

Performance summary* 30 Sept 2016

NAV per share** (USD):	0.868
Change (Quarter-on-quarter)	-1.23%
Total NAV** (USD 'm):	326.4
Share price (USD):	0.66
Market cap (USD 'm):	249.8
Premium/(discount)	-23.3%

* Figures in USD. Return percentages are for the period, not annualized
 ** NAV and NAV per share data are calculated on a quarterly basis

Cumulative change (% change)

	3mth	1yr	3yr	5yr
NAV per share	-1.2	4.8	2.8	-29.9
Share price	13.5	37.4	87.2	12.8

Quarterly performance history (% change)

	2016	2015	2014	2013
Q1	0.6	-3.3	-0.4	-1.0
Q2	1.4	1.1	1.2	-5.8
Q3	-1.2	0.6	0.0	-5.2
Q4	0.0	3.9	0.0	-1.0
YTD	0.8	2.2	0.8	-12.4

Key investments

Project	Location	Type	% portfolio NAV
Pavilion Square	South	Mixed Use	13.4%
VinaSquare	South	Mixed Use	12.5%
Dai Phuoc Lotus	South	Township	11.7%
Times Square Hanoi	North	Mixed Use	9.7%
Aqua City	South	Township	8.5%
Trinity Garden	South	Residential	7.4%
Capital Square	Central	Mixed Use	7.4%
Green Park Estate	South	Mixed Use	6.3%
Phu Hoi City	South	Residential	4.9%
Total			81.8%

Additional portfolio information

Current assets	19
Divestments	27 full and residential unit sales
Debt	Fund level (ZDPs): 9.7% of NAV Project level (Bank): 12.1% of NAV
Shares outstanding	379,323,461

Manager's comment

As of 30 September 2016, VNL posted an unaudited net asset value (NAV) of USD326.38 million or USD0.86 per share, a 1.23% decline from the previous quarter's NAV per share of USD0.87. VNL's share price increased 13.53% to USD0.66 as at 30 September 2016, from the closing price of USD0.58 reported on 30 June 2016. As a result, the company's share price to NAV discount is currently 23.28% compared to 33.26% in June. Furthermore, VNL repurchased and cancelled 14.49 million ordinary shares in Q3 2016, bringing the total of cancelled ordinary shares since October 2011 to 120.64 million. Since the commencement of the share buyback program, VNL has cancelled 24.13% of the fund's total issued shares prior to the program.

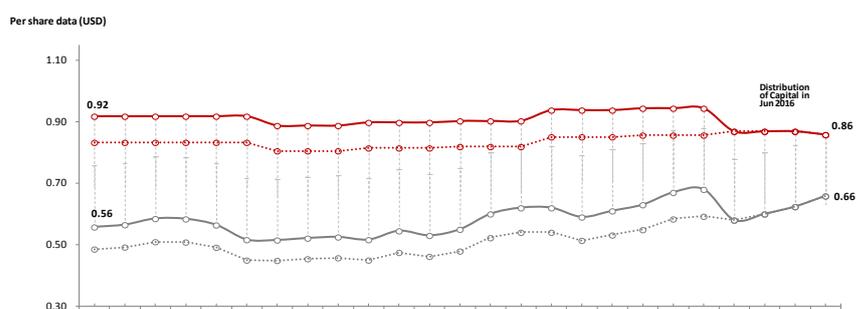
Fund update

Seven VNL project revaluations were undertaken for the period ending 30 September 2016 by international property valuation consultants as part of the ongoing appraisal program. Three of these projects were located in Ho Chi Minh City with the remaining projects located in the southern and central regions of Vietnam. The results demonstrated that there has been an improvement in general market confidence and this has flowed through to real estate valuations.

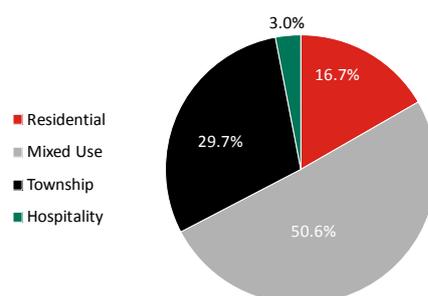
On 15 August 2016, VNL announced that it divested its stake in the Resort Project. VNL disposed of its entire stake at a total valuation 1.0% below the 30 June 2016 unaudited net asset value and 66.8% below the net asset value at the time of VNL's previous extraordinary general meeting (EGM) in November 2012, including adjustments for additional investments over this period. This transaction resulted in net cash proceeds of USD7.0 million to VNL which were received.

Residential sales continued to be positive on some of VNL's projects through the third quarter of 2016, including Dai Phuoc Lotus project (Dong Nai) and Azura project (Danang). Particularly, 100% of Azura project in Danang (225 apartment units) have

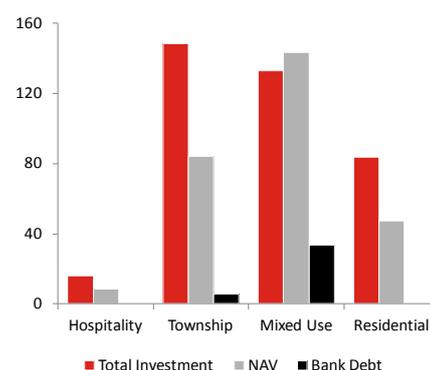
NAV and share price performance



VNL portfolio by sector (NAV %)



VNL NAV by sector (USDm)



been sold as at 30 September 2016. Meanwhile, the Investment Manager continues to work on several project disposal opportunities with the view to reaching closure over the next few weeks.

