

VIETNAM EQUITY HOLDING

*An Exempted Company Incorporated in the Cayman Islands with Limited Liability
(Registration Number 193017)*

OFFERING MEMORANDUM

Minimum Initial Subscription: US\$100,000
or its equivalent in another currency

JUNE 2013

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN FILED WITH OR APPROVED OR DISAPPROVED BY ANY REGULATORY AUTHORITY OF ANY COUNTRY OR OTHER JURISDICTION, NOR HAS ANY SUCH REGULATORY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

PERSONS INTERESTED IN SUBSCRIBING FOR THE SHARES SHOULD INFORM THEMSELVES AS TO THE (1) THE LEGAL REQUIREMENTS WITHIN THEIR OWN COUNTRIES FOR THE PURCHASE OF THE SHARES, (2) ANY FOREIGN EXCHANGE RESTRICTIONS THAT THEY MIGHT ENCOUNTER AND (3) THE INCOME TAX OR OTHER TAX CONSEQUENCES, IF ANY, THAT MIGHT BE RELEVANT TO THE PURCHASE, HOLDING OR SALE OF THE SHARES.

NO PERSON HAS BEEN AUTHORISED IN CONNECTION WITH THIS OFFERING TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN AS CONTAINED IN THIS OFFERING MEMORANDUM.

NOTICES

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, lawyer, accountant or other professional advisor.

Neither the Fund nor the shares of the Fund described in this Offering Memorandum have been or will be registered or qualified under the securities laws of any jurisdiction. The shares are not for sale to US Persons except as specifically provided in this Offering Memorandum.

This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to buy shares, nor shall there be any sale of shares in any jurisdiction in which such offer, solicitation or sale is not authorised or to any person to whom it is unlawful to make such offer, solicitation or sale. It is the responsibility of every person wishing to make a subscription in connection herewith to satisfy himself as to full observance of the laws of the relevant jurisdiction in connection therewith, including any governmental or other consent which may be required, or to observe any other formalities needing to be observed in such jurisdiction. The direct or indirect ownership of shares by Restricted Persons is prohibited except in accordance herewith.

No person has been authorised to make any representations concerning the Fund or the shares that are inconsistent with those contained in this Offering Memorandum, and accordingly any such representations should be treated as unauthorised and may not be relied upon by the party to whom such representations are made.

Prospective investors should not construe the contents of this Offering Memorandum as legal, tax or financial advice. All prospective investors should consult their own professional advisors as to the legal, tax, financial or other matters relevant to the suitability of an investment in the shares for such investor.

The purchase of shares is speculative and involves a high degree of risk. There is no assurance that the Fund will be profitable. See the section entitled "CERTAIN RISK FACTORS" within this Offering Memorandum for a description of certain risks involved in the purchase of shares.

The Fund's shares are presently listed on the Stuttgart Stock Exchange. The Directors, in their sole discretion, will decide whether to maintain this listing after the Fund's lock up period ends in Q2 2014.

This Offering Memorandum is intended solely for the use of the person to whom it has been delivered by the Fund for the purpose of evaluating a possible investment by the recipient in the shares, and it is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Offering Memorandum from the Fund).

The Fund has been or will be (as the case may be) registered as a mutual fund with the Cayman Islands Monetary Authority pursuant to section 4(3) of the Cayman Islands Mutual Funds Law (as amended). Such registration was or will be effected by filing with the Monetary Authority the prescribed details in respect of this Offering Memorandum and by paying the prescribed registration fee. Such registration does not imply that the Monetary Authority or any other regulatory authority in the Cayman Islands has passed or approved or will pass upon or approve this Offering Memorandum or the offering of shares hereunder nor is it intended that they will.

The Fund is prohibited from making any invitation to the public of the Cayman Islands to subscribe for the shares. Non-resident or exempted companies and certain other non-resident or exempted entities established in the Cayman Islands and engaged in offshore business may however be permitted to subscribe.

There are restrictions on the offer and sale of securities in the United Kingdom. Any person who is engaged in any activity with respect to securities that are in any way associated with the United Kingdom must comply with all applicable laws and regulations.

As the Fund's Net Asset Value will be calculated in Euros, each holder of shares, and not the Fund, will bear the risk of any foreign currency exposure resulting from differences, if any, in the value of the Euro relative to the currency of the country in which such shareholder resides or maintains its net worth.

To the best of the knowledge and belief of the Directors, who have taken all reasonable care in reviewing this Offering Memorandum, as at the date of this Offering Memorandum, the information contained in this Offering Memorandum is accurate and does not omit anything likely to affect the import of such information. Neither the delivery of this Offering Memorandum nor the issue of shares of the Fund shall be taken to imply that any information herein is correct as of any subsequent date.

Notwithstanding anything to the contrary otherwise contained herein or in the Articles, each recipient of this Offering Memorandum (and each employee, representative, or other agent of such recipient) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions described in this Offering Memorandum and all materials of any kind that are provided to such recipient relating to such tax treatment and tax structure (as such terms are defined in US Treasury Regulation section 1.6011-4). This authorization of tax disclosure is retroactively effective as of the commencement of discussions between the Fund or its representatives and the recipient regarding the transactions contemplated herein.

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1. DIRECTORY

Directors	Lee G. Lam, Chairman Howard Golden Louis Nguyen Kathryn Vagneur
Registered Office	c/o Deutsche Bank (Cayman) Limited Boundary Hall Cricket Square P.O. Box 1984 Grand Cayman KY1-1104 Cayman Islands
Investment Manager	Saigon Asset Management Corporation Clifton House, 75 Fort Street George Town, Grand Cayman Cayman Islands Representative office: TMS Building, 12th Floor 172 Hai Ba Trung, District 1 Ho Chi Minh City, Vietnam
Legal adviser to the Fund as to US and German laws	Reed Smith LLP 599 Lexington Avenue, 29th Floor New York, New York 10022 USA
Legal adviser to the Fund as to Cayman laws	Appleby (Cayman) Ltd. Clifton House, Fort Street PO Box 190 George Town Grand Cayman KY1 1104, Cayman Islands
Legal adviser to the Fund as to Vietnamese laws	Bross & Partners Cham Vit Tower, Unit 1602A 16 th Floor, 117 Tran Duy Hung Street Cau Giay District, Hanoi, Vietnam Ho Chi Minh City Branch: TV Building, Suite 501 5 th Floor, 31A Nguyen Dinh Chieu Street District 1, Ho Chi Minh City, Vietnam
Auditors	Grant Thornton (Cayman Islands) Bermuda House, 5 th Floor Dr. Roy's Drive, PO Box: 1044 Grand Cayman, KY1-1102 Cayman Islands Grant Thornton (Vietnam) Fund Ltd. 28th Floor Saigon Trade Center 37 Ton Duc Thang Street, District 1 Ho Chi Minh City, Vietnam

Administrator

Deutsche Bank (Cayman) Limited
Boundary Hall, Cricket Square,
P.O. Box 1984,
Grand Cayman KY1-1104, Cayman Islands

Custodian

Deutsche Bank AG, Ho Chi Minh City Branch
Floor 14, Saigon Centre
65 Le Loi Boulevard, District 1
Ho Chi Minh City
Vietnam

2. SUMMARY

The information set out below should be read in conjunction with, and is qualified in its entirety by, the full text of this Offering Memorandum, the Memorandum and the Articles and the documents and agreements referred to herein, copies of which are available from the Administrator upon request.

Capitalised words that are not otherwise defined are defined in the Definitions section of this Offering Memorandum.

The Fund The Fund is an exempted company that was incorporated with limited liability under the Companies Law in August 2007.

Initially the Fund was a closed ended investment fund. With effect from June 14, 2013, following Shareholder approval at the Extraordinary General Meeting (“EGM”) called for this reason, the Fund will convert into an open ended regulated mutual fund, with its Shares redeemable at the option of the holder, on the terms and in such manner as set out in this Offering Memorandum.

The authorised share capital of the Fund is EUR100,000,000 divided into 50,000,000 Shares of a nominal par value of EUR2.00 each, having attached thereto the rights set out in the Articles.

The Offering *Ongoing Offering.* Shares may be purchased on each Dealing Day at a subscription price of the current Net Asset Value per share.

The Shares that have been issued and the Shares that are being offered currently constitute one class of Shares in the Fund. Issued Shares carry voting rights. Shares may be issued in Series.

Shares will be issued in registered form and no share certificate will be issued. Ownership and transfer of Shares will be recorded in the share register maintained by the Administrator.

Investment Objective The principal investment objective of the Fund is to seek capital appreciation by making equity investments in companies with significant exposure to Vietnam. Specifically, the Fund has invested in and will continue to invest in equity securities of listed companies, private companies, state-owned enterprises (“SOE”), over-the-counter (“OTC”) companies and/or debt securities. The Fund seeks to invest in a diversified balanced portfolio that is expected to achieve above average returns at an acceptable level of risk, give rise to long-term and short-term returns, and be capable of yielding recurrent earnings and/or capital gains.

Investment Strategy In general, the Fund intends to leverage the advantages offered by the Investment Manager’s locally-immersed management team and an experienced Board of Directors to source and capture proprietary deal flow.

The Fund seeks to invest in companies with strong characteristics including an experienced and proven management team that supports corporate governance and financial transparency, a high-growth financial model, differentiated products or services, superior competitive advantages, a significant market share, and high liquidity in terms of volume of shares traded.

In addition, while the majority of investment funds in Vietnam tend to focus on one

particular market niche, the Fund shall seek above average returns on opportunities in the overall equity market in Vietnam, rather than following one core, dedicated investment thesis.

Investment Manager Saigon Asset Management Corporation (an exempted company incorporated under the laws of the Cayman Islands) has been retained by the Fund to manage and invest the Fund's investments.

Investment Advisor The Investment Manager may, from time to time, engage a local asset management company to provide investment advisory services to the Investment Manager ("**Investment Advisor**"). The Investment Advisor would be responsible for providing the Investment Manager with advice in connection with the management of the assets of the Fund. The Investment Manager would be responsible for the fees of the Investment Advisor.

Administrator The Administrator for the Fund is Deutsche Bank (Cayman) Limited.

Custodian The Custodian of the Fund's assets is Deutsche Bank AG, Ho Chi Minh City Branch.

Minimum Initial and Additional Subscriptions The minimum initial subscription per subscriber is US\$100,000 or its equivalent in another currency. There is no minimum additional investment for an existing Shareholder. The minimum initial and additional subscriptions may be waived, increased or reduced at the discretion of the Directors generally on a case by case basis except on initial subscription which must always be for at least US\$100,000 or its equivalent or such other minimum as may be relevant under applicable law.

Subscriptions for Shares Shares may be purchased on a Dealing Day at a subscription price of the current Net Asset Value per Share on the relevant Dealing Day. The monies to be paid for Shares are payable in full upon subscription.

The Directors may modify the frequency of permitted subscriptions. Additionally, the Directors may "close" the Fund or any Class to new or additional subscriptions by refusing to issue any additional Shares or any additional Shares of any Class, without notice to the Shareholders. The Directors may reopen the Fund or any Class to new or additional subscriptions at any time.

Currently, there is only one Class of Shares in issue.

Shares of certain additional Classes may be issued by the Fund in the future, in the sole discretion of the Directors.

Eligible Investors Shares may be purchased only by Eligible Investors except in a limited number of cases and then only after supplementary offering materials have been distributed to such potential investors (such as, without limitation, US tax-exempt investors). Persons interested in purchasing Shares should inform themselves as to the legal requirements applicable to such persons for the purchase of Shares and any foreign exchange restrictions with which they must comply. A limited number of Shares may be sold to US Persons and then only in a limited number of cases. In the case of such US Persons, Shares may be sold only to investors who meet all eligibility standards as required by the legal counsel of the Fund. The Directors may reject, either in whole or in part, subscriptions for Shares.

Net Asset Value The Net Asset Value ("**NAV**") of the Fund, each Class and each Share (as the case may be) will be calculated as provided by the Articles. Expenses, fees and other liabilities will be

generally determined using IFRS. The relevant NAV will be calculated as of the close of business in Vietnam on a Valuation Day.

Voluntary Redemptions, Restrictions and Lock Up Period

Except as provided in this Offering Memorandum, a Shareholder may generally request redemption of all or some of its Shares on a Redemption Day.

Redemption requests may be made quarterly and will be subject to certain limitations (as described below) relating to the overall percentage of the Fund's Shares that may be redeemed each quarter.

Shareholders must submit their written redemption requests to the Administrator a minimum of sixty (60) calendar days before the relevant Redemption Day.

Shares in the Fund are not redeemable until the second calendar quarter of 2014.

The first Redemption Day shall be at the end of the second calendar quarter of 2014. On such Redemption Day, up to 10% of the entire Fund's issued Shares will be available for redemption.

The second Redemption Day shall be at the end of the third calendar quarter of 2014 and on such Redemption Day, up to 10% of all the Fund's issued Shares will be available for redemption.

Commencing on the end of the fourth calendar quarter of 2014, and onwards at each calendar quarter end, up to 15% of the entire Fund's issued Shares will be available for redemption on each such Redemption Day.

Redemptions will be processed on a pro rata basis. See "PROCEDURES FOR REDEMPTION" and "REDEMPTION RESTRICTIONS".

Subject to the provisions set out in this Offering Memorandum, the redemption price is equal to the relevant NAV per Share of the relevant Class or Series (as the case may be) on the Valuation Day immediately prior to the relevant Redemption Day less any accrued Performance Fee. Cayman Islands law imposes some restrictions on redemptions being funded from any source other than out of profits.

Redemption Fee

Redemptions of Shares will be subject to a redemption fee payable to the Fund equal to 3% of the NAV of the redeemed Shares (the "**Redemption Fee**"). The Fund shall allocate two thirds (2% of the NAV of the redeemed Shares) of the Redemption Fee to the Fund's general portfolio for the benefit of the Fund and accordingly such amount will be added to the overall NAV of the Fund, and one third (1% of the NAV of the redeemed Shares) of the Redemption Fee shall be allocated to a reserve established by the Fund and accordingly will not be added to the overall NAV of the Fund. This reserve is to be used for the legal, accounting and costs of the future winding up of the Fund. When the Directors determine that this reserve has reached a reasonable amount sufficient to cover the estimated costs of winding up the Fund, they will, in their sole discretion, waive the reserve fund portion of the Redemption Fee for future redemptions. Redemptions will however remain subject to a 2.0% Redemption Fee which shall be applied to the Fund's general portfolio for the benefit of the overall NAV of the Fund and shall accrue to the benefit of the Fund.

Compulsory Redemptions and Termination of the Fund

The Fund may require a compulsory redemption of all or some of the Shares held by a Shareholder at any time and for any reason at the redemption price per Share equal to the then prevailing NAV per Share of the relevant Class or Series. The Fund shall not apply the Redemption Fee to compulsory redemptions.

The Directors may compulsorily redeem all outstanding Shares of the Fund if the NAV of

the Fund falls below EUR5,000,000 and shall not apply the Redemption Fee to such compulsory redemption.

Further, the Fund may be wound up by a Special Resolution passed by the Shareholders. On a winding up, the Shares shall carry a right of return of the nominal amount paid thereon and an exclusive right to share, *paripassu inter se*, in surplus assets remaining after the return of the nominal amount paid up on the Shares.

Redemption Restrictions

As noted above, if redemption requests in respect of a particular Redemption Day exceed 10% of the issued Shares of the Fund at the end of the second or third quarter of 2014, or 15% for all quarters thereafter, the Directors shall scale down, on a pro-rata basis, each redemption request with respect to such Redemption Day so that only certain percentages of the issued Shares are redeemed on the relevant Redemption Day.

Each redemption request shall (unless the Redeeming Shareholder requests otherwise and the Directors consent to the request) be treated with respect to the unsatisfied balance thereof as if a further request had been made by the relevant Shareholder in respect of the next following Redemption Day and, if necessary, any subsequent Redemption Day until such original redemption request has been satisfied in full. With respect to any redemption request postponed in this way, to the extent that subsequent redemption requests are received in respect of the following Redemption Days, such later redemption requests shall be treated equally in priority to the earlier unsatisfied redemption requests.

Transfers

No transfer of Shares except for Shares traded on a regulated stock exchange where the Shares are listed may be made without the prior written consent of the Directors. The Directors may decline to register a transfer for any reason and without the need to give a reason.

Fees and Expenses

Management Fee: Pursuant to the terms of the Investment Management Agreement, the Management Fee is equal to 2% of the NAV attributable to the Shares of each Class during the relevant calendar year. The Management Fee will be calculated and paid on the first Business Day of each month. The Management Fee will be prorated based upon a Shareholder's actual period of ownership of its Shares. The Investment Manager may, in its discretion, effectively waive all or part of the Management Fee with respect to any Shareholder by rebate or otherwise.

Performance Fee: The Investment Manager, under certain circumstances, will be entitled to a Performance Fee. This Performance Fee is payable to the Investment Manager in arrears within fourteen (14) calendar days of the Directors approving the annual audited financial statements of the Fund in respect of any Accounting Period in which a Performance Fee becomes due, or on a pro rata basis at the time a Redemption is made by a Shareholder. The Performance Fee will be twenty percent (20%) of the amount of N, subject to gains over an 8% hurdle rate, in the following equation, provided that N is a positive figure:

Where:

$$N = O - P$$

N is the relevant amount against which the Performance Fee will be calculated;

O is the NAV of all Shares on the last Valuation Day in that Accounting Period plus the net asset value of all distributions made in respect of all Shares in all prior years by way of

dividend, or return of capital, or otherwise;

P is (i) in respect of the first payment of a Performance Fee an amount equal to: $Q + R + T$

Q is an amount equal to the aggregate amount subscribed as at the Initial Closing Date pursuant to this Offering Memorandum excluding set-up costs, compounded at the rate of eight percent per annum with effect from the Initial Closing Date until the last Valuation Day in that Accounting Period;

R is an amount equal to the aggregate amount subscribed as at the Closing Date pursuant to this Offering Memorandum excluding set-up costs, compounded at the rate of eight percent per annum with effect from the Closing Date until the last Valuation Day in that Accounting Period;

T is an amount equal to any amounts of capital raised by the issue of Shares, other than the amount referred to in respect of Q and R above, exclusive of set-up costs, compounded at the rate of eight percent per annum with effect from the date of issue of those Shares until the last Valuation Day in that Accounting Period; and

(ii) in respect of any subsequent payment of a Performance Fee, an amount equal to the sum of:

(a) the amount of O previously determined in calculating the most recent Performance Fee actually paid, compounded at the rate of eight percent per annum with effect from the Valuation Day by reference to which that Performance Fee was calculated; and

(b) any amounts of capital raised by the issue of Shares during the period since the Valuation Day referred to at (a) above, exclusive of placing fees, compounded at the rate of eight percent per annum with effect from the date of issue of those Shares until the last Valuation Day in that Accounting Period.

All fees and expenses (except the Performance Fee) that have been accrued or paid (but not previously accrued) for a given period are deducted prior to calculating the Performance Fees for such period, including, without limitation, the Management Fee. The Investment Manager, in its sole discretion, may effectively waive all or part of the Performance Fee otherwise due with respect to any Shareholder by a rebate or otherwise.

Administration and Custodian Fees: For the administrative and custodial duties, Administration and Custodian Fees will be paid by the Fund as set out in the Administration and Custodian Agreements.

Directors' Fees: Each Director who is not an officer or employee of the Investment Manager receives a flat annual fee for serving in such capacity. The fee will be in accordance with reasonable and customary directors' fees. The Directors shall also be entitled to reimbursement from the Fund for reasonable out-of-pocket expenses incurred by them on behalf of the Fund.

Other Expenses: The Fund will pay or reimburse the Investment Manager for all costs and expenses associated with the Fund's operations and offering expenses. The Fund will be responsible for all of the necessary expenses of its operation, including, without limitation, the cost of maintaining the Fund's registered office in the Cayman Islands, the Fund's annual fees due to the Registrar of Companies and Monetary Authority in the Cayman Islands, brokerage commissions, research expenses, legal and auditing expenses, accounting, fund administration, investment related consultants and other service provider expenses, investment related travel costs, expenses incurred with respect to the preparation, duplication and distribution to Shareholders and prospective Shareholders of

Fund offering documents, annual reports and other financial information and similar ongoing operational expenses. The Administrator, the Investment Manager and any affiliate retained by the Investment Manager will be reimbursed for all out-of-pocket expenses incurred on behalf of the Fund.

Fees and expenses that are identifiable with a particular Class will be charged against that Class in computing its NAV (if applicable). Other fees and expenses that are not so identifiable will be allocated between the Classes on the basis of their respective aggregate Net Asset Values or otherwise in the discretion of the Directors.

Special Situation Investments The Directors or the Investment Manager (as the case may be) may designate an existing or prospective investment made by the Fund as a Special Situation Investment. This would include circumstances wherein the investment is illiquid and the Directors or the Investment Manager believe that specific events will be required to occur, or a period of time has to be completed, before the investment is available for disposal.

If such designation happens, each Shareholder will have a pro rata proportion of their existing shareholding converted into Special Situation Shares by way of compulsory redemption of their existing Shares and use of the redemption proceeds by the Fund to subscribe for the Special Situation Shares. Once a Shareholder is issued Special Situation Shares, a Shareholder may not redeem such shares at its option.

For valuation purposes these Special Situation Investments would be valued at the lower of cost (or carrying value as of the date such investment was allocated to the Special Situation Shares) or fair value. The value allocated to the Special Situation Shares is not included in the NAV of the Fund's other Share Classes.

The Directors and the Investment Manager do not currently anticipate that Special Situation Investments will amount to more than 10% of the aggregate NAV of the Fund (valuing Special Situation Investments, for this purpose, at cost).

The Directors or the Investment Manager (as the case may be) may determine that a Special Situation Investment should no longer be classified as a Special Situation Investment. Upon such determination or on any disposal of a Special Situation Investment, all Special Situation Shares in the applicable Class will be automatically converted on a pro rata basis (by way of compulsory redemption and the use of the redemption proceeds by the Fund to subscribe for Shares of the relevant Class) into Shares of the Class which the holders of such Special Situation Shares initially held (or, in the event that the relevant Shareholder is no longer holding Shares of that initial Class, into such Classes as may be determined by the Directors). If any Shareholder has previously redeemed all of its Shares (other than its Special Situation Shares), the Fund will compulsorily redeem such Shareholder's Special Situation Shares rather than convert those Special Situation Shares into Shares of another Class.

