VPF

VIETNAM PHOENIX FUND

ANNUAL REPORT 2022

including Audited Financial Statements
31 December 2022

CORPORATE DIRECTORY

Directors
Kevin A Phillip
Polka Mishra (Appointed on 25 August 2022)
An Nguyen (Appointed on 30 November 2022)
Martin M Adams (until 25 August 2022)
Judd C Kinne (until 30 November 2022)

All Directors are non-executive and independent

Investment Manager
Duxton Capital (Australia) Pty Ltd.,
7 Pomona Road,
Stirling, SA 5152,
Australia

Company Secretary
Waystone Governance Ltd.,
Suite 5B201, 2nd Floor,
One Nexus Way, PO Box 2587,
Camana Bay, Grand Cayman KY1-1103,
Cayman Islands

Registered Office
Suite 5B201, 2nd Floor,
One Nexus Way, PO Box 1344,
Camana Bay, Grand Cayman KY1-1108,
Cayman Islands

Auditors
Ernst & Young Ltd.,
P.O. Box 510,
62 Forum Lane,
Camana Bay, Grand Cayman KY1 – 1106,
Cayman Islands

Administrator, Registrar and Transfer Agent
Apex Fund Services Limited.,
Vallis Building, 4th Floor,
58 Par-La-Ville Road, Hamilton HM11,
Bermuda

Custodian
European Depositary Bank SA.,
Irish Life Centre,
Abbey Street Lower,
Dublin, 1 D01 P767,
Ireland

Legal Advisor
Ogier
89 Nexus Way,
Camana Bay, Grand Cayman KY1-9009,
Cayman Islands

TABLE OF CONTENTS

THIEN HUE
VIETNAM

GENERAL INFORMATION

The following information is derived from and should be read in conjunction with the full text and definitions section of the Private Offering Memorandum (the “POM”) of Vietnam Phoenix Fund Limited (the “Company”, “Fund” or “VPF”), dated December 2022, copies of which are available on request by contacting Duxton Capital (Australia) Pty Ltd (“Duxton Capital (Australia)” or “Duxton” or the “Investment Manager”) at vpf@duxtonam.com.

Duxton Capital (Australia) is the investment manager of the Fund. As an alternative asset management firm, Duxton Capital (Australia) specialises in listed equities across Asia and emerging markets, as well as investments in direct Australian agriculture and Australian hospitality assets. Duxton Capital (Australia) was incorporated in Australia in 2013 and obtained its Australian Financial Services Licence (“AFSL”) (AFSL no. 450218) in 2014.

Vietnam Phoenix Fund Limited was registered with the Cayman Islands Monetary Authority (“CIMA”) with effect from 1 January 2017, pursuant to Section 4 (3) of the Mutual Funds Law (revised) of the Cayman Islands. Prior to a shareholder resolution to change the Company name at the Annual General Meeting held on 30 September 2016 the Company was previously known as the DWS Vietnam Fund Limited which was incorporated in the Cayman Islands on 13 September 2006 under the Companies Law, Cap. 22 (Revised) of the Cayman Islands as an exempted company with limited liability.

The investment objective of the Vietnam Phoenix Fund Class A (“VPF A”) Shares portfolio is to seek long-term capital appreciation by investing directly or indirectly in a diversified portfolio of securities of companies that do some or all or their business in Vietnam. The Company may also invest in securities issued by governmental agencies. The Fund has been structured as an open-ended investment fund to allow investors to collectively invest in pursuit of the investment objective.

from the CEO.

INVESTMENT MANAGER'S YEAR IN REVIEW & OUTLOOK

VIETNAM'S MULTI-YEAR GROWTH STORY

We are pleased to inform Shareholders that over the past 12 months VPF has continued to outperform most peer funds and retains its position as a top three performing fund for the Vietnamese stock market. VPF has been a top three performer for the last four years, a period that experienced both strong and poor Vietnamese equity performances, showcasing the strength of the Investment Manager's experience, active management style, and balanced mix of high conviction investments. We also continue to develop and strengthen our responsible investment framework and in 2022 we joined an investor led initiative with a focus on corporate engagement to proactively contribute ESG solutions.

After two consecutive years of strong market performance in 2020-2021, 2022 saw a large correction to both the Vietnamese stock markets and the broader global markets. The VNIndex decreased by 35.1% YoY, in USD terms, making it the worst performing stock market in ASEAN. While VPF outperformed the benchmark by 7.9%, the Fund was not spared from the broader global sell off, posting a decrease of 27.2%.

Vietnam's economy has displayed resilience in the face of a year that has presented several challenges for the country and globally, including accelerating inflation, monetary tightening, the on-going Russia-Ukraine conflict, China's lockdown, and an aggressive domestic anti-corruption campaign. Despite these headwinds Vietnam's economy continued its long-term growth with GDP increasing by 8.0% YoY, the highest growth over the past two decades. The country witnessed a strong recovery after fully reopening in October 2021, post the COVID-19 pandemic lockdown. Vietnam recorded the second highest GDP growth among ASEAN countries, after Malaysia. We maintain our conviction in Vietnam's growth story and our investment philosophy that underpins the fund.

Looking ahead to 2023, both the economy and equity markets are expected to face short-term challenges with decreased global demand and higher interest rates. However, with multiple long-term growth and economic tailwinds we expect Vietnam to better mitigate these short-term impacts compared to peer countries. Additionally, with the strong equity market correction in 2022, Vietnam's market has become attractively valued in terms of both a PE and PEG basis in comparison to other ASEAN equity markets.

Duxton Capital (Australia) continues to strengthen its responsible investment process and in 2022 become a member of the Investors Against Slavery and Trafficking Asia Pacific (IAST-APAC). IAST-APAC is an investor-led, multi-stakeholder initiative convened by APAC asset managers and asset owners to engage with companies in the Asia Pacific region, to promote effective action, and "find, fix and prevent" modern slavery, labour exploitation, and human trafficking. Our aim is to focus on ESG performance improvement, ensuring that our investee companies are adopting best-practices in finding and addressing modern slavery risks to ensure their long-term value creation for investors.

In summary the Fund's outperformance in 2022 demonstrates a continued commitment to its shareholders, achieving its investment objectives, and more broadly its continuing conviction in Vietnam's multiyear growth story. We retain our positive outlook for the Vietnam equity market in the long-term.

On behalf of Duxton, I would like to extend a thank you to our Shareholders for your ongoing support throughout the past unprecedented year. We look forward to the future of Vietnam and how the Vietnam Phoenix Fund can allow the Shareholders to participate in this country's bright future.

Stephen Duerden
CEO
Duxton Capital (Australia)

AN INTRODUCTION TO THE INVESTMENT MANAGER

Duxton Capital (Australia) is an alternative asset management firm specialising in investments in Asia and emerging markets, direct Australian agriculture, and Australian hospitality assets.

The Duxton Group was founded in 2009 following a spin-out from Deutsche Asset Management, having been created to provide bespoke investment solutions and services to institutional investors, family offices, foundations, private banks, and ultra-high net worth individuals. Under the leadership of Ed Peter, former Head of Deutsche Asset Management Asia Pacific, Middle East & North Africa and Stephen Duerden, former COO and Director of Deutsche Asset Management Asia Pacific, Duxton's assets under management, advice and administration have grown to AUD ~$1.2 billion. Duxton currently has offices in Singapore and Australia, employing over 70 staff, including a team of 21 investment professionals.

In addition to our Asian emerging markets equities focus, Duxton is a leading participant in Australian agricultural and hospitality investments. Duxton aims to be a world leader in sustainable agriculture at scale, underpinned by a sustainability ethos that resonates across all Duxton's investments. Duxton currently manages or advises investments in Australian farmland operations across three States and one Territory. With Australian hospitality venues being regarded as the nexus of social life in many cities, towns, and suburbs, Duxton has invested into a rapidly growing portfolio of hospitality assets. Duxton seeks to capitalise on historically stable return profiles and significant scope for defensive long term value creation.

As a long-term investor, the Investment Manager believes that value is generated when businesses have strong ESG and responsible investment principles at the core of their operations. Long-term business growth and success hinge on us as the investment manager proactively evaluating, managing, and monitoring ESG risks and opportunities. Duxton Capital (Australia) emplaces responsible investment approach by integrating material ESG factors alongside financial metrics into our investment decision-making and investment management practices, where relevant and appropriate. As ongoing commitments to responsible investment, the Investment Manager continues to actively engage with the Responsible Investment Association Australasia (RIAA) as a member and participates in the United Nations Global Compact (UNGC) programs as a signatory. Last year the Company also joined the Investors Against Slavery and Trafficking Asia Pacific (IAST-APAC) to address the region's significant modern slavery risks. These global and local sustainability initiatives provide Duxton with a platform to collaborate and develop sustainability solutions relevant to our industry and beyond.

A summary of Duxton's core projects include:

Duxton Water (ASX: D20) buys and leases water entitlements (or licenses) to Australian irrigators. Offering shareholders exposure to a defensive and alternative asset class,

Duxton Farms (ASX: DBF) owns, leases and operates an aggregation of high quality, efficient farms in New South Wales, Victoria and the Northern Territory. The company produces a variety of commodities across a mix of dryland and irrigated land totalling ~165,000ha.

Duxton Vineyards is a fully vertically integrated wine enterprise including 5 vineyard aggregations, an 80,000T capacity winery, nursery and distribution company, located across the Murray Darling Region in New South Wales. The vineyards have 2,463ha under vine, representing approximately 6% of Australia's total wine grape production.

Duxton Nuts is a walnut business across 576 planted hectares in the Murrumbidgee Irrigation Area in the Riverina region of NSW, aiming to produce 20% of Australia's walnut production at maturity.

Duxton Dried Fruit is Australia's largest dried fruits grower by hectares under vine with plantings across the Sunraysia region of Victoria and New South Wales. The business currently operates 540ha of dried grape vineyards with an additional 200ha development planned to commence in 2023. By 2029 the company aims to produce 37% of Australia's dried fruit.