At the time of this announcement, VNL published its audited financial results for the twelve months ended 30 June 2016 on the VNL website. The Investment Manager, VinaCapital also held its annual Investor Conference from 12 to 14 October 2016 in Ho Chi Minh City where an update on VNL was presented, including details on the proposed new strategy. The Board will hold the annual general meeting (AGM) and the extraordinary general meeting (EGM) on 18 November 2016 in Zurich, Switzerland where a recommendation for the continuation of VNL will be put to shareholders. The Board has now released further details on the new strategy and full details on the AGM and EGM were announced on 25 October 2016.

Macroeconomic update

The Vietnamese economy continued to be an outperformer in the region by demonstrating good growth during the third quarter. Vietnam's gross domestic product (GDP) grew 6.4% y-o-y during the third quarter, due in part to a slight recovery in agriculture following a crippling drought. The disbursement of foreign direct investment (FDI) accelerated in September, with a total of USD11bn disbursed during the first nine months of the year, a 12% y-o-y increase. The manufacturing sector showed improved growth in September as the Nikkei Vietnam Manufacturing Purchasing Managers' Index rose from 52.2 in August to 52.9 in September, the highest point in 16 months. The Index of Industrial Production increased by 7.4% y-o-y during the first nine months of the year, with growth seen in processing and manufacturing, electricity production and distribution, and water supply and treatment. On the consumer side, retail sales rose by 9.5% YTD in nominal terms and 7.7% YTD in real terms.

On the trade front, Vietnam posted a surplus of USD2.9bn during the first nine months of the year. In September, exports fell 6.8% m-o-m to USD15bn due to turnover reduction in items such as telephones and components, footwear, and garments. Export growth, however, increased 6.7% YTD while import growth became positive for the first time this year in September. Inflation increased 0.5% m-o-m due to a hike in tuition and education costs. The Vietnam dong (VND) remained stable during the month, especially as Vietnam's foreign currency reserves are widely estimated to be at a record high of nearly USD40bn, up from USD29bn from last year.

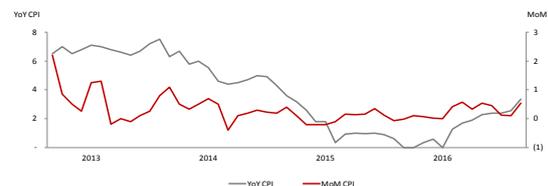
With the agricultural sector beginning to show signs of life, foreign direct investment disbursements accelerating and the manufacturing sector continuing to expand, the economy is well positioned to finish the year strongly at the end of the fourth quarter. We believe that GDP growth for the full year will be 6.0%.

Macroeconomic indicators

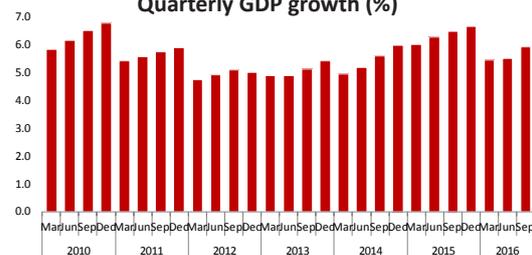
	2015	Sep-16	2016 YTD	Year-on-year
GDP growth ¹	6.7%		5.93%	
Inflation (%)	0.54%	0.5%	3.1%	3.3%
FDI commitments (USDbn)	22.8	2.1	16.4	(4.2)%
FDI disbursements (USDbn)	14.5	1.2	11.0	12.4%
Imports (USDbn)	165.6	15.1	125.4	9.4%
Exports (USDbn)	162.4	15.0	128.2	8.6%
Trade surplus/(deficit) (USDbn)	(3.2)	(0.1)	2.8	
Exchange rate (USD/VND) ²	22,450	22,265	0.8%	
Bank deposit rate (VND)	5.0%	6%	100 bps	

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

Year-on-year and month-on-month inflation (%)



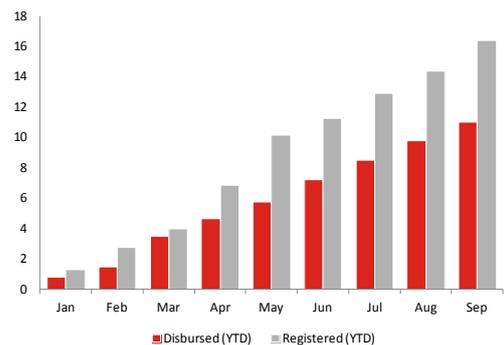
Quarterly GDP growth (%)



