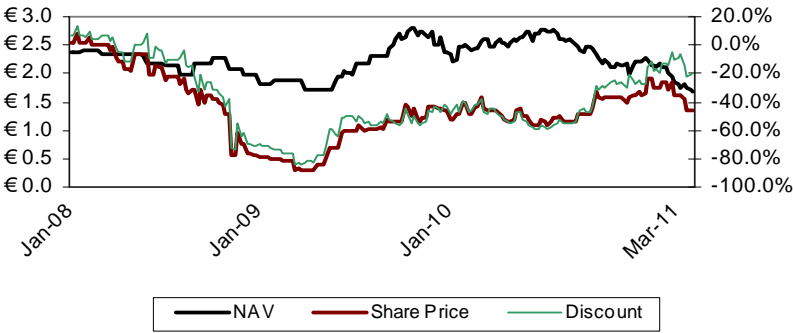


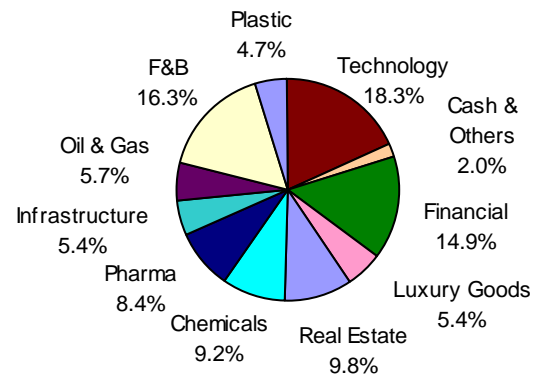
**Monthly Funds Update** **31 March 2011**

	NAV per Share (€)	% Change of NAV per Share			Share Price (€)	% Change of Share Price			Discount (%)	NAV (€)
		Monthly	YTD	Since Inception		Monthly	YTD	Since Inception		
<b>VEH</b>	1.68	-6.6	-20.6	-28.3	1.35	-17.2	-28.9	-49.1	-19.6	36,500,800
<b>VPH</b>	2.14	-2.8	-15.5	-8.5	1.62	-1.8	-4.1	-38.9	-24.3	27,102,342

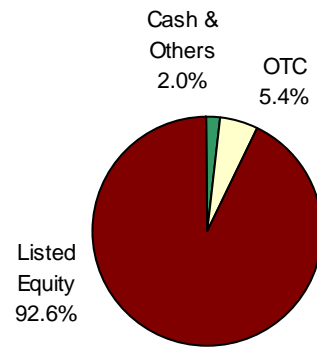
**Vietnam Equity Holding (VEH) Performance since Inception**



**VEH: Sector and Asset Allocation of the Portfolio**

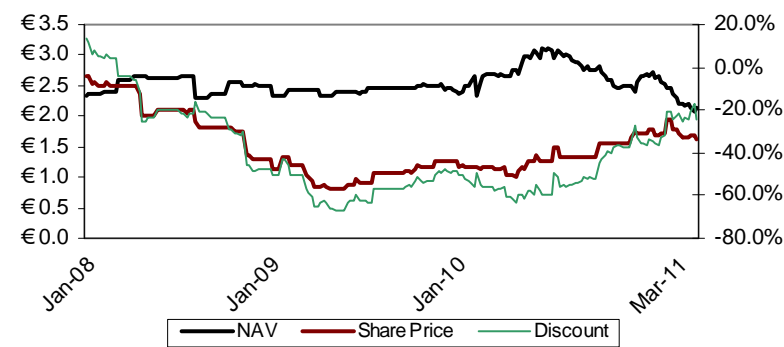


Performance (%)	Last Month	YTD	Year End 2009	Since Inception
VEH NAV	-6.6	-20.6	-32.0	-28.3
VEH Share Price	-17.2	-28.9	-10.0	-49.1
VN Index in EUR	-2.6	-16.1	-16.6	-61.9
MSCI EM Index in EUR	3.1	-3.9	19.5	-1.5
MSCI FM Index in EUR	-2.2	-11.7	12.3	-41.4