Duxton Bees owns and manages ~3,200 hives which are primarily located in the Murray Darling region. Duxton Bees is looking to capitalise on the growing demand for pollination services, honey and beeswax production, and queen bee exporting. The company aims to be the largest bee enterprise in the Southern Hemisphere

Duxton Orchards owns, leases, and operates 316ha of apple orchards, located at Loxton and Nangwarry in South Australia, along with a 5,127sqm storage and packing facility at Monarto, South Australia. Duxton Orchards currently produces approximately 4% of Australia's apple production.

Duxton Dairies (Cobram) owns and operates a 998ha dairy allowing investors to participate directly in the Australian dairy industry.

Duxton Pubs owns and operates a rapidly growing portfolio of venues in South Australia, seeking to capitalise on acquisition opportunities at significant discounts to their replacement values and given current economic conditions, significantly higher yields than historical transactions.

Duxton is pleased to present our Investment Managers report for the Vietnam Phoenix Fund for 2022. Despite considerable challenges over the year, we are delighted to report that the Company has once again outperformed the Vietnamese stock market benchmark, the Vietnam Ho Chi Minh Stock Index ("VNIndex").

VPF A – LISTED EQUITY

1

NAV UPDATE

The NAV per share for the Lead Series VPF A Shares of the Company as at 31 December 2022 was USD 0.8337, a decrease of 27.2% from USD 1.1450 as at 31 December 2021.

The NAV per share for the December 2021 Series as at 31 December 2022 was USD 0.7269, decreasing 27.2% from USD 0.9984 as at 31 December 2021.

Each series of shares issued will accrue a liability for the payment of any performance fees. After the date performance fees are paid, shares in those series in which a performance fee has been paid will generally be reclassified into a single series.

SHARE PERFORMANCE

The VPF A Shares portfolio (the "Portfolio") continued to outperform the VNIndex by 7.9% despite posting a decrease of 27.2% year-on-year ("YoY") in USD terms. After a sublime performance in 2021, the VNIndex plummeted 35.1% in 2022, causing the VNIndex to be the worst performing equity market in ASEAN.

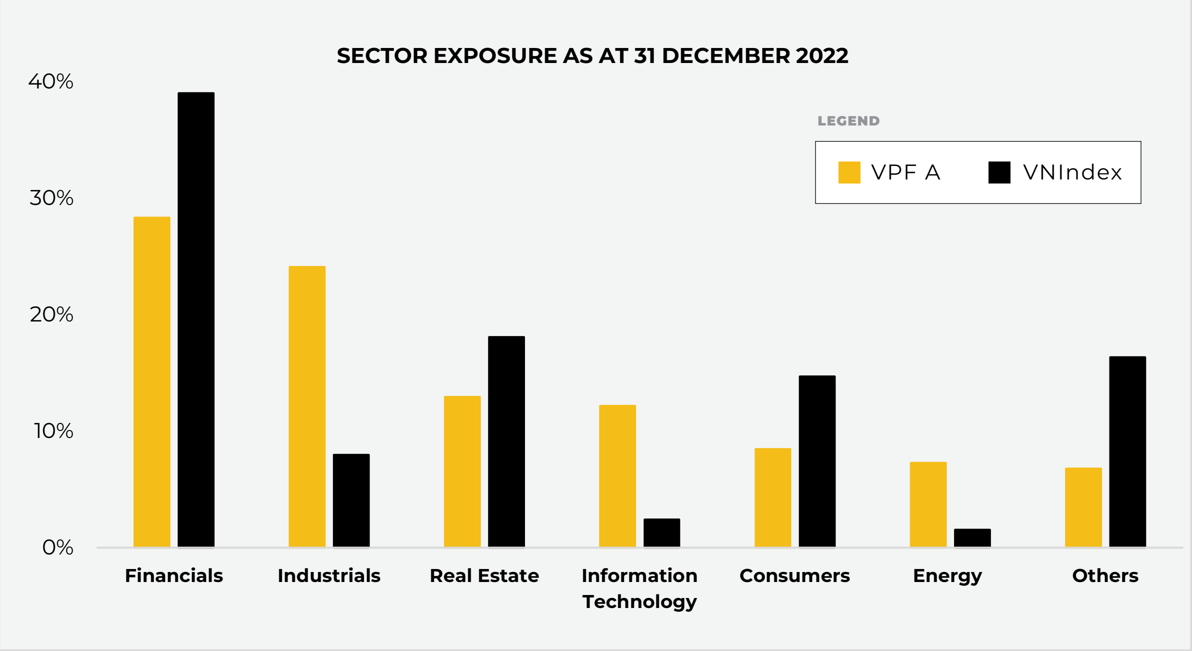
The outperformance was mainly driven by the Portfolio's top holdings being overweight relative to their weightings in the VNIndex. The Portfolio's best & worst performing holdings are summarised below.

TOP GAINERS	2022 Price Change	Contribution to NAV Return
REE Corporation (REE)	+16.1%	+2.16%
FPT Corporation (FPT)	-2.2%[1]	+0.49%
PetroVietnam Gas JSC (GAS)	+4.6%	+0.09%
TOP LAGGARDS		
Vinhomes (VHM)	-41.9%	-3.25%
Hoa Phat Group (HPG)	+38.7%	-3.08%
SSI Securities Corporation (SSI)	-63.1%	-2.76%

[1]The Investment Manager realised profit on FPT during the year at an average share price of VND 96,921, being 25.1% higher than the closing price on 31 December 2021.

PORTFOLIO POSITIONING

The asset class and sector exposures of the Portfolio are summarised in the charts below.



Relative to the VNIndex, the Portfolio is overweight on industrials, information technology, and energy sector whilst underweight on the financial, real estate, and consumer sector.

ASSET CLASS BREAKDOWN AS AT 31 DECEMBER 2022	
Listed Equities	98.2%
Cash	2.0%
Accrued Payables[1]	-0.2%

[1]Includes accruals and liabilities, adjusted to account for pending redemptions and performance fees payable to the IM.

The 10 largest holdings in the Portfolio as at 31 December 2022 are listed below.

TOP 10 HOLDINGS AS AT 31 DECEMBER 2022			
Rank	Security Name	Fair Market Value (USD)	% of NAV
1	FPT Corporation	2,516,865	12.2%
2	REE Corporation	1,894,706	9.2%
3	Vietcombank	1,731,474	8.4%
4	Asia Commercial Bank	1,604,804	7.8%
5	Airports Corporation of Vietnam	1,575,086	7.6%
6	MB Bank	1,199,880	5.8%
7	Vinhomes	1,195,887	5.8%
8	Mobile World	1,087,917	5.3%
9	Hoa Phat Group	911,393	4.4%
10	Saigon Cargo Service Corp.	821,944	4.0%
	TOTAL	**14,539,955**	**70.5%**

Numbers may not add up due to rounding.

As at the end of 2022, the top 3 holdings of the fund were FPT Corporation ("FPT"), REE Corporation ("REE") and Vietcombank ("VCB").

FPT Corporation (FPT, -2.2%) – FPT is a leading technology company in Vietnam with dominant positions across all of its core businesses including information technology, telecommunication, and education. In addition, FPT has a strong footprint in the global IT market with a network of 178 headquarters, offices, and branches in 26 countries and territories around the world.

FPT has benefited from the increased demand in IT services during, and subsequent to, the height of the COVID-19 pandemic, in particular, the digital transformation demand from the government and local corporate sectors with a focus on artificial intelligence, cloud computing, hyper network, and cybersecurity.

In 2022, FPT recorded a revenue of VND 44.0 trillion (+23.4% YoY), profit before tax ("PBT") of VND 7.7 trillion (+20.8% YoY), and net profit after tax and minority interest ("NPAT-MI") of VND 5.3 trillion (+21.1%). The main contributors were Global IT Service business (+30.2% YoY in revenue and +23.3% YOY in PBT), and Education, Investment and Others business (+68.6% YoY in revenue NS +23.8% YoY in PBT). In contrast, the main laggards were Domestic IT Service business (+6.3% YoY in revenue and +15.3% YoY in PBT), Telecom Services business (+15.5% YoY in revenue and +18.4% YoY in PBT), and Online Advertising business (+27.6% YoY in revenue and +12.0% YoY in PBT).

The global IT services segment remained the largest contributor with a revenue of VND 18.9 trillion (+30.2% YoY) and PBT of VND 3.0 trillion (+23.3% YoY), of which the revenue from digital transformation rose by 33.1% YoY to VND 7.3 trillion. FPT continued to achieve impressive growth in revenue from overseas markets. The US market registered the biggest increase in revenue at 50.0% YoY, followed by Asia Pacific and Japan at 36.4% and 30.0% respectively. Compared to international markets, the domestic IT market posted relatively weaker performance due to large Vietnamese clients such as banks and real estate companies tightening their budgets for IT services.

Whilst we expect lower IT spending in the near-term, as a result of the slowdown in the global economy, we believe FPT will maintain its resilient growth due to several factors. These include: (1) a strong order backlog of VND 21.6 trillion (+38.9% YoY) as at the end of 2022, to supply global IT services; (2) FPT's market position as a relatively affordable IT service provider vis-à-vis international players, allowing them to gain market share as a provider of IT services as clients seek to rationalise their IT expenditure; (3) as the dominant provider in the domestic market, FPT is expected to benefit from the expediting of disbursements from public sector IT budgets in 2023-2024.

Over the long-term, we expect FPT's digital transformation services to be the key growth driver for the company due to the increasing demand for cloud services, big data, artificial intelligence, and other digital transformation projects from corporate clients both domestically and internationally. Vietnam's government has targeted to increase digital economy's contribution to GDP from 5% in 2019 to 20% in 2025.

REE Corporation (REE, +16.1%) – REE is a publicly traded diversified business group operating in: (1) the primary fields of mechanical and electrical engineering services (“M&E”); (2) manufacturing, assembly and sales of Reetech air-conditioner systems; (3) real estate development and office leasing; and (4) power and water utility infrastructure. REE posted a stellar performance in 2022 with a revenue of VND 9.4 trillion (+61.3% YoY) and NPAT-MI of VND 2.7 trillion (+45.0% YoY).

The power segment continued to be the largest contributor with a revenue of VND 5.4 trillion (+81.1% YoY) and NPAT-MI of VND 1.7 trillion (+90.9% YoY). The robust growth resulted from: (1) the favourable hydrography; (2) higher selling prices for electricity in the competitive generation market; and (3) new contribution from three new wind power plants which started operations from October 2021.

