

### Fund background

VinaLand Limited (VNL) is a closed-end fund trading on the AIM Market of the London Stock Exchange.

ISIN KYG936361016  
Bloomberg VNL LN  
Reuters VNL.L

### Investment objective

VNL targets medium to long term capital gains with some recurring income through investment in the following real estate sectors: office; residential; retail; township (large scale); and hospitality and leisure.

[View VNL details.](#)

[Download VNL factsheet.](#)

### Fund managing director

David Blackhall

### Manager

VNL is managed by VinaCapital Investment Management Ltd ("VCIM" or the "Investment Manager"), a Cayman Islands company. VCIM was established in 2008 and manages three listed and several unlisted investment companies.

More information about VCIM is [available here](#).

### Manager comment

VNL's unaudited net asset value was USD498.5 million or USD1.03 per share as at 31 March 2013. This represents a 1.0 percent decline from a net asset value per share of USD1.04 at close of business on 31 December 2012. VNL's share price decreased 8.7 percent to USD0.42 as at 31 March 2013, from a closing price of USD0.46 as at 28 February 2013. During the month, VNL repurchased and cancelled 350,000 ordinary shares. Since October 2011, the Company has cancelled a total of 18.1 million ordinary shares, representing 3.62 percent of the total shares in issue prior to the commencement of the share buyback program.

### Real estate market update

The proposed establishment of a state-led asset management company (VAMC) to deal with non-performing loans (NPLs) in the banking system has not been approved, given further refinements are required from related ministries and government bodies. While the government is continuing to finalise an effective solution, NPLs continue to impact commercial banks negatively and hinder their ability to lend or reduce interest rates. As a result, lending rates are still sitting at around 15.0 percent for real estate related loans, resulting in an extremely challenging environment for financing and re-financing of real estate projects. The Manager is currently working with several local banks to renegotiate existing project bank loans in addition to exploring alternative offshore debt facilities.

According to Jones Lang LaSalle and CBRE, the residential sector experienced some improvement in demand volume during the previous quarter; however, selling prices continued to either fall or remain flat at best. The majority of the apartment and landed home units purchased were lower/mid market and either completed or scheduled to be handed over during 2013.

During March, VinaLiving showcased all its projects at the BMW Test Drive event held in both Ho Chi Minh City and Hanoi, coupled with several other marketing events. Additionally, various product training workshops were organised in order to update our partner agents on project progress and new launch promotions to stimulate sales. During March, four sales were closed at our Danang and Nha Trang based projects. Regarding project divestments, the Manager is progressing on several discussions with prospective investors, while sourcing new potential buyers.

31 March 2013

NAV\* **1.03** per share (↓1.0% q-o-q)

Total NAV (unaudited): USD498.5 million

### Performance summary\*\*

	31 Mar 2013	Cumulative change:		
		3mth	1yr	3yr
NAV per share	1.03	-1.0%	-10.8%	-24.5%
Share price	0.42	10.1%	-28.2%	-52.1%
Premium/ (discount)	(59.0%)			
Market cap	204.2m			
Total NAV	498.5m			

### Other information

Shares outstanding 481,848,227

\* NAV and NAV per share data is calculated on a quarterly basis

\*\* Figures in USD. Return percentages are for the period, not annualized.

### Portfolio summary

Current assets	35
Divestments	11 full, 1 partial and residential unit sales
Debt level	Fund: Nil      Projects: 16% of NAV

### Performance history (% change on NAV per share)

	2013	2012	2011	2010	2009	2008
Q1	-1.0	-1.7	0.7	3.0	-3.3	12.5
Q2		-1.7	-2.2	-0.7	-9.0	9.4
Q3		-2.6	0.7	3.7	-0.8	-2.5
Q4		-3.6	-12.6	-3.5	1.5	-4.5
YTD		-9.4	-13.2	2.3	-11.3	14.8

