

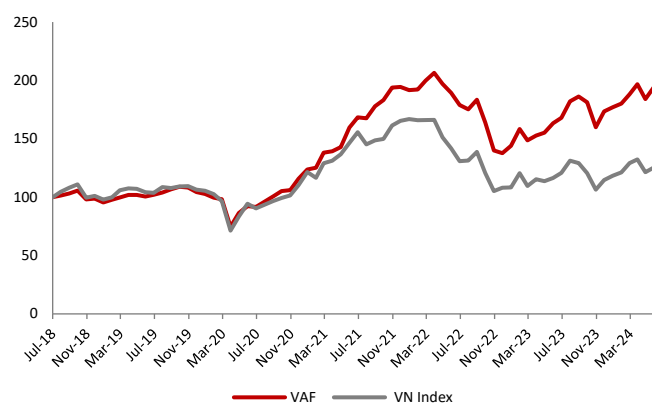
VAF is a Cayman Islands open-ended fund that invests in the Vietnam Equity Special Access Fund (VESAF), a Vietnam-regulated open-ended fund, with the flexibility to participate in IPOs as well as make direct investment in Vietnamese listed and unlisted securities.

## PERFORMANCE SUMMARY

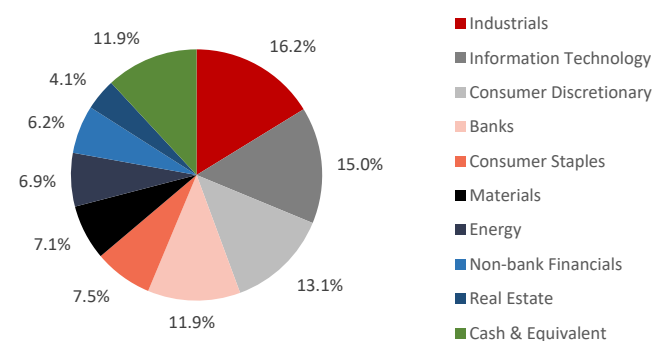
As of 31 May 2024	Fund	VN Index
May 2024 (m-o-m)	6.4%	3.8%
YTD	10.6%	6.5%
3-year annualized	7.1%	-4.9%
5-year annualized	14.3%	3.9%
Annualized since inception*	12.0%	4.0%
Accumulated since inception*	95.8%	26.0%
Annualized standard deviation	21.3%	24.0%

\* Inception date: 03 July 2018

## PERFORMANCE CHART



## SECTOR ALLOCATION



## TOP HOLDINGS

Ticker	Market Cap (USDm)	Sector	% of NAV	2024 PE	2024 ROE
FPT	6,715	Information Technology	15.0%	25.0	25.0%
MBB	4,518	Banks	9.3%	4.9	20.5%
MWG	3,653	Consumer Discretionary	4.8%	26.8	12.5%
PTB	190	Consumer Discretionary	4.7%	12.8	13.1%
PVS	815	Energy	4.1%	17.1	8.9%
FMC	130	Consumer Staples	3.9%	7.9	15.8%
QNS	697	Consumer Staples	3.7%	7.9	23.3%
PNJ	1,234	Consumer Discretionary	3.6%	14.2	19.4%
DPR	145	Materials	3.5%	15.9	9.2%
SZC	301	Industrials	3.0%	23.6	8.8%

Source: Bloomberg, VinaCapital's estimates

## MANAGER'S MONTHLY COMMENTARY

VAF returned 6.4% in May, outperforming the VN-Index by 2.6 percentage points. This success was largely attributable to the resilience of two of our largest holdings, FPT and MWG, which saw price increases of 8.8% and 15.4%, respectively. Additionally, our smaller holdings also did well, buoyed by favourable valuations amidst recent market volatility and industry trends that indicate promising growth prospects.

