

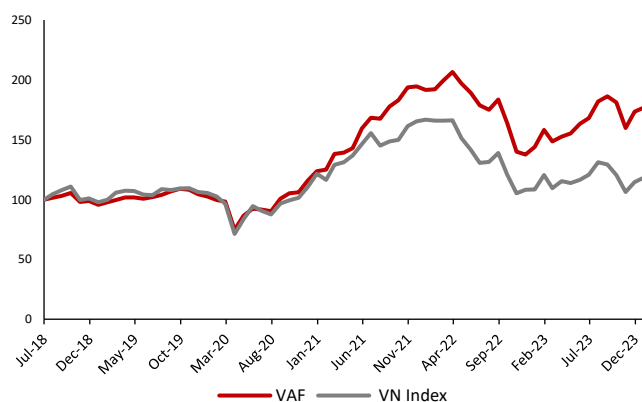
VAF is a Cayman Islands open-ended fund that invests in the Vietnam Equity Special Access Fund (VESAF), a Vietnam-regulated open-ended fund, with the flexibility to participate in IPOs as well as make direct investment in Vietnamese listed and unlisted securities.

PERFORMANCE SUMMARY

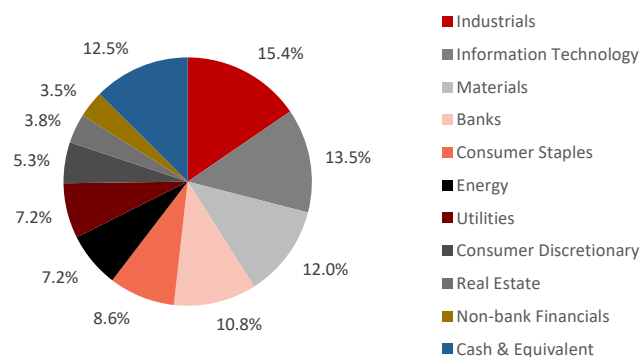
	Fund	VN Index
December 2023 (m-o-m)	2.1%	3.2%
YTD	22.9%	9.3%
3-year annualized	12.7%	-0.9%
5-year annualized	13.1%	3.9%
Annualized since inception*	10.9%	3.1%
Accumulated since inception*	77.0%	18.4%
Annualized standard deviation	21.6%	24.4%

* Inception date: 03 July 2018

PERFORMANCE CHART



SECTOR ALLOCATION



TOP HOLDINGS

Ticker	Market Cap (USDm)	Sector	% of NAV	2024 PE	2024 ROE
FPT	5,029	Information Technology	13.5%	15.4	21.4%
BWE	328	Utilities	7.2%	10.6	13.1%
MBB	4,007	Banks	6.7%	3.9	21.2%
QNS	674	Consumer Staples	4.5%	7.0	23.1%
STB	2,171	Banks	4.1%	5.0	18.2%
FMC	121	Consumer Staples	4.1%	8.5	13.9%
SZC	221	Industrials	4.1%	18.7	14.2%
PVS	748	Energy	3.9%	15.3	8.9%
PTB	163	Materials	3.4%	8.7	14.4%
DPR	113	Materials	3.2%	8.7	10.3%

Source: Bloomberg, VinaCapital's estimates

MANAGER'S MONTHLY COMMENTARY

Vietnam's stock market outperformed regional markets in 2023, returning 9.3% in USD terms, thanks to Government's supportive monetary policies, measures to tackle issues related to corporate bonds, and fiscal spending, all of which helped to improve investor sentiment. Trading liquidity gradually improved throughout the year (although an average decline of 15% was recorded in 2023) as deposit rates declined by a total of 250bps in State-owned commercial banks and 350bps in private banks in 2023.

Corporate earnings were flat overall, falling short of market expectation, but varied across sectors. While technology maintained its resilient growth of 20.4% YoY (2022: +22.4%) and stock brokerages saw a strong recovery of 14.3% (2022: -39.9%), earnings of banks slowed down growth to only 7.3% (2022: +33.5%). Consumer discretionary, materials, and consumer staples saw lackluster earnings for the second consecutive year, posting YoY declines of 57.0%, 43.7% and 12.5% respectively, in 2023. As a result, brokerages and technology were the best performing sectors in 2023, with sector aggregate returns recorded at 95.6% and 46.7%.

For 2024, **corporate earnings recovery** remains the key catalyst for the stock market, in addition to a benign interest rate environment and the Government's pro-growth measures. We are forecasting strong recoveries in retailing (+115.7% YoY), materials (+59.8%) and consumer staples (+23.3%), and growth in technology (+23.9%), brokerage (+38.6%), banks (+18.2%), and industrial parks (+10.0%). We believe certain companies with leading market positions and active strategies, with the ability to have stronger earnings recovery than the forecasted growth of 13% of the broader market deserve higher valuations, as we observed with brokerages and technology stocks in 2023.

