

Performance summary* 29 February 2016

NAV per share** (USD):	0.94
Change (Quarter-on-quarter)	3.89%
Total NAV** (USD 'm):	391.0
Share price (USD):	0.610
Market cap (USD 'm):	249.6
Premium/(discount)	-35.0%

* Figures in USD. Return percentages are for the period, not annualized
 ** NAV and NAV per share data are calculated on a quarterly basis

Cumulative change (% change)

	3mth	1yr	3yr	5yr
NAV per share	3.9	2.2	-9.8	-31.0
Share price	-1.6	18.2	31.5	-36.5

Quarterly performance history (% change)

	2016	2015	2014	2013	2012
Q1	0.0	-3.3	-0.4	-1.0	-1.7
Q2	0.0	1.1	1.2	-9.7	-4.3
Q3	0.0	0.6	0.0	-1.1	0.0
Q4	0.0	3.9	0.0	-1.0	-6.3
YTD	0.0	2.2	0.8	-12.4	-11.9

Top ten investments

Project	Location	Type	% of NAV
Century 21	South	Residential	16.6%
Danang Golf and Beach Integrated Development	Central	Residential	12.9%
Pavilion Square	South	Mixed Use	8.3%
Dai Phuoc Lotus	South	Township	8.2%
VinaSquare	South	Mixed Use	8.0%
Times Square Hanoi	North	Mixed Use	6.4%
Aqua City	South	Township	5.5%
Trinity Park	South	Residential	5.1%
Capital Square	Central	Mixed Use	4.7%
Green Park Estate	South	Mixed Use	4.4%
Total			80.1%

Additional portfolio information

Current assets	23
Divestments	23 full and residential unit sales
Debt	Fund level (ZDPs): 7.6% of NAV Project level (Bank): 20.2% of NAV
Shares outstanding	409,153,721

Manager's comment

As at 29 February 2016, VNL's share price increased 3.4% to USD0.61, from a closing price of USD0.59 as at 31 January 2016. The Company's share price to NAV discount currently stands at 35.0% compared to 37.1% in January 2016. During February, VNL repurchased and cancelled 2.7 million ordinary shares, bringing the total since October 2011 to 90.8 million ordinary shares, or 18.2% of the total shares in issue prior to the commencement of the share buyback programme. VNL is currently in a close period (from 22 January 2016 to 31 March 2016) ahead of the notification of its results for the fiscal year ended 31 December 2015.

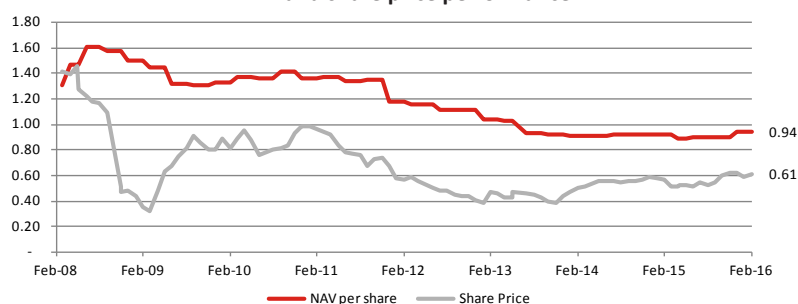
Fund update

Residential sales continued to be positive on some of VNL's projects through February 2016, including My Gia (Nha Trang) and Dai Phuoc Lotus (Dong Nai). A key driver supporting the market momentum will be the amended Housing Law, which now provides more transparency for foreign investment in the real estate sector, and will enhance diversity for future growth previously maintained by predominantly domestic demand. Since the Lunar New Year period, VNL has seen an increase in the number of enquiries regarding the property sector. These enquiries are coming from both small and large experienced real estate investors and developers, both foreign and domestic. The Manager is pursuing new negotiations on several fronts while continuing to close outstanding contracted disposals. Notwithstanding some closing delays, buyers remain committed, supported by continued market confidence and liquidity. The key focus remains to complete disposals that will enable distributions to shareholders.

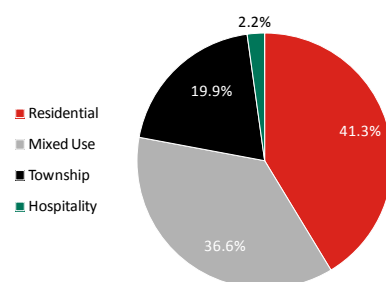
Real estate market update

A major news item in Q1 2016 has been the draft revisions to Circular 36, the regulation issued by The State Bank of Vietnam (SBV), which governs the activities of financial institutions. The proposed revisions will restrict lending over the medium-to-long-term to not exceed 40% of short-term funding, from a previous limit of 60% in 2015. This demonstrates the government's desire to enhance risk management within banks, while ensuring bank lending into the property sector remains under control. While further clarification is still required from the SBV, the Ho Chi Minh Real Estate Association is of the view that the high levels of bank lending to the property sector in 2015 should continue into 2016. The consensus is that there will be 20% growth in property lending in 2016, which would mark a slight decline from the 25% growth experienced in 2015.

