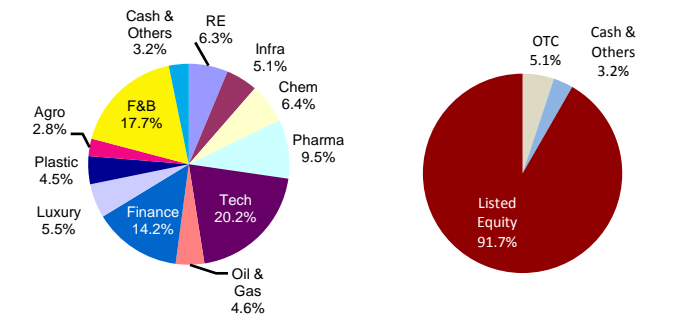
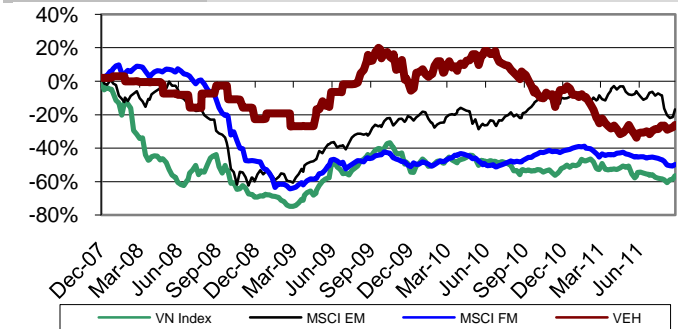


Vietnam Equity Holding (VEH) Monthly Update August 2011

NAV per share	€1.76
Share price	€0.98
Discount	44.4%
Total NAV	€38,317,898

	% Monthly	YTD	Year End 2009	Since Inception
NAV per share	3.0	-16.7	-28.6	-24.7
Share Price	-7.5	-48.4	-34.7	-63.0
VN Index in EUR	2.2	-24.6	-25.1	-65.8
MSCI EM in EUR	-9.27	-16.7	3.7	-14.6
MSCI FM in EUR	-5.3	-22.2	-1.0	-48.4



Foreign Investors' Net Buy on HOSE			Top Holdings	
Date	Volume (Mn shares)	Value (\$Mn)		
Aug 11	2.3	-9.1	VNM	FPT
Jul 11	-1.4	6.44	DHG	STB
Jun 11	-17.1	38.5	PMC	
Q1 2011	46.1	73.3		

About Saigon Asset Management

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

Louis Nguyen Chairman & CEO	Chinh Hoang Director, Equity Investments
Hien Vu Managing Director, Real Estate Investments	Kevin Flaherty Managing Director, Energy and Natural Resources Investments

VEH Update
In August, VEH's un-audited NAV per share was €1.76, representing an **increase of 3.0%** from €1.71 at the end of the prior month. Over the same period, the VN Index increased 3.7% in EUR terms (up 4.7% in VND terms). The NAV increase was mainly due to a **4.1% increase in portfolio value** from the increase in price of listed stocks, and a 1.1% loss in portfolio value resulting from unrealized FX loss of the VND against the EUR. The investment manager has been rebalancing into small and mid cap stocks with strong fundamentals and higher reward/risk ratio to capitalize on the potential upside gain from an anticipated rebound in the Vietnam stock market in the next quarter.

Macroeconomic Update
The hype preceding the downgrade of the US credit rating by S&P on August 5th caused a large selloff in emerging markets as investors fled to relatively safer investments. The MSCI EM hit bottom on Aug 9 for a loss of 17% in the first nine days of the month and the VNI did not do much better for those first couple weeks. Things turned around on the 17th when the VNI experienced a strong rally and closed out the month with an extraordinary 4.7% gain. While this might not be the long-awaited rally of the Vietnamese markets, it does fit with our view that the market was grossly oversold during June and July as it contrasts with the MSCI EM which finished with a loss of 9.2%. Inflation was still up, rising 0.93% M-o-M, 15.7% YTD, and 23.0% Y-o-Y. However, this is the first month in the past 11 months that inflation was below 1% showing that its increase is finally cooling, prompting the Ministry of Industry and Trade to state that the CPI will continue to slow further. Pressure on the dong continued throughout the month, leading to approximately 1.8% depreciation against the official rate. Disbursement of FDI is estimated to have been equal to last month at US\$1bn in August. The trade deficit is estimated to have been about US\$0.8bn for August, well within the "danger zone" and industrial production was up 7.3% Y-o-Y. Finally, a great month for Vietnam.

Indicators	Aug-11	YTD-2011	Y-o-Y	2010
GDP Growth (%)		5.6	5.6	6.7
Inflation (%)	0.93	15.7	23.0	11.8
Exports (\$Bn)	8.3	60.8	33.7%	71.6
Imports (\$Bn)	9.1	67.0	25.4%	84.0
Trade Deficit (\$Bn)	0.8	6.2	-19.5%	12.4
Disbursed FDI (\$Bn)	1.0	7.3	0.7	18.6
VND/USD	20,834	6.8%	6.8%	19,500

Source: General Statistics Office, Vietnam

Stock Market Update
After an initial drop to 379.84, a decline of 21.6% for the year, the VN Index staged a remarkable rally, finishing the month at 424.71, a gain of 4.7%. The rally continued and at the time this report is being written, the VNI is above the 460 level, exhibiting a 21% increase from the low, and recovering much of the earlier decline during the year. Volume on the VNI picked up strongly during the rally that started on the 17th to have an average daily volume of 27mn shares traded per day, as opposed to an average of only 15mn shares traded per day in July. The HNX, after hitting its all time low of 65.38 on the 9th of August, also rallied strongly to gain 12% and closing the month at 73.19, a gain of 5%. We believe that the Vietnamese markets were severely oversold and rallied after hitting historic lows. We think Q4 will be a strong quarter for equity investment and that 2012 will likely have an improving macroeconomic setting, which will provide the underlying strength for the stock market. It is likely that the passing of the proposed US\$447bn jobs package would stimulate demand for Vietnamese products and would significantly support Vietnam's much deserved market rally.

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

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