

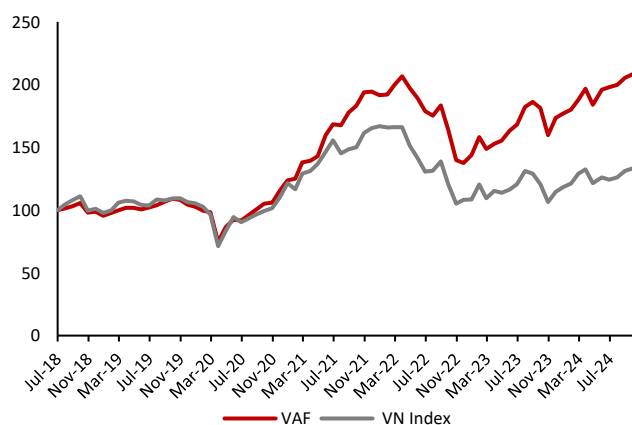
VAF is a Cayman Islands open-ended fund that invests in the Vietnam Equity Special Access Fund (VESAF), a Vietnam-regulated open-ended fund, with the flexibility to participate in IPOs as well as make direct investment in Vietnamese listed and unlisted securities.

PERFORMANCE SUMMARY

	Fund	VN Index
September 2024 (m-o-m)	1.3%	1.6%
YTD	17.7%	12.6%
3-year annualized	4.4%	-3.8%
5-year annualized	13.8%	4.1%
Annualized since inception*	12.5%	4.7%
Accumulated since inception*	108.2%	33.3%
Annualized standard deviation	20.7%	23.4%

* Inception date: 03 July 2018

PERFORMANCE CHART



MONTHLY COMMENTARY

The Vietnamese stock market demonstrated resilience in September, bouncing back after a weak start to the month and closing with a 1.6% month-on-month (MoM) gain in USD terms. Initially, the market was cautious due to negative sentiment from international markets. In addition, Typhoon Yagi brought heavy rain and flooding from September 6th to 14th, which negatively impacted market sentiment, especially in the insurance sector. However, as the month progressed, the VN-Index rebounded strongly. This recovery was driven by several factors, including a global market rally following the first Fed rate cut and China's stimulus measures. Investor confidence was further boosted by the Vietnamese government's approval of the removal of the "prefunding" bottleneck, a key criterion for a market upgrade by FTSE. Year-to-date (YTD), the VN-Index increased by 12.6%.

Throughout the month, trading activity remained subdued across the three stock exchanges. The average daily trading value (ADTV) decreased by USD 720mn, reflecting a 3.0% drop compared to the previous month and a 35.3% decline from the same period last year. On the Ho Chi Minh Stock Exchange (HOSE), the ADTV was USD 650mn, a decline of 1.9% MoM and 32.8% year-on year (YoY).

In September, foreign investors maintained their net selling trend across all three exchanges for the eighth consecutive month, offloading USD 88mn. Year-to-date, net sales by foreign entities reached USD 2.7bn, a significant rise compared to the USD 287mn net outflow recorded during the same period last year.

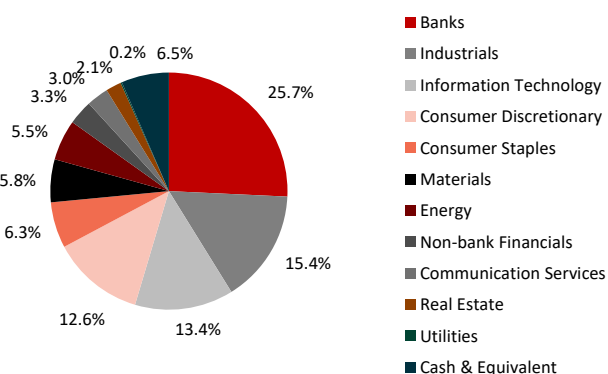
In terms of portfolio performance, the fund returned 1.3% in September, compared to a 1.6% increase in the VN-Index. This mirrors the Q3 2024 trend where the index generally trended upward, driven by blue-chip stocks (underweighted by the portfolio), while monthly liquidity conversely dropped to multi-year lows. SMID-cap stocks, including some within the portfolio, underperformed the market in Q3 and September.

Our analysis shows that despite lower currency depreciation pressure, reduced short-term interbank rates, and accommodative monetary policies by the State Bank of Vietnam (SBV), local deposit rates, particularly at private banks, rose 20-30 bps in Q3. This typically challenges market liquidity and often results in underperformance for SMID-caps.

The rise in Q3 deposit rates is due to short-term liquidity challenges in the banking sector, despite the SBV's readiness to provide support. With loan growth outpacing deposit growth to support borrowers, some banks had high loan-to-deposit (LDR) ratios and sought more deposits to ensure compliance with SBV requirements. We expect these issues will gradually ease as the economy recovers solidly.