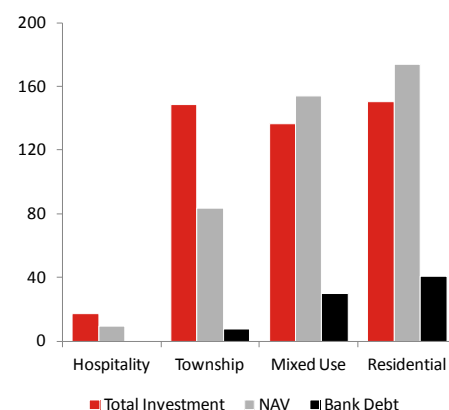
NAV and share price performance



VNL portfolio by sector (NAV %)



VNL NAV by sector (USDm)



Macroeconomic update

Macroeconomic conditions remained positive through February, riding the momentum brought on by the Lunar New Year holiday. Inflation rose 0.42% month-on-month, bringing year-on-year growth to a healthy 1.27%. The Index of Industrial Production showed a moderate 7.9% increase in February, and, in keeping with the holiday spirit, retail sales advanced a vigorous 9.7% nominally, or 8.3% in real terms. Foreign direct investment surged in February, increasing 135% year-on-year, as manufacturers continued to expand operations. At this point, Vietnam looks to be on track to beat 2015's highs.

Trade balance exceeds expectations

Vietnam recorded a trade surplus of USD900 million in February compared to a USD1.4 billion deficit in the same month last year. The surplus was driven in part by a 39% crash in auto imports, along with a sharp uptick in fish and agricultural exports. In fact, Vietnam generated USD1.88 billion in revenue from agro-forestry-fishery exports in February, bringing the total revenue from this category to USD4.2 billion in the first two months of 2016. On a similar note, the Vietnam Textile & Apparel Association announced that the European Union (EU) imported USD3.11 billion in apparel from Vietnam during 2015, making the country one of the top apparel exporters to the EU – a position that is only likely to increase as the Vietnam-EU Free Trade Agreement moves closer to implementation.

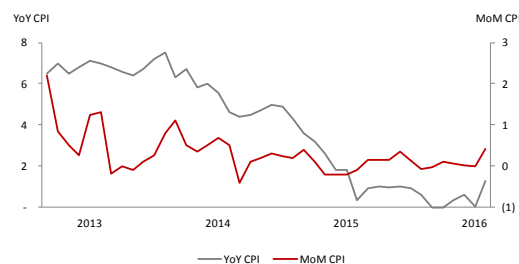
Vietnam's PMI outperforms the region

The Nikkei PMI for Vietnam declined marginally this month to 50.3, from 51.5 in January, yet still remains in expansionary territory. The slight downturn can be attributed largely to seasonality as many businesses slowed operations to allow employees time off for the holidays. It is worth noting that Vietnam outperformed the region in terms of PMI this month, with regional players such as Malaysia, Indonesia, South Korea and Taiwan all falling below 50.

Currency pressures alleviated

A popular point of discussion over the past several months has revolved around the relationship between China and Vietnam, particularly as it relates to movements in their respective currencies. This of course can be traced back to last August when the State Bank of Vietnam devalued the Vietnam Dong (VND) immediately following a Chinese devaluation. As it turns out, both the VND and the Chinese Yuan have held up relatively well against the United States Dollar (USD) through the first two months of 2016, appreciating 0.6% and 0.8% year-to-date respectively. Regarding the VND, the year's strong start has been driven by a combination of factors including a seasonal increase in remittances, the aforementioned trade surplus and substantial FDI disbursements. In addition, pressure on the currency has been alleviated as the likelihood of a March 2016 interest rate hike by the U.S. Federal Reserve looks less and less probable, coupled with the People's Bank of China's statements that their large, one-off adjustments of the currency are a thing of the past.

