin ratio to 30:70 (limiting brokerages to loans of no more than 30 percent of the value of a securities transaction). The guideline also restricts margin lending to eligible securities only, namely those listed for at least six months and whose book value is above face value. The draft guideline was criticised as too conservative, but the SSC said a prudent approach was needed given the heavy losses incurred by many securities firms during the last market decline.

Performance summary

Most recent NAV:	VOF (31 Aug 11)	VNL (30 Jun 11)	VNI (31 Aug 11)
NAV per share (USD) ¹	2.34	1.38	0.50
Change (%) ²	(from Jul 11)	(from Mar 11)	(from Jul 11)
Previous NAV	1.0	0.7	-1.7%
2011 YTD	-1.8	1.5	-12.7%
Since inception	140.9 (30 Sep 03)	42.3 (22 Mar 06)	-40.6% (5 Jul 07)
Issued shares ³	324,610,259	499,967,622	402,100,000
Total NAV (USDm)	759	689	200
Market cap (USDm)	457	380	102
Reuters	VOF.L	VNLL	VNI.L
Bloomberg	VOF LN	VNL LN	VNI LN
ISIN	KYG9361Y1026	KYG936361016	KYG936121022

¹ Unaudited. VOF and VNI NAVs are updated monthly, VNL NAV is update quarterly.

² Adjusted for dividends/distributions (see VNI, page 5).

³ VNI holds 930,700 shares in a treasury facility.

VN Index	31-Aug-11	30-Jul-11	52 wk low	52 wk high
Close	424.7	405.7	371.0	529.2
	M-o-M	YTD		
Change (%)	4.7%	-12.4%	14.5%	-19.7%
Trail P/E (x)	9.3	Est. P/E 2011 (x)	10.7	
P/B (x)	1.6			

Govt bonds	1 yr	3 yr	5 yr	10 yr
Yield curve (%)	12.3	12.4	12.5	12.7

Rice price drives August inflation

Economy

Inflation slowed in month-on-month terms as the CPI rose 0.9 percent in August, but it continues to be well above the roughly 0.5 percent historical average for this time of year. Food prices, particularly rice, rose in response to higher input prices, but are likely to moderate going forward. While the CPI growth rate may have peaked already, rising costs for education and renewed depreciation pressure on the VND continue to put inflation at the top of macro policy concerns.

Trade data shows positive trends

August saw a trade deficit of USD800 million, with gold exports falling to USD200 million and oil and gas imports rising to USD976 million, almost double the amount from July. Trade performance has been relatively positive for the year to date. Exports have risen 33.7 percent year-on-year, compared to a 25.4 percent increase in imports. Export value rose for both commodities and manufactured goods, with textile and footwear exports up 28.2 and 29.2 percent year-on-year, respectively.

Imports of steel, machinery and equipment have grown at a slower pace due to lower demand and a slowdown in the real estate market. Part of the growth in imports is price increases, not higher volumes. The year-to-date trade deficit is now USD8.5 billion excluding gold, compared to USD9.5 billion last year. FDI disbursements for the year total USD7.3 billion, on pace with 2010. Vietnam maintains a positive balance of payments considering FDI, official development assistance and overseas remittances.

Gold price continues to rise; VND under renewed pressure

The lingering pressure on Vietnam's currency is therefore more related to domestic economic issues than the trade deficit. August saw the VND move outside of its formal trading band for first time in four months, depreciating by roughly 1.8 percent over the month. There is a rush to gold, and the gold price rose in August after exports restricted supply for domestic buyers. The gold price in Vietnam is now higher than the international price. As domestic buyers continue to turn VND deposits back into USD, to buy gold, the VND may come under renewed pressure to depreciate. The government in August responded with new rules for gold exports and a decision to import gold to cool the market here. The VND is also under pressure given lower deposit rates and rising demand for USD to pay back USD-denominated loans.

State Bank meets with banking sector

The State Bank met with commercial banks at the end of August and subsequently announced measures to reduce interest rates, including enforcing the 14 percent ceiling on VND deposit rates and removing the loan-to-deposit ratio requirement. The State Bank also agreed to refinance 10 smaller commercial banks, at a cost of over USD700 million.