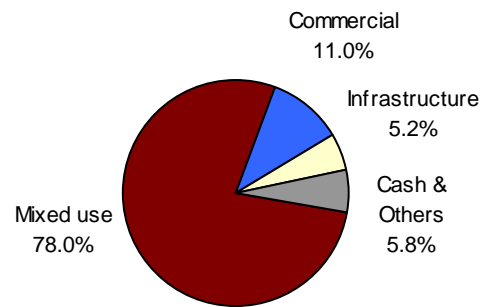


Historical Data					
	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11
Total NAV (€)	46,632,016	48,207,465	45,978,100	46,082,319	39,090,743
NAV Per Share (€)	2.14	2.22	2.11	2.12	1.80

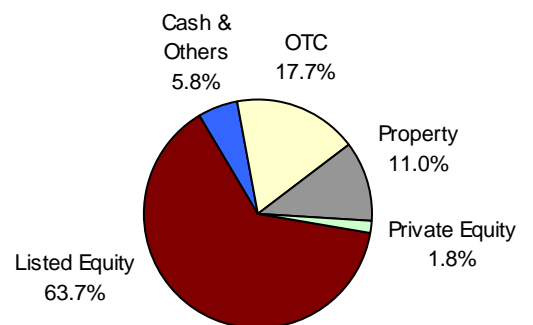
**Vietnam Property Holding (VPH) Performance Since Inception**



**VPH: Sector and Asset Allocation of the Portfolio**



Performance (%)	Last Month	YTD	Year End 2009	Since Inception
VPH NAV	-2.8	-15.5	-16.6	-8.5
VPH Share Price	-1.8	-4.1	37.3	-38.9
VN Index in EUR	-2.6	-16.1	-16.6	-61.9
MSCI EM Index in EUR	3.1	-3.9	19.5	-1.5
MSCI FM Index in EUR	-2.2	-11.7	12.3	-41.4



Historical Data					
	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11
Total NAV (€)	31,480,781	33,560,227	33,026,316	30,981,950	27,888,652
NAV Per Share (€)	2.49	2.65	2.61	2.45	2.21

## Macroeconomic Update

This year, Vietnam's seasonal bout of inflation has been exacerbated by the on-going rise in global commodity prices, which in turn has prompted the government to enact a range of monetary tightening measures.

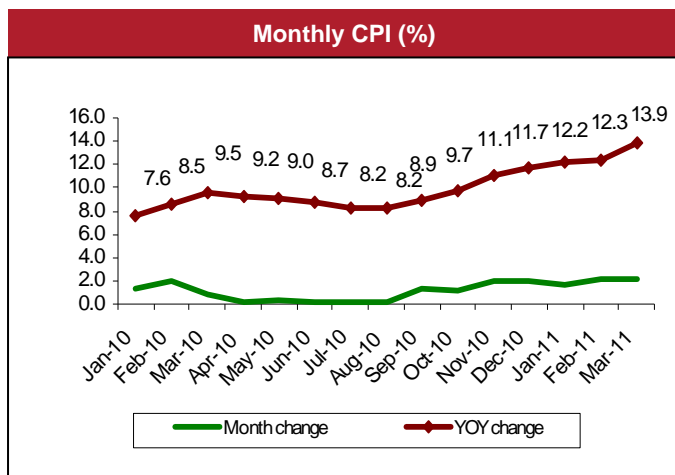
Vietnam registered a 2.17% monthly CPI figure for March, or 13.89% y-o-y, on the back of rising fuel and electricity prices. State-controlled electricity prices rose 15% on March 1<sup>st</sup> as the government attempts to tackle structural supply and demand imbalances. With electricity prices previously 30-40% cheaper than neighboring countries, this was discouraging private sector investment. Gasoline and Diesel prices have increased 28% and 35% respectively as subsidies were cut as a part of efforts to reduce overall government spending. We expect that March has seen the peak for monthly CPI with April's forecast coming in at 1.5%, of which 0.4% alone is from further hikes in fuel estimated during the month.

