

**Performance summary\* 31 Sept 2016**

NAV per share** (USD):	0.858
Change (Quarter-on-quarter)	-1.23%
Total NAV** (USD 'm):	326.4
Share price (USD):	0.66
Market cap (USD 'm):	249.8
Premium/(discount)	-23.3%

\* 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	-1.2	4.8	2.8	-29.9
Share price	13.5	37.4	87.2	12.8

**Quarterly performance history (% change)**

	2016	2015	2014	2013
Q1	0.6	-3.3	-0.4	-1.0
Q2	1.4	1.1	1.2	-5.8
Q3	-1.2	0.6	0.0	-5.2
Q4	0.0	3.9	0.0	-1.0
YTD	0.8	2.2	0.8	-12.4

\*\*\* Change of NAV per share adjusted for the distribution of capital in June 2016 (USD35.06m or USD0.0876 per share)

**Key investments**

Project	Location	Type	% portfolio NAV
Pavilion Square	South	Mixed Use	13.4%
VinaSquare	South	Mixed Use	12.5%
Dai Phuoc Lotus	South	Township	11.7%
Times Square Hanoi	North	Mixed Use	9.7%
Aqua City	South	Township	8.5%
Trinity Garden	South	Residential	7.4%
Capital Square	Central	Mixed Use	7.4%
Green Park Estate	South	Mixed Use	6.3%
Phu Hoi City	South	Residential	4.9%
<b>Total</b>			<b>81.8%</b>

**Additional portfolio information**

Current assets	19
Divestments	27 full and residential unit sales
Debt	Fund level (ZDPs): 9.7% of NAV Project level (Bank): 12.1% of NAV
Cash	Fund Cash: 19.4% of NAV
Shares outstanding	379,323,461

All figures are after the distribution of capital in June 2016 (USD35.06m or USD0.0876 per share)

**Manager's comment**

As of 30 September 2016, VNL posted an unaudited net asset value (NAV) of USD326.38m or USD0.86 per share, a 1.23% decline from the previous month's NAV per share of USD0.87. VNL's share price increased 5.6% to USD0.66 as at 30 September 2016, from the closing price of USD0.62 reported on 31 August 2016. As a result, the company's share price to NAV discount is currently 23.3% compared to 28.7% in August. Furthermore, VNL repurchased and cancelled 4.52 million ordinary shares in September, bringing the total of cancelled ordinary shares since October 2011 to 120.64m. Since the commencement of the share buyback program, VNL has cancelled 24.13% of the fund's total issued shares prior to the program.

**Fund update**

Seven VNL project revaluations were undertaken for the period ending 30 September 2016 by international property valuation consultants as part of the ongoing appraisal program. Three of these projects were located in Ho Chi Minh City with the remaining projects located in the southern and central regions of Vietnam. The results demonstrated that there has been an improvement in general market confidence and this has flowed through to real estate valuations.

The Investment Manager continues to work on several project disposal opportunities with the view to reaching closure over the next few weeks. While liquidity has been good so far this year and overall confidence remains sound with promising FDI despite some local banks reaching their credit limits for 2016 so lending may slow slightly between now and year end.

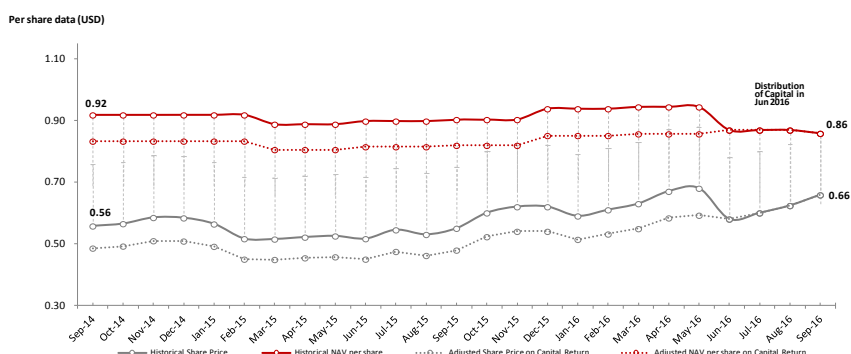
The Board will hold an EGM in November 2016 in Zurich Switzerland where a recommendation for the continuation of VNL will be put to shareholders and the Board will release further details on VNL and the new strategy later this week.