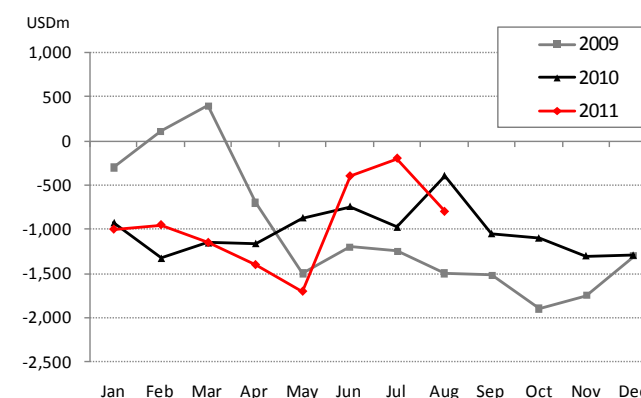
Macroeconomic indicators and forecast

	2010	Aug-11	YTD	Y-o-Y change
GDP growth¹	6.8%	n/a	5.6%	-17.9%
Inflation	11.8%	0.9%	15.7%	17.6%
FDI (USDbn)	18.6	1.0	7.3	0.7%
Imports (USDbn)	84.0	9.1	67.0	25.4%
Exports² (USDbn)	71.6	8.3	60.8	33.7%
Trade deficit (USDbn)	12.4	0.8	6.2	-24.4%
Exchange rate³ (USD/VND)	19,500	20,830	6.8%	6.8%
Bank deposit rate VND (%)	12.0-14.0%	12.0-14.0%	n/a	n/a

Note: GDP figure updated quarterly. Exchange rate is Vietcombank ask rate at end of period. Sources: GSO, SBV, VCB.

¹ Annualised rate. ² Includes gold. ³ State Bank central rate.

Monthly trade balance, 2009-2011



Portfolio developments

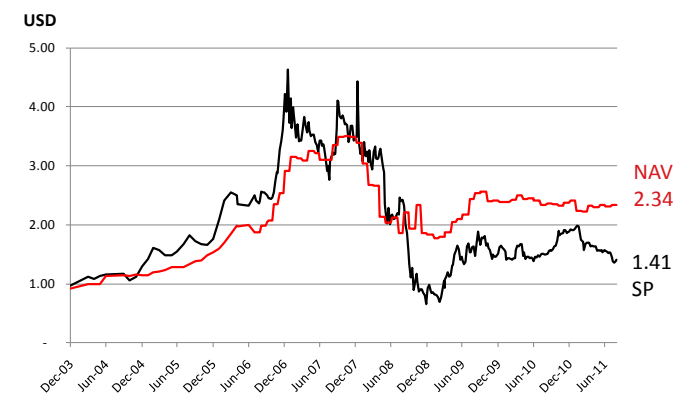
VOF's NAV rose to USD2.34 per share at the end of August 2011, from USD2.31 per share at the end of July 2011. The change is due mainly to a 3.6 percent gain in the capital markets component, with VNM, KDC and PNJ being the three major contributors to the gain, posting monthly returns of 9.6, 23.5 and 12.6 percent, respectively. The other asset classes held steady and the VND depreciated by 1.3 percent. The VOF share price meanwhile dropped by 7.8 percent to USD1.41 at the end of August, as equities markets globally continued to perform poorly. Listed investee Eximbank (EIB) posted strong H1 2011 results, with total income of USD122 million and net profit of USD62 million, up 85 and 78 percent year-on-year, respectively, due to high growth of net-interest income (up by 95 percent). *The Banker*, an international financial affairs publication, announced that EIB has entered the world's top 25 banks with high growth rates. Eximbank is the only bank in Vietnam and the Southeast Asian region to enter this year's top rankings, and was also listed as one of the world's top 1,000 banks.

