

15 August 2013

PXP Vietnam Fund Limited (“the Company”)

Interim Management Statement

This Interim Management Statement relates to the period from 1 April 2013 to 15 August 2013.

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

Annual General Meeting (“AGM”)

The AGM of the Company was held on 31 May 2013. All of the ordinary resolutions proposed at the meeting were duly passed by the shareholders, including a resolution to renew the authority given to the Directors of the Company to issue up to 20 million “C” Shares on the same terms and conditions as approved at the 2012 AGM for a further one year from the date of the 2013 AGM.

AGM voting results can be viewed on the Announcements section relating to the Company on the website of PXP Vietnam Asset Management (“the Investment Manager”) at www.pxpam.com.

Directorate changes

Ms Do Thu Ngan resigned as a Non-Executive Director of the Company with effect from 31 May 2013. The Board appointed Ms Trinh Thanh Mai as a Non-Executive Director of the Company with effect from 1 June 2013.

No other material events and transactions have taken place since the date of the latest available interim report of the Company for the six month period ended 31 March 2013.

Performance as at 31 July 2013

	4 months	1 year	2 years	3 years	4 years	5 years
Net asset value (NAV)	7.1%	33.2%	69.1%	19.6%	24.0%	40.8%
Viet Nam Index (VNI) *	-0.8%	17.0%	18.0%	-10.1%	-11.2%	-13.6%

* Index performance in US\$

Investment Manager’s Comments

The Vietnamese stock market remains amongst the world’s top performing markets year-to-date, with the VNI having gained 17.1% in USD terms to the end of July. The index peaked at a three year closing high of 527.97 points on 6 June 2013, a rise of 27.6% from the beginning of the calendar year. It has since fallen back to trade within the 480 to 500 range during the summer doldrums.

Relative performance over the calendar year-to-date has been good with the Company’s unaudited Net Asset Value per Share, as at 31 July 2013, over 9% ahead of the index. The recent pattern of underperformance against the benchmark in the first few months of the calendar year has again been reversed as flows into the Vietnam-focused Exchange Traded Funds ceased from mid-April. Significant cancellations/redemptions through June and July dragged the index lower as the sale of a number of large, liquid stocks that the Company does not own for qualitative reasons resulted in downward pressure on the index but had less impact on the Company’s portfolio.

Evidence of continuing macroeconomic improvements in terms of lower inflation, currency stability and the possibility of a second successive annual trade surplus has encouraged investors and drove index gains. Credit growth, which was anaemic in the first half of the year has now started to accelerate, and a number of higher quality lenders have reached the State Bank of Vietnam credit growth limit of 12%. The Vietnamese government's commitment to resolving the ongoing problem of non-performing loans ("NPLs") and reducing inefficiencies at state-owned enterprises continues. The "bad bank", Vietnam's Asset Management Company ("VAMC"), has been partially-funded and staffed to start the task of resolving bad loans. The IFC and World Bank have reduced their 2013 GDP growth forecasts (to 5.2% and 5.3% respectively) citing delays to the resolution of these NPLs but the first bond issuance by the VAMC, planned for the next two months, should begin to restore confidence in the government's determination to follow through with its plans as the resumption of lending already evident within the banking system begins to stimulate growth.

Recent discussions on the relaxation of foreign-ownership limits have progressed to become firm recommendations from the State Securities Commission and Ministry of Finance to the Prime Minister's Office for consideration. If such a move comes to fruition, and with over 49% of the Company's assets invested in stocks which are already at their foreign-ownership limits, we would expect further outperformance relative to the benchmark.

The implementation of the proposed "C" Share issue will be difficult to justify whilst the shares of the Company are trading at a double-digit percentage discount to NAV, but we remain convinced of the long-term benefits to both existing Shareholders and new investors should this fund-raising take place.

Our opinion remains that we are in the early stages of a sustained bull-market. Should further progress be made in remedying the ailments of the banking sector, making state-owned enterprises more efficient and opening up access to foreigners, within a benign macroeconomic environment, an index approaching 600 points is, in our opinion, eminently plausible by year end with further gains to follow in 2014 and beyond.

Financial Position as at 31 July 2013

Investments **	US\$66,553,000
Cash and other net current assets/(liabilities)	US\$795,000
Net assets attributable to ordinary shares	US\$67,348,000
Net asset value per ordinary share	US\$5.612
Share price	US\$4.83
Discount	13.9%
Gearing	Nil

** All investments as at 31 July 2013 were in equity instruments of listed Vietnamese companies

Portfolio Analyses

Top Ten Holdings as at 31 July 2013

	% of Net assets
Vinamilk (VNM) ***	30.9
Sacombank (STB)	7.9
REE (REE)	7.5
Hoa Phat Group JSC (HPG)	5.1
FPT Corporation (FPT)	4.6
Southern Seed Corporation (SSC)	3.5
Ho Chi Minh City Securities (HCM)	3.5
Hoang Anh Gia Lai JSC (HAG)	3.3
Petrovietnam Drilling and Well Services JSC (PVD)	3.2
Transforwarding & Warehousing (TMS)	2.3

*** The share price performance of Vinamilk (VNM) both absolute and relative to the rest of the portfolio over a number of years, including a 64% share price increase for the year-to-date to 31 July 2013, has resulted in a high concentration of net asset value of the Company in this holding. The original purchases of Vinamilk shares were in compliance with the investment restriction that the Company not invest more than 10% of its net asset value at the time of the investment in the shares of a single investee company. However, the Board recognises that action is required to limit this concentration of risk, preferably through dilution if the proposed "C" Share offer is launched within the approved timeframe, failing which - and in anticipation of further gains post-the expected relaxation of foreign-ownership limits in some form before the end of 2013 - the Investment Manager intends to make sales where necessary to restrict the weighting to a maximum of 30% of total net assets.

Sector Breakdown as at 31 July 2013

Sector	% of Portfolio
Agriculture	9.2
Construction materials	5.5
Financial services	18.2
Food and beverage	31.6
Logistics	5.1
Mining	3.5
Oil and gas services	3.2
Property	13.0
Steel	2.0
Telecoms	4.6
Others	4.1
Total	100.0

Controlled Undertakings as at 31 July 2013

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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