Vietnam Opportunity Fund

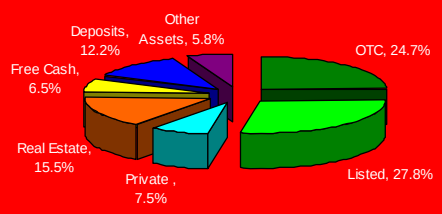
Monthly Update ***31 March 2006***

VOF Overview

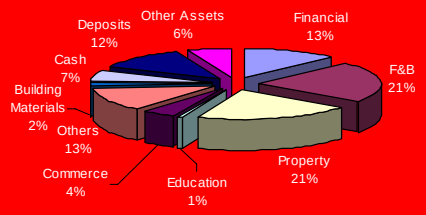
NAV Per Share	**US$1.85**
YTD (%)	*20%*
Since Inception (%)	*94.7%*
Share Price	**US$2.55**
YTD (%)	*44.9%*
Since Inception (%)	*2.5x*
Fund Size (US$mil)	171
Issued Shares	122,657,202
Total Net Asset Value (US$mil)	227
Market Capitalization (US$mil)	313
Reuters	VOF.L
Bloomberg	VOF LN

Portfolio Profile

By Type



By Sector



Investment Manager

VinaCapital Investment Management Ltd.
17th Floor, Sun Wah Tower
115 Nguyen Hue Boulevard
District 1, Ho Chi Minh City, Vietnam
Tel: 84 821 9930
Fax: 84 821 9931
www.vinacapital.com
info@vinacapital.com

Broker Details

LCF Edmond De Rothschild Securities Ltd
Johnny Hewitson
Tel: +44 20 7845 5960
Fax: +44 20 7845 5961
www.countryfunds.co.uk

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The Economy

Economic Indicators 2006	
GDP Q1 2006	+7.2 percent y/y
CPI Q1	+2.82 percent
Industrial Production Q1	US$7.44bn 14.7 percent y/y
Exports Q1	US$8.56bn +20.3 percent y/y
Imports Q1	US$8.51bn +1.9 percent
FDI Q1	US$2.05bn
Tourism (Int'l visitors)	0.98mil +16.3 percent y/y
VN Index (31 Mar 06)	503.56

- Industrial production rose 14.7 percent to US$7.44bn in the first quarter of 2006. The output figure for February was revised higher but the March number came in below expectations. Overall Q1 is lower than government target growth of 15.5 percent growth. First quarter growth was led by strong growth in the electrical motor industry up 38 percent y/y. Textiles and garments were also up 27 percent y/y. The shortfall was due to weakness in autos, footwear and oil.

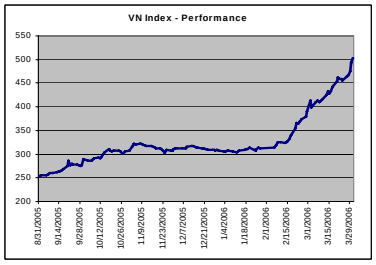
- First quarter GDP rose 7.2 percent, slightly below the 7.3 percent rate achieved last year. Exports rose steadily while import growth slowed markedly. We suspect the slowdown in the auto sector is one reason why. As a result the trade account moved into the black with a surplus of $50m compared to a deficit of $1.13bn last year.

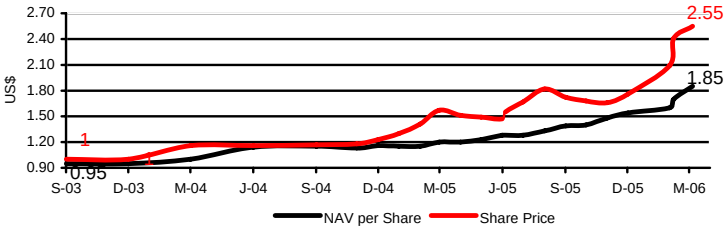
- FDI in the first three months of the year reached US$2.05bn, or a third of the government's annual target. Intel's $605m investment was the highlight of the quarter with significant projects from Korea, and Japan also getting the green light.

Portfolio Developments

- The Fund continued to accumulate listed and OTC shares during the month.
- VinaLand fund listed on the AIM market on the 22nd of March at a price of US$1.00. The launch was very successful and the share price rose to close at a price of US$1.25 at the end of March.
- During the month VOF acquired 23 percent of Nha Trang Textile Co, 7 percent of Legamex, a HCMC based garment company and 25 percent of Genimex, local partner of American Home.

Stock Market



- The stock market continued its spectacular run, rising a further 28.9 percent rose on February's close. The VN-index closed at 503.56 points on 31 March in this broad based rally.
- In the OTC sector banks continued to surge on news Sacombank is finalizing its listing documents to present to the SSC.

NAV and Share Price Performance