

### Vietnam Opportunity Fund

**NAV per share (30 Jun 08)\*** **USD2.04**

*Change*  
 Jun 2008 -4.7%  
 YTD: -41.5%  
 Since inception (30 Sep 03) 105.0%

Issued shares 324,610,259  
 Total NAV (30 Jun 08, USD m) 662  
 Market cap (30 Jun 08, USD m) 700

Reuter 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%

Issued shares 499,967,622  
 Total NAV (30 Jun 08, USD m) 790  
 Market cap (30 Jun 08, USD m) 610

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%

Issued shares\*\* 402,100,000  
 Total NAV (30 Jun 08, USD m) 338  
 Market cap (30 Jun 08, USD m) 239

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

The month ended on a positive note after the dark days of May and early June. GDP slowed on an annualised basis to 5.5 percent in Q2 2008 from 7.4 percent for the same period last year – but this was seen as good news as it means government fiscal tightening policies are starting to take effect. The State Bank in June raised the base interest rate from 12 to 14 percent, allowing more flexibility for bank deposit and lending rates, the latter rising to 21 percent. The government was seen to improve its communication with the investment community and the public as several key figures were released during June, such as official reserves and public finance data.

**Inflation:** The year-on-year inflation for June was a high 26.9 percent, but the month-on-month CPI rise was 2.1 percent, notably lower than May's 3.9 percent. A key factor in the CPI slowing its rise is the price of rice, which has moderated after a good harvest and lower exports stabilised domestic supply. Vietnam is now well positioned to benefit from the still-high price of rice on the international market. As inflation fighting policies begin to kick in, the month-on-month inflation rates may stabilise or slowly drop for the remainder of 2008.

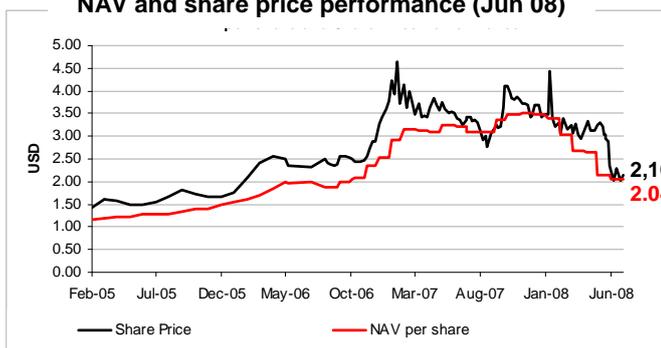
**Trade:** The high price of commodities has helped exports reach a record monthly figure of USD6.3 billion for June, which combined with lower imports has helped slow the rise of the trade deficit. The export-import gap for June fell to USD1.3 billion from USD3.3 billion for May, with a total trade deficit of USD14.8 billion for H1 2008.

**Foreign direct investment:** FDI reached a remarkable USD16 billion in June, a record figure, including notably a USD7.8 billion steel project in Ha Tinh province. FDI for the year is now USD31.6 billion, a 56 percent increase over the whole of 2007.

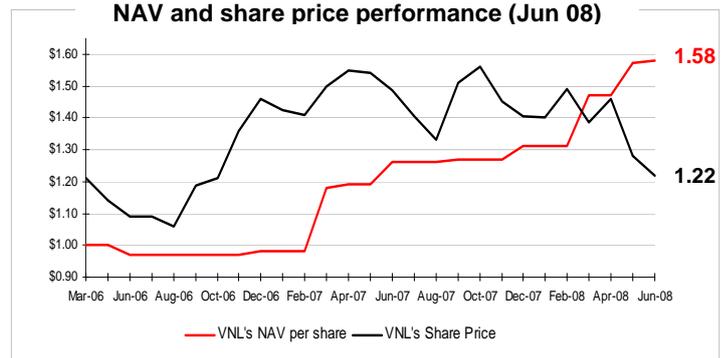
**Foreign exchange:** The State Bank of Vietnam (SBV) cut the official exchange rate to a record low of VND16,514 against the US dollar on 27 June. The SBV also raised the VND trading band to +/- 2 percent from +/- 1 percent, and various mechanisms employed by banks, such as service fees on foreign exchange transactions, have now been restricted.