For purposes of calculating the Management Fee with respect to Special Situation Shares, the investments that are allocated to such Special Situation Shares will be valued at the lower of cost (or carrying value as of the date such investment was allocated to the Special Situation Shares) or fair value. The Management Fee with respect to Special Situation Shares will be debited against the NAV of the Class of Shares from which such Special Situation Shares were converted. If a Shareholder no longer owns Shares of such other Class, the Management Fee will accrue on Special Situation Shares held by such Shareholder and be paid, together with interest thereon during the relevant period, at the rate earned by the Fund, as determined by the Board of Directors, upon the conversion of the relevant Special Situation Shares to another Class of Shares.

Risk Factors	Investment in the Fund is speculative and involves a high degree of risk. Past performance of the Investment Manager or any of its principals is no guarantee of future performance. There is no assurance that the investments made by the Fund will be profitable or that the Fund itself will be profitable. The risks of an investment in the Fund include, but are not limited to, the speculative nature of the Fund’s strategies and the substantial charges that the Fund will incur regardless of whether any profits are earned. See “CERTAIN RISK FACTORS.” The Fund is also subject to certain conflicts of interest. See “POTENTIAL CONFLICTS OF INTEREST.” The Investment Manager may directly or indirectly manage the assets of funds that in some respects compete with the Fund for certain investments.
Regulatory Matters	The Fund is not registered as an investment company and therefore is not required to adhere to certain investment policies under the US Investment Company Act of 1940, as amended (the “ Investment Company Act ”).
	The Fund will be a mutual fund as defined in the Mutual Funds Law of the Cayman Islands. Because the minimum initial investment required of each prospective investor in the Fund is not less than US\$100,000 (or its equivalent in another currency or such other minimum as may be relevant under applicable law), the Fund will comply with the Mutual Funds Law by a simple registration with the Monetary Authority. Such registration does not imply that the Monetary Authority or any other regulatory authority in the Cayman Islands has passed upon or approved or will pass upon or approve this Offering Memorandum or the offering of the Shares hereunder. To effect the required registration, the Fund is required to provide to the Monetary Authority a summary of the terms of the offering of the Shares of each Class and to provide details of the various agents of the Fund along with a copy of this Offering Memorandum. The Fund is also required to file with the Monetary Authority audited financial statements annually within six months of each financial year-end, pay to the Monetary Authority a prescribed annual fee and file an annual return that contains certain prescribed details in relation to this Offering Memorandum and its audited financial statements. The Fund must notify the Monetary Authority of any changes in the details of the summary of the terms of the offering and any change in the Fund’s agents as filed on initial registration and supply copies of any supplements to or revision of this Offering Memorandum.
Listing	The Fund’s shares are presently listed on the Stuttgart Stock Exchange. The Directors, in their sole discretion, will decide whether to maintain a listing after the lock up period ends in Q2 2014.
Reporting	The Fund will distribute unaudited quarterly reports and summary of new investments and dispositions within sixty (60) calendar days after the end of each of the first three fiscal quarters, and audited annual reports, tax information and reporting materials within one-hundred-twenty (120) calendar days after the end of each fiscal year. The Fund’s general accounting and books will be maintained and reported in Euro. Reports may be delivered to Shareholders by website access. The audited accounts of the Fund will be prepared under International Financial Reporting Standards (“ IFRS ”).
Financial Year	The Fund’s financial year-end is 31 December.
Functional Currency	The Fund’s functional currency, i.e., the currency in which it maintains its books and records and its financial statements, is in Euro.

2.1 Introduction

Unless otherwise defined in the body of this document, all capitalized terms are defined in the Definition section of this Offering Memorandum

Vietnam Equity Holding (“**VEH**” or the “**Fund**”) was incorporated in the Cayman Islands in August 2007 as an exempted company with limited liability under the Companies Law. The Fund has an authorised share capital of 50 million ordinary shares (the “**Shares**”) at an issue price of EUR2.50 per share. The Fund was created to invest in Vietnam. The Fund currently has a capital structure comprising a single class of Shares.

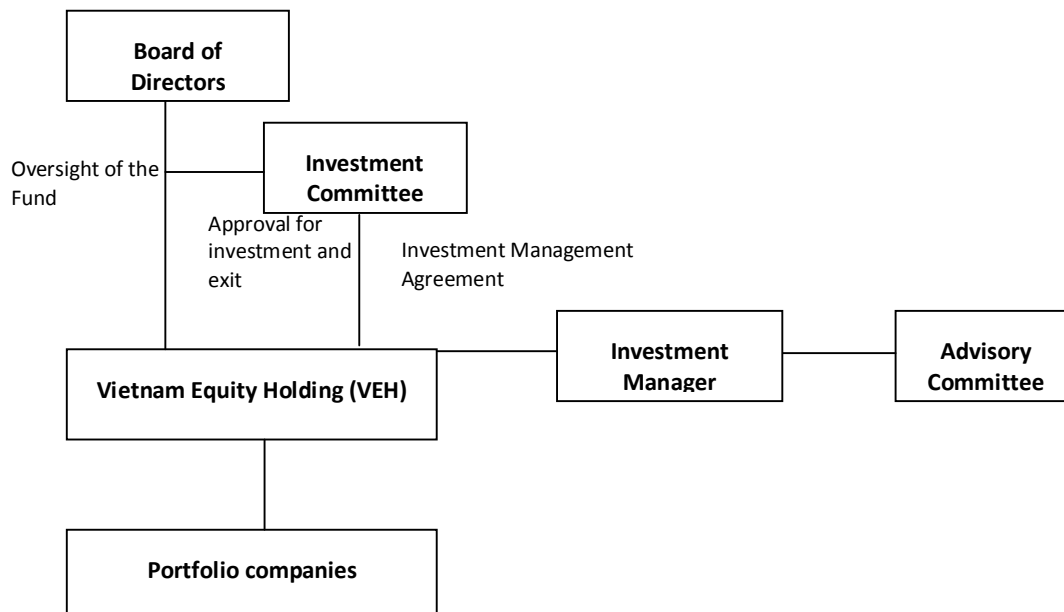
In June 2013, the Fund, with consent of its Shareholders, converted from a closed-ended fund, to an open-ended fund, registered with the Cayman Islands Monetary Authority.

The Fund is managed by Saigon Asset Management Corporation (“**SAM**” or the “**Investment Manager**”), an exempted company incorporated under the laws of the Cayman Islands. The Investment Manager may, from time to time at its own expense, engage a local asset management company to provide investment advisory services to SAM (“**Investment Advisor**”).

The Investment Manager’s investment team draws on the talents of international and domestically-trained professionals from top fund management companies in Vietnam, complemented by a seasoned board of directors with deep-rooted local knowledge and relationships. Corporate governance and the value creation process are enhanced by international advisors with demonstrated corporate influence regionally and globally.

The Investment Committee, whose members are appointed by the Board of Directors of the Fund (the “**Board**” or the “**Directors**”), is responsible for considering and approving all investments made by the Fund in portfolio companies. An investment will generally be made only if a majority of the members of the Investment Committee agree that the investment is appropriate for the Fund. After an investment is made, the Investment Committee will continue to provide advice with respect to such investment on an as needed basis and will assist in the design of an exit strategy for each such investment. The Investment Manager has established an Advisory Committee to augment the expertise of its management team and to allow the Investment Manager to further draw on international and local deal flow generation and shareholders’ value creation experience. The Advisory Committee will only have an advisory role with respect to the Fund in that all investment decisions will be made by the Investment Committee.

The relationship between the Fund, the Investment Manager, the Investment Committee and the Advisory Committee is illustrated in the diagram below and further details are set out in section 3 of this Offering Memorandum:



Shares may be issued in Classes and/or Series.

The Fund may issue additional Classes of Shares in the future without the consent of or notice to the Shareholders, and the rights attached to any Class of Shares will not be deemed to be varied by the issue of such other Classes of Shares ranking *paripassu* or subsequent therewith as further provided in “ADDITIONAL INFORMATION – General Information”. Shares of other Classes may be subject to terms and conditions that differ from the terms and conditions applicable to the Shares.

The assets, liabilities, income and expenditures attributable to each Class of Shares issued by the Fund will be applied, to the extent permissible by law, to an account (or book entry) maintained for each Class of Shares. The assets so held in respect of each Class of Shares will be applied solely in respect of that Class of Shares except to the extent that expenses of the Fund not attributable to any one Class are allocated among the Classes of Shares as described herein. The NAV of each Class or Series (as the case may be) will be calculated separately and Shares of a particular Class or Series will be redeemed based upon the NAV of that Class or Series at the relevant time. For a discussion of the cross-class liability risks associated with such a corporate structure, see “CERTAIN RISK FACTORS” herein.

2.2 Why Vietnam

Vietnam is undergoing unprecedented change, and appears to offer significant investment opportunities. With an increasingly market-oriented government, a fast growing economy fuelled by a young and educated population of which more than half are under the age of 30 and 95% of the total population is literate, Vietnam has become one of Asia’s top investment destinations.

Vietnam is situated in the eastern part of the Indochina peninsula and is bordered by China to the north, Laos and Cambodia to the west and more than 3,200 kilometres of coast-line to the east (excluding the coastlines of the many islands). In terms of land mass, Vietnam occupies a territory of approximately 332,000 sq km with cultivated land representing 33.1% of Vietnam’s total land area in 2012. Major agricultural products include rice, coffee, fruits, vegetables, fish and rubber. Vietnam’s major industries include mining, construction, and manufacturing.

Vietnam ranks as the thirteenth most populous country in the world with an estimated population of 88 million in 2011. The estimated population density was 265 people per sq km in 2011. The principal cities are Hanoi, the capital (estimated population 6.7 million in 2011), and Ho Chi Minh City (estimated population 7.5 million in 2011). In 2011, 31.0% of Vietnam’s population resided in urban areas. In recent years, Vietnam’s urban population has been increasing at an average annual growth rate of 3.2% between 2005 and 2011 compared to an increase in the rural population of 0.2% over the same period.

Since Vietnam embarked in the economic liberalization program referred to as “Doi Moi” (economic renewal), reforms introduced in the mid-1980’s have paved the way for Vietnam’s transition from a centrally-planned economy to a market economy and for the liberalization of trade and inward investment policies. Progress with reforms has not always been easy, but as in China, international commitments made for inclusion in international organisations such as the World Trade Organisation (“WTO”) are seen as much-needed catalysts to strengthen the hands of reformers to accelerate equitizations of state-owned enterprises (“SOEs”)(the selling of stakes in SOEs to private investors), and further legal and regulatory reforms.

Vietnam’s economic growth and liberalization present tremendous opportunities for local and foreign businesses. Local companies are competing in international markets while becoming more efficient, productive, and profitable. They form strategic partnerships with foreign companies which improves their valuations and financial performance. Foreign enterprises are entering Vietnam in larger numbers seeking to capitalize on the growth through market shares, co-investment rights, and acquisition opportunities.

In addition to these favourable economic conditions, the following factors should enable sustainable economic growth in the long term:

- Vietnam’s expanding middle class is creating increasing demand for goods and services;

- Normalization of relationships with the United States, as seen by the recent bilateral agreement on Vietnam’s WTO entry and positive relations with China, Cambodia and other regional neighbours;
- Vietnam’s export potential due to its competitive advantages in areas such as labour costs, literacy, and political stability, Vietnam is viewed as an attractive destination similar to that of China and India and is on the “China plus one other country” strategy list of many large multinationals seeking a diversified investment base in Asia;
- The Economist Intelligence Unit has ranked Vietnam 34th out of 158 countries for peace and political stability;
- Continued development of Vietnam’s private sector and capital markets through reforming the legal and regulatory framework that govern them.

3. INVESTMENT POLICY

3.1 Investment Objective and Strategy

The principle investment objective of the Fund is to seek capital appreciation of its assets by making equity investments in companies with significant exposure to Vietnam. Specifically, the Fund has invested in and will continue to invest in listed companies, equity securities of SOEs, over-the-counter (“OTC”) companies, private companies, and/or in debt securities. The Fund seeks to invest in a diversified and balanced portfolio that would achieve above average returns at an acceptable level of risk, give rise to long-term and short-term returns, and be capable of yielding recurrent earnings and/or capital gains.

3.2 Competitive Strengths and Differentiations

The investment management business is fairly new in Vietnam. With the exception of one large fund, most Vietnam-centric investment funds currently in existence were established less than ten years ago. Recently, the number of funds investing in Vietnam has increased significantly due to a growing demand by global investors for exposure to the Vietnamese economy. Most of the newer funds are foreign and some have very little local experience. Within this context, the Investment Manager has sought to be positioned to take advantage of opportunities in the local market through:

(i) *Local knowledge, international experience and track record.* Members of the Investment Manager’s team have come from top investment funds in Vietnam, have an established track-record, have long-term interests in the country, possess a thorough understanding of the Vietnamese culture and are fluent in both English and Vietnamese. The team understands and adheres to good governance standards and its economic interests are equitably distributed and aligned with those of the Fund.

(ii) *Well developed networks and a focus on value creation.* International partners and executives are seeking collaboration with Vietnam’s top local investors and want rigorous corporate governance; local enterprises and industry leaders want assistance with cross-border business transactions as well as assistance with their value creation processes. Consequently, the Investment Manager aims to build relationships on the basis that it can help Vietnamese enterprises develop strategic partnerships and attract the capital needed to penetrate new markets, improve management capabilities and enhance operational and financial results.

The Investment Manager believes it can deliver value creation to Shareholders through the following competitive advantages which differentiate it from most investment funds in Vietnam:

■ Access to Proprietary Deal Flow

The Investment Manager’s team draws upon a deep-rooted and broad network and established relationships provided by members of the Investment Manager, all of whom have extensive industry experience in Vietnam. Key members of the team have held top positions at leading institutions, government ministries, and investment funds. For example, Mr. Louis Nguyen, Managing Partner of the Investment Manager, was formerly Managing Director at VinaCapital. Mr.

Nguyen was an original management member of VinaCapital and was instrumental in growing the assets under management from EUR27.22 million in 2004 to EUR1.40 billion in 2007. He has been sourcing deals in Vietnam since 2003.

■ **Locally Immersed Team**

The Investment Manager has a team with a combination of local and international experience and track record which is extremely difficult to assemble in Vietnam. The investment management business is fairly new in Vietnam and there is a shortage of locally knowledgeable talent. Overseas Vietnamese are slowly migrating back to Vietnam, but very few returners have investment management experience. In addition, very few investment managers in Vietnam have operating experience. Compounding this is the language barrier, foreign fund managers who are not fluent in Vietnamese often find it difficult to source deals, interact with senior management of target companies, and harmonize with Vietnamese board members.

The investment team is highly differentiated from its competitors for several reasons:

- The team members have achieved investment track records domestically from top investment funds in Vietnam and internationally from both large and small financial institutions.
- The members of the team speak fluent Vietnamese and English, understand the Vietnamese culture and history, and are mostly Vietnamese nationals or overseas Vietnamese who have demonstrated a long-term commitment to the country.
- The team has extensive on-the-ground experience, comprehension of market behaviour, and established long-term relationships with industry leaders, decision makers, domain experts, and government ministries of Vietnam.
- Team members understand the day-to-day operations of portfolio companies and are therefore able to provide these companies with value-added expertise.

In addition, the Investment Manager intends to donate a minimum of 2% of its Performance Fee to charitable causes which support important constituents in Vietnam, such as Agent Orange victims, orphans and the poor and disadvantaged.

3.3 Investment Strategy

The Fund aims to achieve its investment objectives as follows:

Blended Value-Growth Investment Strategy

The Fund's strategy is value investment where it seeks attractive investments at low valuations blended with sustainable growth prospects and acceptable gearing.

Invest in Target Companies

The Fund seeks to invest in companies with strong operating characteristics including an experienced and proven management team that supports corporate governance and financial transparency, a high-growth financial model, differentiated products or services, superior competitive advantages, and high liquidity in terms of volume of shares traded.

Focus on Key Asset Classes

The Fund seeks above average return opportunities in the overall equity market, rather than following one core, dedicated investment thesis. The Fund believes delivery of maximum returns to its Shareholders requires the flexibility to venture into opportunities across-the-board in order to diversify and effectively manage investment risks and to

develop attractive capital gains when favourable market conditions permit. In particular, the Fund's opportunity-driven investment strategy is concomitant with, and encouraged by, the dynamism of Vietnam's emerging market, which the Investment Manager believes will reward those who embrace inclusive investment strategies. The Fund will concentrate its investment focus in the following areas:

- **Listed Shares:** Beginning in 2000, Vietnam's listed equity markets have grown from just one exchange in Ho Chi Minh City with two companies listed, to over 700 companies listed on two exchanges with a total market capitalization of US\$40 billion. The Fund believes that a developing market momentum will continue to deliver increased value for the listed segment and the continued process of equitization of State Owned Enterprises ("SOEs") will result in many new listings on the big board. The Fund plans to invest in listed shares through rigorous due diligence and as market conditions permit.
- **Equitization of SOEs:** "Equitization" denotes the conversion of a state-owned enterprise in Vietnam into a public limited company or a corporation. Since the early 1990's, the government of Vietnam has been closely following the economic changes in China. One of the key lessons learned was that equitizing state-owned assets transformed China into one of the leading economies in the world. Around the world, SOEs have tended to perform better financially and operationally after equitization. Also, as these are the biggest companies in Vietnam, enterprise values are significant and can be attractive to larger institutional investors. Lastly, as these are super-monopolies, corporate investors seeking expansion into Vietnam may seek to acquire strategic stakes in order to gain entrance into the country. The Fund plans to work with both institutional and strategic investors to capitalize on the opportunities of SOE equitizations.
- **Over-the-Counter (OTC) Companies:** After equitization, SOEs become joint stock companies which are listed on the OTC market, and then eventually listed on one of the Vietnam Stock Exchanges for additional liquidity and credibility. With the Government's mandate to equitize the final round of the "super monopoly" SOEs, the most attractive companies in Vietnam will list on the OTC market. SOEs generally perform significantly better subsequent to the equitization process. OTC companies tend to be elusive and invisible to foreign-based investors, but due to the Investment Manager's on-the-ground presence and experience, the Fund has fostered strong ties with local companies, securities firms, and investment institutions in order to access this deal flow.
- **Private Equity:** There are private companies which command significant market share in various industries. It is expected that many of these companies will undergo an IPO process because of an inherent need for capital to fuel expansion as the global economy improves. The aim is to select firms which are expected to IPO within 24 months from the date of investment by the Fund. The Fund intends to pay attention to private equity since it has proven to be an attractive asset class and is clearly underserved.

3.4 Investment Policies

The Fund will adhere to the following investment policies:

Geographical focus: The Fund will invest primarily in companies that are based in Vietnam. The Fund may from time to time invest in companies operating in other countries but have significant operations in Vietnam, but in no case will the Fund invest more than 20% of its NAV (valued at the time of investment) in such securities.

Sector focus: The Fund will seek to develop a diversified and balanced portfolio of listed equity, equitizations of SOEs, OTC equity, and private equity.

Type of investment: The Fund plans to invest in:

- Common shares, preferred shares, convertible loans, convertible bonds and other securities which are equity, equity-linked or otherwise convertible into equity, regardless of whether such securities are listed or unlisted with a clear plan to be listed, or a clear and demonstrable exit strategy for investors and which are rated or unrated;
- Investment funds and the like that invest predominantly in Vietnam and trading at a discount to NAV of at least 15%;

- Loans, bonds and other securities which are debt or debt-linked;
- Bank deposits or fixed-income securities as the Investment Manager may deem fit; and
- Derivative instruments for efficient portfolio management purposes (including for purposes of hedging currency, interest rate, and portfolio risks) and to gain exposure to specific securities or baskets of securities where direct exposure is unattainable or only attainable on less favourable terms.

Control of investments: In the event the Fund holds a majority interest in a portfolio company, it will seek to take legal or management control of the portfolio company. In the event the Fund holds a minority interest in a portfolio company, it will seek to secure adequate minority shareholder protection rights.

Realization of investments: The Fund will aim to realize individual investments when the Board, with the advice of the Investment Committee, believes the realization would be in the best interests of the Fund and would fulfil the Fund's investment objectives.

The Board will not alter the fundamental investment policies of the Fund, except in exceptional circumstances with the approval of a Special Resolution of Shareholders passed at a general meeting of the Fund.

3.5 Investment Restrictions

There are no restrictions on the investments that the Fund may make except that the Fund will not invest more than 20% of its NAV (valued at the time of investment) in the shares of a single portfolio company.

The Fund will not attempt to purchase shares in any company which would result in a breach of applicable regulations, though the Fund may take advantage of any relaxation of such regulations as may occur over the course of time.

Prospective Shareholders should note that the Fund is not subject to restrictions in respect of the following:

- There are no limits on the sectors in which the Fund can invest. However, the Fund will endeavour to adhere to the general principle of sector diversification in respect of its assets; and
- Although the Fund does not intend to invest more than 20% of its NAV (determined at the time of investment) in companies located outside of Vietnam, it has the ability to invest substantial assets in companies located outside of Vietnam as long as such companies have significant operations in Vietnam.

3.6 Investment Sourcing and Procedures

In respect of investments by the Fund in listed companies, SOE equitizations, OTC, and private equity, the Fund intends to operate as follows:

Origination and Deal Flow Sourcing

Sourcing investment opportunities is a significant activity of any investment fund. Due to the abundance of investment funds and inflow of capital into Vietnam, many attractive investment targets are now carefully selecting their financial partners. The Investment Manager has been active directly or indirectly in public and private equity in Vietnam and elsewhere for many years and is familiar with deal flow sourcing (see "Access to Proprietary Deal Flow" section above).

Fluency in Vietnamese and a thorough understanding of local business culture should help in attracting new investment opportunities for the Fund and bringing the negotiation process with respect to such opportunities to a successful closure.

The Fund expects to attract deal flow through sources such as:

- Intermediaries, including top law firms, accounting firms, securities firms, consulting companies that are at the forefront of working directly with attractive companies seeking investment and credible strategic partners. The

Investment Manager has established relationships with these intermediaries and often refers clients to them as appropriate.

- The media, including top local and national business publications, television, radio, and internet websites which cover a wide spectrum of business audience. The Investment Manager has built a public and investor relations team that has worked closely with the media. Such team will provide the Fund with deep and cost effective coverage to business communities in the country.

The Fund and the Investment Manager will also actively participate in and organize investment conferences and seminars to increase awareness and positive branding.

3.7 Investment Process

Investment Decisions

The Board has delegated routine oversight and decision-making powers with regard to investments to the Investment Committee. The Investment Committee will be responsible for all aspects of the implementation and execution of investment decisions, subject to the approval of the Board as circumstances may require.