The State Bank of Vietnam (SBV) has reacted promptly in the fight against inflation by raising the refinancing rate to 13% from 11% over the course of the month which has led to the lending rates at around 18-22%. Deposit rates are technically capped at 14% by the SBV, but many small banks are offering deposit rates as high as 19% via the payment of additional fees and incentive payments to VIP customers. Credit growth for the first three months of about 5% is roughly in line with the government's annual target.

Government tightening measures may already be starting to bite as real GDP grew by 5.4% y-o-y in the first quarter against 5.8% in Q1 2010. Also, the unofficial and official foreign exchange rates are roughly in line with each other, although that is partially due to the draconian clamp down on unauthorized FX trading at unofficial "bucket shops". Although with CPI showing no signs yet of abating, it is unlikely that monetary policy will be loosened in the near term and there is even wide spread talk that the current reserve requirement of 3% will be raised at some points of time.

Export growth of 44% has so far outpaced import growth of 23.8% this year although the YTD trade deficit is estimated at US\$3.1 billion, which is a slight improvement from US\$3.4 billion for the same period last year. We expect this trend to continue into the future as Vietnam continues advancing up the production value chain. In the meantime, strong FDI flows and overseas remittance into Vietnam are expected to continue to more than compensate for the current account deficit and ensure a healthy balance of payments surplus.

In our opinion the worst of the short term economic turmoil has passed and we expect the macro-economic situation to look better towards the end of Q2 2011.



**Macroeconomic Indicators**

Indicators	Mar - 11	2011	Y-o-Y Change	2010
GDP growth (%)*			5.4%	6.8%
Inflation (%)	2.2	6.1	13.9%	11.7%
Exports (\$bn)	7.1	19.2	33.7%	71.6
Imports (\$bn)	8.2	22.3	23.8%	84.0
Trade deficit (\$bn)	1.1	3.1	11.4%	12.4
Committed FDI (\$bn)	0.8	2.4	-23.9%	18.6
VND/USD**	20,870	7.0%	7.0%	19,500

Source: General Statistics Office of Vietnam (GSO)

(\*) GDP as at the end of the previous quarter

(\*\*) Vietcombank foreign exchange rate, ask-price

## Stock Market Update

Despite the difficult macro economic environment, the VN-Index appeared to hold up quite well with only a 0.1% decline for the month. In our opinion, the most important point to focus on is the fact that the stock market has absorbed a tremendous amount of bad news but the VN Index continues to see good support around the 450 level. The fuel price hike in March was widely expected to lead to a significant sell off in the market but it did not happen.

Some commentators have focused on the fact that a significant amount of foreign investment is concentrated on selecting few large cap stocks via investment in the two Vietnam ETF's. If those price increases were taken away, the index would be closer to 400. Also, within the ETF-held stocks VietinBank (Ticker: CTG) did particularly well in March at the expense of Bao Viet Holdings (BVH), since the two stocks swapped position as the top constituent of the Market Vectors Vietnam ETF.