On the corporate front, our top holdings continued to show operational improvement. Business performance for August met expectations for both **FPT** and Mobile World (**MWG**), while preliminary sales estimates suggest a robust September for Phu Nhuan Jewellery (**PNJ**). At end-September, the fund delivered a YTD return of 17.7%, compared to the VN-Index's 12.6%. Despite market hurdles, we view this as a strong outcome, aligning well with the fund's 5-year annualized return of 13.8% and an inception-to-date annualized return of 12.5%.

SECTOR ALLOCATION

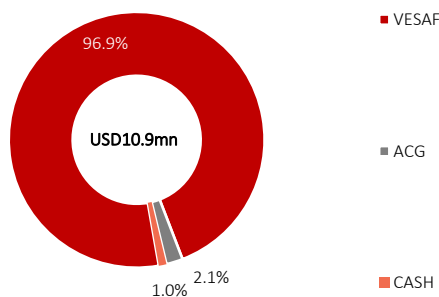


TOP HOLDINGS

Ticker	Market Cap (USDm)	Sector	% of NAV	2024 PE	2024 ROE
FPT	7,995	Information Technology	13.4%	25.0	25.0%
MBB	5,551	Banks	9.5%	5.9	20.5%
MWG	4,052	Consumer Discretionary	5.9%	20.7	16.5%
GMD	986	Industrials	5.1%	19.6	13.3%
VIB	2,340	Banks	4.6%	7.0	19.3%
ACB	4,682	Banks	4.6%	6.4	21.3%
CTG	8,076	Banks	4.3%	8.8	15.7%
PTB	165	Consumer Discretionary	3.4%	11.3	12.5%
PVS	790	Energy	3.4%	17.5	8.1%
DPR	153	Materials	3.3%	16.2	9.2%

Source: Bloomberg, VinaCapital's estimates

PORTFOLIO ALLOCATION



Small- & mid-cap	55.8%
Stocks traded on UPCoM	10.3%
Stocks at full Foreign Ownership Limit	34.7%

- *Small- & mid- cap: stocks with market capitalization below USD 3 billion*
- *UPCoM: Unlisted Public Company Market*

MACRO COMMENTARY

Vietnam's GDP growth recovered from 4.2% YoY in 9M23 to 6.8% in 9M24. This rebound was driven almost entirely by the recovery of the country's manufacturing sector from 2% YoY in 9M23 to nearly 10% in 9M24, which was in-turn driven by surging tech exports, especially to the US.

Despite the rebound in manufacturing activity – and the resulting upturn in manufacturing employment - consumption growth and sentiment among local consumers have remained modest throughout 2024.

Real retail sales growth (excluding the impact of inflation) dropped from 7.6% in 9M23 to 5.8% in 9M24. Consumer sentiment in Vietnam has remained below pre-COVID levels all year, according to reputable local market research firms such as Cimigo. Consumer sentiment has ticked up slightly as the year progressed, but remains weighed down by several factors, including ongoing issues in the real estate market (although there are some signs that the sector is picking up).

Another factor weighing on the economy is a circa 12% drop in infrastructure construction to USD 13bn or 4%/GDP, according to data from the Ministry of Finance. Last year, the Government's infrastructure spending grew nearly 20% to USD 29bn or 7%/GDP. This year drop in infrastructure spending has been a bit larger than we expected, although the Government guided to expect accelerated progress on several existing projects (such as the North-South Expressway, Long Thanh Airport, and Hanoi Ring Road 4) in the months ahead.

A 26% surge in Vietnam's exports to the US (and 15% overall increase in exports) swelled Vietnam's trade surplus to USD 20.8bn (or over 6% of GDP) in 9M24. Vietnam's large trade surplus, coupled with the Fed's larger-than-expected 50 bps rate cut in September and a 9% YoY increase in FDI inflows to USD 17bn (or 5%/GDP) all helped drive a 1.2% month-on-month appreciation in the value of the VND last month. Year-to-date, the VND depreciated 1.2% as of end-September.

The "new export orders" component of Vietnam's Manufacturing PMI index fell from 52.4 in August to 49.7 in September, ending a five-month sequence of expanding new export orders. The "output" sub-index of the PMI fell from 56.4 in August to 45.2 in September due to temporary business closures caused by Typhoon Yagi. The net result of all of the above is that Vietnam's Manufacturing PMI plunged from 52.4 in August to 47.3 in September.

Inflation in Vietnam dropped from 3.5% YoY in August to 2.6% in September driven by a circa 7% drop in retail petrol prices, and because the magnitude of annual school fee hikes this year is much lower than those hikes last year. Specifically, school fees increased circa 9% MoM in September 2023, versus a circa 2% MoM hike in September 2024, resulting in education inflation dropping from 7% YoY in August 2024 to 1% in September 2024.

VAF FUND INFORMATION

Launch date	03 July 2018
Fund size	USD 10.9mn
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	USD 100,000

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.