On the other hand, real estate development and office leasing segment was the largest laggard with a revenue of VND 1.0 trillion (+10.5% YoY) and NPAT-MI of VND 579 billion (-8.1% YoY). The decrease was mainly due to the poor performance in the real estate development business as no projects were handed over in 2022. This segment also recorded a high profit in 2021 due to a one-time gain of VND 197.6 billion from its divestment from Vietnam Infrastructure Investment and Development Joint Stock Company.

In the short-term, we expect multiple headwinds including: (1) the M&E segment to be challenged due to the slowdown of the real estate and construction sectors coupled with higher material input prices and higher interest rates; (2) unfavourable weather conditions for hydropower plants, with an El Nino pattern likely, leading to lower rainfall; and (3) delays to the new renewable energy pricing mechanism until the end of 2023. These delays could potentially impact REE’s rooftop solar expansion plan.

In the long-term, with hydropower plants being the most competitive power plants domestically, we expect REE to benefit structurally from the growth and transition of Vietnam’s power generation market to a more competitive and open market. REE plans to expand its total power generation capacity by 100 MW (~ 10% of its current capacity) per year from 2022 to 2026 with the operation of new solar rooftop power plants and wind power plants. The expansion and diversification of REE’s power portfolio is expected to further strengthen the company’s position in Vietnam’s electricity market.

We further expect REE’s office leasing segment to become a key growth driver over the long term. REE’s office portfolio is likely to expand by approximately 25% from Q4 2023 with the launch of E-town 6, a new office building located in Tan Binh District, Ho Chi Minh City.

Vietcombank (VCB, -2.1%) – VCB is the leading bank in Vietnam with a 9.6% market share in terms of total loans at the end of 2022. VCB is the largest bank in Vietnam being the leader in terms of market cap, registering the highest total net profit, and second largest in terms of total net assets in 2022. The bank offers a full range of banking and financial services to retail, corporates, and other financial institutions. VCB has a well-balanced loan book with retail clients accounting for 47.2% of its total loan book, followed by corporates with 44.6% and SME with 8.2% as at the end of 2022.

VCB posted a solid result for full-year 2022 with NPAT-MI of VND 29.9 trillion (+35.9% YoY). The bottom line growth was driven by several factors including (1) an increase of 25.6% YoY in net interest income supported by a growth of 19.2% YoY in credit book and 9.5% YoY in deposit book while NIM expanded by 23 bps to 3.39%; (2) an increase of 7.0% YoY in net fee income supported by strong gains from FX trading, bancassurance and cards business; (3) a decrease of 19.5% YoY in provisional expenses.

Despite the expectation of a weaker growth in 2023, as a result of the slowdown in the global and domestic economy, we believe VCB will continue to maintain its leading position in the Vietnamese banking sector. This is supported by VCB's better-than-peer asset quality coupled with a low funding cost competitive advantage.

At the end of 2022, VCB's non-performing loan ratio reached 0.68%, the lowest ratio in comparison to local peers whilst VCB's loan coverage ratio reached 317%, the highest level among Vietnamese banks. We expect the bank's prudent balance sheet management and aggressive loan provisioning to continue to support its bottom-line growth.

VCB owns the largest current account savings account ("CASA") market share in the Vietnamese banking market, with an estimated size of VND 414 trillion, backed by its strong brand positioning. VCB's dominant position in CASA, coupled with a strong order book for private placements of deal size approximately USD 1 bn (~VND 23.5 trillion), is expected to strengthen VCB's capital resources and reduce its funding cost over the longer-term.

HANOI
VIETNAM

2 ECONOMY AND EQUITY MARKET OVERVIEW

VIETNAM'S ECONOMIC OVERVIEW

During 2022, Vietnam's economy faced several challenges both domestically and globally including monetary tightening, rapidly increasing commodity prices, ongoing Russia-Ukraine conflict, China's lockdowns, and an aggressive anti-corruption campaign domestically resulting in the arrests of several key personnel in Vietnam's government offices and large corporates. The country however, produced a strong recovery after the full reopening in October 2021 post the COVID-19 pandemic lockdown. Vietnam recorded the second highest gross domestic products GDP growth among ASEAN countries, after Malaysia.

Vietnam's key economic indicators are summarised and discussed below.

VIETNAM ECONOMIC INDICATORS

		2022	2021	2020	2019	2018
Real GDP Growth	%	8.0	2.9	2.9	7.0	7.1
CPI	%	3.5	1.8	3.2	2.8	3.5
Export Growth	%	10.4	19.0	6.5	8.4	13.8
Import Growth	%	8.0	26.5	3.6	6.8	11.5
Trade Balance	USD bn	12.4	4.0	19.1	11.1	7.2
Registered FDI	USD bn	22.6	24.3	21.0	22.5	25.6
FX Reserves	USD bn	83	105	95	80	60
VND USD	VND	22,633	22,826	23,098	23,173	23,245

Source: The General Statistic Office of Vietnam, Vietnam Custom, Bloomberg, Trading Economics.

Highest GDP growth over the last two decades – Vietnam's GDP growth rate accelerated to 8.0% YoY, compared to 2.6% in 2021. This is the highest growth rate since 1997. The largest contributor was Vietnam's services sector with a growth of 10.0% YoY, contributing 41.3% to total GDP, followed by the industrial and construction sector with a growth of 7.8% YoY, contributing 38.3% to total GDP, and the agriculture, forestry, and fishery sector with a growth of 3.4% YoY, contributing 11.9% to total GDP. Most industries witnessed a strong rebound from a low base last year, particularly the hospitality industry with a growth of 40.6% YoY and the finance industry with a growth of 30.4% YoY.

Due to weaker global demand for Vietnam's goods coupled with historically lower service sector performance due to the absence of Chinese tourists, Vietnam's GDP growth slowed down from 13.7% in Q3 2022 to 5.9% in Q4 2022. The unemployment rate increased slightly to 1.98% in Q4 after decreasing strongly from 3.37% to 1.92% in 9M 2022.

Inflation remained well managed – In line with global trends, Vietnam's economy was impacted by accelerating inflation in 2022. Vietnam's average consumer price index ("CPI") rose 3.51% YoY. The increase in CPI growth mainly resulted from: (1) an increase of 28.0% YoY in average gasoline prices and 11.5% YoY in average gas prices contributing 118 bps to CPI growth; and (2) an increase of 3.1% YoY in housing and construction material prices which contributed 59 bps to CPI growth.

The Vietnamese government was successful in managing the CPI growth to below the National Assembly's target of 4%. Several support policies had been implemented to reduce the inflation pressures during 2022 such as a 50% cut to the gasoline environmental tax from 1 April 2022 to 31 December 2022; a reduction in goods and services tax from 10% to 8% from 1 February 2022 to 31 December 2022; and reductions of up to 37 business fees and charges for 1H 2022.

Robust Foreign Direct Investment disbursement – As at 20 December 2022, Vietnam had attracted USD 22.6 billion (-7.6% YoY) of newly registered and additional foreign direct investment ("FDI") from existing investors. The decreased YoY was mainly due to the high base from the previous year coupled with foreign investors being more conservative given their local currency depreciated strongly against the US Dollar. The primary contributors to registered FDI in 2022 were the manufacturing sector with total newly registered FDI of USD 16.8 billion, followed by the real estate sector with total newly registered FDI of USD 4.5 billion and the electricity generation sector with total newly registered FDI of USD 2.3 billion. Singapore remained the largest FDI contributor for Vietnam, with newly registered FDI of USD 6.5 billion, followed by South Korea with USD 4.9 billion and Japan with USD 4.8 billion.

In contrast, disbursement FDI increased by 14% YoY to USD 22.4 billion, the highest level since 2017. In line with our expectation, the full reopening of local economy coupled with the lifting of travel restrictions improved the FDI disbursement process whereby foreign investors were able to visit and conduct their due diligence and negotiation in person.

Trade remained solid – According to Vietnam's Customs, the country exported USD 371.3 billion (+10.4% YoY) and imported USD 358.9 billion (+8.0% YoY), generating a trading surplus of USD 12.4 billion (+204% YoY). However, the impact of weakening global demand on Vietnam's trade has increased since September 2022. For Q4, Vietnam's exports decreased 6% YoY and 7% QoQ while imports decreased 4% YoY and 5% QoQ.

In 2022, the US remained as Vietnam's largest export destination with total exports of USD 109.4 billion (+13.6% YoY), followed by China with total exports of USD 57.7 billion (+3.3% YoY) and the EU with total exports of USD 46.1 billion (+15.0% YoY). On the import side, China remained as Vietnam's largest import source with total imports of USD 117.9 billion (+7.2% YoY), followed by South Korea with total imports of USD 62.1 billion (+10.5% YoY), and ASEAN countries with total imports of USD 47.3 billion (+14.9% YoY).

Mobile phones and mobile phone components remained the largest contributor to Vietnam's exports in 2022 with total exports of USD 58.0 billion (+0.8% YoY), followed by computers, electronics, and electronic components with total exports of USD 55.5 billion (+9.3% YoY). In terms of imports, computers, electronics, and electronic components were the largest contributor with total imports of USD 81.9 billion (+8.4% YoY), followed by machinery with total imports of USD 45.2 billion (-2.4% YoY).

Strong credit growth – In spite of several hikes in interest rates during 2022 with a total increase of approximately 200bps, Vietnam's credit growth remained strong. The State Bank of Vietnam ("SBV") estimated that credit growth in 2022 reached 14.5%, higher than SBV's initial cap of 14%. Borrowing demands have rebounded strongly post lockdown as a result of increasing consumer demand and a return to operations in the manufacturing sector. In addition, the tightening on corporate bond market also led to an increase in traditional loans, thereby increasing the borrowing demand from corporates.