Investment Process

In respect of investments, the Fund will seek to invest in companies with strong characteristics including an experienced and proven management team that supports corporate governance and financial transparency, a high-growth financial model, differentiated products or services, superior competitive advantages, a significant market share, and high liquidity in terms of shares traded.

Following initial appraisal by the Investment Manager, subject to the oversight of the Investment Committee, investments satisfying key investment criteria will be deemed “target investments” and would then be subject to due diligence and consideration. In doing so, the Investment Manager would typically endeavour to carry out, where appropriate, the following:

- a thorough assessment of the target investment’s focused market;
- an analysis of economic and social factors relevant to the feasibility and potential revenue and profitability of the target investment;
- an investigation of the backgrounds of the management team of the target investment;
- an analysis of the target investment’s historical performance and business plans, including an assessment of products, differentiations, competitors, and operations;
- an evaluation of legal, regulatory and tax factors and implications;
- the identification of particular risk factors and means of overcoming or mitigating such risks;
- an evaluation of future requirements for human, financial and other resources;
- the formulation of an exit strategy and timetable for achieving liquidity; and
- a review of the general suitability of a particular investment for the Fund.

Debt Securities

In respect of investments by the Fund in debt securities, the Investment Manager, subject to oversight of the Investment Committee, will endeavour to carry out, where appropriate, the following:

- an analysis of the debt security with respect to its present and future creditworthiness;

- an identification of particular risk factors that would impact creditworthiness;
- an analysis of the likelihood of these risk factors occurring and the scale of the impact that this would have on creditworthiness;
- an assessment of the present and future liquidity of the investment through analysis of the average daily traded volume of the debt security; and
- an analysis of the risks of the relevant debt security due to changes in prevailing interest rates.

Monitoring of Investments

The Investment Manager will monitor the progress and performance of each portfolio company through periodic meetings with its management, site visits, quarterly, and when available, monthly reviews of financial data and management reports, and, when possible, develop a non-fee-based shareholder advisory relationship with each company. The Investment Manager is responsible for reporting its findings periodically to the Investment Committee and the Board. While monitoring portfolio companies, the Investment Manager will regularly consider and report to the Investment Committee and the Board on its plan to exit investments.

3.8 Realization and Exit Strategy

The successful upward revaluation and eventual realization of the Fund's investments is key to achieving the Fund's investment objectives.

Upward revaluation, as distinct from realization, can result if an investment can, in accordance with the valuation principles applicable to the Fund, be valued at a higher level than the amount originally invested. Revaluations occur, for example, due to independent valuation mechanisms, such as the Vietnam Stock Exchange or other stock exchanges on which portfolio companies are listed, benchmarking, or third-party transactions involving a company in which the Fund has invested, justifying a valuation which is higher than the Fund's original cost. For Unlisted Companies, revaluations are done by third parties on annual basis.

Realization would occur when the Investment Committee or the Directors deem it appropriate to exit an investment. Such realization could occur via a sale of an investment through the Vietnam Stock Exchange, OTC market, or any other exchange on which the securities of a portfolio company might be listed. Additional strategies for realization include trade sales of investments to third parties (institutional, corporate, or individual), sales to joint-venture partners or co-investors in a particular company, and public offerings either within or outside Vietnam.

The ability of the Fund to dispose of an investment and the timing and terms of any such disposal may in certain instances be limited or affected by rights of first refusal. For example, under the new Enterprise Law, members of a limited liability company have a right of first refusal in the event of a sale by another member of its interest in the limited liability company. Such rights of first refusal are also common in certain types of investment contracts, such as security purchase contracts or the like.

In addition, where the Fund co-invests with other foreign investors, it would be typical for rights of first refusal or other forms of pre-emption to be included in any shareholders' agreement.

3.9 Borrowing

Borrowings: The Fund may borrow for investment purposes or to fund redemption requests. Loans generally may be obtained from securities brokers and dealers or from other financial institutions. Such loans will be secured by securities or other capital of the Fund pledged to such brokers or financial institutions.

Short Sales: The Fund anticipates engaging in "short sales" as part of its investment strategy. Short selling is the practice of selling securities that are borrowed from a third party. The Fund will be required to return securities equivalent to those borrowed for the short sale at the lender's demand. Pending the return of such securities, the Fund

will be required to deposit with the lender as collateral the proceeds of the short sale plus additional cash or securities. The amount of the required deposit will be adjusted periodically to reflect any change in the market price of the securities that the Fund is required to return to the lender.

The Fund will be required to pay brokerage commissions to execute short sales and may be required to pay a premium to the lender of the securities, which would increase the cost of the securities sold. Until the borrowed securities are replaced, the Fund generally will be required to pay to the lender amounts equal to any dividends or interest that accrue on the securities borrowed during the period of the loan. The Fund expects to generate cash income from the interest on the proceeds of short sales deposited with brokers as collateral.

3.10 Dividends and Reinvestment

The Fund does not expect to make any distributions by way of dividends to Shareholders out of the Fund's current earnings and profits. Rather, the Fund will reinvest such income. Potential investors should keep this limitation in mind when determining whether or not an investment in the Fund is suitable for their particular purposes. The Fund reserves the right to change such policy.

4. MANAGEMENT

4.1 The Directors

The Fund has four Directors, each of whom serves in accordance with the laws of the Cayman Islands and in accordance with the Articles. The Directors act in a non-executive, supervisory capacity and their primary function is to supervise the general conduct of the affairs of the Fund. The Directors have delegated certain of their powers and have engaged service providers to administer the affairs of the Fund.

A brief biographical description of each of the Directors follows:

Dr. Lee G. Lam
Chairman and Independent Non-executive Director

Lee G. Lam is an experienced CEO, company director and investment banker and has over 30 years of international experience in corporate management, governance, investment and finance in the telecommunications/ media/technology (TMT), consumer/retail, infrastructure/real estates and financial services sectors in the Asia Pacific region. He has held management positions at Hong Kong Telecom, A.T. Kearney, Singapore Technologies Telemedia and BOC International Holdings ("BOCI") (the international investment banking arm of the Bank of China group). While at BOCI, he served as Vice Chairman, COO and Managing Director of Investment Banking Division, BOCI's core business. Dr. Lam was President & CEO, and Vice Chairman of Chia Tai Enterprises (now C. P. Lotus Corporation), one of the key publicly-listed companies of CP Group, a leading overseas Chinese multinational corporation and one of the oldest and largest foreign investors in China. He is Chairman - Indochina, Myanmar and Thailand (and formerly Chairman - Hong Kong), and Senior Adviser - Asia, of Macquarie Capital (Hong Kong) Limited.

Dr. Lam holds a BSc in sciences and mathematics, an MSc in systems science and an MBA from the University of Ottawa in Canada, a post-graduate diploma in public administration from Carleton University in Canada, a post-graduate diploma in English and Hong Kong Law and an LLB (Hons) in law from Manchester Metropolitan University in the UK, a LLM in law from the University of Wolverhampton in the UK, a PCLL in law from the City University of Hong Kong, a Certificate in Professional Accountancy from the Chinese University of Hong Kong SCS and a PhD from the University of Hong Kong. He is also a Member of the Hong Kong Institute of Bankers, a Fellow of the Hong Kong Institute of Directors, a Fellow of the Hong Kong Institute of Arbitrators, and an Accredited Mediator of the Centre for Effective Dispute Resolution (CEDR). He is fluent in English, Cantonese, Mandarin, and Vietnamese.

Mr. Howard Golden
Independent Non-executive Director

Howard Golden has been investing in international markets since 1978 and was President of The Brookdale Group Limited, a New York based money management firm from 1991-2002. He was specialised in Central and East European markets and was appointed chairman of several investment funds. Mr. Golden has lectured on closed-end funds in London and Prague and at various business schools including Harvard and the University of Chicago. He has been quoted as an expert in capital markets and corporate governance in The Economist, The Financial Times, The New York Times, The International Herald Tribune, Newsweek, Prague Business Journal and Business Central Europe, among others. He is currently Chairman of the Board of Directors of The Romanian Investment Fund and Reconstruction Capital II (listed on the London AIMS). He was previously Chairman of The Board of the Kazakhstan Investment Fund, a Cayman Island domiciled investment fund and the Romanian Growth Fund, a Dublin Stock Exchange listed fund, and Speymill Macau Property Fund (listed on the London AIMS) and served on the Board of Directors of Framlington Bulgarian Fund until the fund's voluntary dissolution. He also served as Chairman of the Supervisory for the largest Slovak closed end fund, the Slovak Restitution Investment Fund, was on the Supervisory Board of the Czech Restitution Investment Fund, the largest closed-end fund in Central Europe, and also served on the Boards of Beta Vietnam Fund. His tenure on these boards was a result of his activist policy, which involves close and direct supervision of large investments. Since 2003 Mr. Golden has been a principal of Terra Partners, which manages the Worldwide Opportunities Fund and Terra Capital plc (listed on the London Stock Exchange) which together have assets of approximately US\$110 million. Before founding Terra, Mr. Golden practiced law in Chicago, New York and Israel. He is a graduate of the University of Wisconsin where he received a B.A. (Econ.), J.D. and M.B.A. and is a member of the bar associations in New York State, Illinois, Wisconsin and Israel. He is fluent in English and Hebrew, and is knowledgeable in Czech.

Dr. Kathryn Vagneur
Independent Non-executive Director

Kathryn Vagneur was appointed as a director in February 2010 and brings wide-ranging international experience and strong financial and corporate governance skills to the board. Her career has focused on strategic growth and improvement in diverse sectors including agribusiness, financial services, leisure, logistics, manufacturing, property, retailing and technology. She has been responsible for a private investment fund since 2000. Dr. Vagneur is also Deputy Chairman of Foresters Friendly Society, a mutual insurance company regulated by the UK Prudential and Financial Conduct Authorities (formerly the Financial Service Authority). Dr. Vagneur has chaired Foresters' audit and risk committees and is a member of its investment committee. She is a Trustee of the Royal United Services Institute, a leading international defence and security think tank based in London with offices in Tokyo, Qatar and a presence in Washington DC. She chairs RUSI's finance committee. Dr. Vagneur developed and continues to teach the corporate governance course for Edinburgh Business School's MBA programme. Previously, Dr. Vagneur was a Director in the financial services consulting practice of PricewaterhouseCoopers. She has consulted with FTSE-100 firms on business recovery and improvement strategies. She has researched and written about the influence of management processes on performance and behaviour, strategy implementation, management control, corporate governance and regulatory reform. She has lectured on these key management issues in London, Cambridge, New York and elsewhere. In 1980, while with Touche Ross, she gained her qualification and became a member of the American Institute of Certified Public Accountants and Institute of Management Accountants. She maintains her CPA license with the State of Colorado (US) and is a Past-President of the UK Society of CPAs. In addition to a BSc in Mathematics from the University of Utah, she has a MSc in Agribusiness Management from Arizona State University and a PhD in Management from London Business School.

Mr. Louis Nguyen
Executive Director

Louis Nguyen has over 25 years of financial experience in the United States and the Indochina region. As Founder, Chairman and CEO of Saigon Asset Management (SAM), Mr. Nguyen led the formation and deployment of Vietnam Equity Holding fund (VEH) and Vietnam Property Holding fund (VPH). Prior to founding SAM, Mr. Nguyen was a Managing Director at VinaCapital, where he headed the DFJ VinaCapital technology fund. He was a member of the original senior management team that grew assets under management from US\$37 million in 2005 to US\$2 billion in 2007. Prior to arriving in Vietnam in 2003, Mr. Nguyen spent over 15 years at Silicon Valley companies. He was Vice

President at Intelligent Capital, where he participated in deal sourcing, due diligence, and closing of various technology M&A transactions. He was Director at Osprey Ventures, where he participated in the fund raising and deployment of Osprey Ventures L.P. fund as well as the formation of Osprey Pacific L.P. fund. Mr. Nguyen has extensive operations and manufacturing finance experience as Division Controller at NEC Computer Systems, part of a US\$5 billion joint venture between NEC and Packard Bell. He also held financial consolidation and quality management roles at Apple's Fremont Manufacturing as well as Apple's US Sales and Marketing division. Prior to that, he was an auditor at KPMG, working on mostly technology and entertainment companies. Mr. Nguyen received a Bachelor of Science from San Jose State University, California and is fluent in both English and Vietnamese.

4.2 The Investment Manager

The Fund has engaged Saigon Asset Management Corporation ("**SAM**"), a Cayman Islands exempted company, as the Investment Manager. The Investment Manager is registered with the Cayman Islands Monetary Authority as an excluded person under the Securities Investment Business Law, as amended. The Investment Manager currently relies on various exemptions from registration as an investment advisor in the United States.

The Investment Manager may, from-time-to-time and at its own expense, engage an Investment Advisor that is a local asset management company to provide investment advisory services to SAM.

The Investment Manager will provide the full complement of investment management services necessary for the sourcing, evaluating, monitoring and trading of the Fund's investment portfolio. Under the Investment Management Agreement, the Investment Manager has been given responsibility for the day-to-day management of the Fund's investment portfolio in accordance with the Fund's investment policies, objectives and restrictions.

Mr. Louis Nguyen, CEO and Chairman

Please refer to Louis Nguyen's biography as detailed under "Directors of the Fund" above.

The Investment Management Agreement: Pursuant to the terms of the Investment Management Agreement, the Investment Manager has agreed, among other things, to manage all aspects of the Fund's investment operations in accordance with the investment parameters adopted by the Fund. The Investment Manager may delegate any or all of its duties pursuant to the Investment Management Agreement.

The Investment Management Agreement provides that to the fullest extent permitted by applicable law, the Fund shall indemnify the Investment Manager, its affiliates, directors, members, officers, employees or agents and/or the legal representatives of any of them, and any controlling person of any of them (collectively, the "Indemnified Persons") and hold such Indemnified Persons harmless from and against all losses, claims, damages, liabilities, costs, expenses (including, without limitation, reasonable legal and accounting fees and disbursements), judgments and amounts paid in settlement (collectively, "Losses") incurred or sustained by such Indemnified Persons in the performance of any duties hereunder, so long as such Indemnified Person or Persons shall have provided reasonable documentary evidence of such Losses and except to the extent that such Losses arise by reason of such Indemnified Person's or Persons' own negligence, wilful misconduct, fraud, dishonesty, or reckless disregard by it of its obligations or duties thereunder. Such indemnity will not apply however, where the liability arises out of any dispute between the Investment Manager and any agent, delegate or sub-manager appointed by the Investment Manager or its affiliates when such agent, delegate or sub-manager have acted with fraud, malfeasance, bad faith, wilful misconduct or negligence on the discharge of the delegated duties. To the extent permitted by law, the Fund may advance the expenses of defending any such claim. The indemnification is limited to the Fund's NAV.

The Investment Management Agreement may be terminated in certain specified circumstances including by either party forthwith by giving notice in writing to the other if (i) the other party becomes unable to pay its debts, or commits an act of bankruptcy (under the laws of the other's jurisdiction of incorporation); or (ii) a receiver is appointed over any of the assets of the other party. It may also be terminated by the Fund forthwith by giving notice in writing to the Investment Manager in the event that (i) the Investment Manager commits any material breach of its obligations under this Agreement and (if such breach shall be capable of remedy) fails, within thirty (30) calendar days of receipt of notice in writing served on it by the Fund requiring it to do so, to make good such breach; (ii) the Investment Manager is or was negligent in the performance of its duties under this Agreement in a manner which resulted in a substantial loss in

the reasonable opinion of a majority of the Board of Directors of the Fund being incurred by the Fund; or (iii) the Investment Manager goes into liquidation (except a bona fide voluntary liquidation for the purpose of reconstruction or amalgamation on terms previously agreed by the parties); subject, in each case, to the Fund having obtained the approval of seventy-five (75%) of the issued and outstanding Shares (other than the Shares held by the Investment Manager and its affiliates) at a general meeting to the giving of such notice to the Investment Manager.

The Investment Manager and its affiliates, principals and employees may engage or participate in other activities or ventures, whether or not of the same nature as the Fund. No Shareholder shall be entitled to any profits that the Investment Manager or any of its affiliates, principals or employees may derive from any activities or ventures other than those derived from the Fund, whether or not such businesses or ventures are of the same nature as, and/or compete with the Fund. The Investment Manager, its affiliates, principals and employees shall not be prohibited from buying or selling securities for their own account, including securities that are the same as those held by the Fund. As a result of its other activities, the Investment Manager may have conflicts of interest in allocating time, services and functions among the Fund and other business ventures. See "CERTAIN RISK FACTORS."

See "FEES AND EXPENSES" herein for a general description of the fees payable to the Investment Manager.

4.3 Investment Committee

The Investment Committee, established by the Board, will be responsible for reviewing proposed investments presented to it by the Investment Manager. The Investment Committee is responsible for the due diligence process with respect to target companies and/or projects that have been identified by the Investment Manager. The Investment Committee, subject to the approval of the Board under certain circumstances, makes the final decision as to whether the Fund will invest in a particular company or project, the structure of such investment, and amount of capital to be invested in such company or project. The Investment Committee will monitor and periodically review each portfolio investment after an investment has been made by the Fund for purposes of determining the optimal point to exit such investment in order to maximize returns for Shareholders. Each decision made by the Investment Committee will be made by the approval of a simple majority of the members of the Investment Committee, with each member having one vote. In case of an equality of votes, Dr. Lee G. Lam has a second or casting vote. The Investment Committee currently has four members as follows:

Dr. Lee G. Lam: Please refer to Lee G. Lam's biography as detailed under "Directors of the Fund" above.

Dr. Kathryn Vagneur: Please refer to Kathryn Vagneur's biography as detailed under "Directors of the Fund" above.

Mr. Markus Winkler

Markus Winkler was educated at the University of Zurich and the Business School of St. Gallen, where he graduated. After training with Bank Leu AG and UBS AG, he founded and is the President of the Board of Directors of VGZ Vermoögensverwaltungs-Gesellschaft Zurich, a wealth manager for private and institutional investors. He is a founder-member and a former Vice-President of the Swiss Association of Asset Managers as well as a founder and board member of the Swiss Shareholders' Association. Mr. Winkler is widely experienced in the investment world with special emphasis on Indochina. He is a regular lecturer and writer on investment matters. Mr. Winkler is a member of a number of advisory and supervisory boards of emerging market funds.

Mr. Louis Nguyen

Please refer to Louis Nguyen's biography as detailed under "Directors of the Fund" above.

4.4 Advisory Committee

The Investment Manager has established an Advisory Committee consisting of senior executives, investment domain experts, and professional board members to assist the Investment Manager in fund formation, deal flow sourcing, due diligence, ongoing investment management, corporate governance, and value creation for Shareholders. The Advisory

Committee will only have an advisory role with respect to the Fund in that all investment decisions will be made by the Investment Committee. The biographies of the Fund's Advisory Committee members are set out below:

Mr. Spencer White

Mr. Spencer White has over twenty years of capital market experience in Asia. He has invested and advised in a wide range of asset classes across the entire region. A resident of Vietnam since 2007, he is the co-founder and managing partner of D2 Capital Partners, responsible for structuring and negotiations as well as the investment activities of the firm. Prior to D2CP, Mr. White was the founding CEO of TVS, a start-up investment bank based in Hanoi. Under his leadership, TVS rapidly expanded its nationwide growth and developed a broad platform of capabilities. Under his direction, the investment banking division completed a number of key deals including the first ever investment by Goldman Sachs Principle Investment division (into local FMCG company, Diana), the entry of VIG into the Galaxy Media Group, and the first ever hostile takeover of a listed company in Vietnam (BT6).

Prior to this, Mr. White served as a Managing Director for Merrill Lynch in Asia Pacific between 1999 and 2007, as the Chief Regional Strategist and the Country Head for Taiwan before that. In the mid-1990's he was an Associate Director of AIB Govett, managing a range of emerging market assets and funds. At the start of the decade, he served as an investment manager with Hambros Investment Bank, investing in both large and small-cap Japanese companies.

Mr. Mark G. Pedretti

Mr. Mark Pedretti serves as Chairman of the Private Equity Group. He specializes in the areas of private equity, mergers and acquisitions, securities, and transactional IP matters. He regularly represents private equity funds, venture capital funds, sovereign wealth funds, international funds, sector funds, hedge funds, investment banks and portfolio companies in various types of complex domestic and cross border investment transactions. His practice also focuses on public and private mergers, acquisitions and divestitures, and recapitalizations and management buyouts, particularly in the financial services, media and telecommunications, software and technology, real estate, life sciences and health care, manufacturing, consumer and retail, and entertainment industries.

Mr. Pedretti also has extensive capital markets experience, representing both issuers and investors in public offerings and private placements. He has extensive experience as well in joint ventures, strategic alliances and license arrangements.

Mr. Pedretti is the author of numerous articles on securities law and mergers and acquisitions. He was listed among the "Leading Lawyers" for Mergers; Acquisitions and Buyouts: Middle-Market (US\$500M-US\$999M) in the *Legal 500 US 2010*: "Highly recommended M&A lawyer and team leader." According to the 2009 edition of *The Legal 500* directory, he is regularly picked out by clients for his M&A expertise. He is 'knowledgeable, connected, thoughtful, responsive, and always available during important matters', and has 'deep business understanding as well as law.'

4.5 The Administrator and Custodian

Deutsche Bank (Cayman) Limited will serve as the administrator ("**Administrator**") of the Fund, pursuant to an agreement (the "**Administration Agreement**") with the Fund. In such capacity it will be responsible for administering various day-to-day aspects of the Fund's operations, including calculating and publishing the net asset value of the Common Shares, providing registrar and transfer agent services in connection with the issuance, transfer and redemption of the Common Shares, communicating with shareholders, disbursing fees and expenses owed by the Fund, and performing bookkeeping and accounting functions (other than the annual audit). The Administrator shall not be bound in any way by any agreement or contract other than the Administration Agreement.