**Capital markets:** The VN Index closed June at 399, down from 414 at the end of May but an improvement over the 52 week low around 364 seen in mid-June (as of this writing on 11 July the Index was up to 457). The VN Index reached the ceiling of its trading band for five consecutive days at the end of June as the market sprung to life following the more positive macroeconomic results. Trading volume remained low but has increased considerably for blue chip stocks, particularly in the energy, commodities and consumer goods sectors. Although the macro picture is still somewhat unclear, it appears at least some investors are now prepared to 'bottom fish' and pick up some of Vietnam's high quality companies at the current low valuations. During June, three companies listed on the Ho Chi Minh Stock Exchange (HoSe) and four on the Hanoi Stock Trading Centre. As of 30 June 2008, the HoSE market capitalisation was USD10.7 billion with an estimated average 2008 PE of 11-12x.

**Vietnam Opportunity Fund**  
**NAV and share price performance (Jun 08)**



**VinaLand**  
**NAV and share price performance (Jun 08)**



### ★ Vietnam Opportunity Fund



**VinaCapital Investment Management**  
Don Lam, Andy Ho, Cuong Nguyen

**NAV per share (30 Jun 08)\* USD2.04**

Change  
Jun 2008 -4.7%  
YTD: -41.5%  
Since inception (30 Sep 03) 105%

Issued shares 324,610,259  
Total NAV (30 Jun 08, USD m) 662  
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Reuters VOF.L  
Bloomberg VOF LN

\*Unaudited

#### Portfolio by asset type

Capital markets **52.3%**  
Listed (including bonds) 31.7%  
OTC 20.6%  
Real estate **36.0%**  
Private equity **5.8%**  
Overseas equity **1.8%**  
Cash, deposits, other **4.1%**

#### 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		-3.75%	-6.50%	0.00%
Aug		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	<b>-41.55%</b>	<b>37.40%</b>	<b>64.94%</b>	<b>33.91%</b>

#### Portfolio developments

During the month, the listed component of VOF decreased 2.7 percent while the OTC component lost 17.4 percent compared to the prior month. The drop in the OTC portfolio was due to lower valuations of several comparable real estate companies. The OTC market has low liquidity and previously VOF held two investments at cost due to the lack of trading in comparables. In June, several real estate companies on the OTC market saw trading at substantially decreased prices, and so we have marked down our two comparable holdings accordingly (one OTC and one private equity). OTC valuation movement generally lags the VN Index by about one month.

The 30 June 2008 NAV as a result decreased 4.7 percent to USD2.04 from USD2.14 per share at the end of May. The VOF share price traded at USD2.16 at 30 June 2008.

VOF recorded an increase of approximately USD14 million in cash and cash equivalents in June, mainly from divestment of some listed shares, real estate projects and receipt of 2008 interim dividends. VOF's cash position at the end of the month was about 4.1 percent of total NAV.

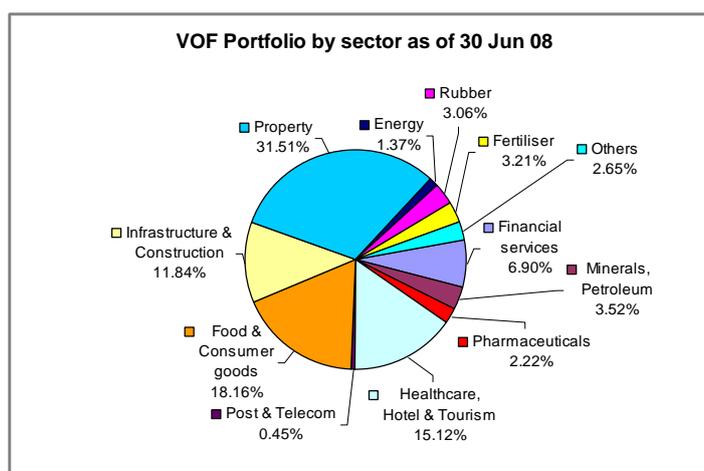
(Note: in early July, there was a material increase in VOF's listed and OTC valuations. The VN Index increased 14.3 percent from the end of June to 14 July 2008.)

