

PXP Vietnam Fund Limited

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 Vietnamese companies.

Summary

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I • Fund details

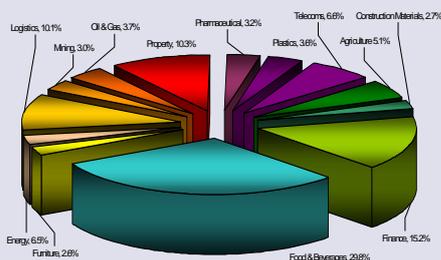
Launch Date	31 December 2003		
Issue Price	US\$ 2.50		
NAV per share	US\$ 5.332		
	as at 31 March 2008		
Number of shares in issue	12,000,000		
Fund size	US\$ 64.0 million		
Number of holdings	Listed: 36 Pre-Listed: 5		
Performance	1 month	3 months	1 Year
PXPVF	-23.82%	-46.58%	-51.32%
VNI	-22.08%	-44.25%	-51.76%
Performance	2 years	3 years	4 years
PXPVF	+16.52%	+120.2%	+103.90%
VNI	+2.64%	+109.7%	+86.29%

II • Top 10 holdings

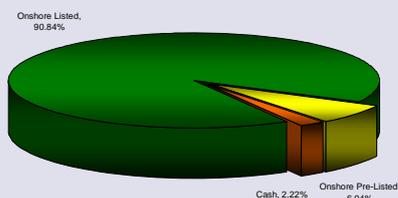
	% of Net assets
Vinamilk (VNM)	12.7
Sacombank (STB)	10.1
REE (REE)	8.1
Gemadept (GMD)	6.6
Sacom Cable (SAM)	6.5
Kinh Do Corp (KDC)	3.8
PetroVietnam Drilling (PVD)	3.6
Binh Minh Plastics (BMP)	3.5
Agfish (AGF)	3.2
Bibica (BBC)	2.9

IV • PXPVF portfolio

PXPVF Sectoral Breakdown (as at 31/3/08)



PXPVF Segments (as at 31/3/08)



III • Investment comment

Market Viewpoint

Onshore distribution of our Market Commentary on 25 March 2008 (after offshore publication the previous day) coincided (as opposed to correlated) with the index low year-to-date (somewhat ironically given the views expressed in said missive about the futility of attempting to predict the bottom). We use the term 'coincided' partly because we are not arrogant enough to presume that anyone cares what we think but mainly because 25 March was the day on which the government reacted to the plummeting index by introducing a temporary narrowing of the daily trading band from 5% to 1% in Ho Chi Minh City (and from 10% to 2% in Hanoi; subsequently widened to 2% and to 3% respectively). Whilst we do not imagine that we are alone in thinking that government interference in the operation of supposedly free markets is not an ideal situation, on this occasion we applaud a decisive intervention which made a clearly panicked herd stop and think about what it was doing and simultaneously bought time for consideration of longer-term stabilisation measures. Incidentally, the index turnaround from 1% down to 1% up today has been credited to the cunning plan to re-introduce the 5% daily movement limit *but only to the upside*; the 2% limit would remain as the downward boundary. If any of our readers is aware of any market which operated under such conditions we'd love to be able to pass it on as evidence that such a measure is not completely unheard of in the history of stock markets.

At some point we expect the market to re-test lows to ensure that support is real but foreigners have found the search for Dong an easier task recently, facilitating more determined accumulation of a small group of index heavyweights at least, and the view that there might be long-term value at these levels is gradually gaining traction locally. Hoorah; all that the government needs to do now is fix inflation and we're off to the races.

Portfolio Update

The 'one-way' nature of the market throughout most of the month of March (and that way being generally offered only until the last couple of days of the month) made any substantive realignment a little tricky. As we have often said, in a market at this stage of its development the only way to move decisively is to be buying when everyone else is selling and vice-versa. Some relief was offered mid-month by a domestic buyer of the fund's 7% stake in Chau Thoi Concrete (BT6) at a price 16.6% above the 2007 closing price (against an index performance down 30.4% over the same period). We felt that it would be contrary to the perceived wisdom regarding gift horses not to accept that bid and were able to re-invest the proceeds gradually as the market continued to fall, topping-up a couple of holdings that we considered to have been unfairly battered in the melt-down as well as initiating positions in recent listings in the agricultural sector.

We expect to have completed the first stage of the portfolio rebalance by the end of this month, tidying up the leftovers of ten of the 36 listed holdings referred to in 'Fund Details' above left.