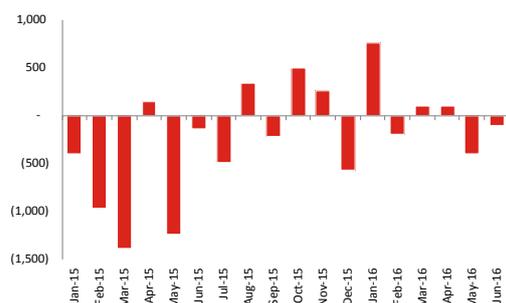
Purchasing Managers' Index



Registered and disbursed FDI (2016, USDbn)



Monthly trade balance (USDm)

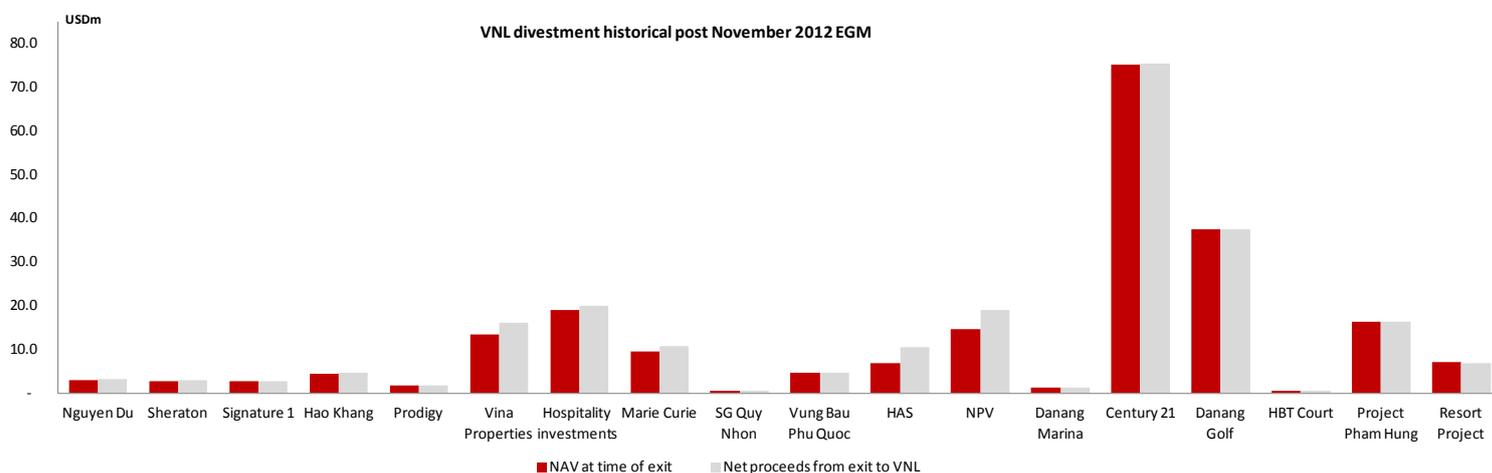


Source: GSO, Bloomberg

Current strategy

VNL is continuing with its realization and cash return strategy and will not make any new investments except where funds are required to continue with the development of selected residential projects to maximize value. The two primary means of divestment are the development of residential for-sale products (e.g. landed property) for homebuyers and the disposal of land or projects to local and foreign investors. VNL is pushing forward with existing residential developments to capitalise on improving market confidence and liquidity. Ongoing development of existing projects helps with cash-flow and demonstrates to investors/sub-developers that the projects and offer very good medium-term growth opportunities.

In line with the ongoing realization strategy, VNL has continued to close project disposals where a sale at current market value would result in a higher IRR than holding or continuing to develop the project. The focus has now shifted towards divestment of development land projects. VNL will not commence speculative development of any commercial mixed use projects during the current term, however infrastructure work will begin on a project located in Ho Chi Minh City in the fourth quarter of 2016. The Board will hold the annual general meeting (AGM) and extraordinary general meeting (EGM) on 18 November 2016 in Zurich Switzerland where a recommendation for the continuation of VNL will be put to shareholders and the Board will release further details on VNL and its new strategy, including details on all resolutions were announced on 25 October 2016.



Post EGM (November 2012)