31 August 2011

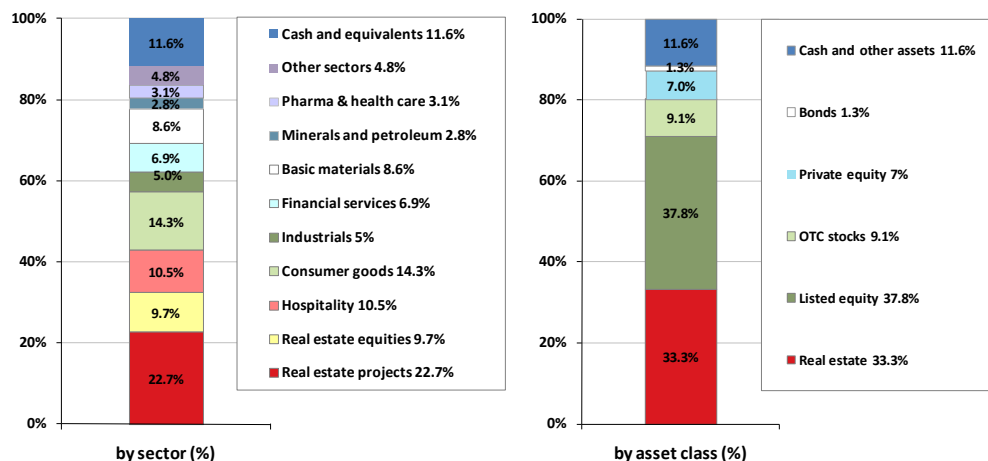
NAV **2.34** per share (↑ 1.0%)

Total NAV: USD759 million

NAV and share price performance (31 August 2011)



VOF portfolio (31 August 2011)



Top holdings

	Type	Sector	% NAV	Manager's comment
Metropole	Real estate	Hospitality	7.7	Vietnam's top city-centre hotel.
VNM	Listed equity	Consumer	7.2	Dairy firm with dominant market share.
EIB	Listed equity	Financials	5.1	One of Vietnam's fastest growing banks.
Century 21	Real estate	Residential	3.8	Township development near HCM City.
VNL	Listed equity	Real estate	3.6	VCIM-managed Vietnam fund.
An Giang	OTC	Materials	3.5	Leading agrochemicals producer.

Fund manager

Andy Ho

Fund background

VinaCapital Vietnam Opportunity Fund Ltd ("Vietnam Opportunity Fund" or "VOF") is a closed-end fund trading on the AIM Market of the London Stock Exchange.

VOF targets medium to long term capital gains with some recurring income and short term profit taking. Primary investment focus areas are: privately negotiated equity investments; undervalued/distressed assets; privatisation of state-owned enterprises; real estate; and private placements into listed and OTC-traded companies.

Download the VOF Factsheet at www.vinacapital.com/vof

Performance history (% change on NAV)

	2011	2010	2009	2008	2007
Jan	1.4%	-1.1%	-1.3%	-2.9%	14.6%
Feb	-7.1%	-0.3%	-3.7%	-10.2%	8.3%
Mar	-0.5%	1.9%	1.7%	-11.8%	-0.6%
Apr	4.0%	3.0%	4.4%	-0.8%	-1.3%
May	-1.0%	-2.5%	9.1%	-19.5%	5.1%
Jun	1.8%	0.6%	2.2%	-4.7%	-0.8%
Jul	-1.1%	-1.6%	3.8%	5.7%	-3.8%
Aug	1.0%	-3.3%	12.2%	9.8%	0.0%
Sep		1.4%	3.8%	-6.7%	8.1%
Oct		-0.8%	1.2%	-12.4%	4.2%
Nov		-0.7%	-6.5%	-1.9%	0.6%
Dec		2.1%	0.8%	-2.1%	-0.6%
YTD	-1.8%	-1.6%	29.7%	-46.6%	37.4%
VN Index*	-18.0%	-7.2%	47.7%	-68.6%	23.3%

* Expressed in USD terms.

