SAIGON ASSET MANAGEMENT

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Vietnam Equity Holding (VEH) Monthly Update — March 2013

Macroeconomic Update

The end of the first quarter brought mixed economic results for Vietnam. After the surge of food prices in February due to the Tet celebrations, the CPI fell into negative territory on a monthly basis in March at -0.19% and moderated on a yearly basis to 6.64% from 7.02% in the previous month. GDP growth for Q1 2013 was announced at a very moderate 4.89% YoY, lower than many forecasts and not comparing very well with the revised Q1 2012 GDP growth of 4.75%. Despite these seemingly "not great" indicators, the HSBC Purchasing Managers' Index increased to 50.8, hitting a 23 month high, and above the threshold of 50 indicating economic growth. Improved domestic and export orders were noted to be the key causes of this increase, injecting a small dose of much optimism in the marketplace.

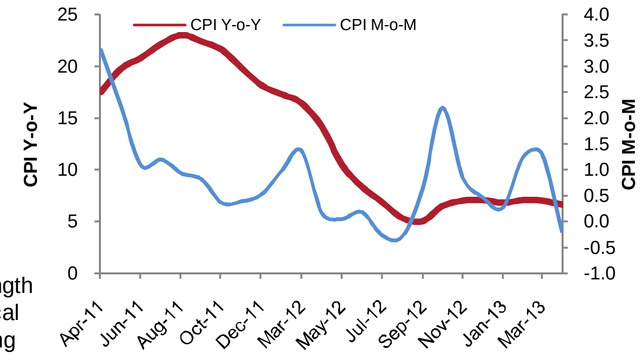
The inflation decrease occurred despite an interest rate cut of 100 basis points to the refinancing and discount rates now standing at 8% and 6% respectively, and 50 basis points cut to the VND deposit rate now at 7.5%. Another factor was a surprise fuel price increase of 6.2%. It was revealed that the government's Fuel Price Stabilization Fund had been overdrawn due to previous efforts to keep fuel prices steady and the government sought to replenish it. If international prices remain relatively stable over the next couple months, it is likely that the government will reduce fuel prices gradually. On the other hand, concerns are growing that electricity prices will be increased due to abnormally low rainfall currently affecting the levels of hydroelectric plant reservoirs, thus increasing the need to operate more expensive thermal plants or possibly increase energy imports from neighboring countries.

The banking sector restructuring process continues with several new measures being implemented: the State Bank of Vietnam (SBV) introduced tougher guidelines for banks that are under "special supervision", and the Prime Minister approved the establishment of an "Inter-Ministerial Steering Committee" to improve institutional coordination between government bodies. The new guidelines have several key aspects: they broaden the scope of banks that can be put under special supervision, the SBV has greater authority to force banks to merge or call for recapitalization, and new limitations on who can be on the Special Supervision Board. These are positive steps however, ultimately, an uncertain number of banks need recapitalization and to be freed from the nonperforming loans (NPLs) on their balance sheets. The government is still reluctant to increase foreign ownership levels of banks (currently at 30%, foreigners and foreign institutions are reportedly willing to buy into ailing banks, but usually only if they can have a majority stake) and the Debt Asset Management Company to buy NPLs from banks still has not been officially formed or announced.

The trade deficit was announced as being much higher than expected due to recovering imports. While this is partly due to the SBV's action to allow gold imports and exports during the month, it is also noted that machinery imports were modest at 6.8%. With increasing foreign direct investment pledges and disbursement, we expect that these crucial imports will increase in the near future reflecting a modestly improving business environment in Vietnam. While the VND has remained relatively stable, increased imports, especially of gold, have recently been putting depreciating pressure on the currency.

Indicators	Mar-13	YTD	Y-o-Y	2012
GDP Growth (%)			4.89%	5.0%
Inflation (%)	-0.2%	2.4%	6.6%	6.8%
Exports ($Bn)	$11.0	$29.8	19.8%	$114.6
Imports ($Bn)	$11.6	$29.5	17.7%	$113.8
Trade Surplus or (Deficit)	($545 Mn)	$278 Mn	-12.3%	$780 Mn
Disbursed FDI ($Bn)	$1.7	$2.7	8.0%	$10.5
VND/USD	20,960	0.5%	0.5%	20,860

