

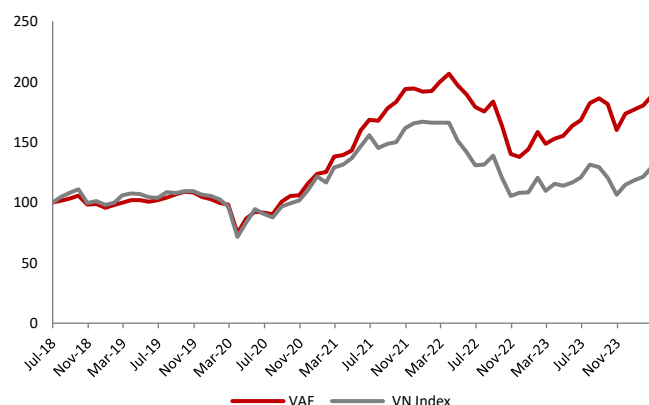
VAF is a Cayman Islands open-ended fund that invests in the Vietnam Equity Special Access Fund (VESAF), a Vietnam-regulated open-ended fund, with the flexibility to participate in IPOs as well as make direct investment in Vietnamese listed and unlisted securities.

## PERFORMANCE SUMMARY

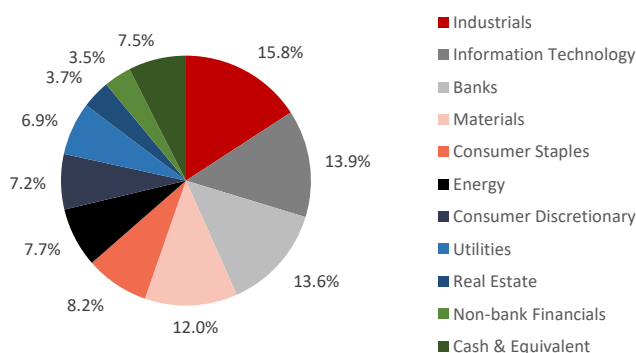
	Fund	VN Index
February 2024 (m-o-m)	4.4%	6.6%
YTD	6.3%	9.2%
3-year annualized	10.9%	0.0%
5-year annualized	13.5%	4.1%
Annualized since inception*	11.8%	4.6%
Accumulated since inception*	88.1%	29.2%
Annualized standard deviation	21.3%	24.2%

\* Inception date: 03 July 2018

## PERFORMANCE CHART



## SECTOR ALLOCATION



## TOP HOLDINGS

Ticker	Market Cap (USDm)	Sector	% of NAV	2024 PE	2024 ROE
FPT	5,616	Information Technology	13.9%	17.6	21.6%
MBB	5,109	Banks	8.6%	5.0	22.1%
BWE	337	Utilities	6.9%	11.1	13.1%
STB	2,413	Banks	5.0%	5.7	19.2%
SZC	315	Industrials	4.5%	18.1	14.2%
QNS	701	Consumer Staples	4.3%	7.7	23.6%
FMC	127	Consumer Staples	4.0%	9.1	13.9%
PVS	714	Energy	3.9%	14.8	8.9%
PNJ	1,227	Consumer Discretionary	3.8%	13.1	20.0%
MWG	2,741	Consumer Discretionary	3.3%	25.6	10.5%

Source: Bloomberg, VinaCapital's estimates

## MANAGER'S MONTHLY COMMENTARY

Vietnam's stock market continued its positive momentum in February, registering a 6.6% increase in USD terms. This growth was fuelled by robust liquidity and heightened local investor participation, spurred by the prevailing low-interest environment.

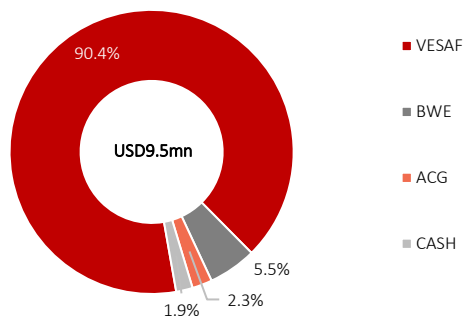
VAF saw a return of 4.4% during the month, attributable to our overweighted positions in standout performers including FPT Corp in technology, with a 13.9% gain, and MB Bank in banking, up by 11.03%. Other notable increases were observed in small to mid-cap holdings, such as SZC in industrial parks (+10.6%), HAH in logistics (+12.8%), and KDH in real estate (+12.1%). On a year-to-date basis, the fund underperformed the VN Index by 2.9%, mainly due to the underweight position in banking stocks. We believe the banking sector is attractive, with appealing valuations and diminishing economic challenges that enhance capital inflows. Nevertheless, our stock selection criteria are stringent, with strong emphasis on each bank's long-term strategy. These criteria include a prudent level of real estate exposure, diverse range of retail products, favourable funding cost, robust risk management and most importantly management's ability to effectively manage asset quality challenges posed by recent economic events. This investment approach underpins our concentrated positions in two bank holdings in our portfolio. Looking ahead, we anticipate that capital will gravitate towards companies with solid fundamentals and clear earnings recovery pathways, supported by the 1Q24 results and FY2024 earnings guidance, which are expected to be announced at the upcoming annual shareholder meetings. During the month, motivated by the notable economic recovery, the fund increased exposure to bank and retail stocks at compelling valuations.

Vietnam's economic resilience was evident in the first two months of 2024, with trade, foreign direct investment (FDI), and retail sales trending up. Export growth was impressive at 19.0% YoY, propelled by a 40% increase in computer and electronic products and a 29% growth in exports to the US market. Other sectors, including wood furniture, fisheries, and textiles, also saw substantial gains by 43.8% 22.3% and 15.0% respectively. FDI disbursement grew by an encouraging 10.0% YoY, while FDI commitments from China were up by 23.0%. Retail sales accelerated, posting an 8.1% YoY increase, buoyed by heightened consumption during the Tet holiday.

The fund continues to view FDI and export recovery as compelling investment themes for 2024. Holdings in direct exporters, industrial parks, and logistics comprise nearly 30% of the total portfolio. Direct exporters like FMC in fisheries (4.0% of NAV) and PTB in wood furniture (3.0% of NAV) have shown increased export volumes thanks to rising orders from Japan and the US, despite some signs of weak global demand. Their projected earnings growth of 25.0% and 35.0%, respectively, for 2024, translates to attractive forward P/E ratios of 9.1x and 9.8x, and ROEs of 14.0% and 13.0%. Logistics firms, including HAH (2.5%) and ILB (2.1%), are poised for recovery in shipping volumes, throughputs, and freight rates as trade and manufacturing activities improve. Industrial parks also remain in the spotlight, with resilient demand for industrial land leases and benefits from accelerated legal processes.

In line with the fund's strategy to identify companies with valuable

## PORTFOLIO ALLOCATION



assets that can be unlocked for higher valuation, industrial park names are good examples. Companies like Dong Phu Rubber (DPR, 3.2%) and Nam Tan Uyen IP (NTC, 2.1%) stand to benefit from the conversion of rubber land to industrial land, as approved by the Prime Minister's master plan for 2021-2030, which is aimed at adding new industrial land supply in the south, where the occupancy rate has been at over 90%.

Small- & mid-cap	70.0%
Stocks traded on UPCoM	8.3%
Stocks at full Foreign Ownership Limit	31.5%

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

## VAF FUND INFORMATION

Launch date	03 July 2018
Fund size	USD9.5mn
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

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