The Administration Agreement provides that the Administrator shall not be liable to the Fund, the Investment Manager, General Partner, any Interest Holder or any other Person for any acts or omissions or any error of judgment or for any loss suffered by the Fund, the Investment Manager, Directors, any Interest Holder or any other Person in connection with the subject matter of this Agreement and any other documents and agreements related hereto, except to the extent such losses result directly from the Administrator's gross negligence, wilful misconduct or bad faith in performing its obligations and duties hereunder (as determined in each case by any court or governmental body of competent jurisdiction in a final judgment or admitted by such party in a settlement of any lawsuit (other than in the

context of a temporary, preliminary or similar injunction)). In addition, under the Administration Agreement, the Fund has agreed, among other things, to indemnify, defend and hold the Administrator and each of their officers, directors, agents and representatives harmless from and against any and all losses, liabilities, or costs arising out of the Administrator's actions pursuant to the Administration Agreement, other than losses, liabilities or costs arising out of Administrator's wilful misconduct, gross negligence or bad faith. The Administrator is also entitled to certain other rights and protections under the Administration Agreement, which rights and protections are more fully described in the Administration Agreement.

The Administrator is providing the information in the foregoing paragraphs at the Fund's request in order to assist it with the preparation of its disclosure documents. The Administrator is not involved, directly or indirectly, with the business affairs, organisation, sponsorship or management of the Fund and has not participated in and is not responsible for the preparation of this document or any other disclosure documents and accepts no responsibility and shall not be liable for any information contained in this document or any other disclosure documents.

Furthermore, the Administrator is not responsible for the monitoring of the compliance of the Fund's investments with any investment rules and restrictions contained in any agreement and/or this Private Placement Memorandum and/or in any other service agreement(s) concluded between the Fund and its service providers.

Deutsche Bank AG, Ho Chi Minh City Branch, established in 1992, has been appointed the Fund's Custodian pursuant to the Custody Agreement dated on the 25 day of July, 2007 (the "Custody Agreement"). The Ho Chi Minh City branch of Deutsche Bank AG is located at Saigon Centre, 65 Le Loi Boulevard, District 1, Ho Chi Minh City, Vietnam. In 1995, Deutsche Bank AG became the first foreign bank to be granted a safe-keeping license in Vietnam and in 2000 became the first foreign bank to be granted a Custody Services License. In 2006, it was the only service provider to receive a top-rated rating by Global Custodian Bank Magazine and the only custodian offering fund administration services in Vietnam.

See "FEES AND EXPENSES" herein for a description of the fees payable to the Administrator pursuant to the Administration Agreement.

5. FEES AND EXPENSES

5.1 Fees of the Investment Manager

Management Fee: Pursuant to the terms of the Investment Management Agreement, the Management Fee is equal to 2% of the NAV attributable to the Shares of each Class during the relevant calendar year. The Management Fee will be calculated and paid on the first Business Day of each month. The Management Fee will be prorated based upon a Shareholder's actual period of ownership of its Shares. The Investment Manager may, in its discretion, effectively waive all or part of the Management Fee with respect to any Shareholder by rebate or otherwise.

Performance Fee: The Investment Manager, under certain circumstances, will be entitled to a Performance Fee. This Performance Fee is payable to the Investment Manager in arrears within fourteen (14) calendar days of the Directors approving the annual audited financial statements of the Fund in respect of any Accounting Period in which a Performance Fee becomes due, or on a pro rata basis at the time a Redemption is made by a Shareholder. The Performance Fee will be twenty percent (20%) of the amount of N, subject to gains over an 8% hurdle rate, in the following equation, provided that N is a positive figure:

$$N = O - P$$

Where:

N is the relevant amount against which the Performance Fee will be calculated;

O is the NAV of all Shares on the last Valuation Day in that Accounting Period plus the net asset value of all distributions made in respect of all Shares in all prior years by way of dividend, or return of capital, or otherwise;

P is (i) in respect of the first payment of a Performance Fee an amount equal to:

$Q + R + T$

Where:

Q is an amount equal to the aggregate amount subscribed as at the Initial Closing Date pursuant to the Offering Memorandum excluding set-up costs, compounded at the rate of eight percent per annum with effect from the Initial Closing Date until the last Valuation Day in that Accounting Period;

R is an amount equal to the aggregate amount subscribed as at the Closing Date pursuant to the Offering Memorandum excluding set-up costs, compounded at the rate of eight percent per annum with effect from the Closing Date until the last Valuation Day in that Accounting Period;

T is an amount equal to any amounts of capital raised by the issue of Shares, other than the amount referred to in respect of Q and R above, exclusive of set-up costs, compounded at the rate of eight percent per annum with effect from the date of issue of those Shares until the last Valuation Day in that Accounting Period; and

(ii) in respect of any subsequent payment of a Performance Fee, an amount equal to the sum of:

(a) the amount of O previously determined in calculating the most recent Performance Fee actually paid, compounded at the rate of eight percent per annum with effect from the Valuation Day by reference to which that Performance Fee was calculated; and

(b) any amounts of capital raised by the issue of Shares during the period since the Valuation Day referred to at (a) above, exclusive of set-up costs, compounded at the rate of eight percent per annum with effect from the date of issue of those Shares until the last Valuation Day in that Accounting Period.

The Investment Manager may, in its discretion, effectively waive all or part of the Management Fee with respect to any Shareholder by rebate or otherwise.

For purposes of calculating the Management Fee with respect to Special Situation Shares, – see “SPECIAL SITUATION INVESTMENTS.”

The objective is that all Shares of each Class will therefore be in the Benchmark Series of that Class except those to which a loss carry-forward applies. Each Series ranks equally in respect of all the assets and liabilities attributable to the relevant Class and the only reason for such Series is to reflect equitably the differing Performance Fees attributable to Shares of each Class issued on different dates. Cayman Islands law requires all shares of the same class or series to have the same rights and attributes but the only difference between the Shares of each Series will be their NAV per Share.

Payment of the Management Fee and Performance Fee, however, will be subject to adjustment upon completion of the audit of the Fund’s financial statements for the financial year in which such fees accrue. If the Performance Fee paid for a financial year was higher or lower than the Performance Fee that actually was due, an appropriate adjustment will be made and payment will be made within a reasonable time after completion of the audit.

5.2 Fees of the Administrator and Custodian

For performing and supervising the performance of corporate and administrative services necessary for the operation and administration of the Fund, the Administrator and Custodian will receive their customary fees for their services. The Administrator and Custodian will also be reimbursed for all out-of-pocket expenses.

The Administrator and Custodian will receive annual fees for accounting and valuation services provided to the Fund at rates agreed with the Administrator and Custodian from time to time. The Administrator and Custodian will also receive reimbursement of out-of-pocket expenses incurred on behalf of the Fund in connection with the services performed by the Administrator or Custodian.

5.3 Directors' Fees

Each Director who is not an officer or employee of the Investment Manager receives a flat annual fee for serving in such capacity. The fee will be in accordance with reasonable and customary directors' fees. The Directors shall also be entitled to reimbursement from the Fund for all reasonable out-of-pocket expenses incurred by them on behalf of the Fund.

5.4 Ongoing and Other Costs

With the consent of the Fund, the Investment Manager may delegate certain of its duties and obligations to an investment advisor and may pay fees to any investment advisor to whom it delegates any of its functions, provided that, unless requested to do so by the Board, such fees shall be paid directly by the Investment Manager and are not reimbursable by the Fund.

Subject to such limitation, if the Directors reasonably determine that the advice or opinion of third-party professional advisors in connection with the Fund's assets or in relation to the general administration of the Fund is required, the Fund will reimburse the Investment Manager for its costs incurred in connection with such service.

The Investment Manager is entitled to be reimbursed by the Fund for any costs it incurs for the purposes of communication with Shareholders in connection with the performance of its obligations, including the sending of reports to Shareholders, and for reasonable travel and accommodation costs incurred in travelling outside Vietnam.

The Investment Manager and/or its members, shareholders, principals, officers or affiliates may receive fees (collectively "Fees") from portfolio companies or other entities in connection with providing consulting, financial advisory, and/or investment banking services to the portfolio companies or other entities or in connection with such parties' or the Fund's investing in portfolio companies. Any such Fees received in connection with the Fund's investments in portfolio companies are intended to defray the costs incurred in originating, entering into and servicing the Fund's investments. Neither the Fund nor any Shareholder shall have the right to share in the Fees.

Also, the Investment Manager is responsible for providing all personnel, office space and facilities required for the performance of its services.

The Fund bears all other expenses incidental to its operations and business, including (i) fees and charges of custodians, (ii) interest and commitment fees on loans and debit balances, (iii) income taxes, withholding taxes, transfer taxes and other governmental charges and duties, (iv) fees of the Fund's Administrator, legal advisors and independent auditors, (v) Directors' fees and expenses, (vi) the cost of maintaining the Fund's registered office in the Cayman Islands, (vii) the cost of printing and distributing this Offering Memorandum and any subsequent information memorandum or other literature concerning the Fund, and subscription materials and any reports and notices to Shareholders, (viii) consultant and other services provider expenses deemed desirable in the sole discretion of the Directors, (ix) the costs incurred in connection with listing the Shares on a Stock Exchange, if such listing is deemed desirable in the sole discretion of the Directors, (x) the cost of insurance premiums (if any), including, without limitation, the cost of director and officer liability insurance policies, (xi) the annual return fee payable by the Fund to the Cayman Islands Registrar of Companies, which is based on its authorised capital, (xii) the annual fee payable by the Fund to the Cayman Islands Monetary Authority and (xiii) all similar ongoing operational expenses.

Fees and expenses that are identifiable with a particular Class will be charged against that Class in computing its NAV. Other fees and expenses that are not so identifiable will be allocated between the Classes on the basis of their respective aggregate Net Asset Values or otherwise in the discretion of the Directors.

The Fund will treat its expenses in accordance with International Accounting Standards.

For Redemption Fees applicable to the Fund, see the heading "SHARES OF THE FUND – Redemption Fees."

6. SHARES OF THE FUND

6.1 The Fund's Shares and Share Capital

The authorised share capital of the Fund is EUR100,000,000 divided into 50,000,000 Shares of a nominal par value of EUR2.00 each, having attached thereto the rights set out in the Articles.

Shares carry rights to vote at meetings of the Shareholders where Shareholder approval is required. The holders of Shares are entitled to one vote in respect of each Share at all such meetings of Shareholders.

Shares may be issued in Classes and/or Series.

The Directors may establish additional Classes of Shares on terms determined upon their issuance without the consent of or notice to the Shareholders where the rights attached to any existing Class of Shares will not be deemed to be varied by the issue of such other Classes of Shares ranking *paripassu* or subsequent therewith – see “ADDITIONAL INFORMATION – General Information.” In addition, the Fund may, insofar as it is permitted by applicable law, redeem or purchase any of the Shares and increase or reduce its authorised share capital pursuant to its Memorandum and Articles.

The net proceeds from the sale of Shares are invested by the Fund as described herein. The Fund will pay the expenses of offering the Shares. See “FEES AND EXPENSES.” The rights and restrictions attaching Shares are more particularly set forth in Section under “ADDITIONAL INFORMATION – General Information.”

6.2 Voting

The Directors shall convene an annual general meeting of the Shareholders for the purpose of considering the annual report of the Directors. In addition, the Directors may, whenever they determine, convene an extraordinary general meeting. The Directors shall, upon the receipt of the requisition expressing the object of the meeting in writing of any one or more Shareholders holding five percent (5%) or more of the Shares entitled to vote, convene an extraordinary general meeting, to be convened by the Directors within twenty-one (21) calendar days from the date of delivery of the requisition being left at the registered office or failing that, convened by any of the requisitionists subject to the Articles as to notice.

At least fifteen (15) calendar days' notice of the meeting is required to be given to such persons as are entitled to vote or may otherwise be entitled under the Articles to receive such notices, but with the consent of all the Shareholders entitled to receive notice, that meeting may be convened by shorter notice and in such manner as those Shareholders think fit.

No business shall be transacted at any general meetings unless a quorum of Shareholders entitled to vote is present at the time when the meeting proceeds to business. One or more Shareholders holding in aggregate not less than one-fifth of the issued Shares entitled to vote in person or by proxy and entitled to vote shall be a quorum. Any general meeting which has been convened by the Directors and is not quorate shall be adjourned for one week and reconvene at the same time, place and day of the next week, and if a quorum is not present within half an hour from the time appointed for that meeting, the Shareholders present shall be a quorum.

An Ordinary Resolution may be passed by a majority of the Shareholders entitled to vote present at the meeting. A Special Resolution requires a seventy-five percent majority of Shareholders entitled to vote present at the meeting. An Ordinary Resolution or Special Resolution may be passed by unanimous written resolution.

Every Shareholder entitled to vote shall have one vote for each Share of which it is the holder at meetings of Shareholders. In the case of joint individual holders, the vote of the most senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Shareholders.

Votes may be given either personally or by proxy. The instrument appointing a proxy shall be in the form set out in the Articles or such other form as the Directors may determine and shall be deposited at the registered office of the Fund or at such other place as is specified for that purpose in the notice convening the meeting no later than forty-eight (48) hours prior to the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid provided that the chairman of the meeting may in his discretion accept an instrument of proxy sent by telefax or e-mail upon receipt of telefax or e-mail confirmation that the signed original thereof has been sent.

6.3 Repurchase of Shares

The Fund may purchase, redeem or otherwise acquire and hold its own Shares. Any of its powers to purchase, redeem or otherwise acquire its own Shares shall be exercisable by the Board upon such terms and subject to such conditions as it thinks fit. The Fund may not purchase, redeem or otherwise acquire its own Shares without the consent of its Shareholders whose Shares are to be purchased, redeemed or otherwise acquired. No purchase, redemption or acquisition of Shares shall be made unless the Directors are satisfied, on reasonable grounds, that immediately after the purchase, redemption or acquisition, the value of the Fund's assets exceeds its liabilities and the Fund is able to pay its debts as they fall due.

6.4 Special Situation Investments

The Directors or the Investment Manager (as the case may be) may designate an existing or prospective investment made by the Fund as a Special Situation Investment. This would include circumstances wherein the investment is illiquid and the Directors or the Investment Manager believe that specific events will be required to occur, or a period of time has to be completed, before the investment is available for disposal.

If such designation happens, each Shareholder will have a pro rata proportion of their existing shareholding converted into Special Situation Shares by way of compulsory redemption of their existing Shares and use of the redemption proceeds by the Fund to subscribe for the Special Situation Shares. Once a Shareholder is issued Special Situation Shares, a Shareholder may not redeem such shares at their option.

For valuation purposes these Special Situation Investments would be valued at the lower of cost (or carrying value as of the date such investment was allocated to the Special Situation Shares) or fair value. The value allocated to the Special Situation Shares is not included in the NAV of the Fund's other Share Classes.

The Directors and the Investment Manager do not currently anticipate that Special Situation Investments will amount to more than 10% of the aggregate NAV of the Fund (valuing Special Situation Investments, for this purpose, at cost).

The Directors or the Investment Manager (as the case may be) may determine that a Special Situation Investment should no longer be classified as a Special Situation Investment. Upon such determination or on any disposal of a Special Situation Investment, all Special Situation Shares in the applicable Class will be automatically converted on a pro rata basis (by way of compulsory redemption and the use of the redemption proceeds to subscribe for Shares of the relevant Class) into Shares of the Class which the holders of such Special Situation Shares initially held (or, in the event that the relevant Shareholder is no longer holding Shares of that initial Class, into such Classes as may be determined by the Directors). If any Shareholder has previously redeemed all of its Shares (other than its Special Situation Shares), the Fund may compulsorily redeem such Shareholder's Special Situation Shares rather than convert those Special Situation Shares into Shares of another Class.

For purposes of calculating the Management Fee with respect to Special Situation Shares, the investments that are allocated to such Special Situation Shares will be valued at the lower of cost (or carrying value as of the date such investment was allocated to the Special Situation Shares) or fair value. The Management Fee with respect to Special Situation Shares will be debited against the NAV of the Class of Shares from which such Special Situation Shares were converted. If a Shareholder no longer owns Shares of such other Class, the Management Fee will accrue on Special Situation Shares held by such Shareholder and be paid, together with interest thereon during the relevant period, at

the rate earned by the Fund, as determined by the Board of Directors, upon the conversion of the relevant Special Situation Shares to another Class of Shares.

6.5 Subscription and Redemption Prices

The minimum initial subscription for each prospective investor that is not already a Shareholder is US\$100,000 or its equivalent in another currency or such other minimum as may be relevant under applicable law.

There is no minimum additional investment for existing Shareholders.

Shares may be purchased on a Dealing Day (which is the first Business Day of each month) at a subscription price of the current NAV per Share on the relevant Dealing Day. The monies to be paid for Shares are payable in full upon subscription.

The redemption price of each Share is equal to the NAV per Share of the relevant Class or Series as of the close of business in Vietnam on the Valuation Day immediately prior to the relevant Redemption Day rounded to the nearest whole cent or, in the case of a half cent, rounded up to the nearest whole cent, less any accrued Performance Fee. Cayman Islands law imposes some restrictions on redemptions being funded other than out of profits. The redemption price is subject to review by the Fund's auditors at the time of the Fund's year-end audit.

The Articles provide that the determination of the NAV is binding on all parties once such NAV has been determined in respect of the redemption price per Share and stated in good faith by or on behalf of the Directors.

6.6 Procedure for Applications

Applications for Shares may be made prior to each Dealing Day.

For purposes of accounting for the Performance Fee, Shares of each Class (other than the Special Situation Shares) issued at different times will be issued in Series, a different Series being issued on each Dealing Day. Series (in numerical sequence) other than Benchmark Series will be issued on any other Dealing Days during the financial year. At the end of each financial year, all such Series will be converted into Benchmark Series Shares of the same Class, so that at the beginning of the following financial year, all Shares of a Class will be Benchmark Series Shares unless a loss carry forward attributable to such other series or to Benchmark Series remains outstanding, and/or the series has not earned a performance fee at the end of the financial year. Any Series which is not converted at the end of a financial year will remain in existence as a separate Series until the relevant loss carry forward has been recovered, in which event such Series will be converted to Benchmark Series Shares in accordance with the foregoing provisions.

Application for Shares should be made by completing and signing the Subscription Agreement enclosed with this Offering Memorandum and mailing the original document to the Administrator whose address is set out below:

Deutsche Bank (Cayman) Limited
Boundary Hall,
Cricket Square,
P.O. Box 1984,
Grand Cayman KY1-1104,
Cayman Islands
Email: fund.services@db.com
Fax: +1 345 949 5223

Alternatively, application may be made by facsimile or email by completing and signing the Subscription Agreement and returning the original to the Administrator. In the event that application is made by facsimile or email, the applicant must send the signed original application to the Administrator for delivery within five (5) Business Days of the date such facsimile or email was made. Payment for Shares should be made by wire transfer. The Fund has the right to accept or reject (in whole or part) any subscription application for Shares. Applicants should be aware of the risks associated with

sending faxed or emailed applications and that the Fund and Administrator accepts no responsibility for any loss caused due to the non-receipt of any fax or email. Unless otherwise agreed to, applications for the issuance of Shares on a particular Closing must be received by 12:00 p.m. (Cayman Islands time) at least five (5) Business Days immediately preceding the relevant Closing with cleared funds to be received by the relevant Closing. Shares will be held in book entry form and in such cases, a contract note only will be sent to the applicant upon receipt of cleared funds and the properly completed subscription form and acceptance of such funds by the Fund. Applications received after this time may be returned to the applicant without interest.

Applications are subject to the terms of this Offering Memorandum, the Memorandum and Articles of Association and the Subscription Agreement. The Fund reserves the right to refuse to accept the subscription of any person for any reason whatsoever.

Applicants subscribing for Shares are advised that the Shares are issued subject to the provisions of the Fund's Offering Memorandum and Articles.

As part of the Fund's and the Administrator's responsibility for the prevention of money laundering, they may require a detailed verification of the applicant's identity and the source of payment for the Shares. Depending on the circumstances of each application, a detailed verification might not be required when:

- (a) the applicant is a recognised financial institution which is regulated by a recognised regulatory authority and carries on business in an "approved country" listed in Schedule 3 of the Money Laundering Regulations (as amended) issued pursuant to the Proceeds of Crime Law (as amended); or
- (b) the application is made through a recognised intermediary or payment is made through a banking institution, which in either case is regulated by a recognised regulatory authority and carries on business in an approved country.

The Fund and the Administrator reserve the right to request such information as they consider to be necessary to verify the identity of the applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Fund or the Administrator may refuse to accept the application and all subscription monies relating thereto or may refuse to process a redemption request until proper information has been provided.

If a person who is resident in the Cayman Islands has a suspicion that a payment to the Fund (by way of subscription or otherwise) contains the proceeds of criminal conduct, that person is required to report such suspicion pursuant to the Proceeds of Crime Law.

6.7 Eligible Investors

Any prospective investor acting in any fiduciary capacity is required to certify the number of beneficial owners for whom Shares are being purchased. Unless otherwise agreed to by the Fund, each prospective investor is required to certify that the Shares are not being acquired directly or indirectly for the account or benefit of any person who is not an Eligible Investor. Shares are not intended to be offered for subscription by US Persons (as defined in the Definitions section at the end of this Offering Memorandum), and other persons from time to time designated as such by the Fund. Furthermore, it is the responsibility of each investor to verify that the purchase and payment for the Shares is in compliance with all relevant laws of the investor's jurisdiction or residence.

The Fund reserves the right to offer Shares to investors who are not Eligible Investors upon compliance with applicable rules and regulations. The Fund reserves the right to reject subscriptions for Shares, in whole or in part, in its absolute discretion for any reason or for no reason.

6.8 Other Selling Restrictions

The Articles provide that the Directors have the power to impose such restrictions as they may deem necessary for the purpose of ensuring that no Shares in the Fund are acquired or held by a Non-Qualified Person in circumstances

(whether directly or indirectly affecting such person or persons) which, in the opinion of the Directors, might result in the Fund incurring any tax liability or suffering any other pecuniary, regulatory, material administrative or commercial disadvantages that the Fund might not otherwise have incurred or suffered. In the event that the Fund incurs any such tax liability or suffers any other pecuniary, regulatory, material administrative or commercial disadvantages resulting from a Non-Qualified Person being a Shareholder, the Fund may require such person to reimburse the Fund for such liability, suffering or disadvantages.

The Articles provide that if it comes to the notice of the Directors that any Shares are held by any such Non-Qualified Person, the Directors may give notice to such Non-Qualified Person requiring the redemption or transfer of such Non-Qualified Person's Shares, in accordance with the provisions of the Articles. A person who becomes aware that he or she is holding Shares under circumstances that render such person a Non-Qualified Person is required either to deliver to the Fund a written request for redemption of such Shares in accordance with the Articles or to transfer the same to a person who would not thereby be a Non-Qualified Person.

6.9 Procedure for Redemptions

Except as provided herein, a Shareholder may request redemption of all or some of its Shares (other than Special Situation Shares) on a Redemption Day.