**Vietnam's consumer price index slowed to an annual rate of 6.6 percent during the month of March.**

**Q1 2013 GDP growth slowed to 4.9 percent and was mostly attributable to exports.**

**Primary bond activity increased 132.5 percent with a total of USD1.6 billion in government bonds issued in March.**

## Macroeconomic update

Vietnam's consumer price index (CPI) slowed to 6.6 percent in March, on a year-on-year basis, mainly attributable to food and foodstuff prices increasing just 1.8 percent during the period. The State Bank of Vietnam (SBV) cut main policy rates by 100bps, therefore, the refinance and discount rates have been lowered to 8.0 and 6.0 percent, respectively while caps on deposit rates were lowered to 7.0 percent. This represents a signal to investors and businesses that the central bank is continuing to support the economy by lowering lending rates in an attempt to stimulate growth.

First quarter GDP figures showed the Vietnamese economy expanded by 4.9 percent, mainly driven by exports. The foreign direct investment sector continues to be important to support growth as the government implements policies to improve domestic demand. During the month, foreign direct investment disbursement figures reached USD1.7 billion. Additionally, registered capital soared from just USD350 million in February to USD5.4 billion in March from a commitment of USD2.8 billion for the Nghi Son oil refinery and USD2.0 billion for a new Samsung factory in Thai Nguyen.

In March, the SBV also demonstrated its ability to stabilise the foreign exchange market following the disturbance caused by an increase in demand for USD to cover imports during February's lunar holiday season. The SBV intervened by selling official dollar reserves in a sufficient quantity to maintain the longstanding exchange rate of approximately VND20,900 per USD.

## Fixed income

The primary bond market was highly active in March, with a total of USD1.6 billion worth of State Treasury and Vietnam Bank for Social Policy bonds issued, a 132.5 percent increase over the previous month. As a result, bond yields fell by 70-75 bps to 8.87 and 9.25 percent on 3-year and 5-year State Treasury bonds, respectively. The secondary market also saw bond yields decline due to increased demand, specifically for short-term, 1-year and 3-year bonds.

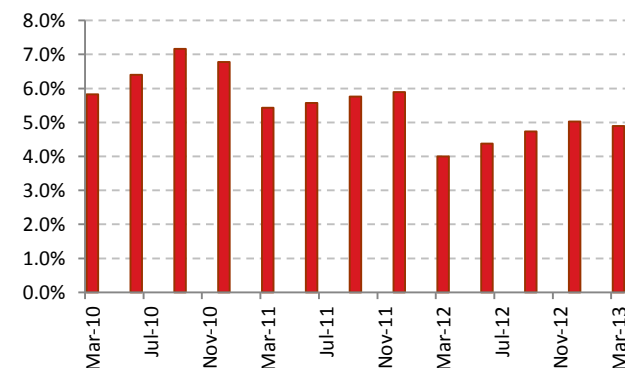
## Macro-economic indicators and forecast

	2012	Mar 2013	YTD	Y-o-Y change
<b>GDP growth<sup>1</sup></b>	5.0%	4.89%	4.9%	-
<b>Inflation</b>	6.8%	-0.19%	2.4%	6.6%
<b>FDI (USDbn)</b>	13.0	5.4	6.0	63.6%
<b>Imports (USDbn)</b>	114.3	11.3	29.2	-32.9%
<b>Exports<sup>2</sup> (USDbn)</b>	114.6	11.0	29.7	-30.8%
<b>Trade surplus/(deficit) (USDbn)</b>	0.3	-0.3	0.5	-
<b>Exchange rate<sup>3</sup> (USD/VND)</b>	20,855	20,960	0.3%	0.2%
<b>Bank deposit rate (VND, %)</b>	8.0%	7.0%	0.0%	-41.7%

Sources: GSO, SBV, VCB.

