

## Vietnam Opportunity Fund

NAV per share (31 Oct 07)\* **USD3.49**

*Change*

Oct 2007 4.2%  
 YTD: 37.4%  
 Since inception (30 Sep 03) 267.4%

Issued shares 250,648,414  
 Total net asset value (31 Oct 07, USDm) 876  
 Market cap (31 Oct 07, USDm) 960

Reuters VOF.L  
 Bloomberg VOF LN

## VinaLand

NAV per share (28 Sep 07)\* **USD1.27**

*Change*

Since inception (22 Mar 06) 27%

Issued shares 499,967,622  
 Total net asset value (28 Sep 07, USDm) 633  
 Market cap (31 Oct 07, USDm) 780

Reuters VNL.L  
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## Vietnam Infrastructure

NAV per share (28 Sep 07)\* **USD1.00**

Issued shares 402,100,000  
 Total net asset value (28 Sep 07, USDm) 401  
 Market cap (31 Oct 07, USDm) 410

Reuters VNI.L  
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\* Unaudited

## Capital markets

The September rally continued into the first few days of October, before the market drifted sideways and slightly down towards the end of the month. The Vietnam Index finished at 1065.09 on 31 October, up 1.74% from the previous month-end. Trading volumes were the highest since the first quarter of 2007.

According to a Ho Chi Minh City Stock Exchange official, Vietnam's market capitalisation is forecast to exceed 40% of GDP by year-end, as up to 50 companies are expected to list on the Ho Chi Minh City and Hanoi exchanges in November and December.

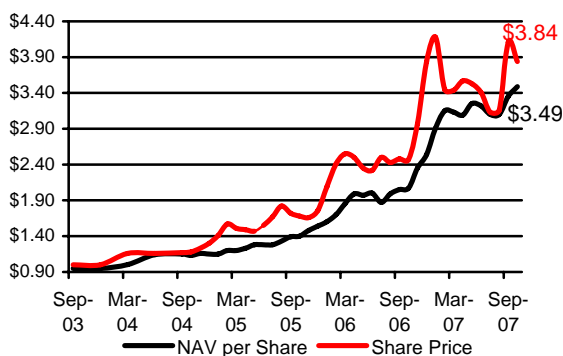
## Economy

October's theme was inflation, as the consumer price index jumped 0.74% month-on-month, 8.12% for the first ten months of the year, and 9.34% from October 2006. Accusing fingers were variously pointed towards imports associated with foreign investment, rising global food prices, and the State Bank's currency devaluation policy. Concerned about the real possibility of inflation outpacing the full-year GDP forecast of 8.5%, authorities cut the devaluation target from 1% to 0.5%, and elected not to raise retail petrol prices despite spiking world oil prices.

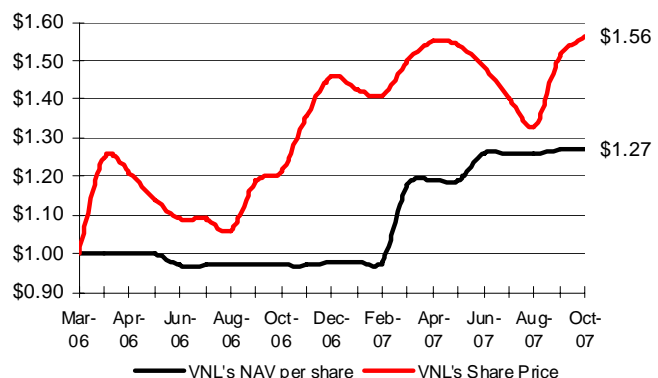
Foreign direct investment reached USD11.26 billion in the ten months through October, a gain of 36.4% from the same period in 2006. While the Ministry of Planning and Investment revised its full-year FDI estimate to USD13 billion, many observers now expect the actual figure to be in the range of USD14 to 15 billion.

The trade deficit reached USD8.9 billion for the first ten months. Exports for the period were USD39.1 billion, an increase of 18.6% over 2006.

**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

**NAV per share (31 Oct 07)\* USD3.49**

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### Portfolio by asset type

Capital markets **76.9%**  
 Listed 37.8%  
 OTC 39.1%  
 Real estate **12.2%**  
 Private equity **5.7%**  
 Cash, deposits, other **5.2%**

### 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	4.2%	1.0%	0.7%	-1.7%
Nov		14.0%	5.7%	2.7%
Dec		8.1%	4.1%	-0.9%
YTD	<b>37.4%</b>	<b>64.9%</b>	<b>33.9%</b>	<b>21.1%</b>

### Portfolio developments

In October 2007 VOF's NAV increased by 4.2% from USD3.35 per share at the end of September to USD3.49 per share. During the month, the Vietnam Index increased slightly by 1.7% and closed at 1,065 points.

During the same period, the capital market component of the VOF portfolio increased 6.2%. The increase was due primarily to the OTC component of the portfolio.