The Investment Manager, VinaCapital will hold its annual Investor Conference from 12 to 14 October 2016 in Ho Chi Minh City where an update on VNL will be presented including details on the proposed new strategy. This presentation will also be posted on the VNL website at that time. Further details on the EGM and AGM will be circulated later in October 2016 when the EGM and AGM notices are announced.

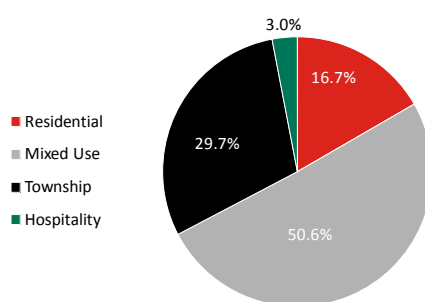
**Real estate market update**

According to CBRE Vietnam, an additional 8,016 condominium units in Ho Chi Minh City and 6,842 condominium units in Hanoi were launched in the third quarter, a decline of 27% and 38% year-on-year, respectively. Sales momentum in Ho Chi Minh City and Hanoi decreased slightly by 2% year-on-year. The average selling price on increased by between 3% and 5% year-on-year in both Ho Chi Minh City

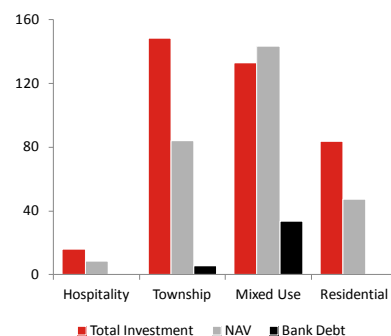
**NAV and share price performance**



**VNL portfolio by sector (NAV %)**



**VNL NAV by sector (USDm)**



and Hanoi. Even with the decreases in condominium launches, there is a sense that the condominium market is over supplied which may impact prices and inventory movement in the near future.

Regarding the landed property segment, an additional 500 units in Ho Chi Minh City and 446 units in Hanoi were launched in the third quarter of 2016, based on CBRE Vietnam. Due to limited supply, the volume of successful transactions in both Hanoi and Ho Chi Minh City continues to improve during the third quarter of 2016 while average selling price increased by between 2% to 10%, especially in fast-developing residential areas with consistent construction progress and quality.

One new Grade B office building was completed in Q3 2016, adding around 20,000sqm to Ho Chi Minh City and Hanoi office market. The grand opening of Saigon Center Phase 2 and Aeon Mall Binh Tan in Ho Chi Minh City and Mipec Riverside Long Bien in Hanoi added a total of 135,000sqm to the market in Q3 2016. Office and retail rents declined across all grades due to the oversupply and the expansion of the foreign investors from Japan, Thailand and Singapore are likely to increase pressure on local landlords over the next few quarters.

### Macroeconomic update

The Vietnamese economy continued to be an outperformer in the region by demonstrating significant growth during the third quarter. Vietnam's gross domestic product (GDP) grew 6.4% y-o-y during the third quarter, due in part to a slight recovery in agriculture following a crippling drought. The disbursement of foreign direct investment (FDI) accelerated in September, with a total of USD11b disbursed during the first nine months of the year, a 12% y-o-y increase. The manufacturing sector showed improved growth in September as the Nikkei Vietnam Manufacturing Purchasing Managers' Index rose from 52.2 in August to 52.9 in September, the highest point in 16 months. The Index of Industrial Production increased by 7.4% y-o-y during the first nine months of the year, with growth seen in processing and manufacturing, electricity production and distribution, and water supply and treatment. On the consumer side, retail sales rose by 9.5% YTD in nominal terms and 7.7% YTD in real terms.