Shareholders wishing to redeem Shares as of a particular Redemption Day must provide the Administrator with 60 calendar days' prior written notice of their intention to redeem such Shares as of that Redemption Day. A redemption request, once made, will be irrevocable and may not be withdrawn without the consent of the Directors. A Shareholder may not redeem any Special Situation Shares.

The redemption price is equal to the relevant NAV per Share of the relevant Class and Series on the Valuation Day immediately prior to the relevant Redemption Day less any applicable accrued Performance Fees and other charges and expenses referred to herein.

Cayman Islands law imposes certain restrictions on redemptions of shares, particularly when the Fund or any Class may have sustained losses and does not have profits available to fund the redemption. In these circumstances, the Fund will have to satisfy a solvency test in order to fund the redemption out of share premium or capital or the redemption will be prohibited.

Redemption requests may initially be sent by fax. However, Shareholders should be aware of the risks associated with sending documentation in this manner and that the Fund and Administrator will not be responsible in the event of non-receipt of any redemption request sent by fax. In any event, the original redemption request must be sent to the Administrator. Redemption payments will be made in Euros, unless made in kind, and will be remitted either by wire transfer to an account designated by the Shareholder at the bank from which the subscription price was paid. A request for redemption received after 5:00 p.m. (Cayman Islands time) will be treated as a request for redemption as of the next Redemption Day.

6.10 Redemption Restrictions and Lock Up Period

Shares in the Fund are not redeemable until the second calendar quarter of 2014.

Redemption requests may be made quarterly and will be subject to certain limitations relating to the overall percentage of the Fund's Shares that may be redeemed each quarter.

Redemptions shall be paid in Euros within 30 calendar days after the effective Redemption Date. Redemption requests will be processed on a pro rata basis subject to the following limitations:

- (i) In the event that the Fund receives any request for redemption in respect of a Redemption Day relating to the second calendar quarter of 2014, either singly or when aggregated with other redemption requests, representing more than 10% of the number of Shares of any Class outstanding, the Directors shall scale down,

on a pro-rata basis, each request for redemption with respect to such Redemption Day so that not more than 10% of the issued and outstanding Shares of the relevant Class shall be redeemed on such relevant Redemption Day. Each such redemption request shall be treated with respect to the unsatisfied balance as if a further request has been made by the redeeming Shareholder in respect of the next following Redemption Day until the request for redemption is satisfied in full.

- (ii) In the event that the Fund receives any request for redemption in respect of the Redemption Day relating to the third calendar quarter of 2014, either singly or when aggregated with other redemption requests, representing more than 10% of the number of Shares of any Class outstanding, the Directors shall scale down, on a pro-rata basis, each request for redemption with respect to such Redemption Day so that not more than 10% of the issued and outstanding Shares of the relevant Class shall be redeemed on such relevant Redemption Day. Each such redemption request shall be treated with respect to the unsatisfied balance as if a further request has been made by the redeeming Shareholder in respect of the next following Redemption Day until the request for redemption is satisfied in full.
- (iii) In the event that the Fund receives any request for redemption in respect of a Redemption Day relating to the fourth calendar quarter of 2014 of any calendar quarter thereafter, either singly or when aggregated with other redemption requests, representing more than 15% of the number of Shares of any Class outstanding, the Directors shall scale down, on a pro-rata basis, each request for redemption with respect to such Redemption Day so that not more than 15% of the issued and outstanding Shares of the relevant Class shall be redeemed on such relevant Redemption Day. Each such redemption request shall be treated with respect to the unsatisfied balance as if a further request has been made by the redeeming Shareholder in respect of the next following Redemption Day until the request for redemption is satisfied in full.
- (iv) In circumstances where the Fund is unable to liquidate securities positions in an orderly manner in order to fund redemptions, or where the value of the assets and liabilities of the Fund cannot reasonably be determined, the Fund may take longer than the time periods mentioned above to effect settlements of redemptions, may effectuate only a portion of a requested redemption or may even suspend redemptions. The Fund may also suspend redemptions of the Shares of any Class in such other circumstances in which the Directors, deem it to be in the interests of the Fund to do so, including in circumstances in which the determination of the NAV of the relevant Class has not been suspended. In the discretion of the Directors, the Fund may extend the length of the redemption notice period if the Directors deem such an extension as being in the best interest of the Fund and the non-redeeming Shareholders.
- (v) The Directors have an absolute discretion to effect a redemption payment to any or all redeeming Shareholders in kind rather than in cash. In making redemption payments in kind, the Directors will use the same valuation procedures used in determining the NAV in determining the value to be attributed to the relevant assets to be transferred or assigned or otherwise made available to the redeeming Shareholders. Such assets may include securities in special purpose vehicles or trusts specifically created to allow the Fund to effect redemptions in kind. Furthermore, redeeming Shareholders receiving the redemption payment in kind will be responsible for all custody and other costs involved in changing the ownership of the relevant assets from the Fund to the redeeming shareholder and all ongoing custody costs in respect of such securities or assets.
- (vi) The Fund may withhold a portion of any proceeds of redemption if necessary to comply with any applicable legal or regulatory requirements.

Moreover, the Directors have the right to require a compulsory redemption of all or some of the Shares of a Class held by a Shareholder without assigning any reason therefore. The Directors may compulsorily redeem a Shareholder's Shares for any or for no reason, including, without limitation, if such Shareholder is either a Restricted Person that has acquired Shares otherwise than in compliance with applicable rules and regulations or is a Non-Qualified Person or if such Shareholder has requested a partial redemption which would cause the aggregate NAV of the Shares of the relevant Class owned by such Shareholder following such redemption to decline below the minimum initial investment as the same was applicable to such Shareholder. See "Eligible Investors." Compulsory redemptions will be made at the

relevant NAV per Share of the relevant Class and Series as of the last Business Day of the month in which such notice of redemption is issued to the Shareholder.

If the Fund has restricted the number of Shares which may be redeemed on any Redemption Day or suspended or delayed the payment of redemption proceeds, the Articles prevent a Shareholder which has submitted a redemption request from presenting a petition to wind up the Fund or bringing similar proceedings in any jurisdiction where the right to bring such a petition or similar proceedings results from the Shareholder's position as a contingent creditor of the Fund pending completion of such redemption process.

6.11 Compulsory Redemption

The Fund may require a compulsory redemption of all or some of the Shares held by a Shareholder at any time and for any reason at the redemption price per Share equal to the then prevailing NAV per Share of the relevant Class or Series. The Fund shall not apply the Redemption Fee to compulsory redemptions.

The Directors may compulsorily redeem all outstanding Shares of the Fund if the NAV of the Fund falls below EUR5,000,000 and shall not apply the Redemption Fee to such compulsory redemption.

6.12 Redemption Fee

Redemptions of Shares will be subject to a redemption fee payable to the Fund equal to 3% of the NAV of the redeemed Shares (the "**Redemption Fee**"). The Fund shall allocate two thirds (2% of the NAV of the redeemed Shares) of the Redemption Fee to the Fund's general portfolio for the benefit of the Fund and accordingly such amount will be added to the overall NAV of the Fund, and one third (1% of the NAV of the redeemed Shares) of the Redemption Fee shall be allocated to a reserve established by the Fund and accordingly will not be added to the overall NAV of the Fund. This reserve is to be used for the costs of the future winding up of the Fund. When the Directors determine that this reserve has reached a reasonable amount sufficient to cover the estimated costs of winding up the Fund, they will, in their sole discretion, waive the reserve fund portion of the Redemption Fee for future redemptions. Redemptions will however remain subject to a 2.0% Redemption Fee which shall be applied to the Fund's general portfolio for the benefit of the overall NAV of the Fund and shall accrue to the benefit of the Fund.

6.13 Suspension of Determination of Net Asset Value and Dealings

The Fund's overall NAV and NAV per Share will be calculated by the Administrator on a monthly basis in accordance with the information supplied to it by the Fund or on its behalf as of a Valuation Day. In calculating NAV and NAV per Share, the Administrator may rely, without further inquiry, investigation or verification, upon information and communications received by the Administrator from any source, including the Investment Manager, or any other person, firm or corporation whatsoever, and the Administrator shall not (in the absence of fraud or wilful default on the part of the Administrator) be liable for any loss suffered by the Fund or any Shareholder by reason of any error in such calculations by the Administrator resulting from any inaccuracy in any such information.

The Fund's NAV per Share shall be determined by dividing its NAV by the number of Shares issued and outstanding at the time of calculation and rounding up to two decimal points.

The Fund's NAV shall be expressed in Euros. For the purposes of establishing a Euro NAV, any assets and liabilities denominated in a currency other than Euro will be translated in accordance with the principles expressed in IFRS on the basis that the Euro is the Fund's functional currency. Normally, the Fund's NAV per Share will be published within approximately ten calendar days of each Valuation Day.

The Fund's NAV will be established in accordance with IFRS and in connection with its investments in accordance with the specific provisions of IAS 39. The Fund will, where permitted by IAS 39, state its investments at fair value, with any resulting gain or loss recognized in the profit and loss statement, specifically:

- (i) Listed securities will be valued at their closing bid prices as of the last official close of the applicable exchange on the relevant Valuation Day. Securities traded on a securities exchange for which there has been no sale that day will be valued at the closing bid price on the relevant Valuation Day.
- (ii) Investments in unlisted securities for which an active OTC market exists will be stated at fair value based upon price quotations received from at least three independent brokers.
- (iii) Other unlisted securities, for which no active OTC market exists, will be valued at fair value using a valuation technique determined by the Directors and in accordance with IAS 39.
- (iv) The Fund's liabilities will be deemed to include, among other things, such provisions and allowances for contingencies as the Directors may from time to time consider appropriate and in accordance with IFRS.
- (v) The Fund will publish an announcement to the extent there is any suspension in the calculation of the Fund's NAV. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

The Articles provide that the Directors may suspend (a) the determination of the NAV of any relevant Class and/or (b) the subscription for Shares of a Class and/or (c) the rights of redemption of Shares of a Class and/or (d) the purchase by the Fund of any Shares of a Class and/or (e) the right to receive the payment of any amount by a redeeming Shareholder in connection with the redemption of Shares and/or (f) share transfers and/or extend the period for payment of Redemption Proceeds for the whole or any part of any period when the Directors determine it is appropriate to do so.

This may include, but is not limited to:

- (a) any period when any securities exchange or organised over-the-counter market on which a significant portion of the Fund's assets held for any Class is regularly quoted or traded is closed (other than for holidays) or trading thereon has been restricted or suspended; or
- (b) any period when, as a result of events, conditions or circumstances beyond the control or responsibility of the Fund, disposal of the assets of the Fund held for any Class or other transactions in the ordinary course of the Fund's business involving the sale, transfer, delivery or withdrawal of securities held for any Class is not reasonably practicable without being detrimental to the interests of the relevant Shareholders; or
- (c) any period when there is a breakdown in the means of communication normally employed in determining the price of a significant portion of the investments held by the Fund for any Class or when for any other reason the value of a significant portion of the investments or other assets of the Fund held for any Class cannot reasonably or fairly be ascertained; or
- (d) any period when the Fund or its agents are unable to repatriate funds required for the purpose of making payments on redemption or during which any transfer of funds involved in the realisation or acquisition of assets held for any Class or when payments due on redemption cannot in the opinion of the Directors or their agents be effected at normal rates of exchange; or
- (e) any period when proceeds of any sale or redemption of the Shares of any relevant Class cannot be transmitted to or from the Fund's account.

6.14 Registration and Transfer of Shares

Shares are issued only in registered form. The Fund does not issue bearer shares. The Administrator maintains a current register of the names and addresses of the Shareholders of each Class, and the share register is conclusive evidence of ownership of Shares. Certificates representing Shares will not be issued.

Except when Shares are traded on a regulated stock exchange where the Shares have been listed by the Company, transfers of Shares by instruments in writing in the usual common form are permitted only with the prior consent of the Directors, which consent may be withheld in the absolute discretion of the Directors. Any transferee of Shares is required to furnish the same information and complete the same documents that would be required in connection with a direct subscription, including without limitation being required to complete a subscription agreement, in order for a transfer application to be considered by the Directors. Violation of applicable ownership and transfer restrictions may result in a compulsory redemption.

7. CERTAIN RISK FACTORS

Prospective investors should give careful consideration to the following risk factors in evaluating the merits and suitability of an investment in the Fund. The following does not purport to be a comprehensive summary of all of the risks associated with an investment in the Fund. Rather, the following are only certain risks to which the Fund is subject and that the Directors and the Investment Manager want to encourage prospective investors to discuss in detail with their professional advisors.

Shareholders will not have an opportunity to influence the investment decisions

The Investment Manager and the Investment Committee will have significant discretion, subject to certain objectives and guidelines, in selecting, evaluating, structuring, negotiating, executing, monitoring and eventually exiting investments on the Fund's behalf. Shareholders will not be able to evaluate for themselves the merits of any particular investments before they decide whether or not subscribe for Shares or before the Investment Manager makes any particular investments. This will increase the uncertainty, and thus the risk, of an investment in the Fund.

Side Letters

The Fund or the Investment Manager may enter into "side letter" agreements with certain Shareholders pursuant to which they may give one or more Shareholders different fee terms and access to more frequent and/or more detailed information regarding the Fund's securities positions, performance and finances. In addition, pursuant to such side letter agreements, the Fund may give certain Shareholders the right to redeem all or a portion of their Shares from the Fund on shorter notice and/or with more frequency than the terms described in this Offering Memorandum, unless the Directors conclude that the other Shareholders will be materially prejudiced. As a result, certain Shareholders may be better able to assess the prospects and performance of the Fund than other Shareholders, and may be able to redeem their Shares at times when other Shareholders may not. Subject to applicable law, the Fund does not intend to disclose the terms of such side letter agreements and does not intend to disclose the identities of the Shareholders that have entered into such agreements with the Fund or the Investment Manager.

The Fund operates in a competitive market for investment opportunities and the Investment Manager may be unable to find suitable Vietnamese securities at attractive prices

Other companies, investment funds, institutions and investors, both Vietnamese and foreign, are actively seeking investments in Vietnam. A number of these competitors may be substantially larger and may have considerably greater financial, technical, and marketing resources than are available to the Fund. Several of these competitors, including those licensed in Vietnam, have recently raised, or are expected to raise, significant amounts of capital, and may have similar investment objectives, which may create additional competition for investment opportunities. In addition, some of these competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments. The Investment Manager therefore expects to face significant competition for investment opportunities. Competition for investments is increased by the fact that there are a limited number of Listed Companies in Vietnam. Competition for a limited number of attractive investments may lead to lost investment opportunities (if the Fund does not match the investment price of terms offered by competitors) or may increase the price at which investments are made. The Investment Manager cannot assure Shareholders that it will be able to make investments on behalf of the Fund that are consistent with our investment objectives or that generate attractive returns for Shareholders.

The Investment Manager expects returns from cash invested in temporary investments to be substantially lower than returns from other investments

The Investment Manager cannot predict how long it will take to fully deploy the Fund's capital and it may take a significant amount of time to fully invest Shareholders' capital contributions. Pending investment of such capital contributions, pursuant to the Investment Manager's cash management policy, the Investment Manager will invest in temporary investments, which are expected to generate returns that are substantially lower than the returns the Investment Manager anticipates receiving from investments in the Fund's portfolio companies. If the return on temporary investments does not exceed the Investment Manager's expectations, the Fund may incur operating losses. Lower returns on temporary investments may prevent the Fund from achieving its investment objectives and may adversely affect its NAV and the price of the Shares.

Many of the Fund's investments in unlisted companies are likely to be, and its other investments may be, illiquid

Many of the Fund's investments will be illiquid due to the undeveloped nature of the Vietnamese capital markets. In addition, securities that the Fund may purchase in privately negotiated transactions may not be freely tradable due to restrictions on their transfers, sale, pledge or other disposition. The Fund may therefore be unable to exit its investments on terms or at a time favourable to it. This may adversely affect the Fund's NAV and the price of its Shares.

The market value of publicly traded securities in Vietnam may be volatile

A substantial portion of the Fund's investments may involve investments in portfolio companies whose securities are publicly traded, primarily on the stock exchanges. Trading on the Vietnam Stock Exchanges has traditionally been characterized by a high degree of short-term speculative trading, which is at least partially attributable to the underdeveloped institutional investor base in Vietnam and the small domestic retail investor base. The market prices and values of publicly traded securities of portfolio companies may be volatile and are likely to fluctuate due to a number of factors beyond the Fund's and the Investment Manager's control, including actual or anticipated fluctuations in the quarterly and annual results of portfolio companies and other companies in the industries in which they operate, market perceptions concerning the availability of additional securities for sale, general economic, social or political developments, changes in industry conditions, changes in government regulation, shortfalls in operating results from levels forecast by securities analysts, the general state of the securities markets and other material events, such as significant management changes, refinancing, acquisitions and dispositions. Volatility in the market prices of the publicly traded securities in which the Fund invests may cause the Fund's NAV and the price of its shares to fluctuate significantly.

The Fund may have difficulty accurately valuing its investments and the values it reports may not be realized

The Fund will be investing in listed securities, securities traded on the OTC market, unlisted securities that are not frequently traded, private equity investments and non-performing loans. The Fund will be required to make good faith determinations as to the fair value of these investments on a monthly basis. For listed securities, the market price may not reflect the true value of the Fund's holdings due to various factors such as the illiquidity of a large position. For unlisted securities, price quotations may not be readily available, may be uncertain, or may be based on estimates, and therefore determinations of fair value may differ materially from the values that would have resulted if a ready market had existed. As a result, the value of such investments reflected in the NAV that the Fund reports may be materially higher or lower than the value that is ultimately realized upon disposal of such investments.

The Fund expects to make investments in companies that it does not control

The Fund intends generally to take a minority equity position in each of the companies in which it invests and normally will not seek to manage, operate, or ultimately control these companies. These investments will be subject to the risk that these companies may make business, financial or management decisions with which the Fund does not agree or that the majority stakeholders or the management of these companies may take risks or otherwise act in a manner that does not serve the Fund's interests. The actions taken by management of portfolio companies that the Fund does not control may adversely affect its NAV and the price of its shares.

The due diligence process that the Investment Manager undertakes in connection with the Fund's investments may not reveal all facts that are relevant in connection with an investment

Disclosure, accounting, and other regulatory standards in Vietnam are, in many respects, less stringent than standards in certain countries with more developed securities markets. This may result in a lack of adequate or accurate information regarding prospective portfolio companies. Accordingly, the Fund cannot assure Shareholders that the due diligence investigation carried out by the Investment Manager in respect of any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating an investment opportunity.

The Fund expects to make investments in equitized SOEs which may expose it to risks not typically associated with investments in other companies

The Fund may have very limited financial information available to it in evaluating potential investments in equitizing SOEs, either because the Investment Manager, on behalf of the Fund, may buy shares during an auction process that allows only limited due diligence or because the SOE's records are incomplete or unavailable. Furthermore, equitized SOEs may have difficulties such as excessive workforces, problems adjusting to the private sectors, poor corporate governance practices, lack of transparency and difficulties attracting and retaining qualified management and staff. Equitized SOEs may continue to be majority-owned and controlled by the Government, and therefore, the Government's interests may take precedence over the interests of other shareholders. Furthermore, due to Vietnam's weak legal system, the Fund may have limited or no recourse if a dispute arises with an equitized SOE. Thus the Fund's strategy of investing in equitized SOEs may expose it to additional risks.

The Fund may make investments in a limited number of companies

The Fund may have a high percentage of its assets invested in a limited number of securities. Such lack of diversification could result in either large gains or losses depending on the performance of a few portfolio companies. Accordingly, the Fund's investment portfolio may be subject to more volatility than would be the case had the Fund maintained wider diversification among companies, securities or types of securities.

The Fund may make investments in small companies

There is no limitation on the size of the companies in which the Fund invests. Many small companies lack management depth or may need substantial capital to support expansion or to achieve or maintain a competitive position, and there is no assurance that such companies will have the necessary capital to provide for their future capital needs or that other sources of financing will be available. Such companies may face intense competition from larger companies and entail a greater risk than investment in larger companies. As a result, these companies may not perform as well as expected.

Vietnamese transfer and settlement procedures for unlisted securities can be unreliable and time consuming

Procedures for registration of ownership of unlisted securities may be unreliable in Vietnam and may be subject to fraud or delay. There is also a risk that the counterparty will not complete the transaction. Substantial delay or failure to complete a transaction may result in the partial or complete loss of an investment or the inability to exit our investments on terms or at a time acceptable to the Fund.

Certain of the Fund's investments may rank junior to investments made by others

The Fund may invest in companies that have indebtedness or equity securities, or may be permitted to incur indebtedness or to issue equity securities, that rank senior to its investment. By their terms, such senior instruments may provide that their holders are entitled to receive payments of dividends, interests or principal on or before the dates on which payments are to be made in respect of the Fund's investments. This may adversely affect the realization of the Fund's investments.

The insolvency, liquidation, dissolution, reorganisation or bankruptcy of a company in which the Fund has made an investment may affect the realization of that investment

In the event of insolvency, liquidation, dissolution, reorganisation or bankruptcy of a portfolio company, holders of securities ranking senior to the Fund's investment in the Fund would typically be entitled to receive payment in full before distributions could be made in respect to its investment. After repaying senior security holders, the company may not have sufficient remaining assets to distribute to shareholders or to repay amounts owed in respect of the Fund's investment, if any. In addition, Vietnamese bankruptcy laws are not easily implemented and bankruptcy proceedings can be far more time consuming than other jurisdictions and often yield a very low recovery rate. As a result, the Fund may have limited recourses in realizing our investment in the event of a portfolio company becomes bankrupt.

The value of the Fund's investments will be exposed to foreign exchange risks

The Fund's accounts will be denominated in Euros while substantially all of its investments are to be made and realized in Vietnamese Dong. Fluctuations in exchange rates may have an adverse effect on the Fund's NAV.

Allocation of Liabilities Among Classes of Shares – Cross-Class Liability

Although the Fund will maintain separate accounts or book entries with respect to each Class of Shares, separate Classes of Shares are not separate legal entities but rather Classes of Shares in the Fund. The Fund as a whole, including all such separate Classes, is one legal entity. Thus, all of the assets of the Fund are available to meet all of the liabilities of the Fund, regardless of the Classes of Shares to which such assets or liabilities are attributable. In practice, cross class liability will usually only arise where any separate Class of Shares becomes insolvent and is unable to meet all of its liabilities. In this case, all of the assets of the Fund attributable to other separate Classes of Shares may be applied to cover the liabilities of the insolvent Classes of Shares. The Fund may seek to limit such cross-class liability contractually by including language limiting recourse to assets attributable to a particular Class in contracts with service providers, counterparties and other third parties with whom the Fund contracts but there can be no assurance given that such contractual limitation will be available or enforceable.

