

Performance summary
VNI

NAV per share (USD):	0.036
Change (Month-on-Month)	-1.1%
Total NAV (USD 'm):	12.8
Share price (USD):	0.024
Market cap (USD 'm):	8.3
Premium/(discount)	-34.9%

Cumulative Changes (As At 31 May 2017)

	Year-to-Date	Since Inception (27 Jul 2015)
NAV per share*	-9.3%	-16.9%
Share price	-87.5%	-90.1%

*Distribution adjusted

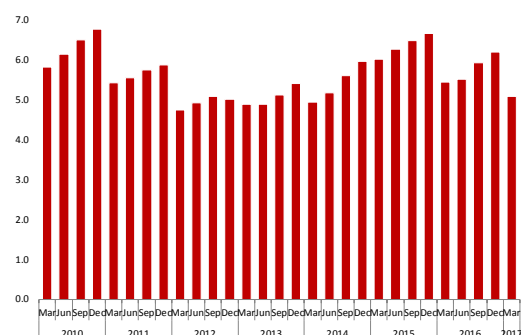
Annual performance history (% change)

	Pre-Split Historical Performance			
	CY June 2015	2014	2013	2012
NAV per share	-3.3	7.3	12.0	10.8
VN Index	6.7	6.6	20.4	18.9

Macroeconomic indicators

	2016	May 2017	2017 YTD	YTD Y-O-Y
GDP growth ¹	6.2%			
Inflation (%)	0.5%			3.2%
FDI commitments	24.4	1.5	12.1	10.4%
FDI disbursements	15.8	1.4	6.2	6.0%
Imports (USDbn)	174.1	18.5	82.5	24.7%
Exports (USDbn)	176.6	17.9	80.0	18.4%
Trade surplus/(deficit) (USDbn)	2.5	(0.6)	(2.5)	
Exchange rate (USD/VND) ²	22,720	22,680	0.0%	

Sources: GSO, Vietnam Customs, SBV, VCB | 1. Annualised rate, updated quarterly | 2. (-) Denotes a devaluation in the currency, Vietcombank ask rate

Quarterly GDP Growth (%)

Manager's comment

As at 31 May 2017, VNI's net asset value (NAV) closed at USD12.8m or USD0.036 per share*, down 1.1% compared to last month. VNI's share price remained unchanged at USD0.02 compared to last month. As a result, the Fund's share price to NAV discount slightly narrowed to 34.9%.

* The NAV has been calculated using the net realisable value approach, which the Manager believes provides the best estimate of the amount of cash that will be returned to shareholders prior to the liquidation of the Company. This approach takes into account the Company's current cash holding, expected future receipts from divestments, and expected future payments for costs incurred up to and including the Company's liquidation. The actual amount of cash returned to shareholders will inevitably differ from this estimate, however the Manager does not expect any material variation from this estimate unless there is a delay in the liquidation of the Company or unforeseen liquidation costs and/or liabilities arise on warranties and indemnities given in relation to investments sold over the last 12 months.

Top Holdings

Investee	% of NAV	Book value (USD'000)	Sector	Description
VinaDas ¹	77.5%	9,900	Telecommunications	Development, installation, ownership, operation and leasing of IBS infrastructure and other assets

¹Holding company which owns and operates the IBS assets that were carved out of SEATH as a result of the BTS sale

Macroeconomic update

Vietnam's economy continued to perform well in May, and GDP growth is still on track to achieve our 6.3-6.5% in-house forecast, despite some modest headwinds, including the on-going slowdown in China's economy.

Manufacturing: The Nikkei Vietnam Purchasing Managers' Index (PMI) dropped from 54.1 in April to a 14-month low of 51.6 in May, primarily due to a fall in the growth rate of new domestic and export orders. That deceleration was in turn partly attributable to weakness in the Chinese economy following steep increases in China's interbank interest rates over the last six months and efforts by the Chinese government to deleverage their economy. Given that Asia's export growth is currently being driven by Chinese demand, PMI readings fell across Southeast Asia in May, with the exception of the Philippines.

Domestic consumption: The General Statistics Office (GSO) reported that Vietnam's retail sales grew 7.4% in real terms from 5M16 to 5M17, up from a 6.7% year-on-year (y-o-y) pace in 4M17.

Trade: According to Vietnam Customs, Vietnam ran a circa USD2.5b year-to-date trade deficit as of the end of May. Exports grew 18.4% y-o-y in 5M17 to reach USD80.0 billion while imports rose 24.7% y-o-y to USD82.5 billion; imports of machinery, according to the GSO, surged 39% y-o-y which was widely regarded as a positive leading indicator for Vietnam's industrial production.

Inflation: The Consumer Price Index (CPI) fell from 4.3% in April to 3.2% in May, driven by a 10% month-on-month (m-o-m) decline in pork prices and a 0.7% m-o-m decline in fuel prices. Tepid inflation in China indirectly afforded Vietnamese policy makers better control over Vietnam's inflation, and helped drive a 0.53% m-o-m fall in the overall level of consumer prices, which was the biggest monthly decline in Vietnam's CPI for 10 years.

Vietnam Dong: The Vietnam Dong (VND) continued to remain stable despite a 200 basis points decline in interbank interest rates during May. The free-market value of the USD/VND exchange rate was 22,680 as of the end of May, which was approximately 1.5% below the official FX selling rate.

Foreign Investment: In the first five months of the year the registration of new foreign direct investments (FDI) grew 10.4% compared to the same period last year, reaching USD12.1 billion year-to-date (y-t-d) while actual FDI disbursements grew 6.0% y-o-y to reach USD6.2 billion y-t-d.

Board of Directors		VinaCapital Investment Management Ltd	
VNL's Board of Directors is composed entirely of independent non-executive directors.			
Member	Role	Member	Role
Rupert Carington	Non-executive Chairman	Don Lam	Chief Executive Officer
Luong Van Ly	Non-executive Director	Brook Taylor	Chief Operating Officer
Robert Binyon	Non-executive Director	Tony Hsun	Managing Director, Infrastructure
Paul Garnett	Non-executive Director		
Fund background			
ISIN (Private Equity Shares)	KYG936121022		
Bloomberg (Private Equity Shares)	VNI LN		
Reuters (Private Equity Shares)	VNI.L		
Fund summary			
Fund launch	5-Jul-07		
Term of fund	Ten years and then subject to shareholder vote for continuation		
Fund domicile	Cayman Islands		
Legal form	Closed end mutual fund		
Investment manager	VinaCapital Investment Management Ltd		
Structure	Private Equity Share class, trading on the AIM market of the London Stock Exchange plc.		
Auditor	PricewaterhouseCoopers (Cayman)		
Nominated adviser	Grant Thornton UK LLP		
Custodian and Administrator	Standard Chartered Bank (Singapore)		
Brokers	Numis Securities (Bloomberg: NUMI)		
Lawyers	Gowling WLG (UK), Maples and Calder (Cayman Islands)		
Base and incentive fee	<p>The base and incentive fee has been revised as a result of the extraordinary general meeting held on 15 December 2014. For a full description of the new fees that have been adopted as a result of the restructuring of the Company, please refer to the latest Circular which can be downloaded here:</p> <p>19 June 2015 EGM Circular</p>		
Investment objective	<p>The investment objectives for the Company have been revised as a result of the extraordinary general meeting held on 15 December 2014. For a full description of the new investment objectives that have been adopted as a result of the restructuring of the Company, please refer to the latest Circular which can be downloaded here:</p> <p>19 June 2015 EGM Circular</p>		



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