

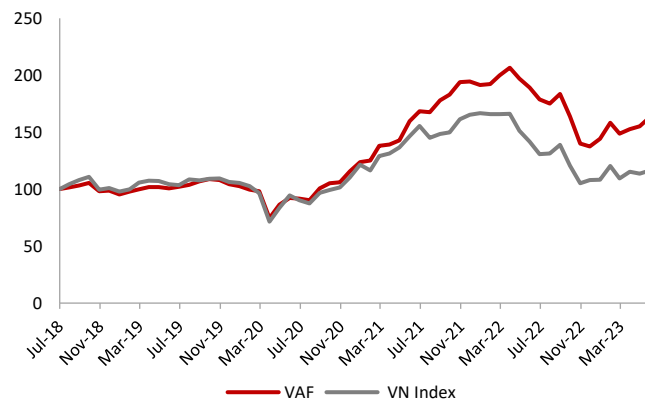
VAF is a Cayman Islands open-ended fund that invests in the Vietnam Equity Special Access Fund (VESAF), a Vietnam-regulated open-ended fund, with the flexibility to participate in IPOs as well as make direct investment in Vietnamese listed and unlisted securities.

PERFORMANCE SUMMARY

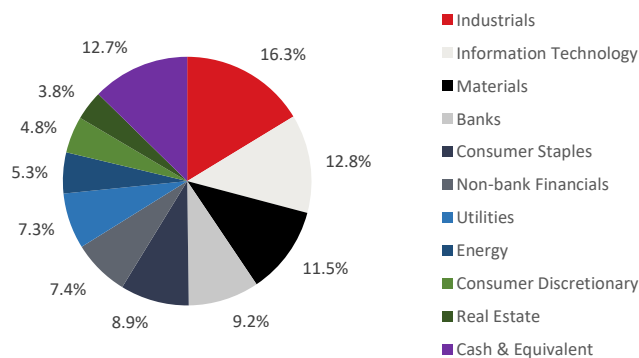
	Fund	VN Index
May 2023 (m-o-m)	5.2%	2.3%
YTD	13.3%	7.4%
3-year annualized	20.9%	7.2%
Annualized since inception*	10.5%	3.1%
Accumulated since inception*	63.3%	16.4%
Annualized standard deviation	21.5%	24.4%

* Inception date: 03 July 2018

PERFORMANCE CHART



SECTOR ALLOCATION



TOP HOLDINGS

Ticker	Market Cap (USDm)	Sector	% of NAV	2023 PE	2023 ROE
FPT	3,954	Information Technology	12.8%	14.2	23.7%
BWE	369	Utilities	7.3%	11.4	15.8%
QNS	655	Consumer Staples	5.7%	10.0	20.6%
STB	2,223	Banks	4.9%	6.3	19.9%
MWG	2,442	Consumer Discretionary	4.8%	17.6	12.9%
MBB	3,590	Banks	4.3%	4.2	22.6%
PVS	631	Energy	4.2%	17.4	6.5%
DPR	104	Materials	3.8%	9.6	8.4%
SZC	153	Industrials	3.7%	15.9	14.3%
VCI	641	Non-bank Financials	3.6%	21.3	10.3%

Source: Bloomberg, VinaCapital's estimates

MANAGER'S MONTHLY COMMENTARY

Vietnam's stock market rebounded 2.4% in May, reversing April's loss of 1.4%. Following policy rate cuts in March, the State Bank of Vietnam (SBV) again reduced the below six-month deposit rate caps by another 50bps to the pre-Covid level of 5.0% in late May, further lifting investors' expectations that supportive measures from the Government will spur economic growth this year amidst weak macro conditions as shown in manufacturing and trade data for the month. Vietnam's monetary policy has been leaning more toward easing than other nations, given sufficient liquidity in the banking system, which has recorded weak credit growth of just 3.17% year-to-date. Moreover, the large trade surplus (5% of GDP) in 5M23 and resilient FDI inflows (disbursed FDI fell only 0.8% to USD7.7 billion in 5M23) supported the value of Vietnam Dong, which also gave the SBV room for several more potential rate cuts during the year.

Stock market's liquidity improved as interest rates subsided

The monthly average daily trading value reached a YTD high, increasing 9.0% MoM. However, a deeper look into liquidity data showed very strong flows into small-cap and penny stocks as measured by the average trading value of Vietnam Small-Cap Index in April (+56% MoM) and May (+11% MoM); meanwhile, flows into large caps (represented by the VN30 Index) increased only 1.0% in April and declined 2.0% in May. These data suggest that retail investors are speculating on penny stocks, and as a result made them very expensive at the end of May. The P/E valuation of the Vietnam Small-Cap Index surged to 23.3x from 9.1x at the end of 2022, compared to a P/E of 12x of VN30 and VN70 Indexes at the end of May 2023.

On a brighter note, we believe interest rates have peaked, which implies good upside to Vietnam's stock market, especially for companies with sound fundamentals and improving business outlooks. The average deposit rates for 12-month terms declined by 0.6% at state-owned banks and 1.2% in private banks compared to the peak levels at the end of 2022, but the declines were even higher at 2.0% in smaller private banks over the same period. Moreover, the deposit growth was the highest in the 1-3-month terms during 1Q23, a contrast to end of 4Q22, when most of the growth was in longer-term deposits (3-12 months and 1-5 years). We believe money from bank deposits will gradually flow into the stock market upon maturity as interest rates continue to decline, and we saw proof of this in the trading liquidity surge of 45% MoM in the first two weeks of June.

