

VIETNAM EQUITY HOLDING
Fundamentals

Domicile	Cayman Islands
Denomination	EUR
NAV DEC 2007	EUR 2.39
IPO Date	November 28, 2007
Exchange	Frankfurt and XETRA
Fiscal Year End	December 31

Investment Manager

Saigon Asset Management (SAM)

Security References

Reuters	3MS:DE
Bloomberg	3MS.GR
ISIN	KYG936251043
German Security Code	A0M12V

Service Providers

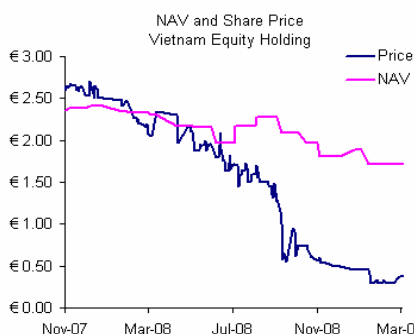
Custodian	Deutsche Bank
Administrator	Deutsche Bank
Legal Advisor	Reed Smith
Auditor	Grant Thornton

Fees

Management Fee	2% per annum
Performance Fee	20% of the total increase of NAV over hurdle rate of 8% with high water mark

VEH Top Holdings

Company	Type	% NAV
PMC	OTC	17%
VNM	Listed	11%
DPM	Listed	8%
PVD	Listed	6%
VSH	Listed	6%
HPG	Listed	5%
DHG	Listed	5%
Sabeco	OTC	4%
STB	Listed	4%
Cash		10%
Others		19%
Total		100%

Share Price Performance

QUARTERLY UPDATE
PERIOD ENDED MARCH 31, 2009
Net Asset Value (NAV)

In Q1 2009 Vietnam Equity Holding's (VEH) net asset value decreased 5.3% compared to the prior quarter, while the Vietnam Index decreased 11.1%. Since inception, VEH decreased 26.7%.

Cash

There was 10% of cash as a percentage of NAV at the end of Q1, compared to 15% at the end of Q4 2008.

Strategy

Valuation of Vietnamese companies has become attractive for medium and long term holdings. VEH took advantage of a weakening market and acquired additional shares in leading companies at attractive valuations. We are focusing on companies which have clear leadership in their respective markets, strong financials, and high growth potential supported by strong corporate governance and outstanding management teams. We are in the process of rebalancing our portfolio appropriately based on the latest financial and economic data.

Market and Portfolio Update

The Vietnam Index reached a 4 year low in February and rebounded strongly at the last 2 weeks of March, closing at 281, a 11% decline for the quarter. VEH did not make any new investments in Q1. However, we continued to increase our holdings in existing portfolio companies to take advantage of attractive valuations. Below is an overview of our key investments:

1. Phu My Bridge Corporation (PMC)

Phu My Bridge, one of the key infrastructure projects in Vietnam, is on track with the construction schedule and is expected to be connected in May 2009 and fully operated by September 2009. Due to the company's ability to complete significant milestones, the PMC has earned a good reputation and was recently tasked by the Ho Chi Minh City's People Committee of a new key project: The Thu Thiem Bridge No.3, linking Dist 2 to Dist 4 of Ho Chi Minh City.

2. Vietnam Dairy Products Joint Stock Company (VNM)

VNM continued to deliver solid performance in Q1 2009 with net profit reaching 61% growth compared to previous year. The company now owns a number of household brand names in the milk and dairy products in the domestic market. VNM planned to build an additional factory to achieve better economy of scale and to increase its capacity by 20-25%. VNM's 1st quarter's revenue increased by 18% on domestic sales and 6% on export sales.

3. PetroVietnam Fertilizer and Chemicals Corporation (DPM)

DPM is currently operating slightly over capacity and continued to maintain its leadership position with 40% market share. Given current economy status, the company has reduced its growth target on net profit but is seeking steps to increase its capacity as well as its market share in Vietnam.

4. PetroVietnam Drilling and Well Services Joint Stock Company (PVD)

PVD's 2009 revenue and net profit is projected to drop 3.3% and 28.7% respectively from 2008 figures. We expect a more difficult operating environment in 2009 for PVD due to utilization of drilling rigs in the region is decreasing as new rigs enter the market while explorations are delayed due to low oil price. We also expect its EPS to decrease up to 40% next year due to dilution and reduced net profit, making the current valuation suboptimal. We will continue to monitor and rebalance as deemed necessary.

