

14 February 2014

PXP Vietnam Fund Limited (“the Company”)

Interim Management Statement

This Interim Management Statement relates to the period from 1 October 2013 to 14 February 2014.

Investment Objective

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, whether established with domestic or foreign ownership, which are either listed companies or pre-listing companies.

Material Events and Transactions

No material events and transactions have taken place since the date of the latest available annual report of the Company for the year ended 30 September 2013.

Performance as at 27 January 2014

	4 months	1 year	2 years	3 years	4 years	5 years
Net asset value (NAV) *	15.82%	34.39%	91.79%	59.57%	35.52%	137.95%
Viet Nam Index (VNI) **	13.31%	14.67%	43.10%	0.93%	1.32%	52.41%

* All figures are NET of fees

** Index performance in US\$

Investment Manager’s Comments

The eleven weeks since the date of our written contribution to the Company’s 2013 Annual Report can be rather neatly divided into two roughly equal parts; the lull of 2013, when nothing much happened and the VNI traded in a range of 1% up to 2% down from its starting level; and the renewed vigour of early 2014 as various local brokers somewhat belatedly noticed that market conditions were (and, in our opinion remain) essentially ideal for the continuation of the stealth bull market of the past two years.

Buoyed by a benign (and improving) macroeconomic background – as we have pointed out seemingly *ad nauseam* via our various media of communication during the period – and now coupling with relatively strong foreign inflows – possibly seeking a haven from recent emerging market turmoil, but preferably from our standpoint a recognition of the long-term attractions of the domestic metaphorical fruit – the local benchmark has just closed at its highest level since the end of October 2009, and we haven’t even had an announcement regarding the relaxation of foreign ownership limits yet. Latest scuttlebutt on that issue suggests that an even more supine position than previously anticipated may be being considered, hence the delay. We foresee an index surpassing 600 points very quickly should the originally slated 60% be the confirmed new level, with a revised limit anything higher than that having an exponential impact on index upside.

It has obviously been somewhat frustrating that we have been unable to launch the C Share issue over the past 20 months or so as we have seen the underlying market fulfil more or less every condition that led us to seek Shareholders’ permission in the first place, but we do understand that not everyone spends as much time looking at Vietnam in as much detail

as we do and remain hopeful that the final piece of our jigsaw - more foreign access to a bigger market - will ultimately prove the deciding factor on such a move. We would have much preferred to launch the issue with the VNI below the 400 point level than above 600 points (and reiterate the absence of a performance fee for the benefit of the cynical reader) but are gratified that existing Shareholders have benefitted by the greater than 50% improvement in the Company's Net Asset Value since the original granting of permission.

Financial Position as at 27 January 2014

Investments	US\$80,937,000
Cash and other net current assets	US\$326,000
Net assets attributable to ordinary shares	US\$81,263,000
Net asset value per ordinary share	US\$6.772
Share price	US\$5.98
Discount	11.7%
Gearing	Nil

Portfolio Analyses

Top Ten Holdings as at 27 January 2014

	% of Net assets
Vinamilk (VNM)	25.1
REE Corporation (REE)	8.7
Sacombank (STB)	7.3
Hoa Phat Group (HPG)	6.6
Ho Chi Minh City Securities (HCM)	5.7
FPT Corporation (FPT)	4.9
PetroVietnam Drilling and Well Services (PVD)	4.5
Hoang Anh Gia Lai (HAG)	3.3
Southern Seed Corporation (SSC)	3.0
Vietnam Container Shipping (VSC)	2.9

Sector Breakdown as at 27 January 2014

Sector	% of Portfolio
Consumer discretionary	1.5
Consumer staples	30.1
Energy	4.6
Financials	18.6
Healthcare	0.7
Industrials	17.4
Information technology	4.9
Materials	16.8
Property	5.4
Total	100.0

Controlled Undertakings as at 27 January 2014

The Company has no controlled undertakings.

Regular updates on the Company's performance and the outlook for the Vietnam market (including Newsletters and daily estimated NAVs) can be found on the Investment Manager's website at www.pxpam.com.

All figures presented in this Interim Management Statement are unaudited.

This Interim Management Statement has been prepared solely to provide information to meet the requirements of the Transparency (Directive 2004/109/EC) Regulations 2007.

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