Brokerage stocks benefit from surging liquidity and declining interest rates

Brokerage companies and their share prices are the most sensitive to interest rate movement, as their major earnings drivers are margin lending and prop trade activities. Following the sharp decline in share prices in 2022 (-59.2%), brokerage stocks were among the best performing stocks in 5M23 (+41.7%). This was largely due to investors anticipating improved business results in 2Q23 and 2H23 driven by stock market performances, better NIMs, and higher margin lending profits. We currently forecast the brokerage sector will deliver an earnings decline of 7% in 2023, a rebound from the declines of 40% in 2022 and 61% in 1Q23.

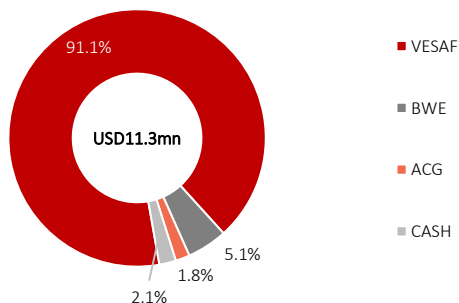
We started to add VietCapital Securities (VCI) into the portfolio in January when the valuation of brokerage stocks was much lower than historical at a P/B of only 1.2x. VCI was selected for its highest ROE in previous years (2021-22 average of 18.1% vs. peer average of 14.3%), and in the upcoming year (10.1% vs. peer average of 8.1%). VCI's valuation has been higher than other peers, justified by its strong investment banking business, an optimized asset allocation with balanced exposure to margin lending and financial assets, an investment portfolio with strong expected return from revaluation of some of its private investments, and its expansion into the retail brokerage segment in addition to its strong institutional foothold. VCI's share price increased 10.5% in May and 51.1% YTD (outperforming its other three largest peers' average YTD return of 32.9%) and was one of the top contributors to the fund's return.

Portfolio highlights

VAF returned 5.2% in May and 13.3% in the first five months of 2023.

The fund's portfolio continued to benefit from strong flows to selected small and mid-cap stocks with positive outlooks and exciting catalysts. PVS (+22.5%

PORTFOLIO ALLOCATION



Small- & mid-cap	70.2%
Stocks traded on UPCoM	7.5%
Stocks at full Foreign Ownership Limit	22.6%

- Small- & mid- cap: stocks with market capitalization below USD2 billion
- UPCoM: Unlisted Public Company Market

in May) was one of the key beneficiaries from the recently approved Power Development Plan VIII, which encourages investment in on- and offshore wind projects over the next ten years. With strong expertise in oil and gas service industry, PVS is well prepared to make a smooth transition into renewables and is expected to have large construction backlogs in upcoming years. NTC also shined in the month (+54.9%) after trading sideways for several months. The company received approval for its long-awaited industrial park expansion, which will be its main earnings driver for the next 2-3 years. Last but not least, FPT (+8.5% MoM), the fund's largest holding, significantly contributed to the fund's monthly return thanks to its consistent growth in earnings (19.1% YoY growth in 4M23), high growth in new orders of global IT services, and attractive valuations especially compared to other large cap stocks whose earnings are not as resilient.

We reduced the fund's cash level to 12.4% (from 16.0% at the end of April) and will continue to increase weight in selected companies in the Financials, Industrial Parks, Consumers, and Exports sectors.

VAF FUND INFORMATION

Launch date	03 July 2018
Fund size	USD11.3mn
Domicile	Cayman Islands
Fund manager	VinaCapital Investment Management Ltd.
Auditor	Grant Thornton Cayman Islands
Administrator	Vistra Alternative Investments (Singapore) Pte. Ltd.
Management fee	None
Performance fee	15% over 8% hurdle rate, with high watermark
Subscription frequency	Monthly, the Subscription Day is the first business day of each calendar month
Redemption frequency	Monthly, the Redemption Day is the first business day of each calendar month
Minimum subscription amount	USD100,000

CONTACT DETAILS

VinaCapital
 17th Floor, SunWah Tower
 115 Nguyen Hue Street
 District 1, Ho Chi Minh City, Vietnam
 office: +84 (0) 28 3821 9930
 fax: +84 (0) 28 3821 9931
www.vinacapital.com

Disclaimer

The current Confidential Placement Memorandum as well as the annual reports of VinaCapital Vietnam Access Fund Limited ("the Fund") are the sole binding basis for the purchase of Fund shares. This document is prepared by VinaCapital Investment Management Ltd. ("VinaCapital") for the information of shareholders in the Fund and other eligible recipients, on the basis of information obtained from sources VinaCapital considered to be reliable, but VinaCapital does not make any representation or warranty, express or implied, as to its accuracy, completeness, timeliness or correctness. The information contained in this document is for background purposes only and is subject to updating, revision and amendment, and no liability whatsoever is accepted by VinaCapital or any other person, in relation thereto. Please refer to the Fund's Confidential Placement Memorandum for more information on the Fund and its risks. This document is neither a prospectus nor an offer or invitation to apply for shares and neither this document nor anything contained herein shall form the basis of any contract of commitment whatsoever. Past performance is not necessarily guidance to the future. The value of shares in the Fund and the income derived therefrom may go down as well as up. You are advised to exercise caution in relation to this document. If you are in any doubt about this document or any information contained in this document, you should obtain independent professional advice. The information contained in this document is strictly confidential and is intended only for the use of the individual or entity to which VinaCapital has provided the report. No part of this report may be reproduced or distributed without the prior consent of VinaCapital.