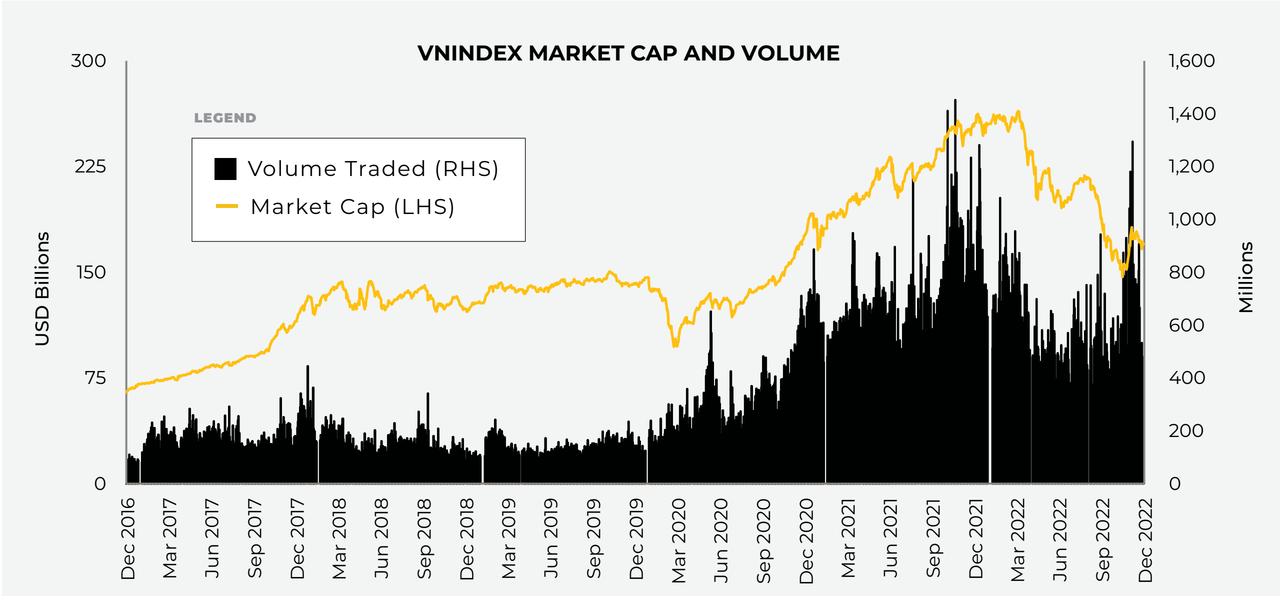
Depreciating currency – VND depreciated by 3.5% during the year against the US Dollar. The VND however, remained relatively stable in comparison to other regional currencies such as Malaysian Ringgit (-18.0% YoY against USD), Philippine Peso (-9.3% YoY against USD), Japanese Yen (-8.5% YoY against USD), and Chinese Yuan (-8.5% YoY against USD). The VND continued to be supported by: (1) robust trade surplus and FDI disbursement; (2) strong remittances during year-end; and (3) SBV's effective interventions on the local FX market.

VIETNAM'S EQUITY MARKET OVERVIEW

Ho Chi Minh Stock Exchange recorded poor performance in 2022 – Despite Vietnam's economy showing resilience and continuing its solid growth, the VNIndex decreased by 35.1% in USD terms, marking it as the worst performing stock market in ASEAN for 2022. This poor performance was primarily driven by several factors including: (1) lower liquidity and higher interest rates as a result of the tightening monetary policy; (2) investors' concerns on external headwinds, such as the ongoing Russia-Ukraine conflict, China's lockdowns and potential recessions in Vietnam's key trading partners including the US and Europe; (3) the government's anti-corruption campaign; and (4) the tightening on the corporate bond market and real estate sector leading to weak sentiment among retails investors. The average trading volume in 2022 decreased by 13.8% YoY as a result of the market's poor performance and broker's tightening of margin lending.

COUNTRY	INDEX CODE	MKT CAP (USD bn)	2022 INDEX CHANGE (USD)	2023 FORWARD P/E[1]	PEG[2]	2023 EPS[3] GROWTH	ROE[4]
Vietnam	VNINDEX	170	-35.1%	13.0	1.3	10.0%	19.5%
Philippines	PCOMP	165	-15.6%	16.7	0.7	23.8%	14.6%
Malaysia	FBMKLCI	235	-9.8%	16.9	3.2	5.3%	21.6%
Indonesia	JCI	612	-4.7%	19.3	1.7	11.4%	27.0%
Thailand	SET	588	-2.8%	12.5	3.0	4.2%	12.8%
Singapore	FSSTI	377	4.8%	12.5	1.2	10.4%	10.7%

Source: Bloomberg 31/12/2022
1: Price-earnings ratio, 2: Price/earnings-to-Growth ratio, 3: Earnings per share, 4: Return on Equity



Source: Bloomberg

3

ECONOMY AND EQUITY MARKET OUTLOOK

VIETNAM'S ECONOMIC OUTLOOK

Vietnam's open economy is closely related to the global economy. The weakening in global demand for goods since Q4 2022 has impacted Vietnam and we expect this trend to accelerate in 1H 2023 before subsiding with the recovery of the global economy.

GDP slow down – Whilst we believe the weakness in global demand will continue into 1H 2023, we expect its negative impacts to be off-set by several factors including (1) a robust public investment with an increase of 25% YoY in fiscal disbursement budget; (2) a strong recovery in tourism sector supported by China's reopening. Tourism contributed approximately 10% of Vietnam's GDP and Chinese tourists accounted for 32.2% of total international tourists visiting Vietnam in 2019 (pre-COVID); and (3) FDI to remain strong as Vietnam continues to benefit from the global supply chain restructuring.

Boom in public investment – We anticipate the increase in fiscal disbursement to be a key driver for the Vietnam's economic growth in 2023[1]. The Ministry of Finance plans to distribute VND 726.7 trillion (~ USD 30.5 billion, +25.3% YoY) in 2023. The modest level of public debt (Vietnam's public debt is estimated at ~ 43% of GDP as end of 2022[2]) coupled with a solid budget surplus of VND 222.5 trillion in 2022[3] will allow Vietnam's government to boost fiscal disbursement in 2023.

Infrastructure remains as the largest expenditure of Vietnamese government's public disbursement. VND 94.1 trillion has been allocated to the Ministry of Transport for key developments including the North – South expressway sub-projects and Long Thanh Airport.

Continued accelerating inflation – Our belief is that Vietnam's inflation will continue to be challenged in 2023, particularly during Q1 2023. The National Assembly has targeted CPI growth of below 4.5% in 2023. The challenges will predominantly be due to potential cost increase in public goods and services such as electricity, education, and healthcare, with food prices also expected to remain relatively high. Electricity and public healthcare pricing has remained unchanged since 2019 with some provinces reducing educational costs during the COVID-19 pandemic.

The government has recently signed a new agreement to adjust the electricity price band up by 13.7-28.2% compared to the previous price. The new price band will be implemented from 3 February 2023. As electricity price contributes 3.3% to CPI weight, a 10% increase in electricity price will lead to an increase of 0.33bps in CPI growth. In addition, a potential increase of 20.8% in the base salary for civil servants and public employees from 2H 2023 is expected to adversely impact the price for several public services.

Solid FDI flows – We consider that Vietnam will remain attractive to foreign investors for several factors including: (1) low-cost advantages due to Vietnam's current wage remaining relatively affordable compared to regional peers. Vietnam's wage is approximately 2 times lower than China and Thailand. The country's average wage is also lower than India, Philippines, Indonesia, and Malaysia[5]; (2) FDI manufacturers in Vietnam continue to benefit from several free trade agreements ("FTA") between Vietnam and 62 countries as Vietnam continues to maintain the highest number of FTAs among ASEAN countries; (3) the Government looking to consistently support and encourage FDI with favorable policies and a focus on infrastructure improvement whilst the VND remains relatively strong versus regional peers; and (4) Vietnam continuing to benefit from international players diversifying their manufacturing capabilities out of China, particularly after China's lockdown and public protests.

Trade slow down before anticipated global recovery – The Ministry of Trade has targeted growth of ~6% YoY in the 2023 in trade value. We expect trade to continue to slow down in 1H 2023 due to decreasing consumptions in export markets coupled with a high level of inventories. However, a rebound is expected in 2H 2023 in line with the forecasted recovery of Vietnam's trading partners as inflationary pressure and interest rate hikes ease.

As Vietnam is a party to numerous FTAs, and with a stable currency, we expect the country to better mitigate the impacts of global demand weakness than its regional peers. We also anticipate modest positive impacts from China's reopening due to the potential decreases in raw material prices coupled with the recovery in exports to China. China accounted for 15.5% of Vietnam's total exports and 32.9% of Vietnam's total imports in 2022.

Stable interest rate and exchange rate – We do not anticipate any significant change in the current level of domestic interest rates and exchange rates due to: (1) the pressure from a strengthening USD and international interest rates is expected to ease in 2023; (2) Vietnamese banks' deposits are expected to increase strengthening the VND as investors take advantage of record high deposit rates against the constraints of bond and real estate markets; and (3) FX reserves to be supported by solid FDI disbursement, an expanding trade surplus and narrowing service trade deficit underpinned by the return of international tourist.

[1] Source: https://theinvestor.vn/public-investment-disbursement-pressure-huge-finance-minister-d3098.html
[2] Source: Duxton's estimates.
[3] Source: Vietnam's General Statistic Office

VIETNAM'S EQUITY MARKET OUTLOOK

Looking ahead to 2023, we see several headwinds on Vietnam's equity market to persist in the short-term, including:

- Vietnamese corporates' business environment continues to be challenging with decreasing consumption and high level of input costs and financial expenses;
- liquidity remains weak due to high interest rates and conservative margin lending from brokers; and
- constraints on both corporate bonds and real estate markets and the ongoing anti-corruption campaign continue to impact the market's sentiment as investors remain concerned about the potential high-profile arrests and debt defaults of large real-estate companies.