VAF's portfolio generated a robust return of 22.9% in 2023, with alpha generated from FPT (technology, +47.0%), SZC (industrial park, +104.3%), PVS (oil and gas, +81.1%), HAH (logistics, +74.9%), PC1 (utilities, +64.0%), and VCI (broker +40.2%). Aggregated earnings growth of the portfolio is estimated at 14.5% for 2023 and is projected at 42.9% for 2024. For the year ahead, we are targeting a portfolio with increased exposure to companies in the consumers, infrastructure, banks and real estate (both residential and industrial) sectors to capture opportunities arising from the domestic consumption recovery, low interest rate beneficiaries, resilient FDI, and infrastructure disbursement.

Highlights on portfolio holdings

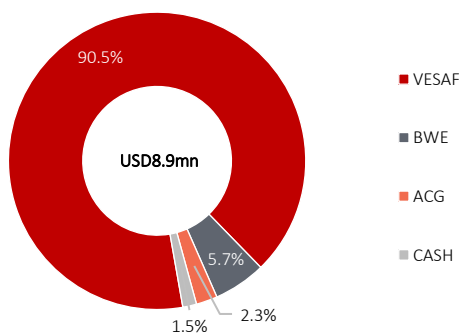
We built a position in Phu Nhuan Jewelry (PNJ) since November and through December 2023, anticipating a recovery in consumption in the years ahead. The decision was based on two factors: 1) an undemanding P/E valuation of 11.4x for 2024 at the entry, despite maintaining flat earnings in a hard year in which listed ICT retailers plummeted by 90.0% YoY, and 2) a projected earnings recovery of 25.0% for 2024. This illustrates how VAF invests in resilient winners that thrive in challenging times. PNJ made up 4.5% of the portfolio's weight at the time of writing.

PNJ continues to carve out a larger share of Vietnam's fragmented jewelry market, with the number of retail transactions increasing by 15.0% YoY in 2023, of which nearly 50% of total transactions were made by first-time buyers. This offset the decline in same-store-sales growth (SSSG) of 15.0%. This performance was much better than the broad market (with sales declining an estimated 30%-40% in 2023). The company's product portfolio upgrade, lower gold-content jewelry, and active digital marketing campaigns, which suited younger customers and boosted profitability, were more effective during and after Covid.

For 2024, PNJ's projected earnings growth of 25.0% is backed by expected SSSG of 8.0%, a 9.0% increase in the number of stores, and margin expansion. With a strong market position, PNJ is well-positioned to benefit from the rebound in domestic spending after a 20% YoY drop in ticket size in 2023.

Residential real estate – should we be positive for 2024?

Listed property developers faced challenges in pre-sales, financing, and legal framework over the last two years. Transactions in both the primary and

PORTFOLIO ALLOCATION


Small- & mid-cap	67.2%
Stocks traded on UPCoM	7.4%
Stocks at full Foreign Ownership Limit	27.2%

- Small- & mid- cap: stocks with market capitalization below USD3 billion
- UPCoM: Unlisted Public Company Market

secondary markets dropped sharply in 2023 but began to recover slowly from 3Q23 onwards. According to CBRE data, the primary sales of apartments in Ho Chi Minh City and Hanoi fell by 60.2% and 39.6% YoY respectively in 2023, but sales volume improved QoQ from the low point in 1Q23. Another data set from the Ministry of Construction showed that total transactions of apartments, townhouses and land lots decreased by 45.0% in 2023, but transactions in 2H23 rose by 13.0% compared to those in 1H23. We noticed that the early recovery in transactions varied across segments, mainly due to (i) the decline in mortgage rates (about 3 ppts from the peak), (ii) a gradual recovery in mid-end high-rise properties in Ho Chi Minh City and Hanoi, where there was a supply shortage and real demand, and (iii) deeper price discounts in suburban land lots where there was plenty of supply of smaller ticket-size products in the secondary market.

We also observed that listed property developers with a suitable product mix for the mid-end segment in prime locations, flexible pricing, and good legal status had advantages in pre-sales in 2023 and beyond. Khang Dien House (KDH, 2.6% of NAV) estimated its pre-sales increased by 27.0% in 2023 from its two projects in Ho Chi Minh City, and we expect its pre-sales will be strong in 2024, given its available low-rise land banks in Ho Chi Minh City and a strong brand name that is well-recognized by the market. Another listed developer, Nam Long Group (NLG), also saw its pre-sales grow QoQ by 164% in 2Q23, 43% in 3Q23 and 11% in 4Q23, indicating that affordable mid-end products were still in demand at the start of the recovery cycle.

As we look forward to 2024, an important factor attracting investor attention is the legal framework contained in the revised Housing, Real Estate business, and Land laws, which were all approved by the National Assembly at the end of 2023 and in January 2024 and which will go into effect in January 2025. Generally, these revised regulations provide clear guidance for the market in a number of key areas, include the principle land use right mechanism, promoting land allocation via bidding processes, limiting land speculation activities, and setting limits on homebuyers' payment schedules upon a product's launch. We understand that while the amended regulations will help to speed up project approvals and clear legal bottlenecks that developers have faced over the last few years, developers' cashflows would be affected by a higher dependence on bank financing and higher land acquisition costs. In the next two years, the biggest beneficiaries from these revised laws would be branded developers with proven track records, strong financials, and execution capabilities, especially those with available clean land banks as the new regulations will take time to materialize.

VAF FUND INFORMATION

Launch date	03 July 2018
Fund size	USD8.9mn
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.