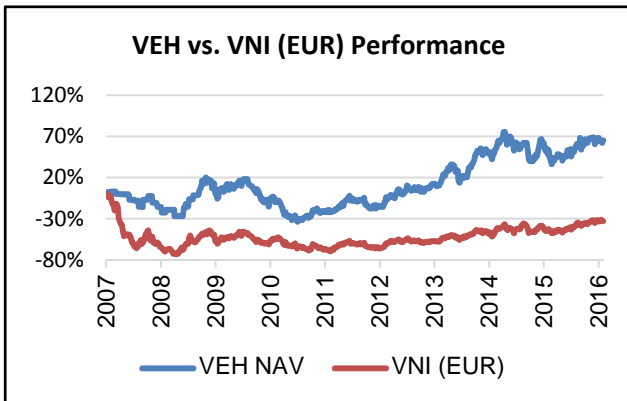


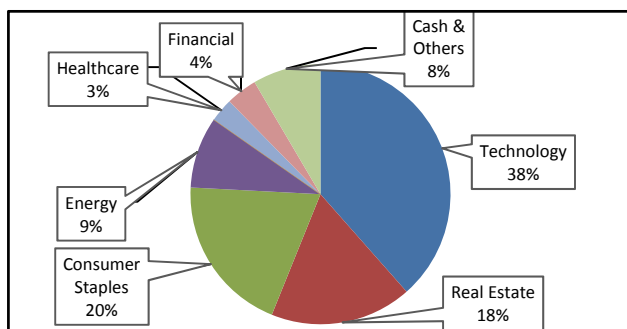
Monthly Results	31-Dec-16	30-Nov-16	% Change
NAV per share	€ 3.87	€ 3.94	-1.8%
Share price	€ 3.08	€ 3.06	0.7%
Discount	20.34%	22.25%	-1.9%
Outstanding Shares	9,378,148	9,378,148	0.0%
Total NAV	€ 36,258,840	€ 36,908,625	-1.8%

Performance Data	Monthly	YTD	2015	Since Inception
NAV per share (€)	-1.8%	7.9%	3.0%	65.1%
Share price (€)	0.7%	5.1%	10.2%	16.2%
VN Index in EUR (€)	0.4%	17.0%	12.1%	-32.2%



Top 7 Holdings	Foreign Ownership %	% of NAV
FPT Corp (FPT)	49.0	31.2
Vinamilk (VNM)	53.1	19.7
PetroVietnam Drilling (PVD)	30.1	8.9
Electronics Communication Technology Corp (ELC)	21.3	7.2
Khang Dien Housing (KDH)	48.8	6.1
Nam Bay Bay Investment Corp (NBB)	33.1	4.0
Military Commercial Joint Stock Bank (MBB)	20.4	3.9

### VEH Portfolio by Sector



### Vietnam Macroeconomic Indicators

	Dec-16	Y-o-Y	YTD	2015
GDP Growth (%)	0.23%	n/a	6.21%	6.68%
Inflation (%)	0.11%	4.7%	4.7%	0.60%
Exports	\$16.6Bn	2.8%	\$176.6Bn	\$162.1Bn
Imports	\$17.1Bn	4.3%	\$174.1Bn	\$165.6Bn
Trade Surplus or (Deficit)	-\$0.5Bn	66.67%	\$2.5Bn	-\$3.5Bn
Disbursed FDI	\$1.5Bn	15.4%	\$15.8Bn	\$14.5Bn
Registered FDI	\$2.8Bn	10.2%	\$20.9Bn	\$22.8Bn
VND/USD	22,806	1.4%	1.4%	22,491

Source: SSI Securities Services, General Statistics Office, Bloomberg

### Market Update

The Fund underperformed the Vietnam Index (VNI) in Dec 2016, decreasing 1.8% against a gain of 0.4% in the VNI (both in EUR terms). The VNI was down by only 0.2 points, a 0.03% fall in local terms, over last month. Although the increase of some large-cap stocks such as SAB (+52%), STB (+26.0%) and MBB (+4.9%) supported the index, the poor performance of VNM (-9.0%) and some bank stocks such as BID (-7.2%), CTG (-6.5%) and EIB (-4.8%) offset the afore-mention gain.