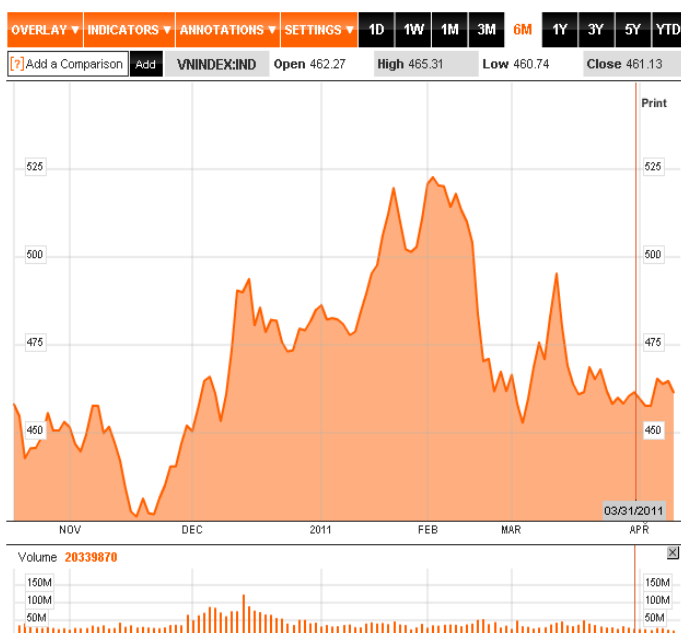
The fact that the market has absorbed so much bad news and not declined makes us confident that the next big move is up. That having been said, we don't see much upside for the market until late Q3. This is a tough year for companies because of high input and financing costs and low availability of credit. Also, a heavy supply of new equity to the market will dilute EPS in 2011, the same way it did in 2010. Part of the reason is that banks were meant to increase their minimum capital to \$150M by the end of 2010 but the deadline was extended to the end of 2011 meaning that \$2B of new bank shares needs to be issued in 2011.

Against this backdrop of bad news for the equity market, the valuation picture has become highly compelling by:

- i) Over half of the companies in Vietnam are trading below book value.
- ii) A significant number of companies are trading at stock prices in proximity, or even at a discount to the net cash they have on hand.
- iii) Small and mid cap stocks are particularly interesting. A plethora of small and mid cap stocks are trading from 2x to 5x 2011 earnings before deducting net cash positions in the case of those special situation stocks.

In terms of sectors, we don't expect the property, banking, construction and steel sectors to perform well while we continue to favor domestic demand orientated stocks and consumer demand plays. We also think oil services companies should be monitored closely in light of oil prices increases driven by QE2 and political issues in the Middle East and Northern Africa.

### The Vietnam Index Performance and Foreign Investors' Net Buy on HOSE:



Foreign Investors' Net Buy on HOSE		
Date	Volume (Mn shares)	Value (US\$mn)
<b>Q1 2011</b>	<b>46.1</b>	<b>73.3</b>
Mar-2011	1.6	0.9
Feb-2011	0.2	-0.3
Jan-2011	44.3	72.7
<b>Q4 2010</b>	<b>125.9</b>	<b>297.6</b>
Dec-10	57.8	149.7
Nov-10	32.5	69.6
Oct-10	35.6	78.3
<b>Q3 2010</b>	<b>40.8</b>	<b>131.6</b>
<b>Q2 2010</b>	<b>58.0</b>	<b>209.4</b>

Source: Bloomberg

## Real Estate Market Update

A series of challenges are impacting Vietnam's real estate market. New regulations have been enacted, which restrict developers' ability to finance projects out of customer's advanced deposits. At the same time, banks are being strongly encouraged to reduce lending to the real estate sector. The risk weighting of real estate loans on banks' books has been increased by a factor of 2.5x, and administrative guidance is being used to jawbone banks into reducing the proportion of the industry-wide loans to the real estate sector from 23% of all loans outstanding to 16% of outstanding loans by the end of 2011 (which will be a reduction of approximately \$5B).

At the same time some sectors of the market face an over supply. Grade A office space in HCMC is near a 40% vacancy rate as the supply has nearly doubled since 2008. High end residential condominium space has also approximately doubled over that period of time although the supply and demand picture is much more balanced because of the demographic profile of the country and because of accelerating urbanization. Prices and rents for high end condominiums in HCMC and Hanoi have fallen, but they are still comparable in price to Bangkok, despite the fact the Thailand's per capital GDP is about 4x Vietnam's.

