

## Vietnam Opportunity Fund

**NAV per share (28 Sep 07)\* US\$3.35**

*Change*

Sep 2007 8.1%  
 YTD: 31.9%  
 Since inception (30 Sep 03) 252.6%

Issued shares 250,648,414  
 Total net asset value (28 Sep 07, US\$m) 839  
 Market cap (28 Sep 07, US\$m) 1,030

Reuters VOF.L  
 Bloomberg VOF LN

## VinaLand

**NAV per share (28 Sep 07)\* US\$1.27**

*Change*

Since inception (22 Mar 06) 27%

Issued shares 499,967,622  
 Total net asset value (28 Sep 07, US\$m) 633  
 Market cap (28 Sep 07, US\$m) 755

Reuters VNL.L  
 Bloomberg VNL LN

## Vietnam Infrastructure

**NAV per share (28 Sep 07)\* US\$1.00**

Issued shares 402,100,000  
 Total net asset value (28 Sep 07, US\$m) 401  
 Market cap (28 Sep 07, US\$m) 400

Reuters VNI.L  
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\* Unaudited

## Capital markets

The stock market appeared to prepare for the anticipated 4Q rally, as the Vietnam Index rose 15.3% to close September at 1,046.86. The surge, which gathered pace in the second half of the month, was fuelled by record trading volumes and strong foreign participation.

## Economy

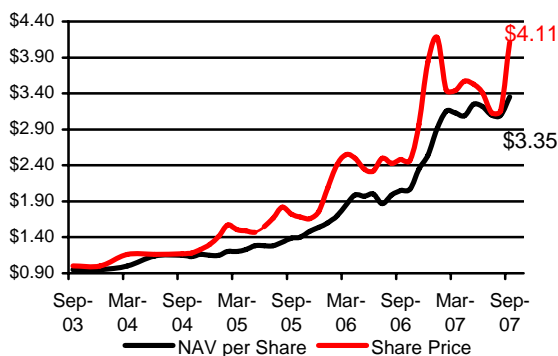
GDP growth for the year to September was 8.2%, the fastest pace for the nine-month period in 10 years. The General Statistics Office attributed growth to the services, industrial and construction sectors. The 2007 GDP estimate has been revised upward to 8.5% from 8.2%.

In September, the consumer price index jumped to an unexpected 8.8% year-on-year, which raised anxiety as to whether inflation could wipe out GDP gains. Nevertheless, the most recent reports of inflation for 2007 still forecast it to be at or under 8% for the full year, reflecting optimism that the government's efforts to control excess liquidity will show more effective results towards the end of the year.

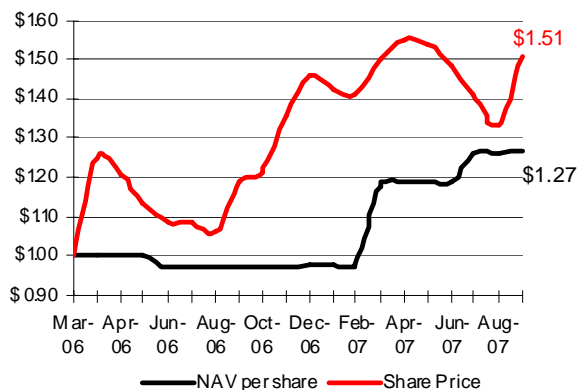
Foreign direct investment reached US\$9.6 billion for the first nine months, an increase of 38% over the same period in 2006. Observers expect the full-year figure to set a new record, in the range of US\$13-14 billion.

The trade deficit through September stood at US\$7.6 billion, up 2.3 times from the same period last year, with officials predicting it to reach US\$10.3 billion by year-end. Imports have outpaced exports, growing at 30% year-on-year to reach US\$42.9 billion. Much of the deficit is attributed to the purchase of capital machinery from China and other markets. Once these capital items are in use, the manufacturing sector should make considerable strides towards the government's 2010 export target of US\$100 billion.

