

Vietnam Opportunity Fund
NAV per share (31 Aug 08)* USD2.37
Change

Jul 2008	9.8%
YTD:	-32.0%
Since inception (30 Sep 03)	127.4%

Issued shares	324,610,259
Total NAV (31 Aug 08, USD m)	770
Market cap (31 Aug 08, USD m)	789

Reuters	VOF.L
Bloomberg	VOF LN

VinaLand Ltd
NAV per share (30 Jun 08)* USD1.58
Change

Jun 2008	0.6%
YTD:	20.6%
Since inception (22 Mar 06)	58.0%

Issued shares	499,967,622
Total NAV (30 Jun 08, USD m)	790
Market cap (31 Aug 08, USD m)	585

Reuters	VNL.L
Bloomberg	VNL LN

Vietnam Infrastructure Ltd
NAV per share (30 Jun 08)* USD0.84
Change

Jun 2008	-6.6%
YTD:	-18.4%
Since inception (05 Jul 07)	-16.0%

Issued shares**	401,169,300
Total NAV (30 Jun 08, USD m)	338
Market cap (31 Aug 08, USD m)	229

Reuters	VNI.L
Bloomberg	VNI LN

* Unaudited. VOF NAV is updated monthly; VNL and VNI NAVs are updated quarterly.

** 930,700 VNI shares are held in a treasury share facility.

Economy

August saw continued positive economic news that helped lift equities further off the 52-week lows seen in mid-June. Despite the gasoline price hike in July, August inflation was relatively moderate and the trade deficit held steady. The foreign exchange market has calmed with the open market and official rates now essentially the same.

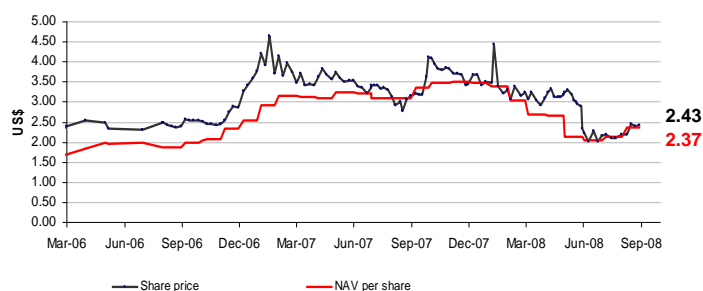
Inflation: Despite the 31 percent increase in gasoline price, inflation rose at a modest month-on-month rate of 1.56 percent in August, lower than the 2 percent estimate. Furthermore, outside of gasoline the CPI increase was below 1 percent. This lower-than-expected inflation is due to the deceleration in food prices, which rose by only 0.5 percent. Food prices account for almost 43 percent of the CPI index. On a year-on-year basis, however, the CPI increase is still at a record 28.3 percent.

Trade: The trade deficit for August was USD900 million, about the same level as in July, with imports of USD7 billion and exports of USD6.1 billion. The year-to-date trade deficit is USD16.6 billion. The foreign-invested sector accounts for USD19.2 billion in imports, a 41 percent rise on last year, due largely to machinery and equipment imports to support production. According to the Vietnam Steel Association (VSA), exports of steel ingots and finished products have stopped, reversing a trend since May that raised concerns about supply for local steel production. The Ministry of Industry and Trade recently removed its regulation on export-licensing of steel products, but with a 20 percent export tax in place this is not a strong incentive to generate exports.

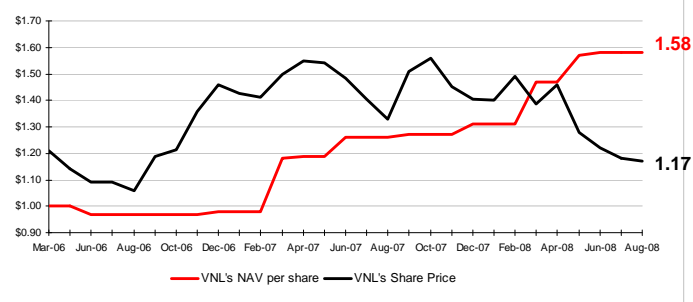
Foreign Direct Investment: No multi-billion-dollar FDI projects were registered in August, as FDI commitments stood at USD1.7 billion for the month, a significant slowdown from the extreme May-July figures. But year-to-date pledges have reached USD47 billion, four times the same period of 2007. Of this total, the service sector (including real estate development) accounts for 50.9 percent and the industrial sector 48.6 percent, due to large investments in steel and refinery projects. Some USD7 billion in FDI has been disbursed year-to-date, a record pace.