Within the real estate market, the brightest sector continues to be the affordable housing segment, especially those projects that benefit from new infrastructure. In HCMC, two geographies that come to mind, which are the area along the new East-West highway and parts of the city that will benefit when the new Thu Thiem tunnel connecting downtown HCMC to "the other side of the river". In Hanoi, the new Thang Long highway connecting the downtown to the western part of the city caused a boom in property prices in that area during 2010.

Finally, we note that the economics of affordable housing development in Vietnam are among the most desirable in the world, which is why Vietnam is rated the fourth most attractive emerging market by the Association of Foreign Investors in Real Estate (AFIRE), despite the current challenges. As a rough sketch, developers pay about \$500 / SQM in construction costs to create products, which can be sold to the newly emerging middle class at about \$900 / SQM. Given the need for about 10M SQM a year in new housing and the increasing availability of 15 year retail mortgages, this segment of the market is well supported, although developers may need to cut prices somewhat in the next 1-2 years to shift inventory.

## Vietnam Equity Holding Update

VEH's unaudited NAV per share as of 31 March 2011 was EUR1.68. This represents a decrease of 6.6% in NAV since 28 February 2011. Over the same period, the VN Index dropped 2.6% in EUR terms (-0.1% in VND terms). The decline in NAV of the Fund was due to a 2.6% depreciation of the VND against the EUR and a 4% decline in portfolio value, which was led by a drop in market prices of listed stocks in portfolio.

VEH remains predominantly invested in listed equities, which represent 92.6% of the total NAV, while 5.4% is invested in the OTC market.

Moving forward, the Investment Manager continues to implement a strategy of sourcing reasonably priced mid-to-small cap companies that can demonstrate high growth potential, preferably companies with a significant exposure to the domestic market in order to capitalize on the strong growth of Vietnamese middle class consumption.

VEH's Major Holdings		
Name	Sector	% NAV
<b>FPT Corporation</b>	Technology	17%
<b>Vinamilk</b>	Food & Beverage	16%
<b>Sacombank</b>	Financial services	8%
<b>Hau Giang Pharmaceutical</b>	Pharmaceuticals	8%
<b>DIC Group</b>	Real estate	7%

## Vietnam Property Holding Update

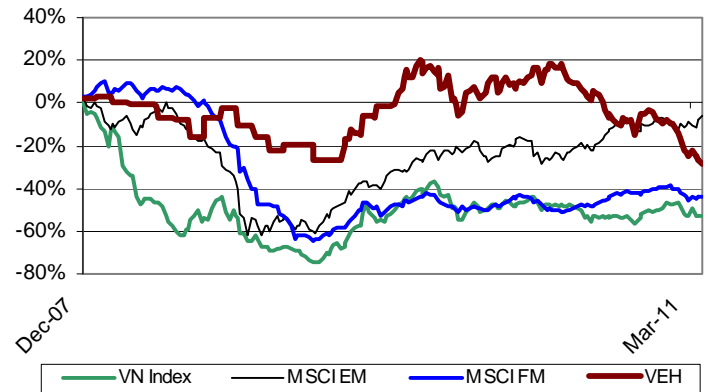
VPH's unaudited NAV per share declined 2.8% to EUR2.14 at the end of March 2011 from EUR2.21 at the end of February 2011. The decrease was mainly attributable to a 2.6% depreciation of the VND and the USD against the EUR over the same period.

VPH's investment strategy remains unchanged with asset allocation dominated by listed real estate stocks. The Investment Manager continues its endeavor to bring added value to the portfolio companies by helping them to restructure, improving cost efficiency, and calling for foreign developers to jointly invest into such portfolio companies' property projects.