On the trade front, Vietnam posted a surplus of USD2.9b during the first nine months of the year. In September, exports fell 6.8% m-o-m to USD15b due to turnover reduction in items such as telephones and components, footwear, and garments. Export growth, however, increased 6.7% YTD while import growth became positive for the first time this year in September. Inflation increased 0.5% m-o-m due to a hike in tuition and education costs. The Vietnam dong (VND) remained stable during the month, especially as Vietnam's foreign currency reserves are widely estimated to be at a record high of nearly USD40b, up from USD29b from last year.

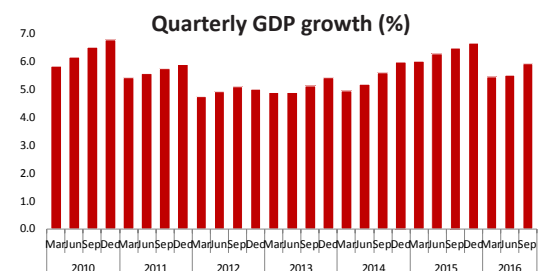
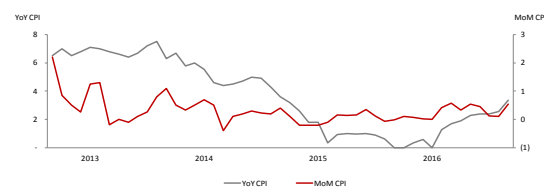
With the agricultural sector beginning to show signs of life, foreign direct investment disbursements accelerating and the manufacturing sector continuing to expand, the economy is well positioned to finish the year strongly at the end of the fourth quarter. We believe that GDP growth for the full year will be 6.0%.

### Macroeconomic indicators

	2015	Sep-16	2016 YTD	Year-on-year
GDP growth <sup>1</sup>	6.7%		5.93%	
Inflation (%)	0.5%	0.5%	3.1%	3.3%
FDI commitments (USDbn)	22.8	2.1	16.4	(4.2)%
FDI disbursements (USDbn)	14.5	1.2	11.0	12.4%
Imports (USDbn)	165.6	15.1	125.4	9.4%
Exports (USDbn)	162.4	15.0	128.2	8.6%
Trade surplus/(deficit) (USDbn)	(3.2)	(0.1)	2.8	
Exchange rate (USD/VND) <sup>2</sup>	22,450	22,265	0.8%	
Bank deposit rate (VND)	5%	6%	100 bps	

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

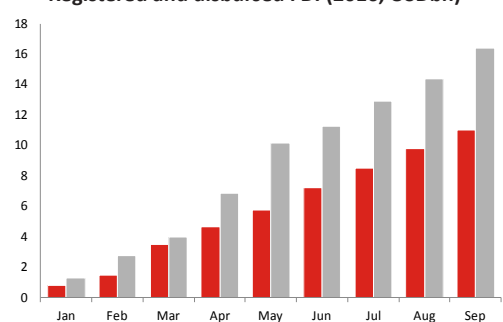
### Year-on-year and month-on-month inflation (%)



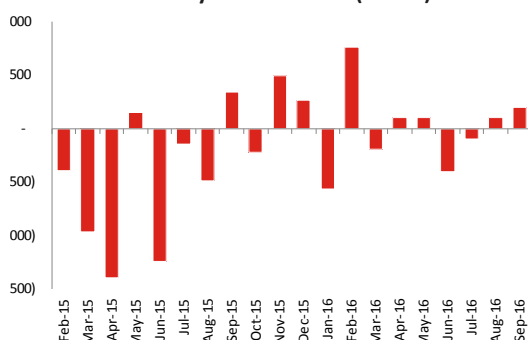
### Purchasing Managers' Index



### Registered and disbursed FDI (2016, USDbn)



### Monthly trade balance (USDm)



Source: GSO, Bloomberg

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	Gowling WLG (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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