Following the major correction in 2022, the Vietnam equity market is now trading at a compelling valuation in comparison to other ASEAN equity markets. Foreign investors were observed to have returned to the Vietnam equity market from November 2022. We expect these headwinds to gradually subside from 2H 2023 with the following factors to support the market going forward:

- Vietnamese corporate business' operations are expected to recover strongly from 2H 2023 as a result of an anticipated recovery in consumer confidence and a slowdown in domestic inflation;
- we expect a strong performance from infrastructure, utility, tourism and FDI-related companies to offset the pullback from consumer and real estate companies;
- liquidity in the equity market is expected to improve from 2H 2023 with the anticipated launch of a new trading system, KRX. A potential cut in interest rates in 2H will also boost the equity market's liquidity;
- ETFs increased participation into Vietnam's equity market are expected to increase due to the reasonable valuation of the market and the potential increase in weightage of Vietnamese stocks in the ETF's baskets. Despite a sharp withdrawal in the general market, Vietnam has witnessed a robust inflow of ETFs from Q4 2022; and
- Government's intervention with supporting policies to resolve the bottleneck of the corporate bonds and real estate markets to improve the investors' confidences.

Our belief is that the long-term structural drivers of Vietnam's equity market remain, these include:

- an expanding middle class and rising average incomes, which is expected to fuel continued growth in domestic consumption;
- continued increasing urbanisation and infrastructure developments supported by robust public investment programs;
- a stable political economy and currency;
- strong FDI inflows with Vietnam being a long-term beneficiary of the adjustments in global supply chains; and
- a healthy growth in trade flows, driven by the implementation of several FTAs.

We continue to adopt a high-conviction, bottom-up fundamental investment approach. We seek to invest in companies that are expected to create shareholder value over the long-term, while selecting stocks that we assess to be trading at prices that do not fully reflect their long-term potential. With an emphasis on a long-term investment approach, our belief is that the creation of shareholder value takes time to execute and evolve over a multi-year horizon.

TRÀNG AN, HOA LƯ, NINH BÌNH
VIETNAM

4 ESG AND RESPONSIBLE INVESTMENT

Duxton Capital Australia believes that as a long-term investor it is imperative that environmental, social and governance (ESG) risks and opportunities are proactively evaluated, managed, and monitored in our investment management life cycle to ensure long-term business growth and success. We embrace a responsible investment approach by integrating material ESG factors alongside financial performance into our investment decision making and management practices, where relevant and appropriate.

With the Fund's focus on the Vietnamese market, we acknowledge that modern slavery risks are one of the most material ESG topics that we must actively monitor and evaluate. Companies in the Asia Pacific region, including Australia, are particularly exposed to the risk of modern slavery as a majority of forced labour was found in the region. In 2021, 15.1 million people were estimated to be subject to forced labour in the Asia Pacific, out of the estimated 50 million victims of modern slavery in the world (with 27.6 million in forced labour), according to the International Labour Organisation.

To influence for and mandate change, one of the most effective approaches is industry collaboration in addressing ESG risks inherent in the market. Negative screening and divestment have been a traditional approach to ESG integration; however, there is a growing recognition of the importance of ESG performance improvement through collaborative, corporate engagement.

In 2022, Duxton joined the Investors Against Slavery and Trafficking Asia Pacific (IAST-APAC), an investor-led, multi-stakeholder initiative convened by APAC asset managers and asset owners to engage with companies in the Asia Pacific region, to promote effective action, and "find, fix and prevent" modern slavery, labour exploitation and human trafficking. The initiative currently comprises 37 investors with AU$8.2 trillion in AUM.

Since joining the IAST-APAC's Working Group (Collaborative Engagement), Duxton has commenced collaborative corporate engagement with one VPF investee company with support from IAST APAC's partners and member investors. Our aim is to focus on ESG performance improvement - ensuring that our investee companies are adopting best-practices in finding and addressing modern slavery risks to ensure their long-term value creation for investors.

As our ongoing commitments to responsible investment, Duxton continued actively engaging with the Responsible Investment Association Australasia (RIAA) through its Working Groups, such as Nature Working Group and Human Rights Working Group. The Investment Manager also continues to actively participate in the United Nations Global Compact (UNGC) programs as a Compact signatory to integrate the universal principles of sustainability in our operations to strengthen our corporate citizenship.

IAST APAC

WE SUPPORT UN GLOBAL COMPACT

riaa Responsible Investment Association Australasia

5 KEY RISKS IN 2023

Apart from the inherent risks of investing, and those disclosed in the supporting notes to the financial statements, the Investment Manager would like to draw attention to the following points that may adversely impact the Portfolio's performance over the next year:

Deeper-than-expected global recession – A stronger decrease in global consumer demand will directly impact Vietnam's production and trade. As manufacturers are forced to scale back their production and cut staff, the reduction of household income will lead to a reduction in domestic consumption. A deeper pullback in the global economy will require a longer recovery time, hence, delay the expected recovery beyond 2H 2023.

Higher-than-expected inflation leading to interest rate hikes – Higher-than-expected inflation in the US could influence the Federal Reserve Bank to adopt aggressive rate hike programmes as witnessed in 2022. This will negatively impact sentiment on the equity market, and potentially lead to further interest rate hikes domestically. Rate hikes will continue to tighten the liquidity on the equity market and challenge the business environment of corporates, particularly those who are heavily leveraged.

Defaults of real estate corporates – As at the end of 2022, the total of outstanding corporate bonds accounted for 15% of Vietnam's total GDP, of which 44% are issued by real estate companies. According to the Vietnam Bond Market Association, VND 300 trillion of corporate bonds are estimated to expire in 2023, up 37.5% YoY. Given the current tightening of the corporate bond market and restricted credit limit for property companies, default risks for real estate corporates remain a concern until the government's support policies take effect. The systematic defaults on the bond markets by real estate corporates will likely spread to the banks' traditional loan books and impact banks' asset quality and profit.

Delays in public disbursement – The anti-corruption campaign not only impacts the equity market's sentiment, it also has the potential to cause a pullback in public spending. The restructuring in authority systems, following high-profile arrests, has led to disruptions in public disbursement and approval processes for investment projects, at both the local and central government levels.

HANOI
VIETNAM

Building a better working world

Ernst & Young Ltd.
62 Forum Lane
Camana Bay
P.O. Box 510
Grand Cayman KY1-1106
CAYMAN ISLANDS

Tel: +1 345 949 8444
Fax: +1 345 949 8529
ey.com

Independent Auditor's Report

The Board of Directors
Vietnam Phoenix Fund Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Vietnam Phoenix Fund Limited (the "Company"), which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company as at and for the year ended 31 December 2021, were audited by other auditors whose report dated 19 May 2022, expressed an unmodified opinion on those statements.

Other Information

Other information consists of the information included in the Company's general information, investment manager's year in review & outlook, statement of directors' responsibilities, investment manager's report, other information (unaudited) and supplemental unaudited information to the financial statements. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Building a better working world

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

This report is made solely to the Board of Directors, as a body. Our audit work has been undertaken so that we might state to the Board of Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Board of Directors as a body, for our audit work, for this report, or for the opinion we have formed.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst + Young Ltd.

Grand Cayman, Cayman Islands
10 May 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES
IN RESPECT OF THE FINANCIAL STATEMENTS

The Board is responsible for preparing the Company's financial statements (the "financial statements").

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with International Financial Reporting Standards ("IFRS"); and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with IFRS. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

IFRS 10 'Consolidated Financial Statements' and its subsequent amendment relating to Investment Entities ("IE") has been applicable for periods commencing 1 January 2014. The Board has concluded that, under those requirements, the Company qualifies as an IE and is required to carry its special purpose entities ("SPEs") at fair value through profit or loss instead of consolidating them. This revised accounting method was first applied in 2014.

FINANCIAL STATEMENTS
RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for establishing and maintaining adequate internal controls and risk management systems in relation to the financial reporting process of the Company. Such systems are designed to manage rather than eliminate the risk of error or fraud in achieving the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has procedures in place to ensure that all relevant books of account are properly maintained and are readily available, including the procedures for the production of audited annual financial statements. The Board has appointed the Administrator to maintain the books and records of the Company. From time to time, the Board, with the assistance of the Investment Manager, examines and evaluates the Administrator's financial accounting and reporting processes. The annual financial statements are produced by the Administrator and reviewed by the Investment Manager.

The annual financial statements are required to be approved by the Board and filed with CIMA.

During the period of these financial statements, the Board was responsible for the review and approval of the annual financial statements as set out in the Statement of Directors' Responsibilities. The financial statements are required to be audited by independent auditors who report annually to the Board on their findings. The Board monitors and evaluates the independent auditor's performance, qualification, and independence. As part of its review procedures, the Directors receive presentations from relevant parties including consideration of developments in international accounting standards and their impact on the annual financial statements, presentations, and reports on the audit process. The Board evaluates and discusses significant accounting and reporting issues as the need arises.

The Administrator prepares valuations based on the fair value of the SPEs for the Company at each valuation point. Each valuation of the Company is reviewed in accordance with standard operating procedures of the Administrator. The financial statements are prepared by the Administrator in accordance with IFRS and the Administrator uses various internal controls and checklists to ensure the financial statements include complete and appropriate disclosures required under IFRS and relevant legislation.

In addition, the valuation as prepared by the Administrator is reconciled by the Investment Manager to their own independent records for completeness and accuracy and further reviewed and approved by the Investment Manager.