Portfolio developments

VNL's share price fell by one cent to USD0.76 at the end of August 2011. Vietnam's real estate market continued to show weakness as high interest rates slowed project development and kept many residential home-buyers on the sidelines waiting for prices to soften. The weakening of secondary market sales has flowed onto primary sales with condominium projects under the most pressure. VNL projects with ongoing residential sales include World Trade Centre Danang, Danang Beach Resort, My Gia township in Nha Trang, and Dai Phuoc Lotus township near Ho Chi Minh City. All of these residential projects are now selling landed property (land lots and houses) except for the two condominium projects in Danang, which are more than 30 percent pre-sold. Sales at residential projects in August slowed slightly from previous months, however buyers are still present given the locations and products on offer. In the mid term, the residential sector is expected to strengthen again, particularly in the affordable price range given the demographics and demand among young urban dwellers to own a new home.

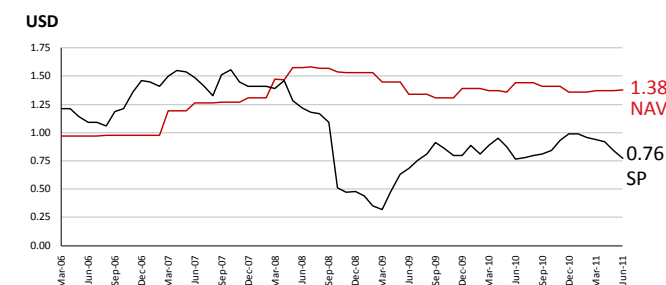
Upcoming projects to address this market include Truong Thinh Gardens (formerly HUD Dong Tang Long), a 33.7ha site in District 9, Ho Chi Minh City. The asset has been restructured so that VNL now holds 100 percent ownership enabling full control of the development. The development strategy is to finalise the infrastructure and introduce a co-investor to jointly develop the landed property component and launch in 2012.

30 June 2011

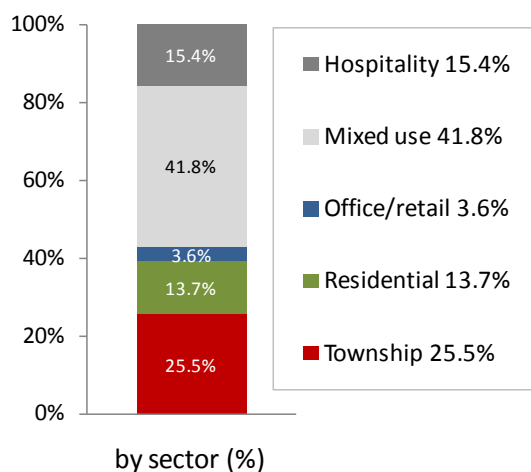
NAV **1.38** per share (↑ 0.7%)

Total NAV: USD689 million

NAV and share price performance (31 Aug 2011)



VNL portfolio (30 Jun 2011)



Portfolio by geographic location (% NAV)

Hanoi	8%
Central provinces	27%
Ho Chi Minh City region	65%

Valuation breakdown (% NAV)

Assets held at cost	8%
Assets revalued	92%

Holdings breakdown (% NAV)

Top 10 assets	63%
Remaining 28 assets	37%

Development status (% NAV)

Landbanking assets	10%
Development stage assets	78%
Operating assets	12%

Quarterly performance history (% change on NAV)

	2011	2010	2009	2008	2007
Q1	0.7%	3.0%	-3.3%	12.3%	22.0%
Q2	0.7%	-0.5%	-9.0%	9.4%	5.8%
Q3		3.4%	-0.8%	-2.5%	0.5%
Q4		-3.5%	1.5%	-4.5%	3.4%
YTD	1.5%	2.3%	-11.3%	14.5%	34.1%

Top holdings

Project	Type	NAV%	Current status
Century 21	Mixed-use	12%	Planning underway
Danang Beach Resort	Mixed-use	11%	Sales underway
Dai Phuoc Lotus	Township	8%	Sales underway
Pavilion Square	Mixed-use	7%	Investment licence
VinaSquare	Mixed-use	6%	Planning underway
Times Square Hanoi	Mixed-use	5%	Planning underway
Aqua City	Township	5%	Planning underway
My Gia	Township	4%	Sales underway
Truong Thinh Gardens*	Residential	4%	Planning underway
Movenpick Hotel Saigon	Hospitality	3%	Operating asset

* Previously HUD Dong Tang Long

Fund manager

David Henry

Fund background

VinaLand Limited (VNL) is a closed-end fund trading on the AIM Market of the London Stock Exchange.