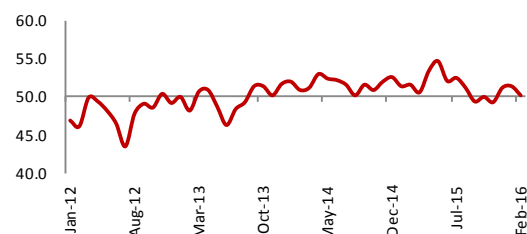
Year-on-year and month-on-month inflation (%)



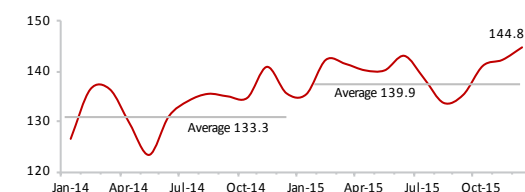
Quarterly GDP growth (%)



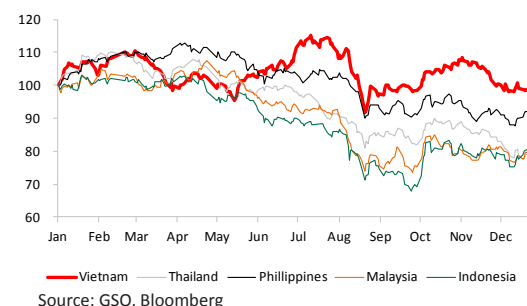
Purchasing Managers' Index



ANZ-Roy Morgan Vietnam Consumer Confidence Index



VN Index compared to regional peers (USD terms)



Source: GSO, Bloomberg

Macroeconomic indicators

	2015	Feb-16	2016 YTD	Year-on-year
GDP growth ¹	6.7%			
Inflation (%)	0.6%	0.4%	0.4%	1.3%
FDI commitments (USDbn)	22.8	1.5	2.8	177.7%
FDI disbursements (USDbn)	14.5	0.7	1.5	1.4%
Imports (USDbn)	165.6	10.2	22.798	-2.7%
Exports (USDbn)	162.4	10.3	23.7	8.3%
Trade surplus/(deficit) (USDbn)	(3.2)	0.1	0.9	
Exchange rate (USD/VND) ²	22,450	22,340	-0.5%	
Bank deposit rate (VND)	5.0%	5.0%	0	

Sources: GSO, Vietnam Customs, SBV, VCB | 1. Annualized rate, updated quarterly 2. (-) Denotes a devaluation in the currency, Vietcombank ask rate

Board of Directors		VinaCapital Investment Management Ltd	
VNL's Board of Directors is composed entirely of independent non-executive directors.			
Member	Role	Member	Role
Michel Casselman	Non-executive Chairman	Don Lam	Chief Executive Officer
Nicholas Brooke	Non-executive Director	Brook Taylor	Chief Operating Officer
Nicholas Allen	Non-executive Director	David Blackhall	Managing Director, VNL
Charles Isaac	Non-executive Director	Anthony House	Deputy Managing Director, Real Estate
Tran Trong Kien	Non-executive Director	Oai Nguyen	Deputy Managing Director, Real Estate
Fund background			
ISIN	KYG936361016		
Bloomberg	VNL LN		
Reuters	VNL.L		
Fund summary			
Fund launch	22-Mar-06, current term is up to a maximum of 1 year and commenced 21 November 2015		
Term of fund	Originally seven years, but now subject to shareholder vote for continuation, with the next such vote to occur no later than 21 November 2016		
Fund domicile	Cayman Islands		
Legal form	Exempted company limited by shares		
Investment manager	VinaCapital Investment Management Ltd		
Structure	Single class of ordinary shares trading on the AIM market of the London Stock Exchange plc		
Auditor	PricewaterhouseCoopers (Hong Kong)		
Nominated adviser	Grant Thornton UK LLP		
Custodian and Administrator	HSBC Trustee (Cayman) Limited, Standard Chartered Bank (Singapore & Vietnam)		
Registrar and Transfer Agency	Orangefield (Cayman) Limited		
Brokers	Numis Securities (Bloomberg: NUMI)		
Lawyers	Wragge Lawrence Graham & Co (UK), Maples and Calder (Cayman Islands)		
Base and incentive fee	The base (management) fee is USD390 thousand per calendar month. There is an accrued but unpaid performance fee related to disposals contracted prior to 21 November 2015, and a disposal fee of 2.8% of distributable proceeds arising from new disposals contracted after 21 November 2015 which is linked to distributions to shareholders.		
Investment policy	The Fund is now in a cash return period and will not make any investments, except where funds are required for existing projects. The Fund will seek to realise assets in the existing portfolio and continue with the development of selected projects to maximize value.		
Investment objective by geography	All existing investments are located in Vietnam. There will be no new investments during the current cash return period.		



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