On behalf of the Board of Directors

KPhillip

Kevin A Phillip
Director
Date: 10.05.2023

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	31/12/2022	31/12/2021
		USD	USD
INCOME			
Net (loss)/gain on financial assets at fair value through profit or loss	2(g), 3	(7,839,812)	15,749,656
TOTAL NET (LOSS)/INCOME		**(7,839,812)**	**15,749,656**
Operating expenses	4	(899,482)	(3,258,870)
TOTAL OPERATING EXPENSES		**(899,482)**	**(3,258,870)**
Distribution expense*		-	(173,764)
TAXATION			
Deferred taxation	10	-	-
(Decrease)/increase in net assets attributable to holders of redeemable participating shares resulting from operations		**(8,739,294)**	**12,317,022**

** The distribution expense relates to final cash distribution to the former registered holders of the VPF C shares.*

On behalf of the Board of Directors

Phillip

Kevin A. Phillip

Director
10.05.2023

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	NOTES	31/12/2022	31/12/2021
		USD	USD
ASSETS			
Cash and cash equivalents	6	398,226	50,235
Financial assets at fair value through profit or loss	13,14	20,322,959	38,927,343
Other assets		57,546	59,917
TOTAL ASSETS		**20,778,731**	**39,037,495**
LIABILITIES			
Accounts payable	7	(96,678)	(2,029,791)
TOTAL LIABILITIES		**(96,678)**	**(2,029,791)**
EQUITY			
Net assets attributable to holders of redeemable participating shares		**20,682,053**	**37,007,704**
TOTAL EQUITY		**20,682,053**	**37,007,704**

On behalf of the Board of Directors

Phillip

Kevin A. Phillip

Director
10.05.2023

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	31/12/2022	31/12/2021
		USD	USD
Net assets attributable to holders of redeemable participating shares at beginning of the year		37,007,704	60,527,636
Proceeds from issuance of share subscriptions during the year	8	-	1,016,000
Payments on share redemptions during the year	8	(7,586,357)	(36,852,954)
(Decrease)/ Increase in net assets attributable to holders of redeemable participating shares resulting from operations		(8,739,294)	12,317,022
Net assets attributable to holders of redeemable participating shares at end of the year		**20,682,053**	**37,007,704**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 DECEMBER 2022

	31/12/2022	31/12/2021
	USD	USD
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Income for the year	(8,739,294)	12,317,022
Adjustment for non-cash items: Decrease in financial assets at fair value through profit or loss	18,604,384	16,731,595
Changes in operating assets and liabilities		
Decrease/(increase) in other assets	2,371	(59,917)
(Decrease)/increase in accounts payable	(1,845,160)	1,023,229
Net cash from operating activities	8,022,301	30,011,929
CASH FLOWS FROM FINANCING ACTIVITIES		
Share subscriptions during the year	-	1,016,000
Share redemptions during the year	(7,674,310)	(37,419,918)
Net cash used in financing activities	(7,674,310)	(36,403,918)
Net increase/(decrease) in cash and cash equivalents	347,991	(6,391,989)
Cash and cash equivalents at the beginning of the year	50,235	6,442,224
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**398,226**	**50,235**
Cash flows from operating activities include:		
Interest received	2,989	143,802
Dividends received	473,025	424,815
Taxation paid	-	-
Final cash distribution to Class C Shareholders	-	(173,764)

The accompanying notes form an integral part of these financial statements.

NINH HẢI, NINH HÒA, KHÁNH HÒA
VIETNAM

1 INCORPORATION AND PRINCIPAL ACTIVITY

Vietnam Phoenix Fund Limited (the "Company" and the "Parent") previously known as DWS Vietnam Fund Limited, is an exempted company with limited liability formed under the laws of the Cayman Islands on 13 September 2006. The registered office of the Company is located at Suite 5B201, 2nd Floor, One Nexus Way, Camana Bay, Grand Cayman KY1-1108, Cayman Islands.

The investment objective of the Vietnam Phoenix Fund Class A ("VPF A") portfolio is to seek long- term capital appreciation by investing directly or indirectly in a diversified portfolio of securities of companies that do some or all or their business in Vietnam.

The Company holds all of its investments through wholly owned subsidiary company which is special purpose entity ("SPE") incorporated outside of Vietnam. The Company has Beira Limited as its wholly owned SPE, incorporated as exempted companies with limited liability in the Cayman Islands, having the purpose of acting as trading conduits of the Company, and operational during 2022.

As at 31 December 2022 and 2021, the Company and its SPE (the "Group") had no employees. The investment activities of the Company were managed by Duxton Capital (Australia) Pty Ltd. ("Duxton" or the "Investment Manager"). The Company appointed Apex Fund Services Limited ("Apex") to maintain the books and financial records of the Company as Administrator (the "Administrator") pursuant to an agreement dated 1 April 2021.

2 SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). The significant accounting policies adopted by the Company are set out below.

The accounting policies, presentation and methods of calculation applied by the Company in these financial statements are consistent with those applied by the Company in its financial statements for the year ended 31 December 2021.

(a) Functional and presentation currency

The financial statements are presented in US Dollars. The functional currency of the Company is the US Dollar, reflecting the fact that all subscriptions received were denominated in US Dollars. All amounts have been rounded to nearest US Dollar.

The accounting policies have been applied consistently by the Company to all periods presented in the financial statements.

(b) Going concern

The financial statements of the Company have been prepared on a going concern basis.

As of 31 December 2022, The Fund's NAV was USD 20.7 million. The Board assessed the Company's ability to continue as a going concern and determined that the going concern basis continues to be appropriate.

The Board is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the Board is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

(c) Accounting estimates and judgments

The preparation of the financial statements, in accordance with IFRS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The fair value of the SPE is based on the fair value of the underlying investments it holds. As at 31 December 2022, there is no estimate involved in arriving at the fair value of investments as all underlying investments in VPF A portfolio are listed equities.

Judgements:
Application of IFRS 10, its related IE Amendment and IFRS 12 Disclosure of Interests in Other Entities ("IFRS 12"). The Board is satisfied that the Company meets the definition of an investment entity, and has concluded that as at 31 December 2022, none of its investments meet the definition of subsidiary structured entities in accordance with IFRS 10 (2021: one).

(d) New accounting standards, amendments and interpretations

New standards, amendments and interpretations issued and effective for the financial year beginning 1 January 2022

Amendments to IFRS 3 Business Combination – Reference to the Conceptual Framework, the amendment updates references in IFRS 3 to the revised 2018 Conceptual Framework and introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that this update does not change which assets and liabilities qualify for recognition in a business combination or create new Day 2 gains or losses.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets related to Onerous Contracts – Cost of Fulfilling a Contract – The amendment clarifies that when assessing if a contract is onerous, the cost of fulfilling it includes all costs related directly to the contract.

Annual Improvements to IFRS Standards 2018-2020 – the Annual Improvements include amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards (effective from January 1, 2022), IFRS 9 Financial Instruments (effective from January 1, 2022), IFRS 16 Leases (effective date not yet decided) and IAS 41 Agriculture (effective from January 1, 2022).

The above amendments did not have a significant impact on the Company's financial position, performance or disclosures in its financial statements.

New standards, amendments and interpretations issued but not effective for the financial period beginning 1 January 2023 and not early adopted

Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9, the amendment extends the temporary exemption from applying IFRS 9 until annual periods beginning before 1 January 2023. This amendment maintains the alignment of the effective dates of IFRS 9 and IFRS 17.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date not yet decided).

Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, Amendments to IFRS 2 Disclosure of Accounting policies, IAS 8 Definition of Accounting Estimates, Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction and Amendments to IFRS 17 – Insurance Contracts (effective from January 1, 2023).

(e) Consolidation

To determine the appropriate accounting treatment as set out under IFRS 10, "Consolidated Financial Statements" the Company has determined that it meets the definition of an investment entity ("IE") as it meets the required criteria as follows:

(i) It has obtained funds from one or more investors for the purpose of providing those investors with investment management services;

(ii) It has committed to its shareholders that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

(iii) It measures and evaluates the performance of substantially all of its investments on a fair value basis.

In addition, the Company has concluded that it has all the following typical characteristics of an IE, namely:

(iv) It has more than one investment;

(v) It has multiple shareholders;

(vi) The majority of its shareholders are not related parties; and

(vii) It has ownership interests in the form of equity.

As the SPE do not provide management services or strategic advice and all activities are managed through the Parent company level, the Company has concluded that SPE through which the Company holds its investment portfolio is also an investment entity and should be accounted for as financial assets at fair value through profit or loss.

(f) Financial instruments

(i) Classification

IFRS 10 Investment Entity Amendment requires investments in subsidiaries to be accounted for at fair value through profit or loss in accordance with IFRS 9.

(ii) Recognition

The Company recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. Purchases of financial assets are recognised and derecognised using trade date accounting. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded in Statement of Comprehensive Income.

(iii) Measurement

Financial instruments are measured initially at fair value. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed through operating expenses in the profit or loss immediately while on other financial instruments such costs are amortised. Subsequent to initial recognition, except for financial instruments carried at amortised cost, all other financial instruments are fair valued through profit or loss.

(iv) Fair value measurement principles

An underlying investment in a security held through SPE, which are quoted, listed or normally dealt on a securities market or on another regulated market that is active will normally be valued at the official close of business last traded price on the principal market for such security. Where such security is listed or dealt in on more than one securities market the Administrator will value the security in the principal market, or in the absence of a principal market in the most advantageous active market to which the entity has immediate access. The value of any investment which is not listed or dealt in an active securities market shall be the value using an average of available broker prices, provided the variance between broker prices is not significant, the Net Asset Value ("NAV") as provided by a reputable administrator, or using an alternative estimation technique to measure fair value where no broker prices are available, if this is considered the best estimate of fair value at the year end.

The fair value of the SPE is based on the fair value of the underlying investments they hold with a reduction for a deferred tax provision if applicable, the calculation of which is based on the underlying investments, as described in Note 2(o). The valuation technique adopted for the Level 3 security in 2021 is disclosed in Note 14.

(v) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset, and the transfer qualifies for derecognition in accordance with IFRS 9. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(vi) Cash and cash equivalents

Cash comprises current deposits with banks. Cash and cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents are carried at amortised cost which approximates its fair value.

(vii) Impairment of financial assets

The impairment model applied under IFRS 9 is the 'expected credit loss' (ECL) model. This impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI, but not investments in equity instruments.

As the financial assets are carried at fair value through profit or loss, ECL provision on credit losses are not applicable on the Company's financial assets at fair value through profit or loss.

(g) Net gains and losses on financial assets at fair value through profit or loss

Gains and losses arising from investments at fair value through profit or loss are included in the Statement of Comprehensive Income. The net gain from investments at fair value through profit or loss includes all realised and unrealised fair value changes, foreign exchange differences and interest and dividend income received, calculated as described in Note 2(i) and 2(j). The net gain from investments at fair value through profit or loss is analysed in Note 3.

(h) Translation of foreign currencies

Transactions in foreign currencies are translated into US Dollars, the functional currency, at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are then subsequently translated to US Dollars at the foreign currency closing exchange rate ruling at the reporting date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised through profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to US Dollars at the foreign currency exchange rates ruling at the dates that the values were determined.

Foreign exchange gains and losses on financial assets and financial liabilities at fair value through profit or loss are recognised together with other changes in the fair value.