Full Divestments	Nguyen Du	Sheraton	Signature 1	Hao Khang	Prodigy	Vina Properties	Hospitality investments	Marie Curie	Saigon Quy Nhon	Vung Bau Phu Quoc	HAS	NPV	Danang Marina	Century 21	Danang Golf	HBT Court	Project Pham Hung	Resort Project	Total
Type	Office	Hotel	Land	Land	Hotel	Hotel	Hotel	Land	Hotel	Land	Township	Land	Residential/Development	Land	Residential/Development	Serviced Apartment	Land	Residential/Development	
Exit date	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q4 2013	Q1 2014	Q3 2014	Q3 2014	Q1 2015	Q1 2015	Q3 2015	Q4 2015	Q2 2016	Q2 2016	Q2 2016	Q2 2016	Q2 2016	Q3 2016	
NAV at exit (USDm) (1)	3.0	2.7	2.8	4.5	1.8	13.5	19.1	9.5	0.5	4.6	6.8	14.8	1.3	75.2	37.5	0.6	16.3	7.0	221.4
Net proceeds to VNL (USDm) (2)	3.2	3.1	2.7	4.6	1.7	16.1	19.9	10.9	0.6	4.7	10.5	19.1	1.3	75.4	37.5	0.5	16.2	7.0	235.1
Net proceeds vs. NAV	7.9%	15.1%	-3.3%	2.8%	-5.5%	19.2%	4.5%	14.3%	27.3%	2.9%	53.5%	29.4%	0.4%	0.2%	0.0%	-11.0%	-0.2%	-1.0%	6.2%
Debt removed, VNL portion (USDm)	0	25.0			4.0	1.7	6.0							0.0	33.3	8.5	0.0	0.0	78.5
NAV at EGM 2012 (USDm)(3)	3.4	2.7	2.8	5.0	2.5	14.9	6.3	8.7	0.5	4.1	7.5	12.4	2.5	63.5	40.1	1.1	9.6	21.0	208.6
Net proceeds vs. NAV at EGM (Adjusted) (3)	-6.1%	15.1%	-3.3%	-7.8%	-31.7%	8.2%	215.3%	24.6%	24.5%	1.6%	36.3%	51.7%	-49.2%	18.8%	-6.4%	-52.1%	69.8%	-66.8%	12.2%

(1) All "NAV at exit" figures above are based on most recent audited numbers prior to the exit date.

(2) Net proceeds from exit include all transfers of money between the fund and project companies, including dividends, shareholder loans, and capital contributions.

(3) Adjusted with investments/return since EGM 2012 for comparison purpose

Market outlook, Q3 2016

According to Vietnam's Ministry of Planning and Investment, the disbursement of foreign direct investment (FDI) accelerated in September, with a total of USD11billion disbursed during the first nine months of the year, a 12.4% year-on-year increase. Real estate ranked second in attracting FDI during the quarter (nearly 6.1% of total newly-registered FDI capital) with a total of 34 projects. Following the announcement of the Trans-Pacific Partnership (TPP) agreement and new regulations of foreign ownership, many international groups have entered the Vietnamese real estate market, particularly investors from Korea, Singapore and Japan, resulting in a number of successful mergers and acquisitions (M&A) during the third quarter.

In September, inflation has reached 3.3% year-on-year, with increases in medical fees, health care and education. It expects the inflation to remain low-to-moderate through the rest of the year. The VND remained stable during the quarter. The US Fed's decision to postpone any interest rate hike to December lowers the expectation for VND depreciation this year from 2%-3% to 1%, according to the State Bank of Vietnam (SBV).

Landed property sector

An additional 500 units in Ho Chi Minh City and 446 units in Hanoi were launched in the third quarter of 2016, based on CBRE Vietnam. Due to limited supply, the volume of successful transactions in both Hanoi and Ho Chi Minh City continues to improve during the third quarter of 2016 while average selling price increased by between 2% to 10%, especially in fast developing residential areas with consistent construction progress and quality. Lower forward supply will therefore create a more sustainable market for landed property segment in terms of liquidity and saleability.

Condominium sector

According to CBRE Vietnam, an additional 8,016 condominium units in Ho Chi Minh City and 6,842 condominium units in Hanoi were launched in the third quarter, a decline of 27% and 38% year-on-year, respectively. Sales momentum in Ho Chi Minh City and Hanoi decreased slightly by 2% year-on-year. Mid-end segment recorded the most impressive performance in terms of both the number of sold unit and primary selling price. The average selling price on increased by between 3% and 5% year-on-year in both Ho Chi Minh City and Hanoi. Even with the decreases in condominium launches, there is a sense that the condominium market is over supplied which may impact prices and inventory movement in the near future.

Office and retail sector

One new Grade B office building was completed in Q3 2016, adding around 20,000sqm to Ho Chi Minh City and Hanoi office market. The grand opening of Saigon Centre Phase 2 and Aeon Mall Binh Tan in Ho Chi Minh City and Mipec Riverside Long Bien in Hanoi added a total of 135,000sqm to the retail market in Q3 2016. Office and retail rents declined across all grades due to the oversupply and the expansion of the foreign investors from Japan, Thailand and Singapore are likely to increase pressure on local landlords over the next few quarters.

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Lower forward supply will therefore create a more sustainable market for landed property segment in terms of liquidity and saleability

The third quarter of 2016 witnessed a drop in condominium units launched both in Ho Chi Minh City and Hanoi

The grand opening of Saigon Centre Phase 2 and Aeon Mall Binh Tan in Ho Chi Minh City and Mipec Riverside Long Bien in Hanoi added a total of 135,000sqm to the retail market in Q3 2016

Pavilion Square

Pavilion Square is a freehold residential project located in District 1 of Ho Chi Minh City. The project was acquired in Q1 2007 with the investment licence obtained in the same year. The revised planning parameters, with a smaller retail area, were approved by the authorities in Q4 2012 and the revised 1:500 master plan approval, which included additional resettlement apartments, was received in Q2 2016. Site compensation is underway and approximately 90% is completed. In conjunction with the expected completion of land compensation, the Manager is working with a potential co-investment partner.