**Vietnam Opportunity Fund**  
 NAV and share price performance



**VinaLand Fund**  
 NAV and share price performance



## ★ Vietnam Opportunity Fund



VinaCapital Investment Management  
Don Lam, Andy Ho, Cuong Nguyen

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### Portfolio by asset type

Capital markets **77.1%**  
Listed 44.2%  
OTC 32.9%  
Real estate **12.8%**  
Private equity **5.9%**  
Cash, deposits, other **4.2%**

### Performance history (% change on NAV)

	2007	2006	2005	2004
Jan	14.6%	3.9%	0.0%	0.0%
Feb	8.2%	6.3%	4.3%	0.0%
Mar	-0.6%	8.8%	0.8%	5.5%
April	-1.3%	7.6%	1.7%	0.0%
May	5.2%	-1.0%	4.1%	0.0%
June	-0.8%	1.5%	0.0%	13.8%
July	-3.9%	-6.5%	0.0%	0.0%
Aug	0.0%	6.4%	3.9%	0.0%
Sept	8.1%	3.0%	4.5%	0.9%
Oct		1.0%	0.7%	-1.7%
Nov		14.0%	5.7%	2.7%
Dec		8.1%	4.1%	-0.9%
YTD	<b>31.9%</b>	<b>64.9%</b>	<b>33.9%</b>	<b>21.1%</b>

## Portfolio developments

In September 2007 VOF's NAV increased to US\$3.35 per share, a gain of 8.1% from August 2007. During the month, the Vietnam Index soared in both trading volume and trading value and closed at 1,047, an increase of 15% compared to 908 points as at 31 August 2007. During the same period, the capital market component of the VOF portfolio increased 11%. The increase in the VN-Index was led by bank shares (up 30%). Due to foreign investment restrictions, VOF cannot invest in these bank shares, which are in the top five largest market cap companies on the exchanges.

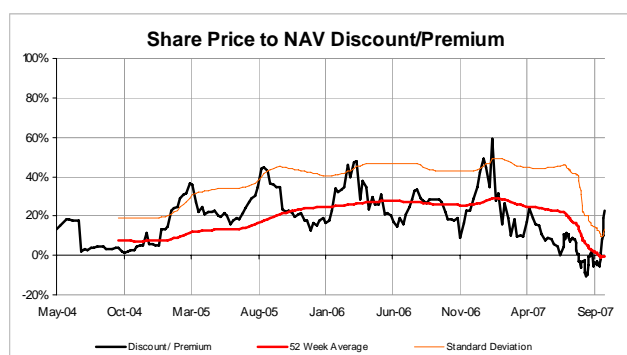
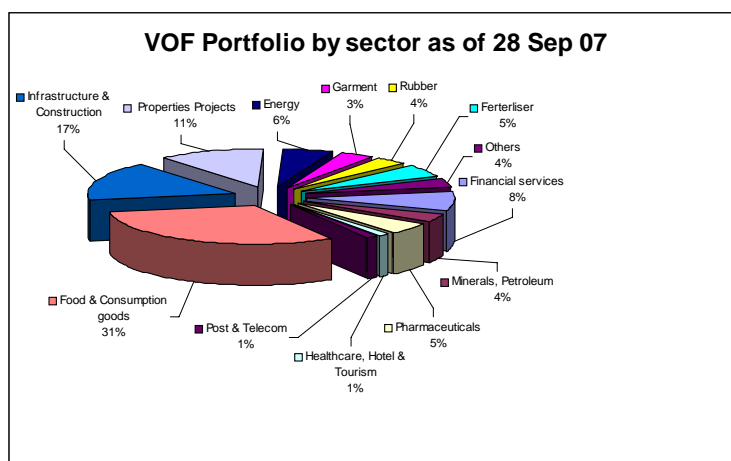
The listed component of the VOF portfolio increased compared to August 2007 as result of higher prices in major holdings such as Vinamilk (up 14%), REE Corp. (up 17%), Saigon Securities (up 27%), Pha Lai Power (up 15%) and Bao Minh Insurance (up 28%).

The OTC component of the portfolio also performed well, up 12% compared to August 2007. This can be attributed to an increase in the prices of the Hoa Phat Group (up 22%), Masan Group (up 15%), PVFCCo (up 38%) and Doruco (up 13%). Both liquidity and prices of most OTC shares improved considerably this month.

During September 2007 VOF sold US\$21.3 million worth of shares and bought US\$14.7 million worth of shares. However, VOF's cash position is about 4% of total NAV.