<sup>1</sup> Annualized rate, updated quarterly. <sup>2</sup> Includes gold. <sup>3</sup> Vietcombank ask rate

## Quarterly GDP growth



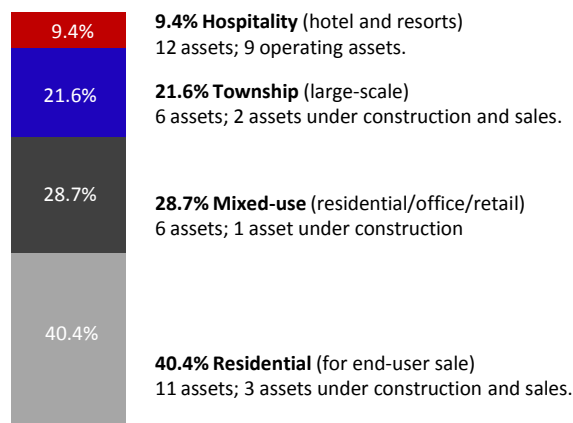
Source: GSO

## Investment manager's monthly update 31 March 2013

### Top holdings (31 Mar 13)\*

Project	Location	Type	NAV%
Century 21	South	Residential	13.2%
Danang Beach Resort	Central	Residential	12.0%
Pavilion Square	South	Mixed-use	7.8%
Dai Phuoc Lotus	South	Township	6.9%
VinaSquare	South	Mixed-use	6.2%
Times Square Hanoi	North	Mixed-use	5.7%
My Gia	Central	Township	4.8%
Aqua City	South	Township	4.6%
Trinity Park	South	Residential	4.3%
World Trade Centre	Central	Mixed-use	4.1%
<b>Top 10 assets:</b>			<b>69.6%</b>

### Portfolio by sector (31 Mar 13)\*



Total: 35 assets

### Projects pending final investment licensing (31 Mar 13)\*

Project	Location	Type	Site Area (ha)
Long An	South	Township	1,780
Vung Bau	South	Hospitality	238
Trinity Park	South	Residential	34
Green Park Estate	South	Mixed-use	16
Long Truong	South	Residential	20
Hao Khang	South	Residential	5

Total: 6 assets representing NAV of USD61m

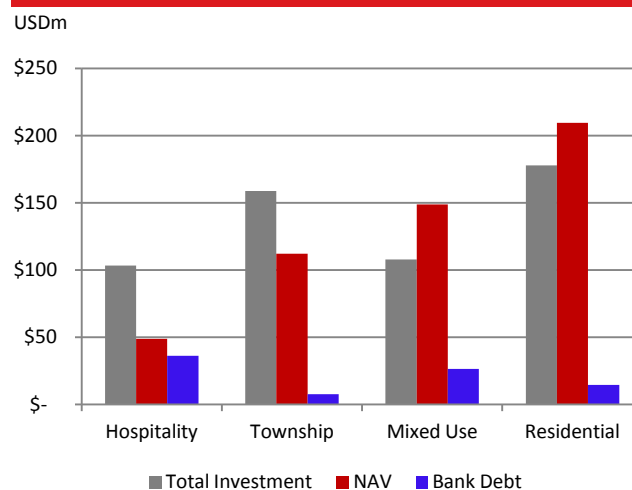
### Portfolio breakdown (31 Mar 13)\*

Portfolio by geographic location	NAV%
Hanoi region	8.2%
Central region	27.3%
Ho Chi Minh City region	64.5%
Valuation breakdown	
Assets not yet revalued **	9.8%
Assets revalued	90.2%
Development status	
Land banking	5.6%
Planning stage	57.5%
Development stage	30.4%
Operating assets	6.5%