VinaSquare

VinaSquare was acquired in Q2 2007 due to its prime location in District 5 of Ho Chi Minh City. The project is a mixed-use residential, retail, office, hotel and serviced apartment development. The Investment licence was obtained in Q4 2008 and the 1:500 master plan was approved in 2010. The demolition of old factory buildings on the site was completed in 2011 and the site is fully cleared. The amended investment license was issued in Q2 2015 and the revised Land Use Right Certificate was obtained in Q3 2015. The Manager is in discussions with potential co-investors on this project.

Dai Phuoc

Dai Phuoc Lotus Township was acquired in Q2 2007 due to its unique location on an island in a suburban region adjacent to Ho Chi Minh City. The resort-style residential environment, with transport by both road and boat available to Ho Chi Minh City, will attract second homebuyers as well as young families. The development plan is to develop the first of six zones of the 198.5ha site in conjunction with partial wholesale divestment to co-investors. The first phase of development commenced with Zone 5, comprising 332 units. All infrastructure work to Zone 5 has been completed including the Prosperity Lake adjacent to the display villas. Approval to sell "land plots" for Zone 5 was received from the Dong Nai People's Committee in Q4 2015 with sales previously secured under "Deposit Agreements" immediately converted to Sale Purchase Agreements. The revision of the 1:500 master plan of Zone 4 was submitted and received by the Dong Nai People's Committee approval in Q1 2016. The revised Investment License was issued in Q2 2016 with the development schedule extended from 2016 to 2018. The Manager is working to revise 1:500 master plans of the remaining zones.

During Q3 2016, Dai Phuoc Lotus Township continued to experience increased sales activity, including progress with construction. As at 30 September 2016, 263 sales and purchase agreements have been signed out of 332 villas launched, with 197 villas handed over to buyers. Furthermore, 168 ownership titles have been issued to owners.

In Q3 2016, the authorities approved the construction of the Cat Lai Bridge, which will replace a ferry connection between Ho Chi Minh City and Dong Nai Province. The approval for this new transit route will significantly shorten the time required to travel between Ho Chi Minh City and Dong Nai. As a result, Dai Phuoc Lotus Township's locality should attract more home buyers and wholesale investors.

Project summary

Sector	Mixed-use (residential and retail)
Area	1.4ha
Location	District 1, HCMC
History	Acquired in Q1 2007 Investment licence received in Q4 2007 Revised 1:500 master plan approval received in Q2 2016 Compensation 88.2% completed. Expected completion of compensation by Q1 2017
Investment rationale	The site is well-located for mid to high end residential towers with modern facilities offering freehold residential units in District 1.

Project summary

Sector	Mixed-use (residential, retail, office, serviced apartment and hotel)
Area	3.1ha of land
Location	District 5, HCMC
History	Acquired in Q2 2007 Investment licence received in Q4 2008 1:500 master plan approved in Q4 2010 Revised investment license received in Q2 2015 and revised LURC obtained in Q3 2015
Investment rationale	The project will serve HCMC's Chinatown, a crowded commercial and residential area surrounded by mainly low-rise buildings.

Project summary

Sector	Township (integrated residential)
Area	198.5ha of land
Location	Nhon Trach City, Dong Nai Province
History	Acquired in Q2 2007. Investment licence received in Q2 2007 Sports and recreation centre, CBD link road, all Zone 5 infrastructure completed Construction and sales of Zone 5 villas underway Approval to sell land plots for Zone 5 was approved in Q4 2015 The revised Master Plan of Zone 4 was approved in Q1 2016

Times Square Hanoi

Times Square is positioned in a strategic location opposite the National Convention and Exhibition Centre, which has hosted many national and regional events since opening in 2006. Additionally, the location is within a new urban development in western Hanoi and considered as the city's second CBD. The project, acquired in Q1 2007, is a mixed-use office, retail, hotel and serviced apartment development. The 12.5km Metro Line (from Nhon to Hanoi Railway Station), which is approximately 4km north of the site, broke ground and is expected to be operating by 2020. Given the extensive infrastructure in the area, the site's locality will attract significantly more investor interest across a range of businesses including real estate development.

Project summary

Sector	Mixed-use (office, retail, hotel and serviced apartment)
Area	4.0ha
Location	Cau Giay District, Hanoi
History	Acquired in Q1 2007 Investment licence received in Q2 2008 and the final revision in Q3 2010 1:500 master plan approved in Q1 2010
Investment rationale	A high profile site located in a strategic location in the heart of the city's future second CBD, opposite National Convention and Exhibition Centre.

Aqua City

AquaCity was purchased in 2006 as a strategic acquisition along the North East corridor leading to the new Long Thanh international airport in Dong Nai. The site is situated adjacent to the Dong Nai River, approximately 45 minutes from the centre of Ho Chi Minh City. In Q1 2012, the project received its 1:500 master plan approval. The development master plan includes both residential (apartment, townhouse and villa) and commercial use.

The Long Thanh-Dau Giay Highway is an important infrastructure development for Ho Chi Minh City, which has shortened travelling time to surrounding provinces such as Dong Nai and Ba Ria Vung Tau. The highway will also connect Ho Chi Minh City with the proposed Long Thanh International Airport. Since completion in 2015 the Long Thanh Dau Giay Highway positively impacts surrounding real estate projects, including VNL's AquaCity project.

