

**Performance summary**
**VNI**

|                         |        |
|-------------------------|--------|
| NAV per share (USD):    | 0.036  |
| Change (Month-on-Month) | -0.1%  |
| Total NAV (USD 'm):     | 12.6   |
| Share price (USD):      | 0.026  |
| Market cap (USD 'm):    | 9.0    |
| Premium/(discount)      | -28.4% |

**Cumulative Changes (As At 31 July 2017)**

|                | Year-to-Date | Since Inception (27 Jul 2015) |
|----------------|--------------|-------------------------------|
| NAV per share* | -10.5%       | -18.0%                        |
| Share price    | -86.4%       | -89.3%                        |

\*Distribution adjusted

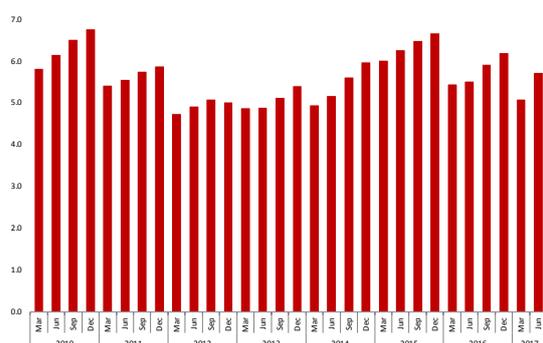
**Annual performance history (% change)**

|               | 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   | Jul-17 | 2017 YTD | YTD Y-O-Y |
|--------------------------------------|--------|--------|----------|-----------|
| GDP growth <sup>1</sup>              | 6.2%   |        |          |           |
| Inflation (%)                        | 0.5%   |        |          | 2.5%      |
| FDI commitments                      | 24.4   | 2.7    | 21.9     | 52.0%     |
| FDI disbursements (USDbn)            | 15.8   | 1.3    | 9.1      | 5.8%      |
| Imports (USDbn)                      | 174.1  | 17.8   | 118.3    | 24.0%     |
| Exports (USDbn)                      | 176.6  | 17.5   | 115.2    | 18.7%     |
| Trade surplus/(deficit) (USDbn)      | 2.5    | (0.3)  | (3.1)    |           |
| Exchange rate (USD/VND) <sup>2</sup> | 22,720 | 22,690 | 0.1%     |           |

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 July 2017, VNI's NAV closed at USD12.6 million or USD0.0360 per share\*. The net asset value remains almost unchanged since the prior month end, and consequently the net asset value per share of USD0.0360 is unchanged from close of business on 30 June 2017.

On 31 July 2017, the Company announced it successfully divested 100% of its stake from its last remaining asset, the in-building cellular enhancement systems ("IBS"), to VIBS Pte. Ltd. (a consortium formed by JTOWER Inc. and the South East Asia Growth Fund) and a local investor. The Company received total cash proceeds of approximately USD10.2 million, a slight premium to the unaudited net asset value (NAV) of USD9.9 million as at 30 June 2017. The Company will make a distribution to shareholders prior to the commencement of the voluntary solvent liquidation process. Further details of the distribution will soon be announced.

\* 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.

**Macroeconomic Commentary**

The State Bank of Vietnam (SBV) unexpectedly cut Vietnam's policy interest rates by 25bps on 10 July 2017 with the stated aim of boosting GDP growth to meet the government's annual growth target of 6.7%. Policy makers aim to achieve this target by loosening monetary policy rather than fiscal policy because fiscal constraints preclude the reliance on aggressive government spending to stimulate the economy. Furthermore, Vietnam's government debt-to-GDP ratio has already more-or-less reached its 65% of the GDP statutory limit. We expect Vietnam's GDP to grow by 6.3-6.5% this year.

We note that tepid inflation (Vietnam's CPI increased just 2.5% year-on-year in July), coupled with a weak USD (the DXY index fell 10% YTD, and the market USD/VND exchange rate is more-or-less unchanged YTD), give the SBV the latitude to flood local banks with liquidity. The government hopes that the prevalence of excess liquidity in the banking system would prompt banks to extend loans to businesses and individuals – which would in turn propel GDP growth. The perceptible impact of banks' flush liquidity has been a drop in the one-week interbank bank rate from 4.5% at the beginning of 2017 to 0.7% at the end of July (interbank rates fell by about 200bps in July).

Finally, the factors that have been propelling (and constraining) growth this year all persisted in July. In short, Vietnam's GDP growth is currently being driven by consumption and manufacturing, but a plunge in oil production is weighing on growth. Specifically, real retail sales (a close proxy to consumption growth), and manufacturing activity grew by 8.7% year-on-year (y-o-y) and 10.6% y-o-y respectively in 7M17, both of which are comparable to the growth rates recorded in 1H17.

In contrast, the decline in Vietnam's mining activity eased from a 5.5% y-o-y drop in June to a 3.5% decline in July, but this apparent improvement was primarily attributable to favorable base effects, rather than to a rebound in oil production growth – meaning that weak oil production continues to drag on GDP growth. Regarding manufacturing, Vietnam's PMI reading fell from 52.5 in June to 51.7 in July, but forward-looking components within the PMI point to a likely further expansion in manufacturing activity well into 2018; in July, firms reported that their inventories of finished goods fell, at the same time that their work backlogs grew at the fastest pace in six years. Furthermore, FDI inflows increased 6% y-o-y in 7M17 to USD9 billion, and the vast majority of Vietnam's registered FDI is earmarked for the development of new factories and other production facilities.

| 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           |
| Robert Binyon   | Non-executive Director   | Brook Taylor                          | Chief Operating Officer           |
| Paul Garnett  | Non-executive Director   | Tony Hsun                             | Managing Director, Infrastructure |
| 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><a href="#">19 June 2015 EGM Circular</a></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><a href="#">19 June 2015 EGM Circular</a></p> |                                       |                                   |



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