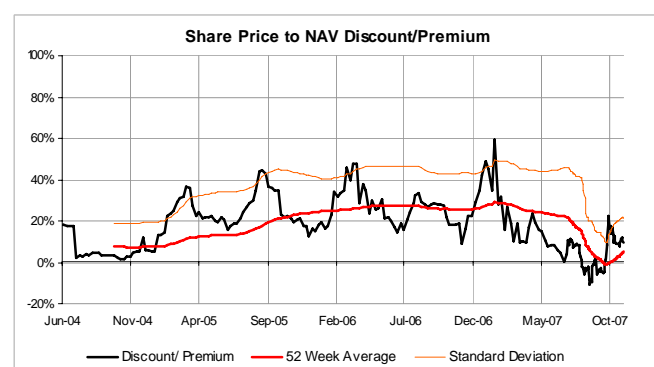
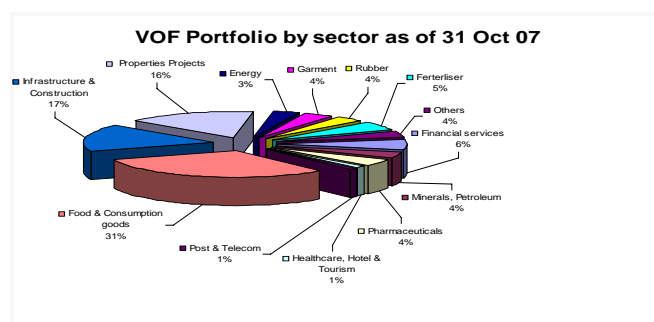
The listed component increased by 1.2%, but would have increased by 4.3% had it not been for the KDC holding. KDC, which is one of VOF's major holdings, increased substantially in September and in October, saw significant profit taking.

As a testament to our strategy of investment in the pre-listing market, the OTC and private equity components of the portfolio performed very well, up 11.7% compared to September 2007. This can be attributed to increases in Hoa Phat Group, Intresco and PVFCCo as they prepare for their listing in the Ho Chi Minh Stock Exchange (HOSE) in Q4 2007.

During October 2007 VOF sold USD53.2 million worth of shares and bought USD32.7 million worth of shares. VOF's cash position is approximately 5.2% of total NAV.

### Major holdings

Vinamilk	Listed equity	8.4% (of NAV)
Hoa Phat	OTC	7.9%
REE	Listed equity	6.1%
PVFCCo	OTC	5.4%
ITA	Listed equity	4.8%
KDC	Listed equity	4.4%



## ★ Vietnam Opportunity Fund

### Investment Manager

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### Fund Administrator

HSBC Institutional Trust Services (Asia) Ltd.  
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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

#### NAV per share (28 Sep 07)\* USD1.27

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Issued shares 499,967,622  
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Reuters VNL.L  
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\* Unaudited

#### Portfolio by geographic distribution\*

Hanoi	24.0%
Central provinces	19.0%
Ho Chi Minh City	57.0%

\* Currently invested projects



#### Real estate market update

The real estate market in Vietnam continues to remain strong and is displaying growth in all sectors in the major cities and central regions, such as Danang.

The supply of A grade office space in Hanoi and HCMC has become critical. As a consequence rental rates have shot up considerably over the last few months. The landlord of one office building in HCMC is now seeking \$100/sqm; after marketing it six months ago at \$35/sqm.

The retail sector in Vietnam holds great potential which is attracting large international retailers that are now considering opening outlets in Vietnam. Factors driving the increase in interest include demographics such as 70% of Vietnam's population are under 35, an abundant workforce and the Vietnamese government opening up its retail market under its WTO membership commitments.

Demand for residential properties such as apartments and villas continues to remain strong in Hanoi and HCMC. Land for residential development is also experiencing continued sales price growth in both cities.

#### Project update

##### Saigon Design Centre, District 7 HCMC (see picture)

VinaLand holds an 80% investment with a JV partner in a new office/retail development located within the International Commercial and Financial District of Phu My Hung. The site of 2,475sqm can be conveniently accessed from District 1, District 4 and Binh Chanh District. The design incorporates 12 levels plus two basement levels with a total GFA 11,000sqm. There will be four levels of retail and eight upper levels of Grade B office space.

Design development is underway. It is anticipated that initial site investigation will commence in November 2007 and piling will commence in February 2007.

#### Major holdings

Century 21	Mixed-use	USD41.2m
Danang Resort 260ha	Mixed-use	USD29.6m
Omni Hotel	Hospitality	USD17.9m
Hilton Hanoi	Hospitality	USD16.4m
Hanoi Golden Westlake	Residential	USD15.0m
Guoman Hotel	Hospitality	USD14.6m
Central Garden	Residential	USD11.7m
Hanoi Opera Plaza	Office & Retail	USD9.2m
Danang 9ha Project	Mixed-use	USD7.9m
Hoi An Royal Bay Resort	Hospitality	USD7.2m

## VinaLand

### Investment Manager

VinaCapital Investment Management Ltd.

### Development Adviser

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### Fund Administrator

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### ISIN

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### 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)\* **USD1.00**

Issued shares 402,100,000  
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## Project update

### Can Don Hydro Joint Stock Company

Vietnam Infrastructure Ltd (VNI) has invested USD9.7mn in the shares of Can Don Hydro Joint Stock Company (SJD).

SJD is listed on the Ho Chi Minh Stock Exchange (HOSE) and has an installed capacity of 78MW. It is located on the Song Be river in the Binh Phuoc province (located in South East Vietnam). This location has the fastest growth rate in Vietnam, and is an economic, industrial and technological centre and includes Ho Chi Minh City, Vung Tau, Bien Hoa and Binh Duong provinces. SJD is planning to build more small to medium size hydro power plants.

SJD is presently 51% owned by Song Da, one of the leading conglomerates in Vietnam.



## Major holdings

Name	Business	Value
Tan Tao Industrial Park Corporation (ITA)	Industrial park development / Energy	USD14.1m
Pha Lai Thermal Power Joint Stock Company (PPC)	Energy	USD11.6m
Can Don Hydro Joint Stock Company (SJD)	Energy	USD9.7m

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### Fund Administrator

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39/F Dorset House  
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ISIN KYG936121022

### Fund background

Vietnam Infrastructure Limited (VNI), a USD402 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;
- 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 Investment Manager;
- unquoted investments and real estate projects are initially valued at cost. They are subsequently revalued from time to time in accordance with IFRS when the Investment Manager determines appropriate.
- 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.

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