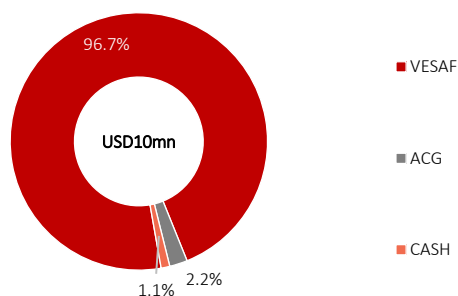
Vietnam's market experienced a nice recovery in May, increasing 3.8%. Despite the year-to-date (YTD) net sell-off by foreign investors, local investor interest remained strong, buoyed by the nation's economic resurgence and the anticipated emerging market (EM) upgrade narrative. Investment flows predominantly targeted sectors such as technology and AI, aviation, and telecommunications infrastructure.

Manufacturing growth surged to 7.3% in the first five months of 2024 (5M24), up from 6.3% YoY growth in the first four months (4M24). This growth, however, still trails the impressive 15.2% export growth observed during the same timeframe. This discrepancy leads us to anticipate even more robust manufacturing growth in subsequent quarters to meet the escalating demand for 'Made in Vietnam' products. A key indicator supporting this forecast is the significant 30% YoY spike in Vietnam's import growth in May, which narrowed the country's trade surplus from USD1.1 billion in April to a deficit of USD1.0 billion in May. This vigorous export rebound is expected to bolster consumption growth—currently measured by a modest 5.2% YoY increase in retail sales for May—through a spillover effect on consumer spending in the upcoming months.

As we anticipated that export recovery would be a key theme for Vietnam's stock market in 2024, we strategically added to our positions in Phu Tai JSC (PTB) and Saigon Cargo Service (SCS) at attractive entry points in mid-2023 and early 2024. PTB's share price rose by 11.9% in May and 25.3% (YTD), bolstered by a 41% YoY increase in 1Q24 earnings, a clear indicator of a strong rebound in wood furniture export orders. Furthermore, management has projected significant growth in the coming quarters, driven by expected revenue increases from granite and marble sales linked to bids for the Long Thanh and Noi Bai airport expansion projects. SCS shares also performed well, climbing 12.0% in May and 28.3% YTD. The company's outlook for 2024 is optimistic, thanks to a resurgence in global demand. Notably, SCS's international cargo volume expanded by 46% in the first five months of 2024, partly due to its increased market share at Tan Son Nhat airport, which rose to 47%—a jump from 39%—following the onboarding of new client Qatar Airways in February 2024. Excluding Qatar Airways, international cargo volume grew by 21% YoY while domestic volume saw a 29% increase.

The current low-interest-rate environment has also created favourable conditions, particularly benefiting brokerage firms, which have not only enjoyed a boost from market sentiment but also growth in margin lending profits and prop-trading activities. During the market decline in April, we added smaller brokerage names Viet Dragon Securities (VDS) and Thanh Cong Securities (TCI) to our portfolio, attracted by their compelling valuations relative to larger peers. In May, VDS and TCI's share prices rose by 32.7% and 15.0%, respectively. We project robust earnings growth for these firms this year, underpinned by the aforementioned fundamentals.

## PORTFOLIO ALLOCATION



PetroVietnam Transportation Corp (PVT) emerged as another significant alpha generator for the fund, generating a 21.0% return in May and a 35% gain relative to our average purchase price. Over the past five years, the company has consistently delivered robust growth and operational efficiency in its oil tanker business. Looking ahead, PVT's prospects are supported by robust tanker rates, with tonne-mile demand outstripping tanker supply growth. Additionally, the company's strategic fleet expansion into long-haul routes to the EU and US is expected to be a major driver of earnings, contributing to a projected core profit CAGR of 14% for the period 2024-26.

Small- & mid-cap	59.0%
Stocks traded on UPCoM	8.4%
Stocks at full Foreign Ownership Limit	43.0%

- *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	USD10.0mn
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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