Source: General Statistics Office of Vietnam (GSO), Vietcombank



Equity Market Update

After stumbling slightly in February, the Vietnam Index (VNI) regained strength during March and though it did not break through the important psychological barrier of 500, it ended the month just beneath that barrier at 491.04, gaining 3.5% in VND terms (gaining 5.5% in EUR terms). While this was an admirable gain, it occurred on much lower volume with average daily traded shares only reaching 44 million compared with 71 million in the previous month. Furthermore, with foreign investors being net purchasers of shares totaling about $56 million, much of the increase was concentrated in large cap stocks; evidently during the month, foreigners set the trend and domestic investors generally followed. Comparatively, the Hanoi Stock Exchange (HNX) lost 3.7% in VND terms during the month on reduced volume in general and significantly less foreign purchasing, totaling only about $4.1 million. With many more small and mid cap stocks on the HNX which are generally favored by domestic investors during strong bull markets with high volume, the performance of the HNX has come to be regarded as an imperfect gauge of domestic investor sentiment. Consequently, we interpret the loss in the HNX for the month as indicating that domestic investors are not quite convinced by the current bull market advances and that a drop of foreign investor interest may trigger a consolidation of the VNI. Thus, in this current environment, we would prefer to see more stability in international markets as well as more reforms coming more quickly from the Vietnam government that would cheer both domestic and foreign investors and possibly prompt a more equitable distribution of gains throughout the stock market.

Real Estate Market Update

The real estate market is starting to be slightly more positive. The SBV released a draft circular that would stipulate state-owned banks to lend VND30 trillion (approximately $1.5 billion) to homebuyers and renters of units in social housing projects at the preferential interest rate of 6% per year for the first 3 years. The SBV committed that it would support this plan by providing cheap financing to the banks that participated at 1.5 percentage points lower than the banks' lending rate. If this plan were to come to fruition, it would likely stimulate sales of social and affordable housing projects, helping developers that have cash flow problems or loans at high interest rates. The release of the draft circular cheered markets and several real estate companies gained on the news, however as more news on this subject or on the debt asset management company were not forthcoming, many of the gains were relinquished. During the month, an affordable housing developer, Nam Long Corporation, announced it planned to list on the Ho Chi Minh Stock Exchange to gain from the market rally, while another, Hoa Binh Construction, announced that it was seeking a strategic investor, possibly from Japan. While these two developments support the perception that the real estate market is improving slightly, real progress needs to be made on resolving the nonperforming loans, hopefully through the establishment of the 'debt asset management company'. Until this happens, lending to real estate will continue to be self-restricted by banks looking to reduce exposure to this troubled sector.

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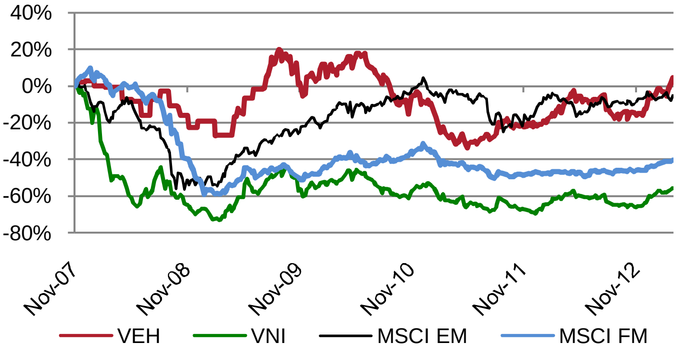
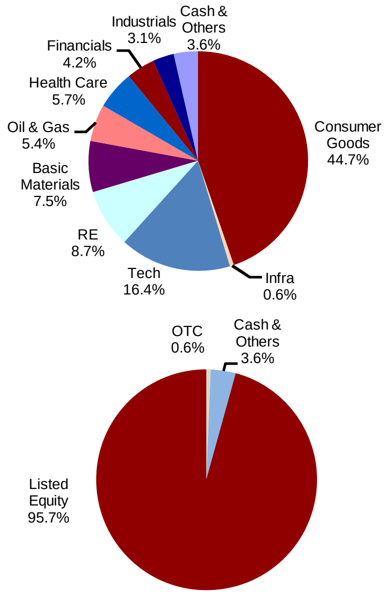
NAV per share	**€2.43**
Outstanding Shares	**21,589,310**
Share price	**€1.51 (Bid Price Quoted by LCF Rothschild)**
Discount	**37.9%**
Total NAV	**€52,489,163**