VNL targets medium to long term capital gains with some recurring income through investment in the following real estate sectors: office; residential; retail; township/industrial (large scale); and hospitality and leisure.

Download the VNL Factsheet at www.vinacapital.com/vnl

Portfolio developments

VNI's NAV decreased to USD0.50 per share at the end of August 2011, from USD0.51 per share at the end of July 2011. The share price, influenced by the global pull-back from equities, fell four cents to close July at USD0.25.

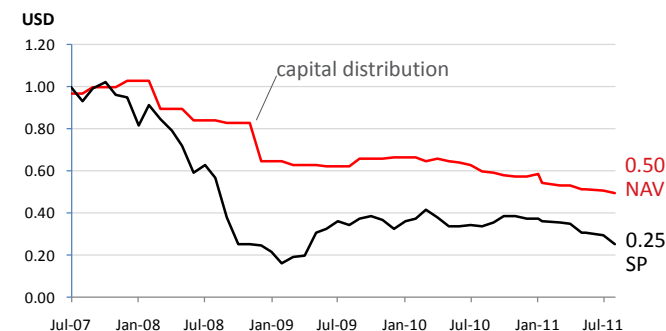
The agribusiness firms in VNI's portfolio are recording strong 2011 results given rising commodity prices. In August, new listed investee Dam Phu My (DPM), announced H1 2011 revenue of USD219.6 million and net income of USD69.5 million, gains of 38 and 60 percent over the first half of 2010. The net profit growth was driven by higher sale prices for urea fertiliser. DPM will pay a cash dividend of 4.8 cents per share (10% of par value) in September. Another listed investee, Phuoc Hoa Rubber (PHR) also recorded strong first half results. The firm earned USD52.4 million in revenue and USD14.8 million in net profit, gains of 51 and 63 percent, respectively, over H1 2010. PHR has achieved 66 percent of its profit target for FY2011.

31 August 2011

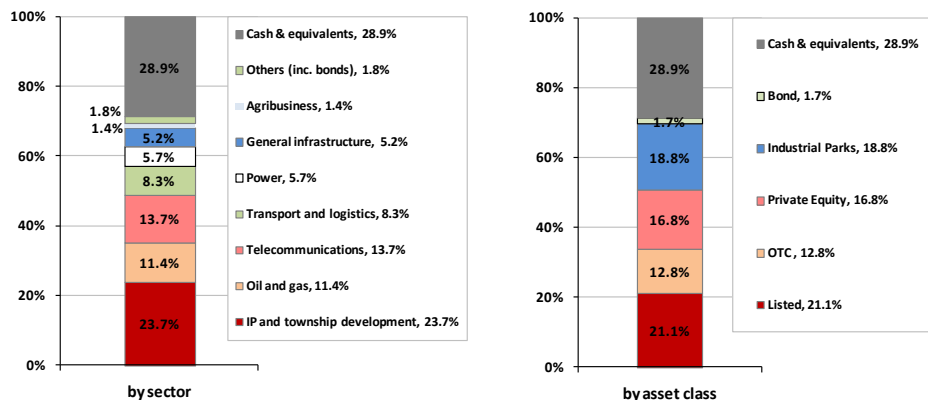
NAV **0.50** per share (↓ 1.7%)

Total NAV: USD200 million

NAV and share price performance (31 Jul 2011)



VNI portfolio (31 Aug 2011)



Quarterly performance history (total return)*

	2011	2010	2009	2008	2007
Q1	-6.3%	-3.2%	-0.5%	-12.8%	na
Q2	-3.4%	-0.6%	3.7%	-6.7%	na
Q3		-7.5%	1.5%	-1.0%	2.9%
Q4		-3.7%	0.8%	-12.0%	3.1%
YTD	-9.5%	-14.3%	5.5%	-29.1%	6.1%

* Total return since inception: -40.6% (assumes distributions reinvested).