(i) Interest income

Interest income is recognised in gains and losses arising from investments at fair value through profit or loss as it accrues, using the original effective interest rates of the instrument calculated at the later of the acquisition or origination date. Interest income includes the amortisation of any discount or premium, or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest basis.

(j) Dividend income

Dividend income relating to equity investments is recognised in gains and losses arising from investments at fair value through profit or loss on the ex-dividend date in the Statement of Comprehensive Income. In some cases, the Company may receive or choose to receive dividends in the form of additional shares rather than cash. In such cases the Company recognises the dividend income through the Statement of Comprehensive Income for the amount of the equivalent cash dividend alternative with the corresponding debit in financial assets at fair value through profit or loss in the Statement of Financial Position.

(k) Expenses

All expenses, including investment management fees, administration fees and custodian fees are recognised in profit or loss on an accruals basis.

(l) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legally enforceable right to offset the amounts and intends to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses presented on a net basis for gains and losses from financial instruments at fair value through profit or loss and foreign exchange gains and losses.

(m) Share capital

The Company's share capital comprises of redeemable participating shares. All issued redeemable participating shares are fully paid. A reconciliation of the number and value of shares outstanding at the beginning and end of each reporting period is provided in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares and Note 8 to the financial statements.

(n) Redeemable shares

The redeemable shares issued by the Company provide an investor with the right to require redemption for cash at a value proportionate to the investor's share in the Company's net assets at each redemption date. In accordance with IAS 32, Financial Instruments: Presentation ("IAS 32"), such instruments meet the definition of puttable instruments. A puttable instrument may be classified as a financial liability or an equity instrument depending on its features. In the opinion of Directors, redeemable shares issued by the Company should be classified as equity.

Following the restructuring of the Company in January 2017, and the creation of two share classes, all shares in the Company are classified as redeemable participating shares. Redeemable participating shares are redeemable at the shareholder's option and were previously classified as financial liabilities. A redeemable participating share can be put back to the Company at any time for cash or, with the approval of the Directors, for assets equal to a proportionate share of the Company's net asset value. A redeemable participating share is carried at the redemption amount that is payable at the Statement of Financial Position date if the shareholder exercises the right to put the share back to the Company.

The Company conducted the Class C final redemption exercise to return capital to investors on 25 March 2021. and the final cash distribution following settlement of all liabilities and winding down of the share class was made on 21 June 2021. The cash distribution is recognised as a distribution expense in the statement of comprehensive income.

(o) Taxation

Current tax is provided against the Company's taxable profits, at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Dividend and interest income received by the Company may be subject to withholding tax imposed in the country of origin. Investment income is recorded gross of such taxes and the withholding tax is recognised as 'non-reclaimable withholding tax' in the profit or loss.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the reporting date. Provision is made at the rates expected to apply when the temporary differences reverse.

Temporary differences are differences between the carrying amount of an asset or liability in the Statement of Financial Position and its tax base.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3 NET (LOSS)/GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31/12/2022	31/12/2021
	USD	USD
Dividend income	450,495	440,116
Interest income	3,265	1,513
Net (loss)/gain on investments	(8,369,435)	15,194,864
Net foreign exchange gain	-	4,360
Other income*	75,863	108,803
	(7,839,812)	**15,749,656**

**Other income comprises the redemption fees applicable to VPF A share redemptions.*

4 OPERATING EXPENSES

	NOTES	31/12/2022	31/12/2021
		USD	USD
INVESTMENT MANAGER			
Investment Management fee	9,11	(435,756)	(612,181)
Performance fee	9,11	(4,644)	(2,220,038)
		(440,400)	(2,832,219)
CUSTODIAN			
Custodian fees	9	(55,929)	(17,491)
ADMINISTRATOR			
Administration fees	9	(46,200)	(49,330)
Transfer Agency fees		(4,120)	(6,000)
		50,320	(55,330)
OTHER EXPENSES			
Directors' fees	5,11	(150,000)	(150,000)
Directors' Insurance		(19,452)	(21,800)
Professional fees		(61,919)	(67,417)
Audit fee*		(23,252)	(56,717)
Other expenses		(98,210)	(57,896)
		(352,833)	(353,830)
TOTAL OPERATING EXPENSES		**(899,482)**	**(3,258,870)**

**The audit fee relates solely to the provision of audit services.*

5 DIRECTORS' REMUNERATION

The Board determines the fees payable to each Director. The maximum remuneration is USD 75,000 per Director per annum. Directors' fees paid by the Company for the year ended 31 December 2022 were USD 150,000 (31 December 2021: USD 150,000).

6 CASH AND CASH EQUIVALENTS

	31/12/2022	31/12/2021
	USD	USD
Cash and bank balances	398,226	50,235
	398,226	**50,235**

All cash and bank balances held outside Vietnam were held with Australia and New Zealand Banking Group Limited that has a Standard & Poor's short-term credit rating of A-1+ as at 31 December 2022. Cash held in Vietnam is held by the sub-custodian.

All cash and bank balances held outside Vietnam were held with Australia and New Zealand Banking Group Limited that has a Standard & Poor's short-term credit rating of A-1+ as at 31 December 2021. Cash held in Vietnam is held by the sub-custodian Citibank whose parent Citigroup Inc has a Standard & Poor's short-term credit rating of A-2 as at 31 December 2021.

7 ACCOUNTS PAYABLE

	31/12/2022	31/12/2021
	USD	USD
Redemption proceeds payable	(20,634)	(108,587)
Accrued Investment Management fee*	(25,897)	(48,725)
Accrued performance fee*	-	(1,813,481)
Accrued other fees	(50,147)	(58,998)
	(96,678)	**(2,029,791)**

**Refer to Note 11 for details.*

8 SHARE CAPITAL

Redeemable participating shares

The Company has an authorised share capital of USD 10,000,000 consisting of 2,000,000,000 shares of par value of USD 0.005 each as at year end 31 December 2022. The Company had one active share classes in 2022, VPF A shares were open-ended.

VPF A shares are open-ended while VPF C shares were closed-ended. VPF A shares and VPF C shares had the same rights in relation to voting, dividends, return of share capital, and other matters as set out in the Articles. VPF C shares of the Company were listed on Euronext Dublin.

Following the Final Redemption of all VPF C Shares on 25 March 2021, the Company has one active share class, VPF A Shares. VPF A Shares will be available for subscription on each Subscription Day at a price of US$1.00 per Share. A new series of VPF A Shares will be issued on each Subscription Day on which VPF A Shares are issued.

Share transactions during the year ended 31 December 2022:

	VPF A Shares	VPF C Shares
	31/12/2022	31/12/2022
Shares in issue at beginning of year	32,449,208	-
Shares issued during the year	-	-
Shares redeemed during the year	(7,526,697)	-
Shares in issue at end of year	24,922,511	-
Net Asset Value for holders of shares	**USD 20,682,053**	-
Net Asset Value per share	**USD 0.8299**	-

Share transactions during the year ended 31 December 2021:

	VPF A Shares	VPF C Shares
	31/12/2021	31/12/2021
Shares in issue at beginning of year	41,861,151	109,768,832
Shares issued during the year	1,016,000	-
Shares redeemed during the year	(10,427,943)	(109,768,832)
Shares in issue at end of year	32,449,208	-
Net Asset Value for holders of shares	**USD 37,007,704**	-
Net Asset Value per share	**USD 1.1405**	-

The Board's policy is for the Company to maintain a strong capital base so as to maintain investor, creditor and market confidence and to be able to meet liabilities as they fall due. The Board monitors the return on capital, which the Company defines as results from operating activities divided by total shareholders' equity.

9 SIGNIFICANT AGREEMENTS

(a) Custodian

The Company appointed European Depositary Bank SA, Dublin Branch as the Custodian to the Company pursuant to the Custodian Agreement dated 26 May 2021.

The Custodian fees are charged based on the NAV of the Company. The current Custodial fee is 18 basis points per annum charged in arrears on a monthly basis. The Custodian will be entitled to be reimbursed by the Company for all transaction costs attributable to the Company and incurred by the Custodian from time to time and any appropriately incurred third party fees and expenses, including fees of any sub-custodian appointed by the Custodian at market rates.

The Custodian fee payable to the Custodian for the year ended 31 December 2022 was USD 55,929 (31 December 2021: USD 17,491) of which USD 5,966 was outstanding at the year-end (31 December 2021: USD 5,754).

(b) Administrator

The Company appointed Apex Fund Services Limited ("Apex") to maintain the books and financial records of the Company as Administrator (the "Administrator") pursuant to an agreement dated 1 April 2021.

The current rates for the Administration fee are 7 basis points (2021: 7 basis points) per annum for the first USD 200 million (2021: USD 200 million) net assets, 6 basis points (2021: 6 basis points) per annum for net assets between USD 200 and USD 400 million (2021: USD 200 million and USD 400 million) and 5 basis points (2021: 5 basis points) per annum for net assets in excess of USD 400 million (2021: USD 400 million) subject to an annual minimum of USD 42,000 plus 10% disbursement fee (2021: USD 40,000 per SPE and a maximum of 12 basis points per annum of the NAV of the Company). The Administration fee payable to the Administrator for the year ended 31 December 2022 was USD 46,200 (31 December 2021: USD 49,330) of which USD 3,850 was outstanding at the year-end (31 December 2021: USD Nil).

(c) Investment Manager

Duxton Capital (Australia) Pty Ltd ("Investment Manager" or "Duxton") is the investment manager of the Fund, having been appointed with effect from 31 January 2020 pursuant to the terms of a novation agreement to the existing Investment Management Agreement dated 29 December 2016.

The Investment Management fees payable in respect of each share class are as follows:

(i) Management fees

VPF A shares: 1.50% per annum of the NAV of the VPF A Shares before any deduction of the management fee for that month and before deduction of any accrued performance fee.

For the year ended 31 December 2022, the Investment Manager earned an investment management fee of USD 435,756 (31 December 2021: USD 612,181) of which USD 25,897 was outstanding at the year-end (31 December 2021: USD 48,725).