Performance

%	Monthly	YTD	Year End 2011	Since Inception
NAV per share	7.0	16.7	33.8	3.8
Share price	6.3	16.2	45.2	-43.0
VN Index in EUR	5.5	21.5	42.0	-55.1
MSCI EM in EUR	0.0	0.9	14.2	-3.9
MSCI FM in EUR	1.7	10.0	13.3	-39.6



Portfolio by Sector and Asset Allocation



About Saigon Asset Management

Established in 2007 in the Cayman Islands with representative offices in Ho Chi Minh City, SAM manages Vietnam Equity Holding (VEH) and Vietnam Property Holding (VPH) and employs over twenty professionals with diverse international financial backgrounds and proven track records.

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VEH Update

In March, VEH's un-audited NAV per share was €2.43, representing an increase of 7.0% from €2.27 at the end of the prior month. Over the same period, the VN Index increased 5.5% in EUR terms (up 3.5% in VND terms). The NAV increase was mainly due to a 5.0% increase in portfolio value from the increase in prices of listed stocks combined with an unrealized FX gain from the depreciation of the EUR against the VND.

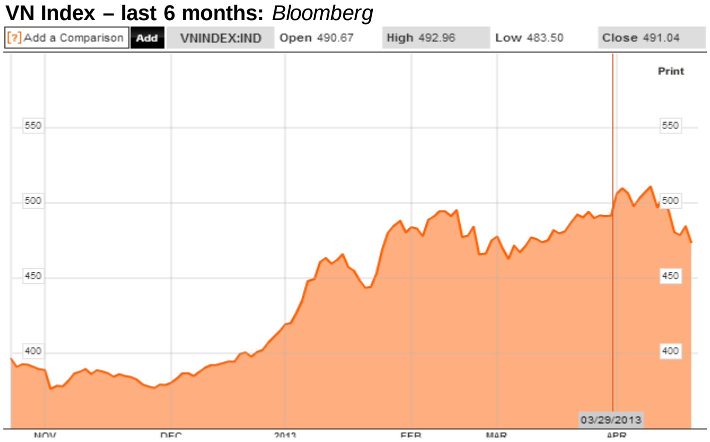
Listing of VEH Update

On April 2nd, 2013, the Stuttgart Stock Exchange granted a listing of VEH under the same trading codes as previously. Trading of shares of VEH upon the Stuttgart Stock Exchange began on April 3rd, 2013. Details of the listing can be found on the website at www.saigonam.com.

Investment Manager Update

We continue to screen for opportunities to rebalance into small and mid cap stocks with strong fundamentals and higher reward/risk ratios to capitalize on the potential upside gain from an anticipated long-term rebound in the Vietnam stock market.

VN Index – last 6 months: *Bloomberg*



Top Holdings	**% of NAV**
Vinamilk (VNM)	29.9%
FPT Corp (FPT)	12.2%
Phu Nhuan Jewelry (PNJ)	5.0%
Japan Vietnam Medical Instruments (JVC)	4.9%
DABACO Corp (DBC)	4.8%

Foreign Investors' Net Buy on HOSE

Date	Volume (Mn shares)	Value ($Mn)
Mar-13	32.2	55.7
Feb-13	5.5	-0.3
Jan-13	120.2	120.9
Q1 2012	157.9	176.5

Structure	Cayman Islands registered closed-end funds	
Funds launch	November 2007	
Duration	5 Years (extended by shareholder vote for 3 years on 10/3/2012)	
Listed	Stuttgart Stock Exchange	
Management Fee	2% of NAV	
Performance Fee	20% of gains over 8% hurdle with high water mark	
Auditor	Grant Thornton	
Legal Counsel	Reed Smith LLP & Appleby	
Administrator Custodian	Deutsche Bank (Cayman) Ltd Deutsche Bank AG, Ho Chi Minh City Branch	
Clearing/Settlement	Euroclear or Clearstream	
Market Makers	**886 AG** +49 6101 98861 18, www.886ag.de **LCF Rothschild** +44 207 845 5900, www.lcfr.co.uk	
Bloomberg	**VEH:** 3MS:GR	**VPH:** 3MT:GR
Reuters	**VEH:** 3MS.DE	**VPH:** 3MT.DE
ISIN	**VEH:** KYG936251043	**VPH:** KYG9361R1074