#### Regulatory announcement: Extraordinary General Meeting

VOF is pleased to announce that a vote of shareholders at the 30 June 2008 EGM in Hong Kong determined that VOF would continue as currently constituted for an additional five year term. Details are available at [www.vinacapital.com](http://www.vinacapital.com).

#### Major holdings

VNM	Listed equity	5.9% (of NAV)
HPG	Listed equity	4.9%
ITA	Listed equity	4.5%
DPM	Listed equity	3.0%
KDC	Listed equity	2.5%



 **Vietnam Opportunity Fund****Investment Manager**

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**Fund Administrator**

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

**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*  
Jun 2008 0.6%  
YTD: 20.6%  
Since inception (22 Mar 06) 58%

Issued shares 499,967,622  
Total NAV (30 Jun 08, USD m) 790  
Market cap (30 Jun 08, USD m) 610

Reuters VNL.L  
Bloomberg VNL LN

\* Unaudited

#### Portfolio by geographic distribution\*

Hanoi 16%  
Central provinces 33%  
Ho Chi Minh City 51%

\* Currently invested projects, 30 Jun 08

#### Major holdings

Project	Type	Value (USD)
Danang Resort 260ha	Mixed-use	90.6m
Dai Phuoc Lotus 200ha	Mixed-use	72.5m
World Trade Center Danang	Mixed-use	48.7m
Century 21	Mixed-use	48.7m
Vinh Thai Nha Trang	Mixed-use	39.0m
Aqua City (Long Hung)	Residential	22.3m
Hilton Hanoi	Hospitality	20.7m
Movenpick Saigon Hotel*	Hospitality	17.9m
Central Garden	Residential	15.7m
Hanoi Golden Westlake	Residential	15.0m
M Hotel	Hospitality	14.6m
Hoi An Royal Bay Resort	Hospitality	9.9m

\* formerly the Omni Hotel.

#### Portfolio developments

VinaLand's NAV per share has increased to USD1.58 at the end of June, up slightly from USD1.57 last month after recording the sales of 97 units in the Golden Westlake residential development in Hanoi (VNL's NAV is normally revised quarterly, however an independent revaluation of six projects carried out in May and approved by the board of directors resulted in the NAV being revised twice in the past quarter instead of once).

The VNL share price closed June at USD1.22 per share, down from USD1.28 per share at the end of May. As a result, at the end of June VNL was priced at a 22.8 percent discount to current NAV. We believe this is related to the market-wide drop in both real estate and Vietnam funds due to the pessimistic reports at the beginning of June. VNL has historically traded at a premium to NAV. During June, the broker LCF Rothschild released data showing that, by NAV, VNL is now the largest Vietnam fund trading internationally and the best performing Vietnam fund for 2008 YTD, with a 20.6 percent return on NAV since the end of December 2007.

#### Project updates



#### Novotel Hanoi on the Park

On 6 June 2008 a groundbreaking ceremony was held for the Novotel Hanoi on the Park, a unique hotel that will overlook Reunification Park on a 1ha site in central Hanoi. The 376-room four star hotel will feature one of the biggest conference and ballrooms in central Hanoi. The location and amenities will allow the hotel to position itself as a 'resort within the city' in addition to serving the business market. VinaLand owns the hotel as part of a joint venture with Accor, Hanoi Tourism and River Nile.

#### Movenpick Saigon

A rebranding of the former Omni Saigon Hotel took effect on 1 July 2008, with the hotel now under management by the Swiss group Movempick. The hotel is located in the fast-growing Phu Nhuan district, very close to Tan Son Nhat International Airport. This is the first Movempick branded hotel in Vietnam, with a second rebranding – of VNL's M Hotel (formerly the Guoman) set for Q3 2008.

#### Regulatory announcements

On 17 June 2008, VNL announced that a director of the fund, Don Lam, purchased 300,000 shares in the company. Details are available at [www.vinacapital.com](http://www.vinacapital.com).

 **VinaLand Limited****Investment Manager**

VinaCapital Investment Management Ltd.

**Development Adviser**

VinaCapital Real Estate Ltd.