VPH's Major Holdings		
Name	Sector	% NAV
<b>NBB Investment Corporation</b>	Mixed-use	22%
<b>C21</b>	Mixed-use	13%
<b>Mo Plaza</b>	Commercial	11%
<b>SAVIMEX</b>	Mixed-use	9%
<b>Phu My Bridge</b>	Infrastructure	5%

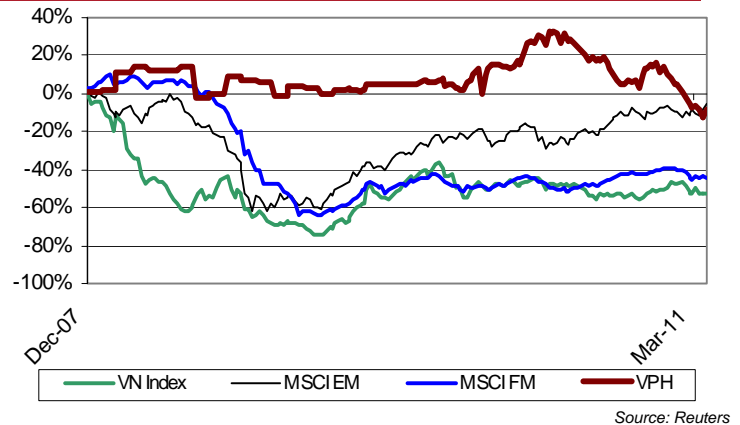
## Vietnam Equity Holding

Vietnam Equity Holding (VEH) is a closed-end fund listed on the Frankfurt Stock Exchange. The objective of VEH is to maximize capital appreciation by making equity investments in promising listed, pre-listing and private companies in Vietnam. For more information, please visit [www.saigonam.com](http://www.saigonam.com)



## Vietnam Property Holding

Vietnam Property Holding (VPH) is a closed-end fund listed on the Frankfurt Stock Exchange. The objective of VPH is to maximize capital appreciation by making investments in real estate projects and companies in Vietnam. VPH was ranked as the best performing Vietnam-focused real estate fund in 2009 by LCF Rothschild. For more information, please visit [www.saigonam.com](http://www.saigonam.com)



### VEH and VPH Key Data

<b>Structure</b>	Cayman Islands registered closed-end funds	
<b>Funds launch</b>	November 2007	
<b>Duration</b>	5 Years (subject to shareholder vote for extension)	
<b>Fiscal Year End</b>	31 December	
<b>Listed</b>	Frankfurt Stock Exchange (FSE) and Xetra	
<b>NAV Frequency</b>	Monthly	
<b>Management Fee</b>	2% of NAV	
<b>Performance Fee</b>	20% of gains over 8% hurdle with high water mark	
<b>Investment Manager</b>	Saigon Asset Management	
<b>Auditor</b>	Grant Thornton	
<b>Legal Counsel</b>	Reed Smith LLP / Appleby	
<b>Administrator</b>	Deutsche Bank (Cayman) Ltd	
<b>Custodian</b>	Deutsche Bank AG, Ho Chi Minh City Branch	
<b>Clearing/Settlement</b>	Euroclear or Clearstream	
<b>Market Makers</b>	Hiroshi Funaki, LCF Rothschild +44 207 845 5900, h.funaki@lcf.co.uk Judah L. Plotner, Jefferies +44 207 898 7114, jplotner@jefferies.com	
<b>Bloomberg</b>	<b>VEH:</b> 3MS:GR	<b>VPH:</b> 3MT:GR
<b>Reuters</b>	<b>VEH:</b> 3MS.DE	<b>VPH:</b> 3MT.DE
<b>ISIN</b>	<b>VEH:</b> KYG936251043	<b>VPH:</b> KYG9361R1074
<b>German Securities</b>	<b>VEH:</b> A0M12V	<b>VPH:</b> A0M12W

### About Saigon Asset Management

Established in 2007 and based in Ho Chi Minh City, SAM employs over 20 professionals with diverse international financial backgrounds and proven track records. SAM currently has approximately US\$125 million in assets under management.

**Louis Nguyen**  
Chairman & CEO

**Michael Kokalari, CFA**  
Head of Research

**Chinh Hoang**  
Director,  
Equity Investments

**Hien Vu**  
Managing Director,  
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