



Zephyr House
122 Mary Street
PO Box 709
Grand Cayman KY1-1107
Cayman Islands

8 August 2011

SHAREHOLDER CIRCULAR

To the participating shareholders (the “**Shareholders**”) of Vietnam Emerging Equity Fund Limited (the “**Company**”)

Change of Administrator

The Board of Directors of the Company would like to inform Shareholders of the appointment of HSBC Trustee (Cayman) Limited as the Administrator and Registrar of the Company, with effect from 29 July 2011. The Administrator’s Delegate is HSBC Institutional Trust Services (Asia) Limited.

Implementation of Series Accounting

The Board of Directors has approved a change to the process by which performance fees are to be allocated to Shareholders. The equalisation method as described in the Prospectus of the Company dated January 2010 has been replaced by the adoption of series accounting, as it has been determined that this will provide more transparent reporting to Shareholders while ensuring the equitable allocation of performance fees. A new series of participating shares of the Company (“**Shares**”) is to be issued on each Dealing Day for which there is a subscription and the Lead Series comprises the first Shares issued to new shareholders after the date of registration of the Company with the Cayman Islands Monetary Authority as an open ended mutual fund, being Shares issued on 1 December 2010.

The Net Asset Value (“**NAV**”) per Share of the Lead Series will be the published NAV of the Company. The NAV of a Share in each series of Shares in issue may differ from the NAV of a Share in the Lead Series. The NAV per Share that is relevant for each Shareholder will be issued by the Administrator’s Delegate on a monthly basis.

Amendment to Redemption Fee

Please note that the Board of Directors has sanctioned a reduction in the redemption fee payable by investors on redemption of their Shares as follows:

“For redemptions effected on a Redemption Dealing Day within the first 12 months from the relevant subscription Dealing Day there shall be a Redemption Fee charged at three per cent of the relevant redemption price. A Redemption Fee of one per cent of the relevant redemption price will be applied to all redemptions effected on a Redemption Dealing Day from 12 months after the relevant subscription Dealing Day.

The Redemption Fee will be calculated on the basis that the Shares being redeemed are the earliest Shares of such Class subscribed for by such investor.

The proceeds of Redemption Fees shall be for the account of and for the benefit of the Company.

For Shareholders who held shares in the Company prior to its registration with the Cayman Islands Monetary Authority as an open ended mutual fund on 29 January 2010, any redemptions of Shares by such Shareholders will be subject to the Redemption Fee of one per cent of the relevant redemption price. For former shareholders of Vietnam Lotus Fund who received Shares when Vietnam Lotus Fund merged with the Company on 1 December 2010, any redemptions of Shares issued on the merger with Vietnam Lotus Fund by such Shareholders will be subject to the Redemption Fee of one per cent of the relevant redemption price.

Shares which are acquired in the secondary market will be treated as if they were issued on the date of acquisition for the purposes of determining the applicable Redemption Fee.”

Updates to the Company’s Prospectus

The Company’s Prospectus is in the process of being updated for the amendments mentioned above and for updates to legislative references and clarification wording suggested by the new Administrator. When finalised, copies of the Prospectus will be available on request from the Investment Manager and on the section relating to the Company on the Investment Manager’s website at www.pxpam.com.

Subscription and Redemption Forms

Following the change in Administrator, the Company’s subscription and redemption forms have been updated. To obtain the latest forms, please contact Andrew Clarke, Head of Marketing and Investor Relations at the Investment Manager at marketing@pxpam.com.

If you have any queries concerning the matters described in this Circular, please contact the Investment Manager: Kevin Snowball, PXP Vietnam Asset Management at telephone: + 84 8 3827 6040 or email: khsnowball@pxpam.com.

Yours faithfully

The Board of Directors
Vietnam Emerging Equity Fund Limited