



# Newsletter

- 14 September 2009 -

Vietnam  
Emerging Equity  
Fund Limited (VEEF)

A Cayman- domiciled closed-end fund listed in Ireland. 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 companies with a significant presence in Vietnam.

## Summary

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## Portfolio Manager

Kevin Snowball

## Bloomberg Ticker

PXPVEEF KY <Equity>

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## I• Fund details

<b>Launch Date</b>	3 November 2005		
<b>Issue Price</b>	US\$ 5.000		
<b>NAV per share</b>	US\$ 5.830		
	as at 31 August 2009		
<b>Number of shares in issue</b>	2,132,403		
<b>Fund size</b>	US\$ 12.43 million		
<b>Number of holdings</b>	Listed: 34 Pre-Listed: 7		
<b>Performance</b>	<b>1 month</b>	<b>YTD</b>	<b>1 Year</b>
<b>VEEF*</b>	<b>+16.81%</b>	<b>+88.25%</b>	<b>+4.31%</b>
<b>VNI**</b>	<b>+17.16%</b>	<b>+69.71%</b>	<b>-5.78%</b>
<b>Performance</b>	<b>2 years</b>	<b>3 years</b>	<b>Inception</b>
<b>VEEF*</b>	<b>-48.26%</b>	<b>-14.49%</b>	<b>+16.60%</b>
<b>VNI**</b>	<b>-45.12%</b>	<b>+0.08%</b>	<b>+51.29%</b>

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

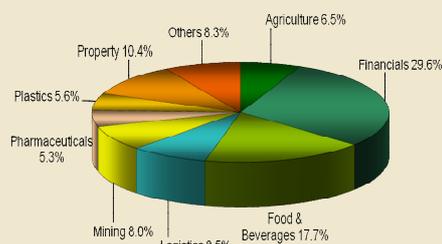
## II• Top 10 holdings

	% of Net assets
<b>Sacom Bank (STB)</b>	18.6
<b>Vinamilk (VNM)</b>	11.9
<b>REE (REE)</b>	7.3
<b>Gemadep (GMD)</b>	6.0
<b>Binh Minh Plastics (BMP)</b>	5.5
<b>Nui Nho*</b>	3.6
<b>Southern Seeds (SSC)</b>	3.3
<b>Bimico*</b>	3.2
<b>HCMC Securities (HMC)</b>	3.0
<b>VFM VF1</b>	2.9

\* Pre-listing holding

## IV• VEEF portfolio

Sectoral Breakdown (as at 31 August 09)



Segments (as at 31 August 09)



## III• Investment comment

We wish to apologise sincerely and profusely for the extensive period of radio silence in terms of detailed releases over the past several months. We hope that Shareholders are mollified to the greatest extent possible by performance in 2009, and thank you for your trust and support in defence of the Fund against a frankly clumsy attempt to liquidate the Fund at the bottom of the market by a group theoretically acting in the best interests of all Shareholders. We emerge from the fray certainly older, hopefully wiser and determined to continue to deliver superior returns to Shareholders who understand that the path of development in emerging markets is not always smooth. And those we hope to be our final words on what we expect to look back on in the fullness of time as merely an unpleasant episode in the PXP Vietnam story.

The Fund's 2009 Annual General Meeting will be held this week in the Cayman Islands. Included in the Notice and on the Agenda (circulated with this Newsletter) is a Resolution seeking Shareholder approval to move ahead with open-ending the Fund as soon as practicable. We do this not only in order to demonstrate our gratitude to Shareholders for their support by reinforcing our long-term commitment to improving marketability of the Fund's shares, but also, somewhat less altruistically in recognition of the fact that a Fund of its current size offers greater potential AUM upside than down in a more flexible form. We encourage comment from Shareholders before, during and after the AGM but wish to allay any potential concerns at the outset by stating unequivocally that existing Shareholders at the date of the open-ending will, at the very least:

1. Have no lock-in period, and;
2. Retain their existing high-water mark.

Any other suggestions from Shareholders in terms of structure will be most welcome.

Our views on the market are documented in a brace of internally produced research pieces also distributed today. Essentially we continue positive and strongly disagree with recent publications of a couple of offshore investment banks describing the market as "expensive". We would probably concede that the *index* is close to fully valued in the short-term, but the *market* is cheap. For more, please see said reports (and please let me know if you haven't received them) and also our current marketing presentation which will be uploaded to the website in the next couple of weeks. We hope to catch up with as many Shareholders as possible on the road in the next couple of weeks; in the meantime we leave you with the chart below upon which we propose no further comment unless requested to do so, which would surprise us greatly.

## Vietnam Funds Performance 2009 Year-to-Date to 31 August