Capital markets: The VN Index closed August at 539, up from 451 at the end of July. Vietnamese equities have moved over 50 percent off the 2008 lows seen in June. Whether this rally will continue however depends in part on earnings growth. On a valuation basis the market has moved quickly from a trailing PE of 10x to about 15x, a figure that is slightly higher than the regional average. Interim results for the market indicate that overall EPS may decline about 8 percent year-on-year. In August, profit taking by portfolio investors was more visible, with foreigners net sellers during two of four weeks over the month. On a 52-week trailing basis the net overseas buying trend is reversing.

Vietnam Opportunity Fund
NAV and share price performance (Aug 08)



VinaLand Ltd
NAV and share price performance (Aug 08)



Vietnam Opportunity Fund


VinaCapital Investment Management
Don Lam, Andy Ho, Cuong Nguyen

NAV per share (31 Aug 08)* USD2.37

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*Unaudited

Portfolio by asset type

Capital markets **55.2%**
Listed 32.6%
OTC 22.6%
Property projects **32.8%**
Private equity **7.0%**
Overseas equity **1.1%**
Cash, bonds, others **3.9%**

Performance history (% change on NAV)

	2008	2007	2006	2005
Jan	-2.87%	14.57%	3.90%	0.00%
Feb	-10.17%	8.25%	6.25%	4.35%
Mar	-11.84%	-0.63%	8.82%	0.83%
Apr	-0.75%	-1.28%	7.57%	1.65%
May	-19.54%	5.07%	-1.01%	4.07%
Jun	-4.67%	-0.79%	1.52%	0.00%
Jul	5.70%	-3.75%	-6.50%	0.00%
Aug	9.76%	0.00%	6.42%	3.91%
Sep		8.06%	3.02%	4.51%
Oct		4.18%	0.98%	0.72%
Nov		0.57%	13.53%	5.71%
Dec		-0.57%	8.09%	4.05%
YTD	-32.03 %	37.40%	64.94%	33.91%

Portfolio developments

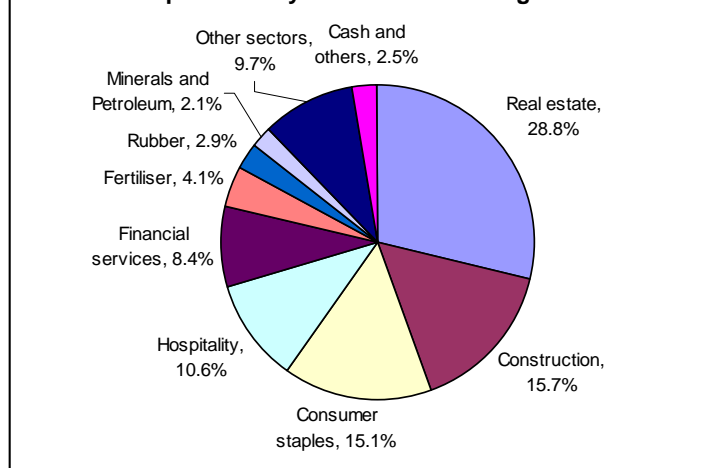
August saw a continuation of the positive returns recorded in July after six straight months of decline to start the year. VOF's NAV increased 9.8 percent to USD2.37 per share at the end of August, from USD2.16 at the end of July. The positive macroeconomic and capital market situation have had a positive impact on all components of the VOF portfolio. In particular, the OTC component increased by 21.3 percent, followed by the listed sector with 15.2 percent growth. The VN Index increased 19.5 percent during the month.

VOF continues to restructure its portfolio by recycling capital into both listed and pre-listed blue-chip companies. In addition, the recent tightened monetary policies have made available a number of attractive collateralised debt and fixed income assets that VOF is actively pursuing. Short-term government bond yields are currently around 18 percent, and with recent indications of economic stability we continue to believe a limited exposure to high-yielding fixed income products is prudent.