Project summary

Sector	Township (commercial and residential use)
Area	250.2 ha
Location	Bien Hoa City, Dong Nai Province
History	Acquired in 2006 1:2000 master plan approved in Q4 2008 1:500 master plan approved in Q1 2012
Investment rationale	A riverfront township bordering on District 9 of HCMC. The project will provide affordable mass housing units in a modern living township to serve the extended catchment of HCMC's north east area.

Trinity Park

Trinity Garden was acquired in Q4 2007. The 1:500 master plan for the project was approved in Q2 2007, while infrastructure on site is partially completed. The site is fully cleared and compensated. Landed property demand has continued to expand and potential buyers continue to take interest in projects in non-CBD locations. District 2 and district 9 (the site's locality) dominated the new launches and sales in the market during the third quarter of 2016. The construction of further infrastructure has recently commence and will create further options for VNL.

Project summary

Sector	Residential (including school)
Area	33.7ha
Location	District 9, HCMC
History	Acquired in Q4 2007 1:500 master plan approved in Q2 2007 Site cleared and fully compensated The construction of further infrastructure will commence in the fourth quarter.
Investment rationale	Sound long-term demand for mid-range, landed residential housing in District 9.

Capital Square

Capital Square Danang was acquired in Q3 2006 given its central, riverfront location in the fast growing city of Danang. In 2009, the project broke ground on the first residential tower, Azura, which reached completion in Q3 2012. The restructuring process to split the 9ha site into three separate investment licenses was successfully completed in 2012, allowing greater flexibility in development or divestment. In 2015 VNL divested the remaining Phase 1 to a retail mall developer, and the construction of a new shopping mall was completed and opened officially in 2015.

Phases 2 and 3 of the project consist of an approved master plan permitting residential apartment towers and connecting public spaces. The Land Use Right Certificates were issued for Phase 2 in Q1 2016. Azura Tower is now 100% sold out as at 30 September 2016 (225 apartment units).

Having been selected to host the 25th Asia-Pacific Economic Cooperation (APEC) Summit 2017, a series of major infrastructure projects in Danang have commenced construction. Many international groups continue to enter the Danang real estate market, particularly investors from Japan. Japanese partners have conducted research into constructing a monorail project connecting Danang and Hoi An in order to ease traffic jams in urban areas as well as to develop local tourism. Given Danang's rapidly developing infrastructure and the increased deal activity in surrounding areas, the Capital Square Project will likely continue to attract attention from local and foreign investors.

Project summary

Sector	Mixed-use (commercial and residential)
Remaining Area	6.6 ha
Location	Son Tra District, Danang City, on the river side opposite City Centre
History	<p>Acquired in Q3 2006</p> <p>Investment licence received in Q3 2007</p> <p>The restructuring process to split the site into three separate investment licenses was successfully completed in 2012</p> <p>Azura residential apartment tower (a part of Phase 1) completed in Q3 2012, and currently 100% apartments sold.</p> <p>In 2015, VNL divested the rest of Phase 1 to a retail mall developer.</p> <p>Phase 2 received the LURCs in Q1 2016.</p>
Investment rationale	A prime site located in the city centre of Danang City, with direct frontage to the Han River, 5 minutes drive to East Sea beach

Green Park Estate

The Green Park Estate project site was acquired in Q1 2006 given its strategic location in a densely populated suburb near Ho Chi Minh City's Tan Son Nhat International Airport and only 10km from the city's CBD. The 1:500 master plan and the Land Use Right Certificate were received in Q3 2009.

This 15.7ha site has excellent exposure with over 300m of frontage onto Truong Chinh Street, a major arterial road with a future Metro Rail Transit route running alongside. The 19km Metro Line No. 2 (An Suong – Thu Thiem), which is approximately 4km east of the site, broke ground and is expected to be operating by 2020. The Manager is working to revise 1:500 master plan of the site. Site clearance and relocation work are in progress. Land clearance is expected to be completed by Q2 2017. Otherwise, the Manager is in discussions with a potential investor on this project.

Project summary

Sector	Residential & commercial (proposed)
Area	15.7 ha
Location	Tan Phu District , HCMC
History	<p>Acquired in Q1 2006</p> <p>The 1:500 master plan and the LURC were received in Q3 2009</p> <p>Currently used as textile factories and warehouses</p> <p>Revised master plan 1:500, site clearance and relocation work are in progress.</p>

Phu Hoi

The Phu Hoi Project is located at the centre of Nhon Trach City, Dong Nai Province, approximately 27km east of Ho Chi Minh City's CBD and 15km from the proposed Long Thanh International Airport. A development site with total land area of approximately 83.9ha, the project is set to become a new residential urban area with supporting commercial and public amenities. The Land Use Right Certificates were received in 2009 and 2010. The revised 1:500 master plan was received in Q1 2012 and the latest Investment License was amended in Q4 2012. Site cleared and fully compensated.