## Major holdings

Vinamilk	Listed equity	9.6% (of NAV)
Hoa Phat	OTC	7.0%
REE	Listed equity	6.8%
Kinh Do	Listed equity	5.8%
ITA	Listed equity	5.2%



## ★ Vietnam Opportunity Fund

### Investment Manager

VinaCapital Investment Management Ltd.  
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### Broker Details

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### Fund Administrator

HSBC Institutional Trust Services (Asia) Ltd.  
39/F Dorset House  
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Quarry Bay  
Hong Kong

ISIN

KYG9361G1010

### Fund background

Launched in September 2003, Vietnam Opportunity Fund (VOF) is a closed-end fund admitted to trading on the London Stock Exchange (AIM). VOF focuses on the key growth sectors of the domestic economy including financial services, retail, consumer goods, tourism, property, infrastructure, and technology. It makes equity and debt investments in listed, OTC-traded, and private companies, and participates in the privatization of state-owned companies.

### Fund manager

The fund is managed by a four member investment committee headed by Don Lam. The committee has representation from capital markets, private equity, and real estate divisions and approves all investment decisions. Don Lam has over a decade's worth of experience in corporate finance and distressed assets in Vietnam. The other members of the committee bring decades of investment experience to the management process.

### Management and performance fees

The baseline management fee is 2% of funds under management and the performance fee is 20% of gains in excess of an 8% hurdle rate, with a high water mark and a catch-up.

### Valuation policy

The Net Asset Value is the value of all assets of VOF less all the liabilities of VOF determined in accordance with the valuation guidelines adopted by the Directors from time to time. Under the current valuation guidelines of VOF, such values are as follows:

- the value of any cash in hand and other monetary assets is deemed to be the full amount less any discount determined as appropriate by the Directors;
- the value of quoted securities (including any securities traded on an "over the counter market") is based on the last traded prices less any discount determined as appropriate by the Directors;
- unquoted investments and real estate projects are initially valued at cost. They are subsequently revalued in accordance with international valuation guidelines when the Directors determine that there may have been a material change in the value of an investment.
- any values other than those in US Dollars are translated at officially set exchange rates at the date of revaluation.

### Buy-back policy

VOF's board of directors may elect to make an annual tender offer, at which time shareholders have the opportunity to sell their shares to VOF at a price equal to the NAV per share at year end.

## VinaLand



### VinaCapital Real Estate

Don Lam, David Blackhall, Anh Tran, Seth Lim

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### Portfolio by geographic distribution\*

Hanoi 21.0%

Central provinces 17.0%

Ho Chi Minh City 62.0%

\* Currently invested projects

## Danang 260 Ha Project: Bulldozers roll



Initial site construction works have begun on the 50ha parcel of the site as bulldozers moved in to commence the clearance of rubble and debris of some thirty plus vacated households. It is anticipated that these works will take approximately one month to complete.

At the same time, excavators have begun the removal of several thousand tree stumps that pepper the site of the three beach side holes of the Greg Norman designed golf course.

These holes offer spectacular views of the neighboring islands. Hole No 16, with its green beside a war time concrete bunker, will undoubtedly become the signature hole. This initial site preparation is in line with the anticipated beach side golf holes beginning construction in mid March 2008.

Within the 210 ha side of the site, clearance of the turf and tree nursery site has also commenced. The clearance of vegetation, tree stumps and the levelling of the site will be followed by site fencing, which is planned for early November. We anticipate the nursery to be operational and the first of the turf planted by late December 2007. Filling to the lower lying areas of the site has commenced using selected filling material from the cleanup areas.

VinaCapital's technical team project manager responsible for the Danang golf course is Robert Elliott, who brings over 16 years golf industry experience to the project. Robert leads a local team of three engineers in the early planning stages and will coordinate construction related activities.

### Major holdings

Century 21	Mixed-use	US\$41.2m
Hilton Hanoi	Hospitality	US\$16.4m
Danang Resort 260ha	Mixed-use	US\$24.9m
Omni Hotel	Hospitality	US\$17.9m
Hanoi Golden Westlake	Residential	US\$15.0m
Guoman Hotel	Hospitality	US\$14.6m
Central Garden	Residential	US\$10.1m
Hanoi Opera Plaza	Office & Retail	US\$9.2m
Hoi An Royal Bay Resort	Hospitality	US\$4.5m
Danang 9ha Project	Commercial - Mixed	US\$3.4m

## VinaLand

### Investment Manager

VinaCapital Investment Management Ltd.