VOF's cash position held steady at about USD20 million in August, to close the month at 2.5 percent of NAV.

Major holdings

HPG	Listed equity	7.5% (of NAV)
VNM	Listed equity	5.0%
DPM	Listed equity	4.1%
ITA	Listed equity	3.0%
REE	Listed equity	2.9%

VOF portfolio by sector as of 31 August 2008


Vietnam Opportunity Fund

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Fund Administrator

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ISIN

KYG9361G1010

Fund background

The Vietnam Opportunity Fund (VOF) is a closed-end fund launched in September 2003 and listed on the AIM market of the London Stock Exchange. The investment strategy is to enhance net asset value by an average of 25 percent yearly on a consistent basis through medium and long-term investments with profit taking when appropriate. On a macro basis, VOF focuses on sectors that support Vietnam's growing economy such as financial services, property development, consumer goods for domestic consumption, and healthcare services and products. On a company basis, VOF focuses on publicly traded assets, property, privately held assets and state-owned enterprises being privatised, with the highest emphasis on private equity structure and protections.

Fund manager

VOF is managed by VinaCapital Investment Management (VCIM) and requires investment approvals from a four member investment committee consisting of Horst Geicke, Don Lam, Chris Gradel and Andy Ho. VCIM is led by Andy Ho, head of investment; Nguyen Viet Cuong, head of capital markets; and Due Quach, head of private equity.

Management and performance fees

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

Valuation policy

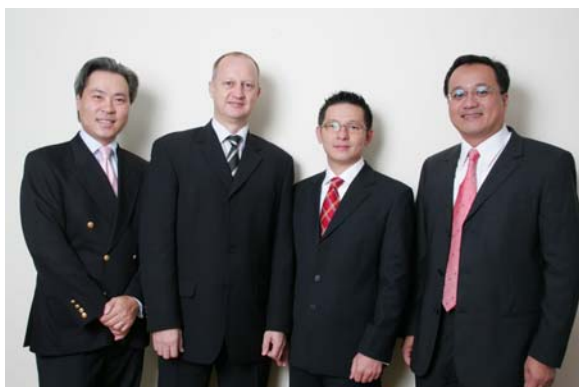
The Net Asset Value is the value of all assets of VOF less all the liabilities of VOF determined in accordance with the valuation guidelines adopted by the Directors from time to time. Under the current valuation guidelines of VOF, such values are as follows:

- 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 Limited



VinaCapital Real Estate

Don Lam, David Blackhall, Anh Tran, Seth Lim

NAV per share (30 Jun 08)* USD1.58

Change

Aug 2008	0.0%
YTD:	20.6%
Since inception (22 Mar 06)	58.0%

Issued shares	499,967,622
Total NAV (30 Jun 08, USD m)	790
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Reuters	VNL.L
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* Unaudited

Portfolio by geographic distribution**

Hanoi	11%
Central provinces	32%
Ho Chi Minh City	56%

** Currently invested projects, 30 Jun 08

Major holdings

Project	Type	Status
Danang Resort 260ha	Mixed-use	Under construction
Dai Phuoc Lotus 200ha	Mixed-use	Investment licence
World Trade Center Danang	Mixed-use	Under construction
Century 21	Mixed-use	Investment licence
Vinh Thai Nha Trang	Mixed-use	Investment licence
Aqua City (Long Hung)	Residential	Under construction
Hilton Hanoi	Hospitality	Operating asset
Movenpick Saigon Hotel*	Hospitality	Operating asset
Central Garden	Residential	Sales underway
Hanoi Golden Westlake	Residential	Sales underway
M Hotel	Hospitality	Operating asset
Sheraton Hoi An Resort	Hospitality	Under construction

* formerly the Omni Hotel.

Portfolio developments

VinaLand's share price closed August at USD1.17 per share, down slightly from USD1.18 per share at the end of July. The fund remains at a substantial discount to the NAV of USD1.58 per share.