Currently, the site is accessible via an internal road from Nguyen Huu Canh Street, one of the main roads in the city of Nhon Trach. According to Nhon Trach's master plan, by 2020, the site will be well located along the Provincial Road 25C (Nguyen Ai Quoc Street) and opposite the city's new administrative centre. Provincial Road 25C is planned to extend 120m and connect the site's locality to the proposed Long Thanh International Airport. The completion of Provincial Road 25C will significantly improve access to the site.

In Q3 2016, the authorities approved the construction of the Cat Lai Bridge, which will replace a ferry connection between Ho Chi Minh City and Dong Nai Province. The approval for this new transit route will significantly shorten the time required to travel between Ho Chi Minh City and Dong Nai. Upon completion, Cat Lai Bridge will positively impact surrounding real estate projects, including VNL's Phu Hoi project.

Project summary

Sector	Residential
Area	83.9 ha
Location	Nhon Trach City, Dong Nai Province
History	<p>Master plan 1:500 was approved in Q4 2004</p> <p>Joint Venture contract signed in Q4 2008</p> <p>Investment License first issuance in Q2 2009</p> <p>LURCs were received in 2009 and 2010</p> <p>Approval of amended master plan 1:500 in Q1 2012</p> <p>The latest Investment License was amended in Q4 2012</p>

The investment manager update section provides investors with information on the policies and practices of VinaCapital Investment Management, Ltd. (VCIM), as well as updates on VinaCapital relevant to the performance of its investment funds.

Valuation and NAV calculation

The accurate and fair valuation of assets held in fund portfolios is a central component of fund management. VCIM follows international best practices whenever possible in its valuations process.

Relevant dates

VNL's financial year-end is 30 June. Audited annual results must be announced within six months of this date. Interim results at 31 December receive an auditor review and must be announced within three months of this date. VNL calculates its unaudited NAV quarterly, and this is announced within fifteen days of the quarter's end. The Fund issues monthly, quarterly, and annual report with audited final results.

The methods used to value different assets:

Real estate holdings

When valuing projects, the Manager consults two independent Valuers to perform a Full Valuation for each property on an annual basis, this valuation is then followed up by an updated valuation six months later (the "Updated Valuation"). Revaluations may be obtained more frequently for individual properties if there has been an event that the Valuation Committee or investment manager believes may have resulted in a material change in the value of a property.

Each Valuer prepares a report containing the recommended Fair Value of the property, along with the assumptions used to determine that value. If there is a material difference between the two valuations, the investment manager reviews the key assumptions to determine the primary cause(s) of the difference and discusses the assumptions with the Valuers to confirm each Valuer's respective position. The Updated Valuation is performed by the Valuer whose valuation was adopted during the Full Valuation. Exceptions to engaging two independent valuers are made in the following circumstances:

- For any project whose value is equal to or is below USD5 million: only one valuation is obtained at the Full Valuation. The same Valuer provides an update at the Updated Valuation.
- For projects being divested with (i) Sales and Purchase Agreement ("SPA") signed, (ii) deposit received and (iii) conditions precedents readily achievable: only one valuation is obtained from a Valuer to update the valuation if required until the divestment is closed (this may be required under a protracted closing).

The investment manager summarizes the key assumptions and valuation results for the Valuation Committee. The Valuation Committee receives the analysis and copies of the independent Valuers' appraisal reports for review. A formal meeting is held to discuss the valuation process and results. After acceptance of the valuation report, the Valuation Committee will recommend the valuation to the Board for approval. In addition to the annual valuation cycle, at the end of each quarter the investment manager reviews all real estate investments for possible impairment based on internal calculations. If there is an indication that a property's value has materially increased then the property will be included in the list of properties being independently valued. If there is an indication that a property's value has decreased then an assessment will be made by the investment manager to quantify the amount of any decrease. If there is evidence of a material impairment an independent valuation will be obtained to assess the need for any adjustment in the value of the property. For projects that are being divested (SPAs signed and deposits received), a desktop valuation update will be done by the asset management team to assess whether a valuation adjustment is warranted. Based upon the analysis performed by the investment manager and/or the independent Valuers, the Valuation Committee makes recommendations for a valuation adjustment to the Board for approval.

More information on valuation is available on the Investing policy page of the VNL website:

[VNL Information briefs](#)

Audit and Valuation committees

VNL has two separate audit and valuation committees composed of independent, non-executive members of the board of directors of the fund, and chaired by an independent director. Both committees meet quarterly.

VNL Audit Committee

Nicholas Allen (Chairman)

Charles Isaac

Michel Casselman

VNL Valuation Committee

Nicholas Brooke (Chairman)