Exchange Rules

Each securities exchange typically has the right to suspend or limit trading in any securities that it lists. Such a suspension would render it impossible for the Fund to liquidate positions and, accordingly, could expose the Fund to losses. Similarly, the Directors have the right to suspend or limit redemptions when, in their opinion, the Fund's net assets are not sufficiently liquid to fund redemptions.

Regulatory Matters and Risks

The regulatory environment for private funds and their managers is evolving and changes therein may adversely affect the ability of the Fund to pursue its investment strategies. In addition, the regulatory or tax environment for derivative and related instruments is evolving and may be subject to modification by government or judicial action which may adversely affect the value of the investments held by the Fund. The effect of any future regulatory or tax change on the Fund is impossible to predict and may make the operation of the Fund more difficult or expensive or force it and/or the Investment Manager to discontinue some or all of its activities, causing loss.

Market disruptions and the dramatic increase in the capital allocated to alternative investment strategies during the past decade have led to increased governmental as well as regulatory scrutiny of "alternative investment funds" and of the financial services industry in general. Legislation proposing greater regulation of the industry is considered periodically by governments and other legislative bodies.

In particular, the European Parliament and the Council of the European Union (the "EU") have approved a Directive (the "AIFM Directive") on alternative investment fund managers ("AIFM") which is required to be transposed into the laws of the EU Member States no later than July 21, 2013. The AIFM Directive will regulate AIFM based in the EU and

prohibit such AIFM from managing any alternative investment fund (“AIF”) or marketing shares in AIF to investors in the EU unless authorization is granted to the AIFM. In order to obtain such authorization, and to be able to manage an AIF, an AIFM will need to comply with various obligations in relation to the AIF which may create significant additional compliance costs that may be passed to shareholders in the AIF. Furthermore, unless the AIFM is authorized and, in the case of an AIF (such as the Fund) domiciled outside the EU, unless certain conditions relating to the domicile of the AIF are met, the marketing of shares in the AIF to investors in the EU will not be permitted. Because many of the provisions of the AIFM Directive require the adoption of delegated acts and regulatory technical standards, as well as the establishment of guidelines, before becoming fully effective, it is difficult to predict the precise impact of the AIFM Directive on the Fund and the Investment Manager. The Investment Manager will monitor the position and react appropriately. Regulatory changes arising from the transposition of the AIFM Directive into English law may impair the ability of the Investment Manager to manage the investments of the Fund, or limit the Investment Manager’s ability to market Shares in the future.

In addition, securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators, self-regulatory organisations and exchanges are authorized to take extraordinary actions in the event of market emergencies including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily price limits and the suspension of trading. The regulation of swaps, futures and/or other derivative transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by governmental, regulatory and judicial actions. The effect of any future regulatory change on the Fund could be substantial and adverse including, for example, increased compliance costs, increased disclosure requirements, the prohibition of certain types of trading.

The US Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”) seeks to regulate markets, market participants and financial instruments that previously have been unregulated and substantially alter the regulation of many other markets, market participants and financial instruments and steps are also substantially advanced in Europe to regulate OTC derivative transactions in Europe.

It is impossible to predict what, if any, changes in the regulations applicable to the Fund, the Investment Manager, the markets in which the Fund will trade and invest or the counterparties with which it will do business may be instituted in the future. Any such laws or regulations may materially adversely affect the Fund’s ability to continue to pursue its investment objective and implement its investment approach and/or of the Investment Manager’s ability to continue to implement the investment strategy, in each case as described herein, as well as require increased transparency as to the identity of Shareholders.

Risks Relating to the Fund and the Investment Structure

Limited Operating History

The Fund has a limited operating history. Therefore, it is difficult to evaluate the Fund’s future prospects. There can be no guarantee that the Fund’s investment objective will be achieved or that the market will value the Shares at the placement price. The results of the Fund’s operations will depend on many factors, including, but not limited to, the availability of opportunities for investment, conditions in the financial markets, general economic conditions and the performance of the Investment Manager.

Illiquidity of the Shares

Although the Fund’s Shares are currently listed on the Stuttgart Stock Exchange, at some point in the future at the Director’s discretion this listing may be terminated if trading in, Shares of the Fund is low and maintaining the listing is determined to be too costly. An active secondary market for the Shares should not be expected.

Restrictions on Transfer

Shareholders should be fully aware of the restrictions on transfer of their Shares in the Fund.

The Fund's Right to Redeem

Under its constitutional documents and as further described in this Offering Memorandum, the Fund has the right to instigate and effect a compulsory redemption all or any Shares in certain circumstances.

The Fund May Be Treated as a Passive Foreign Investment Company for US federal income tax purposes

The Fund expects to be treated as a Passive Foreign Investment Company (a “PFIC”) for US federal income tax purposes, which could result in adverse tax consequences to Shareholders that are taxable US persons. The Fund does not intend to provide information to Shareholders that will allow them to avoid some of the adverse tax consequences resulting from the PFIC classification by electing to treat the Fund as a qualified electing fund. For these reasons, investment in the Fund may not be suitable for US persons other than US tax-exempt organisations. See “Taxation—United States Federal Income Taxation—Passive Foreign Investment Company Rules” in this Offering Memorandum for more information. Prospective investors that are US persons should consult their tax advisors regarding the application of the PFIC rules to an investment in Shares.

Tax Status

Any change in the tax status of the Fund or in taxation legislation of the Cayman Islands or any other tax jurisdiction affecting the Fund could affect the value of investments held by it or affect its ability to achieve the investment objectives or alter its after-tax returns to Shareholders. Any such change could adversely affect the net amount of any dividends payable to Shareholders.

In addition, if the Fund is treated as having a permanent establishment, or as otherwise being engaged in a trade or business, in Vietnam or any other country in which it invests, income attributable to or effectively connected with such permanent establishment or trade or business may be subject to tax on a net basis.

FATCA Withholding

Pursuant to the United States Hiring Incentives to Restore Employment Act and Internal Revenue Service (“IRS”) guidance thereto, a thirty percent (30%) US federal withholding tax will apply to (a) payments made on or after January 1, 2014, to the Fund of US source interest and dividends and certain other types of periodic income from sources inside the United States and (b) the gross proceeds from the disposition of property by the Fund that could give rise to US source interest or dividends (regardless of whether any gain or loss is recognized with respect to such disposition) made on or after January 1, 2017, unless, in general, the Fund enters into an agreement with the IRS to collect and report substantial information regarding its United States account holders (which would include certain Shareholders that are United States persons and foreign entities having substantial United States owners) (such withholding and reporting regime referred to herein as “FATCA”). For this purpose, a “substantial United States owner” with respect to a foreign entity (such as the Fund) generally includes any United States person that, directly or indirectly, owns more than 10% of such foreign entity.

Given the nature of the Fund’s investment objectives and investment strategy, the Fund does not expect to generate the type of income that would be subject to withholding under FATCA (e.g., US source interest or dividends). However, no assurance can be given in this regard. If the Fund generates income that would otherwise be subject to withholding tax under FATCA, the Fund intends to use commercially reasonable efforts to comply with any requirements that may be necessary to avoid such withholding taxes, but no assurance can be given that the Fund would be able to satisfy these obligations. If the Fund becomes subject to a withholding tax as a result of FATCA, the return of all Shareholders may be materially affected. Each Shareholder agrees to provide the Fund at the time or times prescribed by applicable law and at such time or times reasonably requested by the Fund such information and documentation prescribed by applicable law as may be necessary for the Fund to comply with its obligations (if any) under FATCA. Prospective investors should consult with their tax advisors regarding the possible implications of FATCA on their investment in the Fund.

Investment Company Act

The Fund has not been and does not intend to become registered as an investment company under the Investment Company Act. The Investment Company Act and related rules provide certain protections to investors and impose certain restrictions on companies that are registered as investment companies. None of these protections or restrictions is or will be applicable to the Fund or Shareholders.

Risks Relating to the Investment Manager

Investment Advisers Act

The Investment Manager currently relies on various exemptions from registration as an investment adviser in the United States under the US Investment Advisers Act of 1940, as amended. The restrictions provided by that act and related regulations will not apply to the Investment Manager.

The Fund is highly dependent on the Investment Manager and its investment professionals and the Fund may not have continued access to them

The Fund is reliant on the Investment Manager who has significant discretion as to the implementation of the Fund's investment policies and strategies. In addition, the Fund believes that its success depends to a significant degree upon the experience of the Investment Manager's executive officers. The Fund is subject to the risk that the Investment Manager may terminate the Investment Management Agreement subject to its terms or due to regulatory reasons, be unable to continue as the Fund's investment manager and that no suitable replacement will be found. Furthermore, officers and/or key employees of the Investment Manager may depart. The risk of such departures is heightened by the fact that the compensation structure of the Investment Manager's personnel includes substantial performance-related elements, and poor performance by the Investment Manager may result in key personnel seeking alternative employment. The departure of key personnel of the Investment Manager or the termination of the Investment Management Agreement could have an adverse effect on the Fund's performance and accordingly, on its NAV.

The Investment Manager has broad discretion in making investment decisions

While the Board will periodically review the Fund's investment guidelines and its investments, it will not review each investment. Thus many of the investments the Fund enters into will be made in the Investment Manager's sole discretion, without any oversight by the Board. This broad discretion may result in the Fund's investment in portfolio companies that do not perform as well as expected, and accordingly, could result in an adverse effect on the Fund's NAV.

The historic results of the Investment Manager are not indicative of the Fund's future performance

The past performance of the Investment Manager or its key personnel should not be construed as an indication of the Fund's future performance. There can be no guarantee that the Fund will have the same opportunities to invest in securities that generate similar returns to the securities held by the previous accounts managed by the Investment Manager or its investment team.

The Investment Management Agreement may create an incentive for the Investment Manager to invest in high risk investments

In addition to the Management Fee, the Investment Manager is entitled under the Investment Management Agreement to receive a Performance Fee based upon annual increases in the Fund's NAV. In evaluating investments and other management strategies, the opportunity to earn a Performance Fee based on increases in the Fund's NAV may lead the Investment Manager to invest in riskier and more speculative assets in order to maximize the Fund's NAV. Therefore there may be a greater chance for the Fund to lose its money on such investments.

The liability of the Investment Manager and its affiliates is limited under the Fund's arrangement with the Investment Manager, and the Fund has agreed to indemnify the Investment Manager and its affiliates against claims that they may face in connection with such arrangements

Under the Investment Management Agreement, the Investment Manager has not assumed any responsibility other than to render the services described in such Agreement in good faith and will not be responsible for any action that the Board takes in following or declining follow its advice or recommendations. In addition, the liability of the Investment Manager and its affiliates under our Investment Management Agreement is limited to conduct involving negligence, bad faith, fraud, dishonesty, or wilful misconduct. Accordingly, the Fund's right to recover against the Investment Manager as a result of its defaults may be limited, and that limitation may result in recovery by the Fund against the Investment Manager being significantly lower than the loss the Fund suffered. This may also lead the Investment Manager to assume greater risks when making investment-related decisions than it otherwise would if investments were being made solely for its own accounts.

It may be difficult for the Fund to terminate its Investment Management Agreement with the Investment Manager

The Fund will not be able to terminate the Investment Management Agreement during the life of the Fund unless the Investment Manager has committed certain "cause" events. Therefore even if the Fund is dissatisfied with the Investment Manager's performance, the Fund may not be able to remove Investment Manager during its term.

Risks Related to Investing in Vietnam

The Vietnamese legal system is at an early stage of development and may not provide adequate protection of our rights as shareholders of Vietnamese companies

The laws and regulations in Vietnam are at an early stage of development and are not well established. Although the legal system in Vietnam has been changing, and the Government appears to be planning further substantial legal reforms, there can be no assurance that improvements in the legal system will continue. Furthermore, the administration of laws and regulations by Government agencies is subject to considerable discretion and in many areas, the legal framework is vague, contradictory, not comprehensive and subject to varying interpretation. Therefore, there can be no assurance that the Fund will be able to obtain effective enforcement of its rights by legal proceedings including any proceedings in bankruptcy in Vietnam.

Changes in laws or regulations, or a failure to comply with any laws or regulations, may adversely affect the business, investments, and results of operations

The Fund, the Investment Manager and the Investment Advisor are subject to laws and regulations enacted by national, regional, and local government. In particular, the Fund the Investment Manager and the Investment Advisor may be required to comply with certain licensing and regulatory requirements that are applicable to investment companies or funds investing in Vietnam, including laws and regulations administered by the State Securities Commission. All laws, including laws relating to taxation in the Cayman Islands and other jurisdictions are subject to change without notice.

Additional laws may apply to the Fund's portfolio companies. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time-consuming, and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes, or a failure to comply with such laws or regulations as interpreted and applied, could have an adverse effect on the Fund's business, investments, and results of operations and accordingly, its NAV.

The tax consequences of foreign investment in Vietnam are unclear

Vietnam's corporate income tax laws and regulations have undergone major changes in past years and continue to be supplemented and clarified as issues arise related to interpretation and/or implementation. There are many areas where detailed regulations do not currently exist and/or where there is ambiguity as to proper interpretation. The implementation of tax regulations can vary depending on the tax authority involved. Any change in the Fund's tax status, the Investment Managers tax status or Vietnam's taxation legislation could adversely affect the Fund's

performance, the value of its investments, its ability to declare dividends and remit profits, and the tax obligation imposed on the Fund.

Protectionist trade regimes and Vietnam's WTO ascension may materially impact the Fund's investments

The financial viability of some of the Fund's investments may be affected by changes in foreign trade regimes. The Fund's investments in export-oriented industries, for example, may be affected by change in trade regimes or by protectionist measures in foreign countries. Similarly, the Fund's investments competitions from international firms as trade barriers are reduced. Further competition and further change could occur as Vietnam moves along with its WTO standard implementation. As a result of such changes and other market forces, the value of the Fund's investments may decrease which may in turn adversely affect its NAV.

The Fund may not be able to convert Vietnamese Dong into Euros

While most of the Fund's investments are expected to be in securities that are denominated and pay dividends in Dong, the Fund intends to make distributions, if any, to Shareholders in Euros. The Dong is currently not a freely convertible currency. Due to currently applicable Vietnamese currency, tax and export restrictions, there is no assurance that the Fund will be able to convert Dong proceeds from the disposal of investments or income arising from investments into Euros. While a decision of Vietnam's Prime Minister recognizes that foreign investors have the right to convert proceeds from the sale of shares on the transfer of equity interests in Vietnamese companies, the State Bank has not issued clear regulations on the procedures for conversion of Dong into foreign currency by an offshore investment Fund. Accordingly, it is possible that the Fund may experience difficulties in its efforts or be unable to accomplish such conversion. Any delay in conversion may increase the Fund's exposure to depreciation of Dong against the Euro. In the event that the Fund is unable to convert Dong into Euros, the Fund will be unable to make distributions to Shareholders.

Vietnamese courts may not recognize or enforce foreign court judgments or arbitration awards

There is a lack of legal support and procedure for the recognition and enforcement of foreign court judgments in Vietnam. As Vietnam is a signatory to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, and given the lack of legal support for recognizing foreign court judgments in Vietnam, contracting parties often select foreign arbitration as the method of dispute resolution. However, while there is a legal basis for the recognition and enforcement of foreign arbitration awards in Vietnam in respect of certain types of contracts, there have only been a small number of cases where a Vietnamese court has recognized and enforced such an award. The Fund cannot rely on arbitration provisions to guarantee adequate and timely compensation in case of contract disputes.

The Fund may be affected by an outbreak of contagious diseases

Vietnam was one of the countries in Asia affected by the severe acute respiratory syndrome outbreak in 2003 and human avian flu outbreaks that began in 2003. Any future widespread outbreak of contagious diseases in Vietnam may have an adverse effect on its economy and companies in which the Fund invests. In addition, if Vietnam attempts to insulate itself from new cases of contagious diseases in neighbouring countries by closing its borders, such restrictions could adversely affect Vietnam's economy and companies in which the Fund invests.

8. POTENTIAL CONFLICTS OF INTEREST

The Investment Manager, the Administrator and their respective affiliates, which shall be deemed to include, in each case, their respective officers, directors, employees and entities owned by any of the aforementioned parties (“**Related Parties**”) may face certain conflicts of interests in relation to the Fund. These conflicts include, but are not limited to, the following:

- (i) One of the Directors of the Fund is also a director of the Investment Manager. The fiduciary duty of the Directors to the Fund may compete with or be different from the interests of the Investment Manager. Furthermore, only the Directors of the Fund may terminate the services of the Investment Manager.
- (ii) The Investment Manager and each of its directors presently and will in the future, directly or indirectly, direct, sponsor or manage other investment funds or managed accounts in addition to the Fund. The Investment Manager and each of its directors may have financial or other incentives to favour some such investment funds or managed accounts over the Fund. The Investment Manager will make its own decisions for the Fund, which decisions may differ from time to time from those recommended by analysts of the Investment Manager for its other advisory clients.
- (iii) The Investment Manager believes that it will continue to have sufficient staff, personnel and resources to perform all of its duties with respect to the Fund. However, because some of the officers of the Investment Manager may have duties in connection with other investment funds and other matters, such officers may have conflicts of interest in the allocation of responsibilities, services and functions among the Fund and other entities similar to the Fund.
- (iv) The Fund may invest the Fund's capital in investment funds and/or with other accounts managed by the Investment Manager and/or its affiliates. As a result, the Investment Manager may receive fees based on these investments directly from the Fund and, directly or indirectly, from the other investment funds or accounts. Notwithstanding such circumstances, the Investment Manager will act in accordance with its fiduciary duties to the Shareholders.
- (v) Some or all of the Related Parties may be involved with other entities utilizing investment strategies similar to those of the Fund and with other business in general. The Investment Manager may cause the Fund to invest in securities in which some or all of the Related Parties have a financial interest, or to engage in transactions with brokers or others with whom some or all of the Related Parties have financial or other relationships.
- (vi) The Related Parties may engage for their own accounts, or for the accounts of others, in other business ventures of any nature, and the Fund has no right to participate in or benefit from the other management activities of the Investment Manager described above and the Related Parties shall not be obliged to account to the Fund for any profits or benefits made or derived there from, nor shall they have any obligation to disclose or refer to the Fund any of the investment or service opportunities obtained through such activities. Related Parties may own Shares in the Fund, deal as principals with the Fund in the sale or purchase of investments of the Fund or act as brokers, whether to the Fund or to third parties, in the purchase or sale of the Fund's investments and shall be entitled to retain any profits or customary commissions resulting from such dealings.
- (vii) The Investment Manager and/or its affiliates and/or its employees may from time to time have an interest, direct or indirect, in a security, the purchase or sale of which by the Fund is recommended, or which in fact is purchased or sold by or otherwise traded for the Fund. Moreover, such recommendation, purchase, sale or trading may occur in connection with a transaction involving another investment fund or account managed by the Investment Manager. Accordingly, the Investment Manager may sell or recommend the sale of a particular security for certain accounts, including accounts in which it has an interest, and it or others may buy or recommend the purchase of such security for other accounts, including accounts in which it has an interest, and, thus, transactions in particular accounts may not be consistent with transactions in other accounts or with the Investment Manager's investment recommendations. For example, the Investment Manager may recommend that the Fund sell a security,

while not recommending such sale for other accounts in order to enable the Fund to have sufficient liquidity to honour Shareholders' redemption requests. When there is a limited supply of investments, the Investment Manager will use its reasonable efforts to allocate or rotate investment opportunities, but the Investment Manager cannot assure absolute equality among all of its accounts and clients.

- (viii) The Investment Manager, each of its affiliates and the Directors may engage in other business activities and manage the accounts of clients other than the Fund including those of other collective investment vehicles. The investment strategy for such other clients may vary from that of the Fund. The Investment Manager, each of its affiliates and the Directors are not required to refrain from any other activity, nor must they disgorge any profits from any such activity, including acting as general partner, investment manager or managing agent for investment vehicles with objectives similar to those of the Fund.

9. TAXATION

9.1 Introduction

PROSPECTIVE SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS AS TO THE SPECIFIC TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF SHARES IN THE FUND INCLUDING THE APPLICATION AND EFFECT OF THE TAX LAWS OF THEIR JURISDICTION OF RESIDENCE AND CITIZENSHIP, THEIR ABILITY TO CLAIM FOREIGN TAX CREDITS AND THEIR ABILITY TO CLAIM THE BENEFITS OF ANY INCOME TAX TREATIES.

An investment in the Fund may involve complex tax considerations. The following is a general summary with respect to tax matters in certain jurisdictions only, and does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to take part in the Fund, nor is it a guarantee to any Shareholder of the taxation results of investing in the Fund. The liability of Shareholders in the Fund to taxation on gains and income and to relief for expenses will in any case depend on the individual Shareholder's own tax position. We strongly urge any person considering an investment in the Fund to consult with its own professional advisors prior to subscribing to purchase of Shares.

Taxation – Cayman Islands

As an exempted company, the Fund has applied for and has received from the Governor in Cabinet of the Cayman Islands an undertaking in accordance with the Tax Concessions Law that for a period of 20 years from the date of the undertaking, no laws of the Cayman Islands imposing any tax on profits or income gains shall apply to the Fund and that no taxes in the nature of estate duty or inheritance tax shall be payable on any Shares, debentures or obligations of the Fund. Under current Cayman Islands law, there are no such taxes or duties.

The Cayman Islands currently impose initial and annual registration fees on all exempted companies. An annual registration fee will be payable by the Fund to the Cayman Islands Government calculated by reference to its nominal authorized share capital.

Under current legislation of the Cayman Islands, no taxes are imposed upon shareholders by the Cayman Islands.

Taxation – Vietnam

This summary does not discuss aspects of Vietnam taxation that may apply to investors, individuals and entities that are "resident" in Vietnam or are subject to Vietnam taxation as a result of other activities or investments in Vietnam. Such prospective investors should consult their own tax advisers as to the tax consequences of the purchase, ownership, and disposition of interests.

Permanent Establishment

Under Vietnam's corporate tax regulations foreign companies conducting business activities through a permanent establishment in Vietnam are subject to Vietnam tax. A permanent establishment is defined as a business

establishment through which a foreign Fund carries out part or the whole of its business activities in Vietnam and earns income.