August saw the addition of Matthew Koziara to the VinaCapital Real Estate team, as director of sales and marketing. Matthew is a qualified property valuer with over 10 years experience in the property industry, including sales and marketing. Previously, Matthew was the investment director and head of project marketing at CB Richard Ellis (Vietnam) Ltd based in Ho Chi Minh City. He has extensive contacts throughout Vietnam and greater Asia within the investment and property development sector, and has been involved with all types of investment deals including site and en-bloc sales to institutional buyers.

Matthew will work on the residential sales components of projects such as the Danang Beach Resort and Dai Phuoc Lotus. Despite a softer residential market in Vietnam in 2008, demand for new middle-income housing remains high and the upcoming launch of townhouse units at the Dai Phuoc Lotus is expected to generate a high level of interest among the retail market.

Project update

World Trade Center Danang

VinaLand has received a construction permit for the first phase of the WTC Danang project, located in central Danang adjacent to the landmark Han River Bridge. Phase 1 of the project will feature a luxury apartment block, retail mall, hotel, and an office building. Piling has begun on the apartment block, which at 32 storeys and with over 200 units will offer a panoramic view of Danang, Vietnam's fourth largest city and an emerging tourism centre.

Mercure La Gare Hotel

Renovation work continues on pace at this 103-room boutique hotel in downtown Hanoi across from the central train station. The hotel occupies an existing structure that is being completely refitted and will feature a 24-hour Parisian style café. The hotel will be managed by Accor when it opens in Q1 2009. It is estimated that room occupancy will reach 66 percent in 2009 and rise to over 80 percent in 2010.

VinaLand Limited**Investment Manager**

VinaCapital Investment Management Ltd.

Development Adviser

VinaCapital Real Estate Ltd.

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KYG936361016

Fund background

Launched March 2006, VinaLand (VNL) is a closed-end property fund admitted to trading on the AIM market of the London Stock Exchange. 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 watermark 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 (30 June 08)* USD0.84

Change
 Jun 2008 -6.6%
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Issued shares** 401,169,300
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Major holdings

Company	Business	Type
Tan Tao Industrial Park Corporation (ITA)	Industrial park development / Energy	Listed equity
Vietnam Aircraft Leasing Corp (VASC)	Transport	Private equity
Pha Lai Thermal Power JSC (PPC)	Energy	Listed equity

Project update

Phu My Bridge Corporation

VNI is pleased to announce that it has entered into an agreement to acquire a minority equity stake in Phu My Bridge Corporation for USD10.8 million. The investment marks VNI's first entry into the toll road sector in Vietnam.

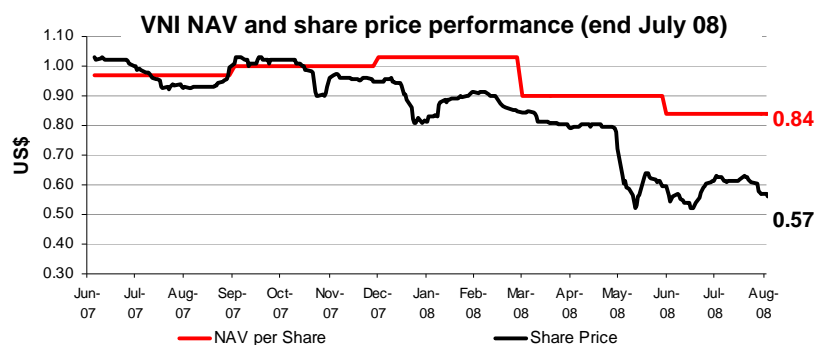
Phu My Bridge Corporation (PMC) is the investor and sole owner of the concession for the build-operate-transfer (BOT) Phu My Bridge in Ho Chi Minh City, Vietnam. The bridge is expected to open for traffic in the first quarter of 2010 and has a toll collection period of 26 years, after which it will be transferred to the Vietnamese government under the BOT scheme.

Phu My Bridge will be the first cable-stayed bridge in Ho Chi Minh City. Spanning 2km with six traffic lanes, the landmark bridge will be an integral part of Ho Chi Minh City's future ring road network. The bridge will serve the city's largest ports and industrial zones.