Nicholas Allen

Tran Trong Kien

Historical financial information

Years ended 30 June	2010 (*)	2011 (*)	2012	2013	2014	2015
Statement of Income (USD'000)						
Total income from ordinary activities	143,293	154,278	-42,696	-28,712	32,940	34,218
Total expenses from ordinary activities	-64,650	-110,434	-98,304	-102,896	-65,386	-44,567
Operating profit before income tax	78,643	43,844	-141,000	-131,608	-32,446	-10,349
Income tax expense	-11,190	-3,354	-8,474	15,175	5,026	-8,067
Profit for the year	67,453	40,490	-149,474	-116,433	-27,420	-18,416
Minority interests	17,754	25,747	-50,585	-26,296	-3,227	3,851
Profit attributable to ordinary equity holders	49,699	14,743	-98,889	-90,137	-24,193	-22,267
Statement of financial position (USD'000)						
Total assets	1,260,218	1,318,847	1,134,262	929,344	929,839	840,022
Total liabilities	-587,523	-655,508	-587,914	-482,566	-509,705	-448,831
Net assets	672,695	663,339	546,348	446,778	420,134	391,191
Share information						
Basic earnings per share (cents per share)	0.10	0.03	-0.20	-0.19	-0.05	-0.05
Share price as 30 June	0.77	0.77	0.48	0.46	0.55	0.52
Ordinary share capital (thousand shares)	499,968	499,968	493,488	481,298	458,727	430,132
Market capitalization at 30 June (USD'000)	384,975	384,975	236,874	221,397	252,300	223,669
Net asset value per ordinary share (USD)	1.35	1.33	1.11	0.93	0.92	0.91
Ratio						
Return on average ordinary shareholder's funds	9.9%	2.9%	-16.8%	-15.4%	-4.2%	4.0%
Total expense ratio (% of NAV)	2.36%	2.00%	2.39%	2.15%	2.31%	2.56%

(*) Restatement of 30 June 2010 and 30 June 2011 figures, please refer to note 2.30 of the consolidated financial statements for the year ended 30 June 2012 for reference.

Board of Directors		VinaCapital Investment Management Ltd	
VNL's Board of Directors is composed entirely of independent non-executive directors.			
Member	Role	Member	Role
Michel Casselman	Non-executive Chairman	Don Lam	Chief Executive Officer
Nicholas Brooke	Non-executive Director	Brook Taylor	Chief Operating Officer
Nicholas Allen	Non-executive Director	David Blackhall	Managing Director, VNL
Charles Isaac	Non-executive Director	Anthony House	Deputy Managing Director, Real Estate
Tran Trong Kien	Non-executive Director	Oai Nguyen	Deputy Managing Director, Real Estate
Fund background			
ISIN	KYG936361016		
Bloomberg	VNL LN		
Reuters	VNL.L		
Fund summary			
Fund launch	22-Mar-06, current term is up to a maximum of 1 year and commenced 21 November 2015		
Term of fund	Originally seven years, but now subject to shareholder vote for continuation, with the next such vote to occur no later than 21 November 2016		
Fund domicile	Cayman Islands		
Legal form	Exempted company limited by shares		
Investment manager	VinaCapital Investment Management Ltd		
Structure	Single class of ordinary shares trading on the AIM market of the London Stock Exchange plc		
Auditor	PricewaterhouseCoopers (Hong Kong)		
Nominated adviser	Grant Thornton UK LLP		
Custodian and Administrator	HSBC Trustee (Cayman) Limited, Standard Chartered Bank (Singapore & Vietnam)		
Registrar and Transfer Agency	Orangefield (Cayman) Limited		
Brokers	Numis Securities (Bloomberg: NUMI)		
Lawyers	Wragge Lawrence Graham & Co (UK), Maples and Calder (Cayman Islands)		
Base and incentive fee	The base (management) fee is USD390 thousand per calendar month. There is an accrued but unpaid performance fee related to disposals contracted prior to 21 November 2015, and a disposal fee of 2.8% of distributable proceeds arising from new disposals contracted after 21 November 2015 which is linked to distributions to shareholders.		
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 objective by geography	All existing investments are located in Vietnam. There will be no new investments during the current cash return period.		



Important Information

This document, and the material contained therein, is not intended as an offer or solicitation for the subscription, purchase or sale of securities in VinaCapital Vietnam Opportunity Fund Limited (the "Company"). Any investment in any of the Companies must be based solely on the Admission Document of that Company or other offering document issued from time to time by that Company, in accordance with applicable laws.

The material in this document is not intended to provide, and should not be relied on for accounting, legal or tax advice or investment recommendations. Potential investors are advised to independently review and/or obtain independent professional advice and draw their own conclusions regarding the economic benefit and risks of investment in either of the Companies and legal, regulatory, credit, tax and accounting aspects in relation to their particular circumstances.

The securities of the Companies have not been and will not be registered under any securities laws of the United States of America nor any of its territories or possessions or areas subject to its jurisdiction and, absent an exemption, may not be offered for sale or sold to nationals or residents thereof.

No undertaking, representation, warranty or other assurance, express or implied, is given by or on behalf of either of the Companies or VinaCapital Investment Management Ltd or any of their respective directors, officers, partners, employees, agents or advisers or any other person as to the accuracy or completeness of the information or opinions contained in this document and no responsibility or liability is accepted by any of them for any such information or opinions or for any errors, omissions, misstatements, negligence or otherwise.

No warranty is given, in whole or in part, regarding the performance of either of the Companies. There is no guarantee that investment objectives of any of the three Companies will be achieved. Potential investors should be aware that past performance may not necessarily be repeated in the future. The price of shares and the income from them may fluctuate upwards or downwards and cannot be guaranteed.

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