

PXP Vietnam Fund Limited

A Cayman-domiciled closed-end fund listed on the Main Market of the London Stock Exchange. The investment objective of the Company is to seek long-term capital appreciation of its assets by investing in a portfolio of the equity securities of Vietnamese companies.

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Portfolio Manager
Kevin Snowball

Bloomberg Ticker
VNF LN <Equity>

ISIN
KYG7301W1033

Market Makers
HSBC:

Hugh Harvey-Kelly
+44 207 991 5241

Jefferies International:

Mark Mulholland
+44 207 898 7106
Bloomberg **JJFD**

LCF Rothschild:

Johnny Hewitson
+ 44 207 845 5960
Bloomberg **LCFR**

NUMIS:

David Cumming
+44 207 260 1376
Bloomberg **NUMS**

Seymour Pierce

Jacqui Briscoe
+44 207 107 8329

PXP VIETNAM ASSET MANAGEMENT

PXP Vietnam Asset Management
Vietnam Representative Office
6th Floor, Opera View Building
161 Dong Khoi, District 1
Ho Chi Minh City, Vietnam

Tel. N^o. + (84) 8 3827 6040
Fax N^o. + (84) 8 3827 6043
www.pxpam.com

I• Fund details

Launch Date	31 December 2003
Issue Price	US\$ 2.50
NAV per share	US\$ 3.289
	as at 30 November 2011

Number of shares in issue	12,000,000
Fund size	US\$ 39.47 million
Number of holdings	Listed: 38 Pre-Listed: 0

Performance	1 Month	YTD	1 Year
PXPVF*	-4.222%	-22.68%	-17.71%
VNI**	-9.504%	-27.06%	-21.72%
Performance	3 years	5 years	7 years
PXPVF*	+9.305%	-46.87%	+39.66%
VNI**	-2.237%	-53.98%	+24.53%

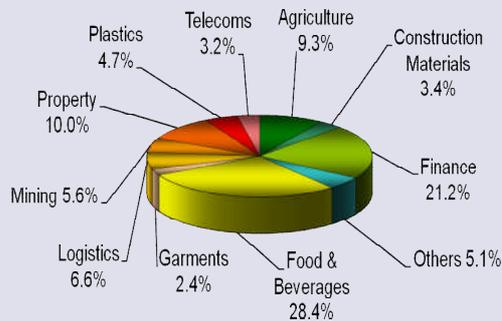
* All figures are NET of fees ** Index performance in US\$

II• Top 10 holdings

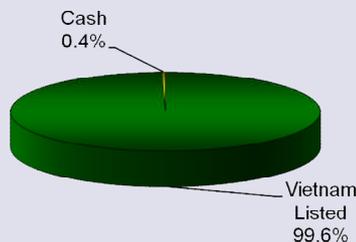
	% of Net assets
Vinamilk (VNM)	27.3
Sacombank (STB)	13.6
REE (REE)	5.9
Binh Minh Plastics (BMP)	4.4
HCMC Securities (HCM)	4.1
Dong Phu Rubber (DPR)	4.0
Binh Duong Minerals (KSB)	3.6
FPT Corporation (FPT)	3.2
Southern Seed Corp (SSC)	3.0
Hoa Phat Group (HPG)	2.7

IV• PXPVF portfolio

Sectoral Breakdown (as at 30 November 2011)



Segments (as at 30 November 2011)



III• Investment Comment

The following is an edited extract from the Report of the Investment Manager in the Fund's 2011 Annual Report, the original version of which can be viewed at our website via www.pxpam.com:

Bear markets are always more tedious than their bovine counterparts and this one has begun to seem interminable, as is often the case close to the nadir. Wishful thinking perhaps, but with macroeconomic conditions moderating quite nicely and the market now selectively offering exceptional value we feel that there is a fundamental basis for at least a modicum of optimism. The problem, for the time being at least, is that nobody cares. Domestic investors are the dominant force in the market and remain characterised by a tendency toward short-termism in their investment decisions, whilst potential new foreign entrants are by-and-large sidelined due to more pressing concerns elsewhere and a reluctance to tolerate an increased level of risk. Forced selling from margin finance-related position unwinding related to compliance with State Bank 2011 year-end directives on the quality of loan books has compounded this apathy and has provided a significant obstacle to any attempt by the market to move higher in any decisive way before the end of calendar 2011.

What happens as we move into 2012 will be determined by the timely return of domestic investors to the local market but also, and perhaps more importantly, by external factors regarding the extent of the financial problems in the developed world and the ability of governments to agree upon decisive action to repair the damage.

Unless the investing characteristics of local investors change dramatically it is our opinion that any sustainable fundamentals-driven rally will need to be initiated by foreign investors and that will not happen while the world is sitting on its hands. How soon and how far the market is able to move once there is more general acknowledgement of the improvement in macro conditions, which should provide a catalyst, will depend on the extent to which risk tolerance to this particular market improves. Vietnam's is still a tiny market in regional, let alone global terms and we have all seen what happens when too much money chases too few stocks. We remain convinced that we have not seen the last of the great rallies in this market, the question for us is not "if?" but "when?"

In terms of year-to-date performance (to 22 December 2011), whilst the Fund's NAV performance is on track to beat that of its benchmark VNI for the first time in a down year, as well as the FTSE Vietnam Investible Index by an even greater margin, we do not delude ourselves that such a milestone is anything other than small comfort to Shareholders.



All that remains is to thank our Shareholders for their continued support and understanding in a difficult year and to wish all readers a Merry Christmas (if celebrating) and a happy and significantly more prosperous 2012.