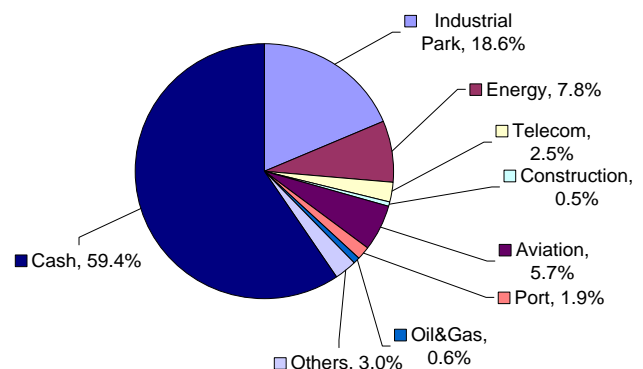
The bridge is expected to relieve the inner city of heavy commercial traffic. Phu My Bridge is being constructed by Bilfinger Berger–Baulderstone Hornibrook (BBBH), a German–Australian consortium. PMC is also constructing over 10km of roadway to connect the bridge to the existing ring road network.

Regulatory announcements

On 19 August, VNI announced that its investment manager, VinaCapital Investment Management Ltd, acquired 30,000 shares at USD0.65 per share. Details are available at www.vinacapital.com.



VNI Portfolio by sector as of 30 Jun 08



Vietnam Infrastructure Limited**Investment Manager**

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ISIN

KYG936121022

Fund background

Vietnam Infrastructure Limited (VNI), a USD 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 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

The baseline management fee is 2% of gross asset value and the performance fee is 20% of gains in excess of an 8% hurdle rate, with a high watermark and a catch-up.

Valuation policy

The Net Asset Value is the value of all assets of the Company less all the liabilities of the Company determined in accordance with IFRS. Under the current valuation guidelines of the Company, such values are as follows:

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Buy-back policy

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Impact of declining oil price on the Vietnamese market

By Dr. Pham Do Chi

Chief Economist, VinaCapital Group

10 September 2008

During August, the oil price fell below USD110 per barrel. Some analysts feel that based on supply-demand fundamentals showing over-abundant inventory levels, the oil price could fall further to the USD80-90/barrel range. But on account of OPEC threats to reduce supply, weather factors causing temporary supply disruptions (e.g. hurricane Gustav), world political tensions, a conservative price forecast is still around USD95-100 for the year-end.

This price range, though not a substantial decrease, would still have fundamental implications for the macroeconomic situation and investment horizon in Vietnam for the rest of the year: it will help sustain the ongoing rally in the financial markets.

Bond market:

The rally has been ongoing for the last eight weeks. Although some argue the real interest rate is still negative given the year-on-year rate of 28.3 percent in August, bond investors jumped into the market in July-August in anticipation that the inflation rate will moderate to 12-14 percent over the next 12 months. With current interest rates for bank deposits and government bonds at 16-20% this implies real positive rates of 4-6%.

Stock market:

Likewise, when the VN Index hit a low of 366 on 20 June, the P/E was around 10-11x. Investors were encouraged by the results of the government's policy package and came back to the equities market based on the improved macroeconomic conditions such as declining inflation, stable FX market, and the declining trade deficit.

In the absence of attractive alternative investments such as gold, FX and real estate (due to the market slowdown since March 2008), the stock rally has seen improved liquidity and has been extended by rotation from first-tier to second-tier blue chips, as well as spreading to the larger OTC issues with good fundamentals.

The market focus on macroeconomic factors and the cheaper world oil price does not seem misplaced, as the latter is expected to have a favourable impact on the Vietnamese economy for the remainder of 2008 and into 2009. Lower energy costs will affect businesses and companies by varying degrees depending on their cost structure, and hence will help sustain the current rally with investors looking to rotate into sectors that will benefit from the following:

- Transport costs may fall by about 45 percent for maritime transport and 50 percent for route transport;
- Plastic companies will particularly benefit from lower input costs;
- Textile and apparel companies which use petroleum-based fibres can also benefit;
- Companies producing steel, cement and paper also have oil as an important cost component.

In addition, the sharp and continued decline in oil price will lead to a general decrease in other commodity prices such as cement and steel, which will lead to cheaper construction costs and hence may help to revive the construction industry. In short, the expected declines in interest rate and commodity prices may lead to the uptrend, in the next phase, for banks, financial companies, transport companies and construction companies.