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**ISIN**

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 (31 Mar 08)\* USD0.84**

*Change*  
 Jun 2008 -6.6%  
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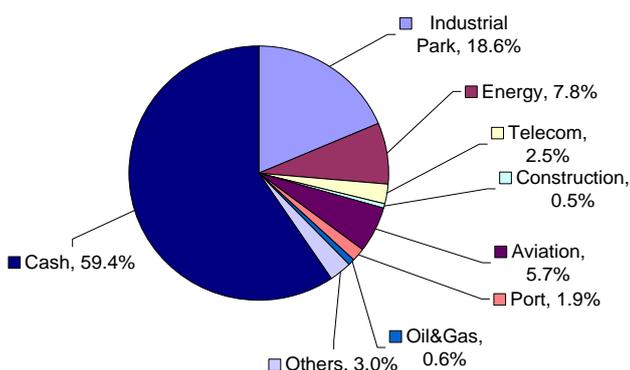
Reuters VN1.L  
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\* Unaudited  
 \*\* 930,700 VNI shares are held in a treasury share facility.

#### Major holdings

Company	Business	Value (USD)
Tan Tao Industrial Park Corporation (ITA)	Industrial park development / Energy	45.6m
Vietnam Aircraft Leasing Corp (VASC)	Transport	19.2m
Pha Lai Thermal Power JSC (PPC)	Energy	17.2m

#### VNI Portfolio by sector as of 30 Jun 08



#### Portfolio update

VNI's NAV per share has dropped 6.6 percent to USD0.84 at the end of June, from USD0.90 at the end of March 2008. This compares to a VN Index drop of 22.8 percent over the same period. VNI's listed equity investments account for most of the NAV decline, but the strong performance compared to the VN Index is an indication that the capital intensive infrastructure sector will see less volatility than the broader market.

VNI continues to make excellent progress in building a diversified portfolio of infrastructure assets, and is increasingly recognised across Vietnam as a strong private sector partner for infrastructure related projects.

#### Project updates

##### Bac Tan Tap Industrial Park (BTT)

VNI has successfully acquired a 60 percent stake in the Long An S.E.A. Industrial Park Development Company Ltd to develop the 515ha Bac Tan Tap Industrial Park (BTT) and services area in Can Giuoc District, Long An province. The investment is USD11.5 million and the total project cost is expected to reach USD77 million.

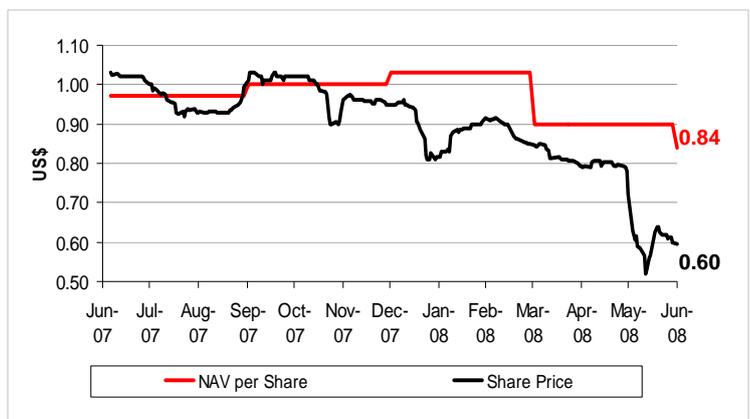
The joint venture has received an investment licence for the first phase of the industrial park, which will cover 106ha of the 515ha total. Land compensation for the first phase is more than 80 percent completed. We expect to start land filling in the next few months. Located 30km south of Ho Chi Minh City, the 515ha BTT is expected to serve general industry along with clean and high-tech industries.

#### Regulatory announcements

On 5 June, VNI announced a transaction in own shares involving the purchase of 100,000 shares.

On 13 June VNI announced that two directors of the fund, Don Lam and Horst Geicke, purchased 100,000 and 200,000 shares in the company, respectively. In addition, fund manager William Lean purchased 20,000 shares. Details of these announcements are available at [www.vinacapital.com](http://www.vinacapital.com).

#### VNI NAV and share price performance (end Apr 08)



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**Fund Administrator**

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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**

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**Buy-back policy**

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