VEH's NAV decreased by 1.8% in EUR terms and 2.2% in VND terms in December. The main negative contributors to VEH were VNM (-1.77%), PVD (-0.5%) and ELC (-0.3%). VNM decreased by 9.0% mainly due to strong selling pressure of 5.2mn shares from foreigners, equivalent to VND 674bn in value. PVD declined by 5.5% following the downtrend of oil & gas stocks. ELC went down by 4.0% mainly due to the strong selling pressure of 2 board members and their relatives with total amount of 3mn shares.

In December, foreign investors were net sellers with a net trading volume and value of 76mn shares and VND 1,152bn respectively. Market liquidity was higher than Nov 2016 which the average daily trading volume and turnover were 130mn shares (-11.1% MoM) and VND 2,506bn (-11.3% MoM).

### Macroeconomic Update

**Consumption.** Consumer spending will remain strong. December's retail sales of goods and services grew in line with expectations. As 2017's Lunar New Year comes in January 2017, retail sales of goods and services have increased strongly in December, leading to an improvement in the annual rate of 10.2% YoY in FY2016 vs 9.5% YoY rise in FY2015. However, higher inflation led to lower real growth of 7.8% in 2016 vs 8.5% in 2015, but this year's rate still beat the real rates of 2011 to 2014.

**Industrial Production.** A contraction in mining production caused IIP to slow down in 2016. Vietnam industry expanded by 8.3% in December and 7.5% in 2016, lower than 9.8% growth in 2015, mainly due to a decrease in mining output. Mining IIP dropped 5.9% in 2016 after growing 6.5% the previous year. The decline in crude oil price was the main reason for the mining sector's negative growth in 2016. Meanwhile, manufacturing proved its strength in stimulating Vietnam's industry, achieving a higher growth rate of 11.2% in 2016 than 10.6% in 2015.

**Foreign Direct Investment.** Existing and upcoming FTAs and rising costs in the region will ensure strong FDI inflows. Registered FDI rebounded from the three-year low. As expected, the drop of registered FDI in November was temporary. December saw USD2.85 billion of registered capital, the highest monthly level since June 2016. Meanwhile, USD1.5 billion was disbursed, which is slightly lower than November's figure. In 2016, capital disbursement increased 9.0% YoY to USD15.8 billion, its highest level ever. Meanwhile, registered FDI this year declined 8.1% to USD20.95 billion. The slowdown was partly due to (1) only one mega-project (more than USD1 billion) registered this year, while in 2015, total capital of mega-projects was more than USD6 billion; (2) changes in 2014 Investment Law, which became effective July 1, 2015, encouraged capital contribution and share purchases, which are more convenient compared to direct investment.

For subscription and redemption questions, please contact Investor Relations at [ir@saigonam.com](mailto:ir@saigonam.com)

### Vietnam Equity Holding Company Details

ISIN	KYG936251043
Bloomberg Code	3MS:GR
Reuters Code	3MS.DE
German Securities Code	A0M12V
Board of Directors	<b>Independent Non-executive Directors</b> Dr. Lee G. Lam (Chairman) Mr. Howard Golden Dr. Kathryn Vagneur <b>Executive Director</b> Mr. Louis T. Nguyen
Investment Objective	The investment objective of the Fund is to achieve capital appreciation by making equity investments in companies with significant interests in Vietnam. Specially, the Fund intends to invest in equity securities of publicly and privately owned companies, over-the-counter (OTC) companies, listed companies, and debt securities. The Fund aims to invest in a diversified and balanced portfolio that should 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.
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