

★ Vietnam Opportunity Fund

Monthly Update

28 February 2006

VOF Overview

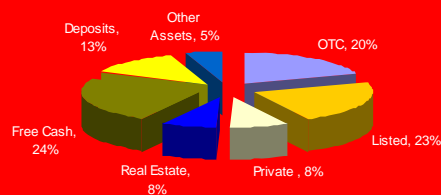
NAV Per Share **US\$1.70**

Share Price **US\$2.41**

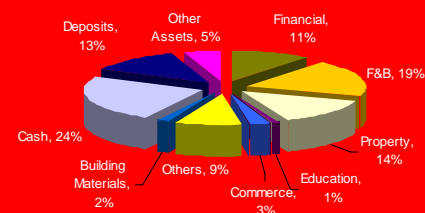
Fund Size (US\$mil) 171
 Issued Shares 122,657,202
 Total Net Asset Value (US\$mil) 209
 Market Capitalization (US\$mil) 295
 Reuters VOF.L
 Bloomberg VOF LN

Portfolio Profile

By Type



By Sector



Investment Manager

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 Reuters Page LCFR01
 Bloomberg Page LCFR <Go>

The Economy

- Industrial production rose 15.8% to US\$4.96bn over the first two months of the years led by strong growth in the electrical motor and garment industries. The pace is almost identical to FY05 with both private and foreign invested sectors driving growth.
- FDI in the first two months of the year reached US\$1.319 billion, or a 12 percent increase year-on-year. The government's low FY06 target FDI of US\$5bn will be easily surpassed.
- Exports rose 28.5% to US\$5.56bn over the first two months of the year, while imports rose only 4.2% to \$5.39bn over the same period. Vietnam thus recorded a trade surplus. One reason was slow imports over the lunar holiday.

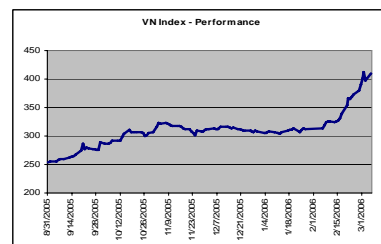
Economic Indicators 2006	
GDP (2005)	US\$52.8bn +8.4% y/y
CPI	+1.2%
Industrial Production Jan/Feb	US\$4.96bn 15.8% y/y
Exports Jan/Feb	US\$5.56bn +28.5% y/y
Imports Jan/Feb	US\$5.39bn +4.2%
FDI Jan/Feb	US\$1.319bn +12% y/y
Tourism (Int'l visitors)	0.35mil +15.9% yoy
VN Index (28 Feb 05)	390.65

Portfolio Developments

- The Fund continued to accumulate listed and OTC shares during the month.
- VinaCapital had a successful fund raising trip in Europe and North America in February for its second fund, VinaLand. The offering, which closed on 9th March, was over 6x oversubscribed. VinaLand will accept approximately 200 million shares. This fund is a dedicated real estate fund. VinaLand will list in the late March 2006.
- VOF acquired a significant stake in Thang Loi Garment, one of the country's leading garment makers.
- VOF also acquired reasonable stakes in COFICO, HCM Movie and SADACO during the month. And continued to build its stake in GMD through the open market.

Stock Market

- The stock market rose sharply over the month, with the VN-index closing at 390.65 points on 28 February, up an astonishing 25% over the previous month.
- OTC stocks also surged with bank shares in the vanguard as domestic investors scrambled to position themselves ahead of possible equitisations.



NAV and Share Price Performance