5. Vinh Son - Song Hinh Hydropower Joint Stock Company (VSH)

VSH delivered solid performance in 2008 with revenue and net profit growing 31% and 44% respectively. VSH will continue the construction of the power plant on the Sesan River with capacity of 220 MW (30% of the current capacity) at a total cost of US\$330mn, to be completed by 2014. States and foreign investors own 60% and 28% of VSH share respectively. VSH outperformed VNI by 20% YTD.

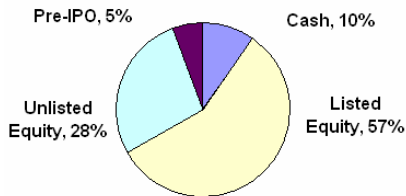
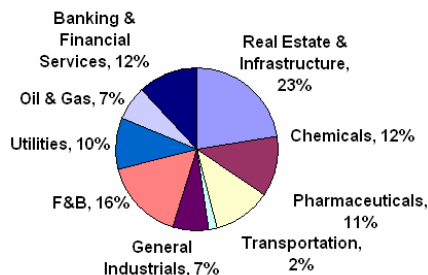
VIETNAM EQUITY HOLDING
QUARTERLY UPDATE
PERIOD ENDED MARCH 31, 2009
NAV Performance*

Period	NAVPS (€)	Monthly Change	NAV (€)
Apr-08	2.30	-1.22%	49,969,333
May-08	2.18	-5.33%	47,305,753
Jun-08	2.15	-1.16%	46,758,034
Jul-08	1.97	-8.42%	42,818,803
Aug-08	2.17	10.21%	47,189,883
Sep-08	2.28	5.14%	49,616,947
Oct-08	2.09	-8.61%	45,345,167
Nov-08	1.97	-5.67%	42,775,744
Dec-08	1.81	-7.95%	39,377,007
Jan-09	1.89	4.41%	41,113,069
Feb-09	1.70	-9.76%	37,099,764
Mar-09	1.72	0.58%	37,315,194

	2009	2008	2007
YTD*	-5.24%	-24.30%	2.06%

Investment Statistics

Number of Investments	17
Average Investment Size	€ 1.97 mil

VEH Portfolio
Asset Allocation

Portfolio By Sector

Contact

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6. Hoa Phat Group (HPG)

HPG had a good year in 2008 achieving 48% and 33% growth in revenue and net income yoy. The integrated steel mill in Hai Duong province (total capacity of 350,000 tons) and a cement factory project (1st phase capacity of 1 million tons) were key contributors in making HPG a cost-efficient producer of both steel billet and concrete steel. We are expecting difficult years ahead for HPG due to the slowing down of the construction market as well as the oversupply of cement and steel in the domestic market, as well as competitive pricing imported steel from China. HPG's 2009 net profit is projected to be at 69% of 2008.

7. Hau Giang Pharmaceutical Joint Stock Company (DHG)

DHG's net profit grew 18% in 2008. DHG purchased stakes in other provincial pharmaceuticals firms including Cai Lay, Nghe An, and Binh Duong Pharmaceuticals has provided better access to new local markets. DHG also completed its warehouse in Tan Tao industrial zone. This warehouse serves as the first step in DHG strategy to gain market share in Ho Chi Minh City area. The government holds 45% of DHG while foreigners own 40%. The share has been performed well relative to other local listed pharmaceutical companies.

8. Saigon Beer-Alcohol-Beverage Corporation (Sabeco)

The increased cost of raw material in 2008, especially malts, has reduced Sabeco's gross margin by 3%, lower than its local competitors. This may put the Company at a disadvantage when the domestic market opens under Vietnam's WTO commitment. However, Sabeco still commands a healthy 30% market share and the largest distribution system in Vietnam. The company has yet to announce any concrete listing plan.

9. Sacombank (STB)

Despite a difficult year for the whole banking sector, STB managed to expand its network by 27% last year and is now one of the leading commercial banks in Vietnam. The bank is expanding beyond the current 247 offices and also present in Laos, Cambodia and China. In 2008, margin decreased and loan growth slowed due to the impact of the ongoing economic turmoil. However, income from fee and commission grew at an impressive rate of 130%. Banks in Vietnam appear to be not as affected by subprime crisis and their balance sheets remain healthy. STB managed to maintain a NPLs level of less than 1% vs. 3.5% local industry average. Its Capital Adequacy Ratio (CAR) was maintained at 12.2% in 2008, well above the regulator minimum requirement of 8%.

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