### Development Adviser

VinaCapital Real Estate Ltd.

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### Fund Administrator

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### ISIN

KYG936361016

### Fund background

Launched March 2006, VinaLand (VNL) is a closed-end property fund admitted to trading on the London Stock Exchange (AIM). The fund focuses on the key growth sectors of Vietnam's emerging real estate market including residential, office, retail, hospitality and leisure and high-tech industrial. The fund is managed by VinaCapital Investment Management, with VinaCapital Real Estate acting as an adviser.

### Investment manager

VinaCapital Investment Management (VCIM) comprises a team of over 130 professionals whose areas of expertise cover a full range of investment types.

A team of three experienced Deputy Managing Directors, lead by Don Lam, manage the VinaCapital Real Estate team of approximately 45 staff. The real estate team includes Mr David Blackhall (Asset Management), Mr Vu Anh Tran (Investments), and Mr Seth Lim (Development). The team brings together a wealth of both international and local property experience covering investment, development and asset management.

### Management and performance fees

The baseline management fee is 2% of funds under management and the performance fee is 20% of gains in excess of an 8% hurdle rate, with a high water mark and a catch-up.

### Valuation policy

VNL adheres to international valuation guidelines. The investment manager presents two independent valuations to the VNL board of directors' valuation sub-committee twice yearly. The valuation sub-committee will accept or reject the valuation reports and may require the investment manager to obtain other third-party valuation reports if deemed necessary.

### Buy-back policy

VNL's board of directors may elect to make an annual tender offer, at which time shareholders have the opportunity to sell their shares to VNL at a price equal to the NAV per share at year end.



## Vietnam Infrastructure Limited



Vietnam Infrastructure Limited Board and Advisors

NAV per share (28 Sep 07)\* **US\$1.00**

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## Project Updates

### Global Electrical Technology Corp (GLT)

Vietnam Infrastructure Limited (VNI) has signed a non-binding Sale & Purchase Agreement with GLT with regard to the development, installation and leasing of the BTS Tower business in Vietnam. The business comprises the construction of telecom towers with lease back to mobile phone operators. GLT has received and implemented orders for this business in Can Tho, in southern Vietnam. With more than 50 towers already in place, another 800 are projected to be deployed over the next 24 months.

VNI will purchase a 28.5% equity interest in GLT. Subsequently, a new company ("Newco") will be established of which VNI will own 49%. The other shareholders of Newco are GLT and others (at 41% and 10% respectively).

GLT's role will be to obtain the BTS Tower contracts, manufacture, install and maintain the towers. Newco will be the company holding the tower assets and entitled to collect the lease payments from the mobile operators. Typical lease contract will be 10 years.

## Major holdings

<i>Name</i>	<i>Business</i>	<i>Purchase price</i>
Tan Tao Industrial Park Corporation (ITA)	Industrial park development	US\$14m
Pha Lai Thermal Power Joint Stock Company (PPC)	Energy	US\$9m

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ISIN KYG936121022

### Fund background

Vietnam Infrastructure Limited (VNI), a US\$402 million closed-end fund dedicated to investment in Vietnam's rapidly growing infrastructure sector, was admitted to trading on the AIM market of the London Stock Exchange plc under the symbol "VNI" on 5 July 2007. It is the first publicly traded fund to focus investment on key strategic infrastructure and infrastructure-related assets in Vietnam, including the energy, transport, water and telecommunications sectors.

### Fund manager

The fund is managed by VinaCapital Investment Management (VCIM) which comprises a team of over 130 professionals whose areas of expertise cover a full range of investment types. All investments are approved by a four member investment committee headed by William Lean.

### Management and performance fees

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### Valuation policy

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- the value of any cash in hand and other monetary assets is deemed to be the full amount less any discount determined as appropriate by the Investment Manager;
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- any values other than those in US Dollars are translated at officially set exchange rates at the date of revaluation.

### Buy-back policy

VNI's board of directors may elect to make an annual tender offer, at which time shareholders have the opportunity to sell their shares to VNI at a price equal to the NAV per share at year end.

## Important Information

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