A permanent establishment is specifically defined as including an agent for a foreign entity and a representative in Vietnam with authority to sign contracts under the name of the foreign entity or not having such authority but regularly providing services in Vietnam.

The Fund intends to conduct its affairs so that the Fund is not deemed to have a permanent establishment in Vietnam.

With respect to the Fund's investments in Vietnam, the Fund anticipates that the tax consequences for the Fund will be as follows:

Non-Vietnamese Investments

As a foreign legal entity, the Fund will not be liable for Vietnamese taxes on its income derived outside Vietnam or capital gains derived from the sale or other disposal of its non -Vietnamese investments unless the Fund is deemed to be conducting business activities through a permanent establishment in Vietnam.

Dividends

There is currently no withholding tax imposed on dividends paid to foreign shareholders.

Interest

Where a foreign entity does not have a presence in Vietnam, interest income from bonds and fixed income securities is subject to 0.1% of total value of the bonds deemed corporate income tax at the time of each interest payment except in the case of tax exempt bonds. For this deemed tax, interest is defined as the amount of interest income plus the value of the principal amount of the bond.

Interest the Fund receives on any loans made to a Vietnamese borrower is subject to a 10% withholding tax.

Capital Gains

- Disposal of bonds

Tax at rate of 0.1 per cent will apply on the sales value of bonds disposed by the Fund.

- Disposal of ownership in a Vietnamese company

The disposal of shares in a listed or unlisted joint stock company ("**JSC**") by a foreign entity that does not have a presence in Vietnam is subject to a 0.1% tax on the gross sales proceeds. There is some uncertainty regarding whether this treatment applies if the investor participates in the management of the Vietnamese company.

Gains made by foreign investors on the transfer of an interest (as opposed to shares) in a foreign invested or Vietnamese limited liability company are subject to Capital Assignment Profit Tax (CAPT) at the rate of 25% on the net gain (determined as the sale price less the initial cost of the acquired shares and the legitimate transaction expenses). The acquirer is required to withhold the CAPT from the payment to the vendor, and account for this to the tax authorities.

9.2 United States Federal Income Taxation

The following is a summary of certain US federal income tax considerations relating to the purchase, ownership and disposition of Shares. The discussion is based upon the Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury Regulations promulgated thereunder (the "**Treasury Regulations**"), judicial authorities, published positions of the IRS and other applicable authorities, all as in effect on the date hereof and all of which are subject to change or

differing interpretations (possibly with retroactive effect). This summary does not discuss all of the tax consequences that may be relevant to a particular Shareholder in light of such Shareholder's specific circumstances or to certain Shareholders subject to special treatment under US federal income tax laws (such as financial institutions, insurance companies, dealers in securities or currencies, persons that have a functional currency that is not the US dollar, persons that have elected "mark-to-market" accounting, or persons that hold their Shares through a partnership or other entity which is a pass-through entity for US federal income tax purposes). The discussion is limited to Shareholders who hold their Shares as capital assets (within the meaning of Section 1221 of the Code). No rulings have been or will be sought from the IRS regarding any matter discussed in this Offering Memorandum. Counsel to the Fund has not rendered any legal opinion regarding any tax consequences relating to the Fund or an investment therein. No assurance can be given that the IRS would assert, or that a court would not sustain a position contrary to any of the tax considerations described below. Prospective investors should consult their tax advisors concerning the application of the US federal income tax laws to their particular situations, as well as any consequences of the purchase, ownership and disposition of Shares arising under the laws of any other taxing jurisdiction.

For purposes of this discussion, (i) a "US Shareholder" is a beneficial owner of Shares that is, for US federal income tax purposes, (a) an individual who is a citizen or resident of the United States, (b) a corporation created or organized under the law of the United States or any political subdivision thereof, (c) an estate, the income of which is subject to US federal income tax without regard to its source, or (d) a trust if (a) a court within the US is able to exercise primary supervision over the administration of the trust, and one or more US person have the authority to control all substantial decision of the trust or (b) the trust was in existence on August 20, 1996 and properly elected to be treated as a US person and (ii) a "Non-US Holder" is a beneficial owner of Shares that, for US federal income tax purposes, is an individual, corporation, trust or estate and that is not a US Shareholder.

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Any discussion of US federal tax issues set forth in this Offering Memorandum was written in connection with the promotion and marketing by the Fund and the Investment Manager of the Shares. Such discussion was not intended or written to be legal or tax advice to any person and was not intended or written to be used, and it cannot be used, by any person for the purpose of avoiding any US federal tax penalties that may be imposed on such person. Each prospective investor should seek advice based on its particular circumstances from an independent tax advisor.

9.3 The Fund

The Fund will be treated as a corporation for US federal income tax purposes. Thus, subject to the PFIC rules discussed below, the income, gains, losses, deductions and expenses of the Fund will not be passed through to the Shareholders, and all distributions by the Fund to the Shareholders will be treated as dividends, return of capital and/or gains.

Given the nature of the Fund's investment activities, the Fund expects that it will not be engaged in a US trade or business as determined for US federal income tax purposes, although no assurances can be given in this regard. So long as the Fund is not engaged in a US trade or business, income and gain earned by the Fund will not be subject to regular US federal income taxation. If, however, contrary to the Fund's expectation, the Fund were treated as being engaged in a US trade or business, then the Fund generally would be subject to regular US federal income taxation on its income and gain (and may also be subject to a 30% US branch profits tax), thereby materially adversely affecting the Fund's ability to make distributions to the Shareholders.

Certain types of periodic income (e.g., dividends) received by the Fund from sources inside the United States (generally will be subject to a withholding tax of 30%; however, US sourced interest income that qualifies as "portfolio interest" (as defined in the Code) should be exempt from US withholding tax. Also, capital gains on US investments generally should be exempt from US withholding or income taxes.

9.4 US Shareholders

Dividends

Subject to the PFIC rules discussed below, the gross amount of any distribution (including non-cash property) paid by the Fund (including any taxes withheld therefrom) with respect to the Shares generally will be included in the gross income of a US Shareholder as a dividend to the extent such distribution is paid out of the Fund's current or accumulated earnings and profits, as determined under US federal income tax principles. The dividends generally will not be eligible for the dividends-received deduction generally available to US corporations. Dividends of property other than cash generally will be included in income in an amount equal to the fair market value of the distributed property on the date the dividends are received.

The amount included in gross income for any dividend paid in currency other than the US dollar (a "foreign currency") will equal the US dollar value of the foreign currency received, calculated by reference to the exchange rate in effect on the date the dividend is received, regardless of whether the foreign currency is converted into US dollars at such time. If the foreign currency is not converted into US dollars at the date of receipt, a US Shareholder will have a tax basis in the foreign currency equal to the US dollar amount included in gross income. Any gain or loss on a subsequent conversion or other disposition of the foreign currency will be treated as ordinary income or loss and generally will be US source income or loss for foreign tax credit purposes.

Dividends with respect to the Shares generally will be treated as income from foreign sources for foreign tax credit purposes. A US Shareholder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any non-US withholding taxes imposed on dividends received with respect to the Shares. A US Shareholder who does not elect to claim a foreign tax credit for any non-US tax withheld may instead claim a deduction for US federal income tax purposes in respect of such withholding, but only for a year in which such holder elects to do so for all creditable non-US income taxes.

Dispositions

Subject to the PFIC rules discussed below, a US Shareholder will recognize capital gain or loss on the sale or other taxable disposition of the Shares in an amount equal to the difference between the amount realized from such disposition and the US Shareholder's adjusted tax basis in such Shares. Such capital gain or loss generally will be long-term capital gain or loss if the US Shareholder has held the Shares for more than one year and generally will be US source gain or loss for foreign tax credit purposes. Long-term capital gains recognized by certain non-corporate US Shareholders (such as individuals) generally are eligible for reduced rates of US federal income tax. The deductibility of a capital loss may be subject to limitations.

A US Shareholder that receives foreign currency on the disposition of Shares will realize an amount on such disposition equal to the US dollar value of the currency received, calculated at by reference to the exchange rate in effect on the date of the disposition (or, in the case of cash basis and electing accrual basis taxpayers, the settlement date). A US Shareholder will recognize foreign currency gain or loss to the extent of any difference between the US dollar value of the amount received at the exchange rate on the settlement date and the US dollar amount recognized on the date of the disposition. A US Shareholder will have a tax basis in the foreign currency received equal to the US dollar value of the currency received on the settlement date. Any gain or loss on a subsequent conversion or other disposition of the foreign currency will be treated as ordinary income or loss and generally will be US source income or loss for foreign tax credit purposes.

Passive Foreign Investment Company Rules

The Fund expects to be treated as a PFIC for US federal income tax purposes. If the Fund is a PFIC, a US Shareholder will be subject to additional tax on excess distributions received with respect to the Shares or gain realized on the disposition of the Shares. A US Shareholder will have an excess distribution to the extent that distributions on the Shares during a taxable year exceed 125 per cent of the average amount received during the three preceding taxable years (or, if shorter, the US Shareholder's holding period). A US Shareholder may realize gain on the Shares not only through a sale or other disposition, but also by pledging the shares as security for a loan or entering into certain constructive disposition transactions. To compute the tax on excess distributions or any gain, (i) the excess distribution

or the gain is allocated rateably over the US Shareholder's holding period, (ii) the amount allocated to the current taxable year is taxed as ordinary income and (iii) the amount allocated to each previous taxable year is taxed at the highest applicable marginal rate in effect for that year and an interest charge is imposed to recover the deemed benefit of the deferred payment of the tax.

As an alternative to the foregoing rules, a US taxpayer owning stock in a PFIC may make a "qualified electing fund" (a "QEF") election with respect to such PFIC to elect out of the tax treatment discussed above. A US taxpayer who makes a valid qualified electing fund election with respect to a PFIC generally will include in gross income for a taxable year such taxpayer's pro rata share of the PFIC's earnings and profits for the taxable year. However, the qualified electing fund election is available only if such PFIC provides such US taxpayer with certain information regarding its earnings and profits as required under applicable Treasury Regulations. A US Shareholder will not be able to make a QEF election with respect to the Shares because the Fund does not intend to provide information necessary to make such election.

As a further alternative to the foregoing rules, a US taxpayer owning "marketable stock" in a PFIC may make a mark-to-market election. For purposes of this mark-to-market election, "marketable stock" generally includes stock that is regularly traded on certain established securities markets within the United States, or on any exchange or other market the IRS determines has trading, listing, financial disclosure and other rules adequate to carry out the purposes of the mark-to-market election. It is unlikely that a US Shareholder will be able to avoid certain consequences of PFIC treatment by electing to mark the Shares to market annually. Currently, Shares of the Fund are listed on the Stuttgart Stock Exchange. There can be no guarantee that there will be sufficient trading in the Shares and the Directors may end the listing should they determine that it is appropriate to do so.

A US Shareholder will be treated as an indirect holder of his or her proportionate share of the Fund's equity investments in other companies that are a PFIC, and he or she will be taxed on his or her proportionate share of any distribution or gain attributable to the investment.

For these reasons, investment in the Fund may not be suitable for US persons other than US tax exempt organisations.

Medicare Tax on "Net Investment Income"

For taxable years beginning after December 31, 2012, certain US Shareholders (including individuals, estates and trusts) will be subject to an additional 3.8% Medicare tax on unearned income. For individuals, the additional Medicare tax applies to the lesser of (i) "net investment income" or (ii) the excess of "modified adjusted gross income" over certain specified amounts. "Net investment income" generally equals the taxpayer's gross investment income reduced by the deductions that are allocable to such income. Investment income generally includes passive income, such as interest, dividends, annuities, royalties, rents and capital gains. US Shareholders should consult their tax advisors regarding the implications of the additional Medicare tax resulting from an investment in Shares.

Information Reporting and Backup Withholding

Dividends from the Shares and proceeds from the sale of the Shares may be reported to the IRS unless the Shareholder is a corporation, or otherwise establishes a basis for exemption. Backup withholding tax may apply to amounts subject to reporting if the Shareholder fails to provide an accurate taxpayer identification number or otherwise establish an exemption. Backup withholding is not an additional tax. A Shareholder can claim a credit against its US federal income tax liability for the amount of any backup withholding tax and generally may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the IRS and furnishing any required information. Shareholders should consult their tax advisors regarding the application of the US information reporting and backup withholding rules to their particular circumstances.

US Shareholders that are individuals who hold "specified foreign financial assets" (including stock of a non-US corporation that is not held in an account maintained by a US "financial institution") whose aggregate value exceeds \$50,000 during the taxable year may be required to attach to their tax returns for the taxable year certain specified information. An individual who fails to timely furnish the required information may be subject to a penalty. US Shareholders who are individuals should consult their tax advisors regarding the application of their reporting obligations under these rules as a result of an investment in Shares.

9.5 US Tax-Exempt Shareholders

In general, qualifying US tax-exempt organisations, including pension and profit-sharing plans (collectively, “**US Tax-Exempt Shareholders**”), are exempt from US federal income taxation. This general exemption from tax does not apply to the “unrelated business taxable income” (“**UBTI**”) of a US tax-exempt organisation. UBTI includes “unrelated debt-financed income,” which, for any taxable year, generally includes (i) income derived by a US tax-exempt organisation from income-producing property with respect to which there is “acquisition indebtedness” at any time during the taxable year and (ii) gains derived by a US tax-exempt organisation from the disposition of property with respect to which there is “acquisition indebtedness” at any time during the twelve-month period ending with the date of such disposition. Thus, an investment in Shares will not generate UBTI for a US Tax-Exempt Shareholder, provided that such a US Tax-Exempt Shareholder does not incur “acquisition indebtedness,” as defined for US federal income tax purposes, with respect to its investment in Shares.

As discussed above, the Fund expects to be treated as a PFIC. Treasury Regulations provide that US tax-exempt organisations generally are not subject to the potentially adverse effects of the PFIC rules. Moreover, in general, a US Tax-Exempt Shareholder may not make a QEF election with respect to the Fund unless the US Tax-Exempt Shareholder is taxable under the UBTI rules with respect to distributions received from the Fund (which would occur only if such US Tax-Exempt Shareholder itself incurred “acquisition indebtedness” to make its investment in Shares). The Fund does not intend to provide information necessary for a US Tax-Exempt Shareholder to make a QEF election.

Reporting Requirements

US Shareholders will be subject to mandatory reporting requirements pursuant to section 6038B of the Code by filing Form 926 with the IRS on the purchase and disposition of the Shares. In the event a US Shareholder fails to file any such required form, such Shareholder could be required to pay a penalty. US Shareholders, including US Tax-Exempt Shareholders, should consult their tax advisors with respect to this or any other reporting requirement which may apply with respect to their ownership of the Shares.

Non-US Shareholders

A Non-US Shareholder generally will not be subject to US federal income taxation on any dividends received from the Fund unless such dividend income is effectively connected to the Non-US Shareholder’s conduct of a trade or business in the United States, provided, however, that a Non-US Shareholder may be subject to US federal withholding tax under FATCA on dividends received from the Fund if such Non-US Shareholder (i) fails to provide certain information to the Fund upon request or (ii) is a “foreign financial institution” (within the meaning of Section 1471 of the Code) that does not enter into an agreement with the IRS to collect and report substantial information regarding its United States account holders. A Non-US Shareholder generally will not be subject to US federal income taxation on gains recognized on the sale, exchange, redemption or other disposition of Shares unless (i) such gain is effectively connected to the Non-US Shareholder’s conduct of a trade or business in the United States or (ii) such Non-US Shareholder is an individual present in the United States for 183 days or more in a taxable year and certain other conditions are satisfied.

Reportable Transactions

A participant in a “reportable transaction” is required to disclose its participation in such transaction by filing IRS Form 8886 Reportable Transaction Disclosure Statement. In addition, a “material advisor” with respect to such transaction is required to (i) maintain a list containing certain information with respect to such transaction (including the participants with respect to whom the material advisor acted in such capacity) and (ii) file an information return that identifies and describes the transaction and any potential tax benefits expected to result from the transaction. The failure to comply with such rules can result in substantial penalties.

The Investment Manager cannot predict whether any of the transactions of the Fund will subject it, the Fund or any of the Shareholders to the aforementioned requirements. However, if the Investment Manager (or any material advisor) determines that any such transaction causes the Fund to be subject to the aforementioned requirements, the Investment Manager will, and will cause the Fund to, fully comply with such requirements. Prospective investors should consult with their tax advisors regarding the applicability of these rules to their investment in the Fund.

9.6 No Tax Advice

The foregoing discussion should not be considered to describe fully the US federal, state, local and other tax consequences of an investment in the Fund. Neither the Fund, the Fund's legal counsel, the Fund's accountant nor any other Fund advisor, whether by this Offering Memorandum or in any oral discussion or written materials relating to this offering, is providing tax advice to any prospective Shareholder with respect to an investment in the Fund. Each prospective investor in the Fund should consult its tax advisor regarding the US federal, state, local and other tax consequences of an investment in the Fund in light of their particular circumstances.

9.7 Other Tax Jurisdictions

A general tax discussion is by its nature incomplete and cannot address the tax considerations of Shareholders on an individual basis. We strongly recommend that each prospective Shareholder discuss possible tax consequences of an investment with its individual tax advisor prior to deciding to invest.

Subject to the foregoing qualification that taxes will vary by jurisdiction and circumstances of the individual Shareholder, depending upon the particular investments made by the Fund, it is possible that withholding tax, capital gains tax and other taxes may be imposed by taxing authorities located in Asia or Europe on income or gains derived by the Fund. Benefits under double taxation treaties between countries in which investments are made and the countries of residence of Shareholders generally should be available, provided that the Shareholder is a person to whom the double taxation treaty applies. A Shareholder's share of such taxes may not be fully creditable against the tax liability imposed on such a Shareholder by the country of which it is a citizen or resident.

9.8 Shareholders of the Fund

The EU Savings Directive

As of 1 July 2005, the EUSD became effective. The EUSD requires withholding of tax or exchange of tax information on interest paid to EU resident individuals and certain EU intermediary entities in certain limited circumstances. Distributions made by the Fund or income derived from the sale or redemption of the Shares in the Fund should generally not be subject to the EUSD withholding tax or exchange of information. However, if an investor in the Fund were to hold its Shares through a professional nominee that is based in an EU member state it is possible that the EUSD may apply to distributions made by the Fund to the investor or to the income derived by the investor from the sale or redemption of the Shares in the Fund. Whether the EUSD would apply in any given case would depend upon the circumstances surrounding the relevant investor and the manner in which the EUSD has been implemented in the relevant EU member state. In light of the foregoing, investors should consult with their own legal advisors as to the possible application of the EUSD to any distributions or income that they receive in connection with their Shares in Fund.

United States Federal Income Taxation

Shareholders who are not otherwise subject to United States taxes by reason of their residence, domicile or other particular circumstances should not become subject to any such taxes by reason of the ownership, transfer or redemption of the Shares. However, Shareholders who are or may be subject to US federal income tax on their worldwide income should be aware of certain tax consequences of investing directly or indirectly in the Shares and should be certain to consult their own tax advisors in this regard.

Dividend distributions, if any, and redemption payments made by the Fund to Shareholders who are not Restricted Persons should not be subject to US federal income tax, provided that Shares are not held in connection with a US trade or business of the Shareholder in the year of receipt. Individual Shareholders who are not US Persons should not be subject to any US federal estate or gift taxes by reason of the ownership or transfer of the Shares. A Shareholder's change in status to a US Person could result in adverse US tax consequences, in addition to resulting in a compulsory redemption.

9.9 Changes in Law

All laws, including laws relating to taxation in the Cayman Islands and other jurisdictions are subject to change without notice.

The foregoing summary does not address tax considerations that may be applicable to certain Shareholders under the laws of jurisdictions other than the Cayman Islands and the US. The Fund has no present plans to apply for any certifications or registrations, or to take any other actions under the laws of any jurisdictions that would afford the relief to local investors therein from the normal tax regime otherwise applicable to an investment in the Shares. It is the responsibility of all persons interested in purchasing the Shares to inform themselves as to any income or other tax consequences arising in the jurisdictions in which they are resident or domiciled for tax purposes, as well as any foreign exchange or other fiscal or legal restrictions relevant to their particular circumstances in connection with the acquisition, holding, or disposition of the Shares. The value of the Fund's investments may also be affected by repatriation and exchange control regulations.

10. REGULATIONS

The Fund will be a mutual fund as defined in the Mutual Funds Law of the Cayman Islands. Such registration does not imply that the Monetary Authority or any other regulatory authority in the Cayman Islands has passed upon or approved this Offering Memorandum or the offering of the Shares hereunder. To effect the required registration the Fund is required to provide to the Monetary Authority a summary of the terms of the offering of the Shares of each Class and to provide details of the various agents of the Fund along with a copy of this Offering Memorandum. The Fund is also required to file with the Monetary Authority audited financial statements annually within six months of each financial year-end, pay to the Monetary Authority a prescribed annual fee and file an annual return that contains certain prescribed details in relation to this Offering Memorandum and its audited financial statements. The Fund must notify the Monetary Authority of any changes in the details of the summary of the terms of the offering and any change in the Fund's agents as filed on initial registration and supply copies of any supplements to or revision of this Offering Memorandum.

As a regulated mutual fund, the Monetary Authority may at any time instruct the Fund to have its accounts specially audited and to submit such accounts to the Monetary Authority within such time as the Monetary Authority may specify. In addition, the Monetary Authority may require such information or such explanation in respect of the Fund as the Monetary Authority may reasonably require to enable the Monetary Authority to carry out its duties under the Mutual Funds Law.

The Fund must give the Monetary Authority access to or provide at any reasonable time all records relating to the Fund and the Monetary Authority may copy or take an extract of a record to which the Monetary Authority is given access. The Mutual Funds Law provides for substantial fines for failure to comply with any such requests by the Monetary Authority and the Monetary Authority may apply to the court to have the Fund wound up in accordance with the Companies Law.

The Monetary Authority is prohibited by the Mutual Funds Law from disclosing any information relating to the affairs of a mutual fund other than disclosure required for the effective regulation of a mutual fund or when required to by law or by the court or any provision under the Mutual Funds Law.

The Monetary Authority may take certain actions if the Monetary Authority is satisfied that a regulated mutual fund is likely to become unable to meet its obligations as they fall due or is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Monetary Authority include, inter alia, the power to terminate the Fund, require the substitution of the Directors of the Fund, to appoint a person to advise the Fund on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Fund. There are other remedies available to the Monetary Authority including the ability to apply to the court for approval of other actions.

