

5 April 2016

Dear All,

Vinamilk released the result of their canvassing of Shareholder views on deleting business lines from their charter to facilitate the removal of their foreign ownership limit. Votes in favour (roughly 1.06 billion) represented 88.22% of the total issued capital, with a mere 1,031 shares voting against. We'd love to know who that was.

Next steps are to amend the detail on a licensing website and to get clearance from the State Securities Commission to remove the limit which should be done before the end of the month, and off we go.

We published our views on the outcome of foreign limit removal on 9 June 2015, 3 weeks before the initial announcement was made. Although progress has been almost glacially slow, with only a handful or so companies having done so to date, we felt it worth restating our bullet points below as Vinamilk is the one the world has been waiting for. The market has become somewhat sceptical of the benefits of limit removal as the price performance of those that have done so post the move has been somewhat muted *except in the case of the one stock that was at the foreign limit before it removed its limit (EVE VM; performance chart below)*

This is our projection of the impact on the stock price of Vinamilk's unrestricted access:

**The PXP View: A Four-Part Rally: Why an increase in limits is hugely positive for the market**

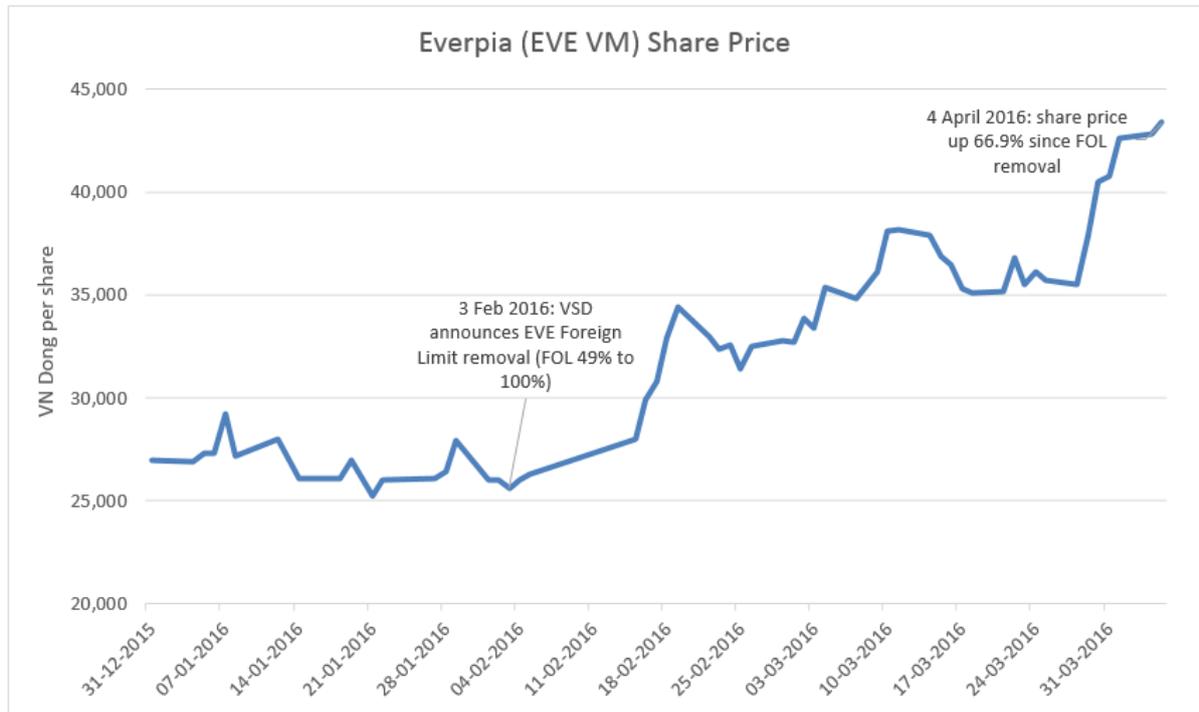
**Pre-Positioning: Domestic Activity**

**Implementation: A New Wave of Foreign-Buying**

**Rebalance: ETFs Late to the Party**

**Long-term: Increased Breadth, Scale & Upside**

In essence, in the case of Vinamilk as a proxy for the market we see four distinct waves of buying activity. In turn the share price performance of Vinamilk (currently 14.67% of the VNI) will drive the index at the same time as encouraging other companies at (or close to) the limit to remove limits (if permissible), improving access to the market and enabling foreign investors to increase their share of turnover. All of which should enable the market to move forward as the influence of retail investors and technical analysts is diminished. Expect a VNI test of 700 before the end of the year.



**PXP Vietnam Asset Management**

This factsheet is prepared on behalf of PXP Vietnam Emerging Equity Fund (the "Fund") by PXP Vietnam Asset Management Limited, and is solely communicated to, and directed only at persons who are investment professionals, high net worth companies or others who are entitled to be given the factsheet under the law of the jurisdiction in which it is given. Persons receiving this factsheet should note that past performance is no guide to the future and, in particular, that the past returns of the Vietnamese stock market, or of companies listed on it, are no guarantee of the future returns of PXP Vietnam Emerging Equity Fund. This factsheet and the information contained herein must not be acted on or relied on for any purpose whatsoever. This factsheet is strictly confidential and may not be copied or distributed or passed on by recipient. No understanding representation or warranty or other assurance, express or implied, is made or given by any person to the accuracy, fairness or completeness of the information or opinions contained in this factsheet and no responsibility or liability is accepted for any such information or opinions. It is the responsibility of every person reading this document to satisfy himself as to the full observance of the laws of any relevant country, including obtaining any government or other consent which may be required or observing any other formality which needs to be observed in that country.