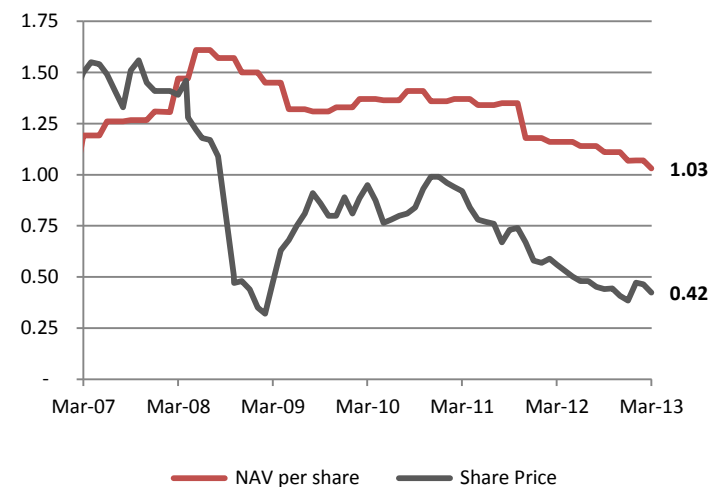
\* All NAV and NAV per share data is calculated on a quarterly basis

\*\* held at cost or below cost

### NAV by sector (31 Mar 13)\*



### NAV and share price performance (31 Mar 13)



## VNL Board of Directors

VinaLand Limited (VNL) is led by a Board of Directors composed of a majority of independent non-executive directors.

<b>Nicholas Brooke</b>	Chairman (Independent)
<b>Nicholas Allen</b>	Director (Independent)
<b>Michel Casselman</b>	Director (Independent)
<b>Stanley Chou</b>	Director (Independent)
<b>Charles Isaac</b>	Director (Independent)

## VinaCapital

VinaCapital Investment Management Ltd (VCIM) is the investment manager of VNL.

<b>Don Lam</b>	Chief Executive Officer
<b>Brook Taylor</b>	Chief Operating Officer
<b>David Blackhall</b>	Managing Director, Real estate
<b>Anthony House</b>	Deputy Managing Director, Real estate

Contact	
<b>David Dropsey</b>	Investor Relations/Communications ir@vinacapital.com +848-3821-9930 <a href="http://www.vinacapital.com">www.vinacapital.com</a>

<b>Brokers</b>	Edmond de Rothschild Securities +44 (0)20 7845 5960 or <a href="http://funds@lcf.co.uk">funds@lcf.co.uk</a> Numis Securities + 44 (0)20 7260 1327, <a href="mailto:mail@numis.com">mail@numis.com</a>
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## Fund summary

VinaLand Limited ("VNL") is a closed-end fund trading on the AIM Market of the London Stock Exchange. Download the VNL Factsheet at [www.vinacapital.com](http://www.vinacapital.com)

### Fund launch

22 March 2006, new three year term commenced 21 November 2012.

### Term of fund

Originally seven years, but now subject to shareholder vote for continuation every three years.

### Fund domicile

Cayman Islands

### Legal form

Exempted company limited by shares

**Structure:** Single class of ordinary shares trading on the AIM market of the London Stock Exchange plc.

### Auditor

PricewaterhouseCoopers (Hong Kong)

### Nominated advisor (Nomad)

Grant Thornton Corporate Finance

### Custodian and Administrator

HSBC Trustee

### Brokers

Edmond de Rothschild Securities (Bloomberg: LCFR)  
Numis Securities (Bloomberg: NUMI)

### Lawyers

Lawrence Graham (UK), Maples and Calder (Cayman Islands)

**Management and performance fee:** Management fee fixed at USD8.25 million per annum until 22 November 2013, reducing each year thereafter until 22 November 2015. No performance fees, but the recovery of the accrued performance fee is linked to distributions to shareholders.

**Investment manager:** VinaCapital Investment Management Ltd

**Investment policy:** The Fund is now in a cash return period and will not make any investments, except where funds are required for existing projects. The Fund will seek to realise assets in the existing portfolio and continue with the development of selected projects to maximize value.

**Investment focus by geography:** All existing investments are located in Vietnam. There will be no new investments during the current cash return period.