



Newsletter – March 2009

BLACKHORSE ENHANCED VIETNAM INC.

The Blackhorse Enhanced Vietnam Inc. seeks long-term capital appreciation and a steady cash dividend stream by investing into a portfolio of Vietnam-related securities (onshore & offshore). These investments are equities, either listed, traded on the OTC market, or pre-listed. At the Investment Manager's discretion, the Company may also invest in listed or unlisted closed-end funds, securities with private-equity or real estate exposure, or other investment vehicles consistent with the investment objective of the Company.

MANAGER

John Engle, CFA

GENERAL INFORMATION²

Management fee: 1.25%
 Performance fee: 15%
 Currency: US Dollar
 Min investment : US\$ 100,000
 Subscription: Monthly
 Redemption: Quarterly
 Lock-up: 1 year
 Prime broker: Citigroup
 Administrator: HSBC
 Firm Assets³: US\$ 118mn

FUND DETAILS

Month Return: 10.16%
 Month Volatility: 18.5%
 Fund Assets: US\$21 mn
 Net Exposure: 90%
 Top 10 Holdings: 46% of NAV

BLACKHORSE ASSET MANAGEMENT

www.blackhorse.com.sg

50 Raffles Place, 38th Fl.
 Singapore 048623
 (65) 6327-4906

Paul T. Rubens
 prubens@blackhorse.com.sg

Prompted by encouraging market moves on international markets, Vietnamese investors plowed back into equities in March, propelling the Ho Chi Minh City Stock Exchange's VNI index to a gain of +12.16% in USD terms. The Blackhorse Enhanced Vietnam Inc participated in the uplift, and despite finishing February with 52% gross exposure, saw considerable uplift in several large positions which we have building up in recent months, driving BEVI March returns by +10.16%.

Even more impressive than the sheer gain on the index has been the increase of liquidity. The daily, monthly and yearly volume averages all saw considerable increases. Daily dollar-traded value in March reached the US\$70 million range (from around US\$10 million before the rally). While this has not surpassed the US\$100+ million range we saw on a daily basis during the peak of the market in March 2007, it is actually more impressive when we consider that the index is down 76% since then. Clearly large changing of hands is taking place. Continuing into April, there has been no let-up in both volume and shareprice movements and the Fund has gained considerable traction.

Clearly, gold sales are having an impact on liquidity levels. Vietnam overall exports registered a 2.4% increase in Q1 yoy, seemingly the only Asian country to see gains thus far this year, but the single biggest reason for the growth was the USD2.3billion export value of gold/precious stones (exports would have declined 10% yoy for Q1 stripping out the effect of gold). Some of this has clearly been recycled into the share markets.

This improvement in liquidity allowed us to increase BEVI's exposure and to use leverage for the first time since we launched the fund, taking advantage of egregiously low levels to accumulate shares in decent companies that we have highlighted in previous summaries. REE has become our largest position and gave the Fund virtually immediate gratification as the shares rose 42% in March.

In other portfolio moves, yet another of the Fund's pre-listed investments has received approval for listing. Hoang Long Corporation, a diversified conglomerate that runs a fleet of taxi cabs in HCMC will be listed in May or June.

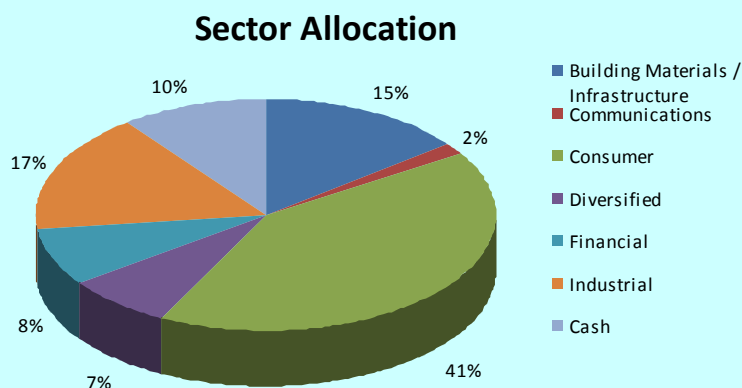
Anecdotally, though possibly some exceptions do exist, we detect further signs of an accelerated rebalancing of the world's supply chain in favor of Vietnam. While Intel announced that it was closing its facility in Cavite, Philippines, and two plants in Penang, Malaysia, it continues to aggressively hire for its new US\$1 billion factory in Vietnam. Nike, an indirect employer of over 230,000 workers in Vietnam, recently revealed that it would be stopping orders at three large factories in China but only one in Vietnam. Clearly the long-term "China+1" investment theme continues to unfold.

In administrative news, the Fund received USD1.5mil new subscription for April 1 dealing.

HISTORICAL RETURNS¹

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Y-t-d
2007	-	1.29	-1.13	-3.63	5.13	-0.14	-3.16	2.69	8.49	4.52	-3.58	-3.89	5.86
2008	-5.24	-10.26	-16.57	-3.64	-19.65	-8.09	3.65	16.89	-14.06	-19.78	-3.57	-4.06	-60.99
2009	-1.68	-15.80	10.16										-8.81
Since Inception :													-62.34

ASSET ALLOCATION



PERFORMANCE STATISTICS

	Blackhorse Enhanced Vietnam Inc.	Ho Chi Minh Stock Index (VNINDEX) ⁴
Month Return (%)	10.16%	12.16%
Since Inception (%)	-62.34%	-76.74%
Maximum month return	16.89%	21.17%
Months Up/Down [Up = up or flat]	8/18	9/17

(1) The performance fee is calculated with reference to a "high watermark". The Fund's portfolio is valued monthly using trade-date and accrual accounting methods for the calculation of the Fund's NAV. Past performance is not indicative of future performance.

(2) This document does not constitute an offering of the Fund, which can only be made to qualified investors by means of the private placement memorandum, which describes, among other things, the risks of making an investment in the Fund.

(3) After performance fees; Includes US\$4mn in The Blackhorse Asia Fund (BAF NT), \$0.5mn in a segregated account managed in the same long/short style as BAF NT, US\$82mn in our long-only absolute return product, The Blackhorse Emerging Enterprises Fund, US\$21mn in The Blackhorse Enhanced Vietnam Inc. (BEVI), and US\$11mn in The Blackhorse Early-Stage Technology Fund.

(4) VN Index is in Vietnamese Dong, and as such Index return numbers are restated in USD term for comparison purpose.