

★ Vietnam Opportunity Fund

Monthly Update

31 August 2005

VOF Overview

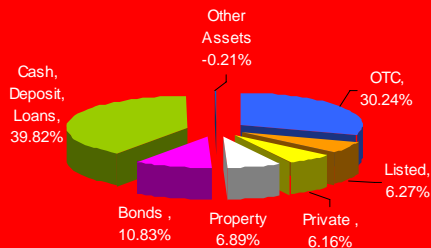
NAV Per Share **US\$1.33**

Share Price **US\$1.82**

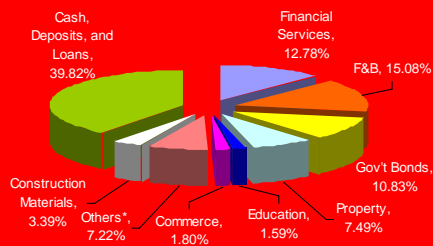
Fund Size (US\$ mil) **US\$92.4**
 Issued Shares **71,154,654**
 Total Net Asset Value (US\$mil) **US\$100.23**
 Market Capitalization (US\$mil) **US\$136.78**
 Reuters **VOF.L**
 Bloomberg **VOF LN**

Portfolio Profile

By Type



By Sector



Investment Manager

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Broker Details

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 Reuters Page **LCFR01**
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The Economy

- The solid upward trend in foreign direct investment (FDI) since 2003 has not shown any signs of letting up, as newly registered capital over the past eight months reached US\$3.5 billion. The Ministry of Planning and Investment's Foreign Investment Department projects that attracted FDI for the year could top US\$5 billion.
- Although Vietnam has concluded World Trade Organization (WTO) bilateral negotiations with 20 trade partners, including all Asian partners, Vietnam may still be tardy of its year-end target date for WTO accession. In order to join the WTO at the Ministerial Meeting in Hong Kong in December, Vietnam must complete all bilateral negotiations before the end of the tenth multilateral round of negotiations scheduled for 15 September in Geneva. Negotiations with the United States, along with several other countries, are still in progress, with no clear indication of early completion.

Economic Indicators 2005	
GDP (6 mos.)	US\$24 bil 7.63% yoy
CPI (8 mos.)	+6%
Industrial Production (8 mos.)	US\$18.1 bil 16.2% yoy
Exports (8 mos.)	US\$20.35 bil +18.7% yoy
Imports (8 mos.)	US\$24.25 bil +20.0%
FDI (8 mos.)	US\$3.5 bil +49.2% yoy
Tourism (Int'l visitors) (8 mos.)	2.3mil +22.7% yoy
VN Index (31 Aug 05)	254.5

Portfolio Developments

- To date, VOF has recognized an unrealized gain of US\$885,000 from shares in Kinh Do Corporation since January 2005, when the Fund made its initial investment in the company.

Stock Market

- On 31 August, the VN-Index closed at 254.5 basis points, gaining 1.15 points over the previous month. The increase was due to rumors that the 30 percent cap on foreign equity holdings in local companies will be increased to 49 percent in September.
- On 12 August, Kinh Do Corporation sold 1.2 million shares to the public at the Hanoi and Ho Chi Minh City Securities Trading Centers, raising chartered capital to VND250 billion (approximately US\$15.8 million). Of the shares auctioned, 95 percent were purchased by foreign investors at an average price per share of VND43,350 (approximately US\$2.74). Prior to the share auction, VinaCapital and Kinh Do on 05 August jointly hosted the Kinh Do Roadshow in Singapore to introduce to foreign investors Kinh Do's share issuance plan. This was the first time a local company introduced its shares in a foreign country.
- The Ministry of Finance on 04 August enacted a decision requiring state-owned enterprises (SOEs) to list their shares at the Hanoi and Ho Chi Minh City Securities Trading Centers prior to, rather than after, their equitization. Up to 253 SOEs will be listed on the bourses by the end of this year.



NAV and Share Price Performance