Fund manager

Tony Hsun

Fund background

Vietnam Infrastructure Limited (VNI) is a closed-end fund trading on AIM Market of the London Stock Exchange.

VNI targets medium to long term capital gains with some recurring income through investment in the following infrastructure sectors: energy; transportation; industrial parks; telecommunication; and water and environmental utilities.

Download the VNI Factsheet at www.vinacapital.com/vni

Major holdings

Name	Asset class	Sector	NAV (%)
Long An IP	Greenfield	IP and township	9.6%
Ba Thien IP	Greenfield	IP and township	9.2%
Nam Viet	OTC	Oil and gas	5.1%
VNC-55	PE	Telecoms	4.2%
PVD	Listed	Oil and gas	3.9%
MIDC	PE	Telecoms	3.8%
VALC	OTC	Transportation	3.7%
Phu My	OTC	Transportation	2.8%
CII	Listed	General infra	2.8%
MIS	PE	Telecoms	2.6%

Important Information

This document, and the material contained therein, is not intended as an offer or solicitation for the subscription, purchase or sale of securities in VinaCapital Vietnam Opportunity Fund Limited, VinaLand Limited or Vietnam Infrastructure Limited (each a “Company”). Any investment in any of the Companies must be based solely on the Admission Document of that Company or other offering document issued from time to time by that Company, in accordance with applicable laws.

The material in this document is not intended to provide, and should not be relied on for accounting, legal or tax advice or investment recommendations. Potential investors are advised to independently review and/or obtain independent professional advice and draw their own conclusions regarding the economic benefit and risks of investment in either of the Companies and legal, regulatory, credit, tax and accounting aspects in relation to their particular circumstances

The securities of the Companies have not been and will not be registered under any securities laws of the United States of America nor any of its territories or possessions or areas subject to its jurisdiction and, absent an exemption, may not be offered for sale or sold to nationals or residents thereof.

No undertaking, representation, warranty or other assurance, express or implied, is given by or on behalf of either of the Companies or VinaCapital Investment Management Limited or any of their respective directors, officers, partners, employees, agents or advisers or any other person as to the accuracy or completeness of the information or opinions contained in this document and no responsibility or liability is accepted by any of them for any such information or opinions or for any errors, omissions, misstatements, negligence or otherwise.

No warranty is given, in whole or in part, regarding the performance of either of the Companies. There is no guarantee that investment objectives of any of the three Companies will be achieved. Potential investors should be aware that past performance may not necessarily be repeated in the future. The price of shares and the income from them may fluctuate upwards or downwards and cannot be guaranteed.

This document is intended for the use of the addressee and recipient only and should not be relied upon by any persons and may not be reproduced, redistributed, passed on or published, in whole or in part, for any purposes, without the prior written consent of VinaCapital Investment Management Limited.

VinaCapital investment team

VinaCapital Investment Management Ltd (VCIM) is the BVI-registered investment manager of VinaCapital’s three AIM-traded funds.

Don Lam Chief Executive Officer
Brook Taylor Chief Operating Officer

Andy Ho Managing Director, Head of Investment
Tony Hsun Managing Director, Infrastructure
David Henry Managing Director, Real estate

Nguyen Viet Cuong Deputy Managing Director, Capital markets
Dang P. Minh Loan Deputy Managing Director, Private equity
Kenny Low Deputy Managing Director, Infrastructure
David Blackhall Deputy Managing Director, Real estate
Jonathan Campbell Deputy Managing Director, Real estate
Anthony House Deputy Managing Director, Real estate

Contact
Michael L. Gray Investor Relations/Communications
ir@vinacapital.com
+848-3821-9930
www.vinacapital.com

Brokers LCF Edmond de Rothschild Securities
+44 (0)20 7845 5960 or funds@lcf.co.uk
Numis Securities
+ 44 (0)20 7260 1327, www.numiscorp.com

Nominated advisor Grant Thornton Corporate Finance

Auditor Grant Thornton (Cayman Islands)

Internal auditor PricewaterhouseCoopers (Vietnam)

Custodian HSBC Trustee (VOF and VNL)
Standard Chartered (VNI)