The Investment Manager has registered with the Monetary Authority as an 'excluded person' pursuant to the provisions of section 5(2) of the Securities Investment Business Law on the basis that it is carrying on securities investment business exclusively for (i) sophisticated persons; (ii) high net worth persons (both as defined in the Securities Investment Business Law); or (iii) a Fund, partnership or trust (whether or not regulated as a mutual fund) of which the shareholders, unit holders or limited partners are one or more persons falling within (a) or (b). Registration as an excluded person does not mean that the Investment Manager is regulated by the Monetary Authority.

AIFM Directive

The impact of the AIFM Directive on the Fund and the Investment Manager is currently uncertain and may remain so for some time. However, it is important to note that the AIFM Directive may result in considerable cost or other burdens for the Fund and/or the Investment Manager.

Agreement has been reached on the text of the AIFM Directive to regulate AIFM which is expected to enter into force shortly, following which it will require transposition into the laws of individual member states of the EU. Broadly, the AIFM Directive will regulate AIFM based in the EU and the marketing of securities of AIF in the EU.

In order to obtain authorisation to manage or market an AIF in the EU, an AIFM will be required to comply with numerous obligations in relation to its own operations and any AIF that it manages, which may create significant compliance costs and burdens. However, the precise nature of these obligations and their application (especially as they may apply to non-EU entities) remain subject to further development as the AIFM Directive contemplates a significant amount of secondary level rule making and requires implementation by individual member states of the EU. This further rule making and implementation has yet to be commenced.

It is possible that the Fund or the Investment Manager may be required to take significant measures to comply with the AIFM Directive or that either of them may not be able to comply with the AIFM Directive, whether in part or at all. Compliance with the requirements of the AIFM Directive may be costly or could require significant amendments to be made to the structure of the Fund or the Investment Manager. However, it is not currently possible to ascertain the precise impact that the AIFM Directive will have.

The Directors and the Investment Manager will monitor the position under the AIFM Directive and may take or propose steps in the future to address the AIFM Directive's requirements, which may conceivably include putting proposals to Shareholders to continue the Fund in another jurisdiction.

It should be noted that any regulatory changes arising from implementation of the AIFM Directive may be costly to the Fund or the Investment Manager or may impair the ability of the Investment Manager to manage the investments of the Fund, or limit the ability to market the Shares in the future, each of which may materially adversely affect the Fund's ability to carry out its investment approach and achieve its investment objective or impact adversely on returns to Shareholders.

11. ERISA CONSIDERATIONS

Each prospective investor in the Fund should consult with its own counsel and advisors in determining whether to invest in the Fund and in order to understand issues affecting the Fund pursuant to ERISA, the Code and the Regulations. The Fund and the Investment Manager do not assume any responsibility with respect to matters which may affect an investor or be inconsistent with their fiduciary duties where the Shareholder is an employee benefit plan or trust within the meaning of and subject to the provisions of ERISA, the Regulations, an Individual Retirement Account or a Keogh Plan subject to the Code.

United States ERISA Considerations

The United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), among other things, imposes certain duties on persons who are fiduciaries of employee benefit plans subject to ERISA (collectively referred

to as “ERISA Plans” and individually referred to as an “ERISA Plan”) and prohibits certain transactions between an ERISA Plan and the “fiduciaries” and “parties in interest” (as those terms are defined in ERISA) of the ERISA Plan. If the assets of the Fund are deemed to be “plan assets” under ERISA (i) the Directors could be deemed a fiduciary with respect to plan investments in the Fund, (ii) the fiduciary standards and other provisions of Part 4 of Title I of ERISA applicable to investments by ERISA Plans and their fiduciaries would extend to investments made by the Fund; (iii) fiduciaries of ERISA Plans could be liable under ERISA for investments made by the Fund that do not conform to the standards imposed by ERISA; (iv) certain transactions that the Fund might seek to enter into may constitute “prohibited transactions” under ERISA and the Code; and (v) the Fund and the Directors would be subject to certain reporting and disclosure requirements under ERISA.

A regulation adopted by the United States Department of Labor defining the term “plan assets” for purposes of ERISA (the “Plan Assets Regulation”) generally provides that the underlying assets of an entity in which ERISA Plans make equity investments will be considered “plan assets” unless (i) participation by “benefit plan Shareholders” is not significant or (ii) the entity qualifies as an “operating company,” including a “venture capital operating company.”

Under the Plan Assets Regulation, there is no “significant” equity participation by benefit plan Shareholders if investments by benefit plan Shareholders represent, at all times, less than 25% of the value of each class of securities issued by an entity. Although there have been recent changes to ERISA law limiting the definition of “benefit plan Shareholders” for purposes of the Plan Asset Regulations, “benefit plan Shareholders” for this purpose still include not only ERISA Plans, but also plans not subject to ERISA, as well as entities whose underlying assets include “plan assets” by reason of plan investments in such entities.

Because there may be, during the life of the Fund, significant equity participation by benefit plan Shareholders, the Fund’s organisational documents will provide that, in the event that 25% or more of the NAV of the Shareholders are held by benefit plan Shareholders, the Directors will use their best efforts to conduct the affairs of the Fund so as to cause the Fund to qualify as a venture capital operating company (“VCOC”). In general, under the Plan Asset Regulation, the Fund will be a VCOC for the period beginning on the date of its first portfolio Fund investment and ending on the last day of the first “annual valuation period,” if on the date of such first investment at least 50% of the Fund’s assets (other than short-term investments pending long-term commitment or distribution to Shareholders), valued at cost, are invested in “venture capital investments,” and “management rights” are exercised in the ordinary course of the Fund’s business during such period. The “annual valuation period” is a pre-established annual period, not exceeding 90 days, which begins no later than the anniversary of the initial investment. Thereafter, the Fund will continue to be a VCOC if the 50% test is met any time within each annual valuation period and “management rights” continue to be exercised in the ordinary course of the Fund’s business. A “venture capital investment” is an investment in a Fund primarily engaged in the production or sale of a product or service other than the investment of capital as to which the Shareholder has or obtains management rights. The term “management rights” means contractual rights directly between the Shareholder and an operating company to substantially participate in, or substantially influence the conduct of, the management of the operating company.

The above is only a brief and general summary of certain considerations and consequences of an investment in the Fund by ERISA plans and does not address the suitability or consequences of such an investment for any ERISA plan. Any investment by an ERISA plan in the Fund will be subject to ERISA. Shareholders that are ERISA plans are urged to consult their own advisors as to the suitability and consequences of an investment in the Fund.

12. ADDITIONAL INFORMATION

12.1 Material Contracts

The Fund has entered into the following contracts (not being contracts in the ordinary course of business) which may be material:

- (a) the Investment Management Agreement between the Fund and the Investment Manager pursuant to which the Investment Manager was appointed Investment Manager of the Fund; and

- (b) the Custody Agreement between the Fund and the Custodian pursuant to which the Custodian was appointed to the Fund; and
- (c) the Administration Agreement between the Fund and the Administrator pursuant to which the Administrator was appointed Administrator to the Fund.

12.2 Reports to the Shareholders

The Fund will distribute unaudited quarterly reports and summary of new investments and dispositions within sixty (60) calendar days after the end of each of the first three fiscal quarters, and audited annual reports, tax information and reporting materials within one-hundred-twenty (120) calendar days after the end of each fiscal year. The Fund's general accounting and books will be maintained and reported in Euro. Reports may be delivered to Shareholders by website access. The audited accounts of the Fund will be prepared under IFRS.

12.3 Winding Up

The Fund may be wound up by a Special Resolution. On a winding up, the Shares carry a right of return of the nominal amount paid thereon and an exclusive right to share, *paripassu inter se*, in surplus assets remaining after the return of the nominal amount paid up on the Shares.

12.4 Available Documents

This Offering Memorandum is not intended to provide a complete description of the Fund's Memorandum and Articles or the agreements with the Investment Manager, the Administrator and various brokers and agents summarised herein. Copies of the following documents are available for inspection by Shareholders and prospective investors during normal business hours at the Administrator's office:

- (a) the Companies Law;
- (b) the Mutual Funds Law;
- (c) the Memorandum and Articles;
- (d) the material contracts referred to above; and
- (e) the latest audited annual financial statements of the Fund, as and when available.

12.5 Legal Advisors

Appleby (Cayman) Ltd. acts as legal advisors to the Fund and the Investment Manager in connection with matters pertaining to Cayman Islands law. Reed Smith LLP acts as legal advisor to the Fund and Investment Manager with matters pertaining to US law and Bross & Partners acts as legal advisor to the Fund and the Investment Manager with respect to matters of Vietnamese law. The aforementioned legal advisors may serve as legal advisors to other investment funds sponsored or managed by the Investment Manager and its affiliates. Should a future dispute arise between the Fund and Investment Manager, separate legal advisors may be retained as circumstances and professional responsibilities then dictate. The legal advisors to the Fund do not represent the Shareholders.

12.6 Inquiries and Communication with the Fund

All communications and correspondence with the Fund and inquiries concerning the Fund and the Shares, including information concerning subscription and redemption procedures and current NAV, should be directed to the Administrator at the address set forth in the "DIRECTORY" appearing elsewhere in this Offering Memorandum.

12.7 General Information

The Fund was incorporated in the Cayman Islands as an exempted company with limited liability in August 2007 under the Companies Law. The authorised share capital of the Fund shall consist of EUR100,000,000 divided into 50,000,000 Shares having a nominal value of EUR2.00 each, which may be issued in Classes and Series, each having the rights hereinafter set forth.

The Memorandum and Articles comprise its constitution. The Memorandum sets out the objects of the Fund, which are broad and include the carrying on of the businesses described in this Offering Memorandum. The Articles include the provisions summarised below and elsewhere in this Offering Memorandum:

(a) Share Rights

The Shares shall be ordinary voting shares and shall have the following rights and restrictions:

The holders of Shares shall be entitled to receive notice of and to attend and to vote at general meetings of the Fund.

On a return of assets on liquidation of the Fund or otherwise, the assets of the attributable to the relevant Class or Series available for distribution amongst the relevant Members shall, after repayment of the nominal amount of the Shares, belong to and be distributed amongst the holders of the Shares of the applicable Class or Series pro rata according to the number of Shares of that Class or Series held by them.

(b) Variation of Class Rights

All or any of the special rights attaching to any class (including any Class or Series) of Shares (unless otherwise provided by the terms of issue of the Shares of that class or Series) may be varied or abrogated with the consent in writing of the holders of not less than seventy-five per cent of the issued Shares of that class or Series or with the sanction of a resolution passed by the holders of not less than seventy-five per cent of the issued Shares of that class or Series as may be present in person or by proxy at a separate general meeting of the holders of the Shares of that class or Series. To every such separate general meeting, all of the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be any one or more persons holding or representing by proxy not less than one-third of the issued Shares of the class or Series and that any holder of Shares of the class or Series present in person or by proxy may demand a poll.

Each Shareholder agrees that if the Shareholder is asked to consent to any proposed variation or abrogation of the special rights that are attached to any class of shares and written notice of such proposed variation or abrogation is given to the Shareholder in accordance with the notice provisions of the Articles of Association, the Shareholder shall be deemed to have consented to the proposed variation or abrogation if the Shareholder does not affirmatively object in writing to such proposed variation or abrogation within twenty (20) calendar days (or such shorter time as may be determined by the Directors in their discretion) after such notice is received or deemed to have been received in accordance with the notice provisions of the Articles of Association.

(c) Voting Rights

The holders of Shares shall be entitled to receive notice of and to attend and to vote at general meetings of the Fund.

(d) Directors

A Director may hold any other office or place of profit with the Fund (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Directors may determine, and may be paid such extra remuneration therefore (whether by way of salary, commission or participation in profits or otherwise) as the Directors may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.

A Director or officer may act by himself or his firm in a professional capacity for the Fund (otherwise than as Auditor), and he or his firm shall be entitled to remuneration for professional services as if he were not a Director or officer.

No Director or officer shall be disqualified from his office or prevented by such office from holding any office or place of profit under the Fund or under any Fund in which the Fund shall be a Member or have any interest, or from contracting with the Fund, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Fund in which any Director or officer shall be in any way interested be or be liable to be avoided nor shall any Director or officer so contracting, dealing or being so interested be liable to account to the Fund for any profit realised by any such contract or transaction by reason of such Director holding office or of the fiduciary relation thereby established.

A Director (or his alternate Director in his absence) who discloses his interest as required by this Article shall be counted in the quorum of any relevant meeting which he attends and shall be at liberty to vote in respect of any contract, dealing or transaction in which he is so interested as aforesaid.

The nature of the interest of any Director or officer in any contract, dealing or transaction with or affecting the Fund shall be disclosed by him at or prior to its consideration and any vote thereon and a general notice that a Director or officer is a shareholder of any specified firm or Fund and/or is to be regarded as interested in any transaction with such firm or Fund shall be sufficient disclosure hereunder and after such general notice it shall not be necessary to give special notice relating to any particular transaction.

(e) Indemnities

The Articles provide that every Director, Secretary and other officer of the Fund, in the absence of negligence, wilful misconduct, fraud, dishonesty, or reckless disregard by it of its obligations or duties, be indemnified and held harmless out of the assets of the Fund against all liabilities, loss, damage, cost or expense (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses on a full indemnity basis properly payable) incurred or suffered by him by or by reason of any act done, conceived in or omitted in the conduct of the Fund's business or in the discharge of his duties and the indemnity contained in this Article shall extend to any Indemnified Person acting in any office or trust in the reasonable belief that he has been appointed or elected to such office or trust notwithstanding any defect in such appointment or election. Further, No Indemnified Person shall be liable to the Fund for acts, defaults or omissions of any other Indemnified Person.

Every Indemnified Person shall be indemnified out of the funds of the Fund against all liabilities incurred by him by or by reason of any act done, conceived in or omitted in the conduct of the Fund's business or in the discharge of his duties in defending any proceedings, whether civil or criminal, in which judgement is given in his favour, or in which he is acquitted, or in connection with any application in which relief from liability is granted to him by the court.

(f) Other

The Board will be granted an irrevocable power of attorney, coupled with an interest, by each Shareholder to make, execute, sign and file certain matters on behalf of the Shareholder and to vote its Shares on matters that may be voted on by the Shareholders at regular or special meetings of the Fund on terms specified in the Subscription Agreement.

Each Shareholder has agreed in the Subscription Agreement executed by such Shareholder that if the Shareholder is asked to consent to any proposed amendment of the offering terms in this Offering Memorandum and written notice of such proposed amendment is given to the Shareholder in accordance with the notice provisions of the Articles, the Shareholder shall be deemed to have consented to the proposed amendment if the Shareholder does not affirmatively object in writing to such proposed amendment within twenty (20) calendar days (or such shorter time as may be determined by the Directors in their discretion) after such notice is received or deemed to have been received in accordance with the notice provisions of the Articles.

The Fund shall have the right to make variations to the offering terms in this Offering Memorandum without having to obtain the consent of the Shareholders, provided the Fund gives advance notice of each such variation and the Shareholders are provided with an opportunity to redeem their Shares before the variation comes into effect. Notwithstanding the foregoing, the Fund shall have the right to make variations to the offering terms in this Offering Memorandum without having to give advance notice to, or obtain the consent of, the Shareholders, provided that each such variation does not adversely affect the Shareholders.

13. DEFINITIONS

For the purposes of this Offering Memorandum, unless the context requires otherwise:

“**Accounting Date**” means 31 December in each year;

“**Accounting Period**” means a period commencing on the date of incorporation of the Fund or on the date next following an Accounting Date and ending on the next succeeding Accounting Date;

“**Administration Agreement**” means the agreement dated 29 November 2007 between the Fund and the Administrator pursuant to which the Administrator has agreed to provide administrative services to the Fund;

“**Administration Fee**” means the fee paid to the Administrator;

“**Administrator**” means Deutsche Bank (Cayman) Limited;

“**AIF**” means alternative investment funds;

“**AIFM**” means alternative investment fund managers;

“**AIFM Directive**” means the European Union’s Alternative Investment Fund Managers Directive;

“**Articles**” means the Articles of Association of the Fund, as may be amended from time to time;

“**Benchmark Series**” means the Series within each Class which will be issued on the first Dealing Day in each financial year;

“**Business Day**” means any day (except Saturday, Sunday or a public holiday) on which banks are open for normal banking business in Vietnam;

“**Cayman Islands**” means the British Overseas Territory of the Cayman Islands;

“**Class**” means each class of redeemable Shares;

“**Closing Date**” means the Dealing Day on which Subscriptions are made for Shares in the Fund;

“**Code**” means the United States Internal Revenue Code of 1986, as amended

“**Companies Law**” means the Cayman Islands Companies Law (as revised);

“**Dealing Day**” means the first Business Day of each calendar month and/or such other day or days as the Directors in their sole discretion may from time to time determine;

“**Directors**” or “**Board**” means the board of directors of the Fund;

“**Dong**” or “**VND**” means Vietnamese dong, the lawful currency of Vietnam;

“**Eligible Investor**” means any person who is not: (i) a US Person as defined in this Offering Memorandum; (ii) a person who is a resident of or who is domiciled in the Cayman Islands; (iii) a custodian, nominee or trustee of either of the above; or (iv) a Non-Qualified Person for any other reason;

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended;

“**EU**” means the European Union;

“**Euro, EUR or €**” means the lawful currency of the European currency union;

“**EUSD**” means the EU Savings Directive (2003/48/EC);

“**FINRA**” means the Financial Industry Regulatory Authority of the US;

“**Fund**” means Vietnam Equity Holding;

“**FSMA**” means the Financial Services and Markets Act (UK) as amended from time to time;

“**Government**” or “**State**” means the government of the Socialist Republic of Vietnam;

“**HCMC**” means Ho Chi Minh City;

“**IFRS**” means International Financial Reporting Standards;

“**Initial Closing**” means a Closing held on October 19, 2007, or the date upon the Fund reaching aggregate subscriptions of at least EUR3.5 million or such other date determined by the Board upon the Fund reaching a satisfactory level of subscriptions;

“**Initial Closing Date**” means date of the Initial Closing;

“**Investment Management Agreement**” means the agreement dated 12 October 2007 between the Fund and the Investment Manager pursuant to which the Fund has appointed the Investment Manager to act as the investment manager to the Fund;

“**Investment Manager**” means Saigon Asset Management Corporation;

“**IPO**” means initial public offering;

“**Listing**” means a listing of the Shares on a reputable stock exchange, as determined by the Board of Directors;

“**Listed Company**” means (i) a company that has shares listed on the Vietnam Stock Exchange or (ii) a company which has shares listed on any stock exchange outside of Vietnam and significant operations (as determined by the Investment Manager) in Vietnam;

“**Management Fee**” means the annual management fee received by the Investment Manager;

“**Memorandum**” means the Memorandum of Association of the Fund, as may be amended from time to time;

“**Monetary Authority**” means the Cayman Islands Monetary Authority;

“Mutual Funds Law” means the Cayman Islands Mutual Funds Law (as amended);

“Net Asset Value” or **“NAV”** means the value of the Fund’s assets less the Fund’s liabilities, each valued pursuant to International Accounting Standards;

“New Issue Restricted Persons” means those investors who are or whose beneficial owners are Restricted Persons;

“Non-Qualified Person” means any person in respect of whom the Directors have imposed restrictions for the purpose of ensuring that no Shares are held by (a) any person or persons in breach of the law or requirements of any country or governmental authority of (b) any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstance appearing to the Directors to be relevant) which in the opinion of the Directors might result in the Fund incurring any liability to taxation or suffering any pecuniary, fiscal, regulatory or other disadvantage which the Fund might not otherwise incur or suffer;

“Ordinary Resolution” means a resolution passed by a majority of the votes of the Shareholders as being entitled to do so, vote in person, or, in the case of corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a duly called and held general meeting of the Fund, or by a written resolution;

“OTC Market” means the informal non-centralised network of broker-dealers, intermediaries, sellers and buyers in Vietnam through with shares of Unlisted Companies are traded;

“Performance Fees” means a performance-based fee payable from the Fund;

“Proceeds of Crime Law” means the Cayman Islands Proceeds of Crime Law 2008, as amended from time to time;

“Redemption Day” means the first Business Day of each calendar quarter as further set out this Offering Memorandum or such other day or days as the Directors may, in their sole discretion, from time to time determine;

“Regulations” means any applicable regulations issued by a governmental entity;

“Related Parties” means the respective affiliates, which shall be deemed to include, in each case, their respective officers, directors, employees and entities owned by any of the Investment Manager, the Administrator and the Prime Broker;

“Restricted Persons” means those persons who fall within the proscription of Rule 5130 of the Conduct Rules issued by FINRA, as the same may be amended or replaced from time to time;

“Securities Investment Business Law” means the Cayman Islands Securities Investment Business Law (as amended);

“Series” means a series of a Class as may from time to time be issued, to assist with the calculation of Performance Fees or for any other reason;

“Shareholder” means a person who is registered on the register of members of the Fund as the holder of a Share or Shares;

“Shares” means the offered Shares and, where the context requires, redeemable Shares of other Classes or Series to be issued in the future;

“Special Resolution” means a resolution passed by a majority of not less than seventy-five percent of the votes of Shareholders as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a duly called and held general meeting of the Fund, or a Written Resolution.

“Special Situation Investment” means an investment which the Directors or the Investment Manager (as the case may be) determine is illiquid or otherwise not freely tradable;

“Special Situation Shares” means a Class of Shares created by the Fund which are not redeemable at the option of Shareholders and to which the Directors or the Investment Manager (as the case may be) may allocate Special Situation Investments from time to time;

“US” and **“United States”** mean the United States of America;

“US dollars” and **“US\$”** mean the currency of the United States of America;

“US Person” means as defined by Rule 902 of Regulation S; and

“Valuation Day” means the last Business Day of the relevant calendar month or such other Business Day as the Directors, in their sole discretion, may from time to time determine.

14. SUBSCRIPTION DOCUMENTS

14.1 Subscription Applications

Application for Shares should be made by completing and signing the Subscription Agreement enclosed with this Offering Memorandum and mailing it to the Administrator. Alternatively, application may be made to the Administrator by fax to fax no. +1 345 949 5223. In the event that the application is submitted by fax, the signed original must be sent to the Administrator immediately thereafter at:

Deutsche Bank (Cayman) Limited
Boundary Hall,
Cricket Square,
P.O. Box 1984,
Grand Cayman KY1-1104,
Cayman Islands
Email: fund.services@db.com

The Fund has the right to accept or reject (in whole or part) any application for Shares.