

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.

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I• Fund details

Launch Date	31 December 2003		
Issue Price	US\$ 2.50		
NAV per share	US\$ 5.380 as at 31 August 2009		
Number of shares in issue	12,000,000		
Fund size	US\$ 64.56 million		
Number of holdings	Listed: 43 Pre-Listed: 4		
Performance	YTD	1 Year	2 Years
PXPVF*	+85.01%	+6.052%	-44.13%
VNI**	+70.02%	-5.917%	-45.13%
Performance	3 years	4 years	5 years
PXPVF*	+13.718%	+119.2%	+125.6%
VNI**	+0.069%	+91.4%	+108.2%

* All figures are NET of fees ** Index performance in US\$

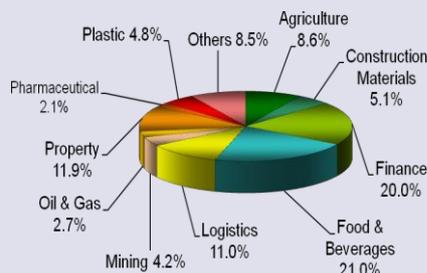
II• Top 10 holdings

	% of Net assets
Vinamilk (VNM)	16.2
Sacombank (STB)	13.1
REE (REE)	8.3
Gemadept (GMD)	6.6
Binh Minh Plastics (BMP)	4.5
Southern Seed Corp (SSC)	3.9
Hoa Phat Group (HPG)	3.4
Asia Commercial Bank (ACB)	2.8
PetroVietnam Drilling (PVD)	2.7
Transimex (TMS)	2.5

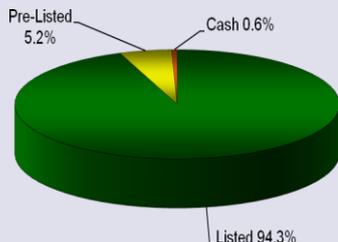
* Pre-listed holding

IV• PXPVF portfolio

Sectoral Breakdown (as at 31 August 2009)



Segments (as at 31 August 2009)



III• Investment Comment

We are currently homeward bound not exactly fresh from attending the inaugural Vietnam Investment Forum in New York and whilst currently slightly pre-occupied with the contemplation of how sensible it is to fly all the way from there to Hong Kong in a single hop on two engines when it used to require four, are cognisant of the fact that our reader does not tune in for a demonstration of my lack of comprehension of physics, but there you have one anyway. The forum, on the other hand, much more apropos our traditional theme, was opened by the President of Vietnam and well attended from a government and business delegation standpoint. We were slightly disappointed that President Obama didn't drop by for some pointers since he was in town and now that he is apparently a communist but otherwise feel relatively satisfied that our rare two-week foray away from home base has enabled us to reconnect with our existing readership as well as to bring the Vietnam story to a wider audience than that to which we have historically had access. On balance we feel that interest is definitely expanding whilst execution still requires a higher level of comfort with risk at the frontier end of the spectrum.

Our latest presentation, cunningly entitled "Vietnam Redux" should be available for download from the website at www.pxpam.com by the time you are reading this, but in essence our view is as follows:

- The Vietnamese economy has once again proven itself resilient in time of crisis and has a sound base from which growth can accelerate as global conditions improve;
- CPI inflation has bottomed as anticipated given the timing of the original sharp increases in the last quarter or so of 2007 and is likely to pick up moderately from here leading to some mild tightening, which should enable the government to fulfil financing requirements before year-end;
- Listed stocks are not expensive if one digs outside the top-10 by market capitalisation and beyond traditionally conservative local corporate guidance; on the contrary given the level and quality of earnings this year valuations are still selectively compelling and the prospects for 2010 and beyond are encouraging.

We got the impression on our travels that global markets are considered to have gotten ahead of themselves since the bottom and that a pull-back of 10 to 20% before year-end would be healthy, not least for those who are still largely in cash having been reluctant to join the post-meltdown party. Such a period of consolidation locally, since we are beginning to hear a similar view propagated for the Vietnamese market, would fit into our 475 year-end index level scenario but more interestingly would provide a cheaper entry point at perhaps the optimum time for a world more comfortable with the riskier end of the investment spectrum if everything falls conveniently into place during the final quarter.

In terms of performance we would quietly draw your attention to the data above left and are pleased to say that the sequence of positive relative and absolute returns continues month-to-date with a seventh consecutive strong month likely unless calamity strikes in the last two trading days.