(ii) Performance fees

A performance fee is payable to the Investment Manager. The crystallised performance fee payable to the Investment Manager for the year ended 31 December 2022 in respect of VPF A shares was USD 4,644 (31 December 2021: USD 2,220,038) of which USD Nil was outstanding at the year-end (31 December 2021: USD 1,813,481).

The Company pays performance fees to the Investment Manager calculated by reference to the audited accounts of the Company. The calculation period covers the 12 months ended 31 December 2022.

For each performance period, the performance fee in respect of each share class is as follows:

VPF A

Performance fees will be equal to 15% of the appreciation in the NAV in respect of this share class above the High-Water Mark ("HWM") but only if such appreciation exceeds the Hurdle Rate of 8% per annum and will be payable on only the appreciation in the NAV above the HWM.

10 TAXATION

There are no taxes on income or gains in the Cayman Islands and the Company has received an undertaking from the Governor in Council of the Cayman Islands, under the Tax Concessions Law (1999 Revision), exempting it from all local income, profits and capital taxes until 26 September 2026. Accordingly, no provision for income taxes payable in the Cayman Islands is included in these financial statements.

Dividend and interest income received by the Company may be subject to withholding tax imposed in the country of origin. The investment income and any associated withholding tax is recorded in the net gain/(loss) on investments at fair value through profit or loss in the Statement of Comprehensive Income.

The financial statements assume that the tax consequences for the Company as a result of its investments held by the subsidiary companies in Vietnam will be as follows:

(a) Dividends

The Company will not be subject to any additional corporate income tax in Vietnam on dividends the Group receives from the tax-paid profits of Vietnamese companies. Remittance of the dividends outside of Vietnam is also free of all taxes.

The Company receives dividends net of all taxes.

(b) Interest

Non-resident institutional investors are subject to a 5% withholding tax rate on interest income received from corporate and government bonds and certificates of deposit, issued in Vietnam.

(c) Disposals

The Company and its non-Vietnamese resident SPE are subject to a “deemed profits” tax in Vietnam when the SPE dispose of any listed securities, bonds or fund certificates of its investee companies. This tax is equivalent to 0.1% of the proceeds received from the transfer.

No relief is allowed for transaction costs and no allowance is taken for the cost of investments (i.e., the existence of actual profits is irrelevant). The tax is netted against the realised gains/(losses) as part of the ‘net gain/(loss) on investments at fair value through profit or loss’ within the Statement of Comprehensive Income.

For investee companies where the Company invests in the legal/charter capital of limited liability companies or shares in private companies (e.g., certain private equity transactions), the Company will be subject to a “capital assignment” tax on any gain made when the Company sells or transfers this ownership interest or shares to another party. This tax is chargeable at a rate of 20% from 1 January 2016 on the difference between the assignment proceeds and the original value of the assigned capital, less the transaction costs. The original value of the assigned capital is the actual capital amount which has been contributed by the transferor as at the assignment date, as supported by and based on accounting books and documents or the price at which the Company has acquired the investment.

(d) Deferred tax

The deferred tax position as at 31 December 2022 was USD Nil (31 December 2021: USD Nil). The movement is reflected in the Statement of Comprehensive Income. Note 2 (o) provides further details on recognition of deferred tax in the financial statements.

11 RELATED PARTY TRANSACTIONS

In accordance with IAS 24 ‘Related Party Disclosures’, the following are the related parties and associated related party transactions of the Company for the year ended 31 December 2022.

For the year ended 31 December 2022, the Investment Manager earned an investment management fee of USD 435,756 (31 December 2021: USD 612,181) of which USD 25,897 was outstanding at the year-end (31 December 2021: USD 48,725). In addition, for that year the Investment Manager also earned a crystallised performance fee of USD 4,644 (31 December 2021: USD 2,220,038) of which USD Nil was outstanding at the year-end (31 December 2021: USD 1,813,481).

The Investment Manager and its employees did not hold any share capital of the Company at year end 31 December 2022 or year-end 31 December 2021.

Transactions with key management personnel

The total remuneration earned by the Directors during the year was USD 150,000 (2021: USD 150,000).

Transactions with SPE

In accordance with the POM and the Articles, the Company may structure any or all of its investments through wholly owned subsidiaries which act as SPE incorporated outside Vietnam. The SPE listed in Note 1 are managed by the Board.

12 INTERESTS IN OTHER ENTITIES

Investment entity status

To adopt the amendment to IFRS 10 and to be exempt from preparing consolidated financial statements, the Company must meet the definition of an IE. The Board has determined that the Company meets both the required criteria and typical characteristics of an IE.

The IFRS 12, "Disclosure of Interests in Other Entities", disclosures relate to the Company's involvement with:

(i) Unconsolidated IE subsidiary entities as listed in Note 1.

(ii) Non-subsidiary unconsolidated structured entities.

(iii) Associated companies held via the SPE.

Interest in unconsolidated IE subsidiary entities

At 31 December 2022, the Company had one subsidiary entity as defined under IFRS 10. See Note 1 for details. This subsidiary entity is unconsolidated and is noted as financial assets at fair value through profit or loss in the Statement of Financial Position.

Interests in unconsolidated IE SPE as at 31 December 2022:

Structured Entity	Nature	Proportion of Ownership Interest Held	Company's Holding in Fair Value (USD)	% of Total Financial Assets at Fair Value through Profit or Loss	Maximum Exposure to Losses (USD)
Beira Limited	Wholly owned subsidiary	100%	20,322,959	100%	20,322,959
TOTAL			**20,322,959**	**100%**	**20,322,959**

Beira Limited was incorporated as an exempted company with limited liability in the Cayman Islands.

Beira Limited was the only SPE active at year ended 31 December 2022. Furthermore, there are no significant restrictions on the ability of the unconsolidated subsidiary above to transfer funds or to repay loans or advances made to the unconsolidated subsidiary to the Company and there are no current commitments or intentions to provide financial or other support to the unconsolidated subsidiary. The SPE listed in the table above is incorporated in the Cayman Islands, having the purpose of acting as holding investments of the Company in Vietnam.

Interests in unconsolidated IE SPE as at 31 December 2021:

Structured Entity	Nature	Proportion of Ownership Interest Held	Company's Holding in Fair Value (USD)	% of Total Financial Assets at Fair Value through Profit or Loss	Maximum Exposure to Losses (USD)
Beira Limited	Wholly owned subsidiary	100%	38,927,343	100%	38,927,343
TOTAL			**38,927,343**	**100%**	**38,927,343**

Beira Limited were active at year ended 31 December 2021.

Interests in non-subsidiary unconsolidated structured entities

The Board has concluded that the Company had no directly held unconsolidated structured entities. However, the Company holds all of its investments through wholly owned subsidiary company which is the SPE incorporated outside of Vietnam. This structured entity interest forms part of the SPE's fair value that is reflected in financial assets at fair value through profit or loss in the Company's Statement of Financial Position.

Interests in associated companies in IE subsidiary entities

Interests in associated companies held via the SPEs as at 31 December 2022:

The Company has concluded that it has no investment in an associated company as at 31 December 2022 (2021: no investment in associated company).

13 FINANCIAL INSTRUMENTS

This note describes the risks associated with the financial assets and liabilities of the Company and also the risks of the underlying portfolio of investments owned by the Company's wholly owned IE SPE.

General risk management process

As an investment group, the risk management of financial instruments is fundamental to the management of the Company's business. The Company's risk management process is managed by the Investment Manager.

As defined in IFRS 7, "Financial Instruments: Disclosures", risk can be separated into the following components: market risk, credit risk and liquidity risk. Each type of risk is disclosed in turn and qualitative and quantitative analyses are provided where relevant to give shareholders an understanding of the risk management methods used by the Investment Manager.

However, each risk control in place is not always limited to the mitigation of one single, particular risk. Hence, shareholders should place the role of each risk control in the broader context of the overall risk management of the Company. The total concentration of risk is through the unconsolidated SPE and their underlying investments.

(a) Market risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: market price risk, currency risk and interest rate risk.

(i) Market price risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk which are addressed separately), whether those changes are caused by factors specific to individual financial instruments or its issuer, or other factors affecting similar financial instruments traded in the market.

Objectives, policies and processes for managing market price risk

The Company undertakes to manage market price risk among the different asset classes by pre-setting asset allocation targets. The asset allocation targets are based on the Investment Manager's projections of the market price risks of the individual financial instruments that the Company holds. In pre-setting allocations, the Investment Manager aims to achieve an optimal weightage of the Company's financial instruments to minimise market price risk, though there is no guarantee this may be achieved.

Price fluctuations of individual quoted securities and their impact on the Company's estimated profits and losses are estimated and internally published on a daily basis. The Investment Manager adheres to a buy and sell discipline based on the securities' buy and sell target prices, which are determined based on fundamental factors of the underlying investments. In managing price fluctuations of small capitalisation, less liquid securities, the Investment Manager may use internal investment guidelines setting typical thresholds in terms of market capitalisation, average daily trading value, foreign ownership ratio, and other factors.

Fluctuations in the valuation of unquoted securities and their impact on the Company's estimated profits and losses are estimated and communicated to shareholders on a quarterly basis. Note the Investment Manager's decision to make any private equity investments taking a long-term view, typically more than 3 years. Therefore, quarterly fluctuations in the valuation of the private equity investments are only for the purpose of client and financial reporting, and not for the purpose of short- term investment decision making. However, the Company does not hold any unquoted securities as at 31 December 2022.

For listed equities, the Investment Manager reviews the daily valuation report provided by internal systems and the monthly valuation report provided by the Administrator. Both parties obtain pricing of the securities independently; the Administrator uses Refinitiv while the Investment Manager uses Bloomberg. The Investment Manager will review and flag if there are any discrepancies. The Administrator will then investigate and confirm final valuations in accordance with the Company's pricing policy.

Investments quoted, listed, traded or dealt in on any stock exchange, commodities exchange or futures exchange (if any) are valued in accordance with the last sale price of the investments sold on the relevant exchange on the day on which the determination is made or, if that is not a trading day, on the last preceding trading day. Interests in open-ended collective investment schemes (if any) are valued at the last bid price published by the managers thereof.

The Company is exposed to inflation risk.

The asset class exposure as at 31 December 2022 and 31 December 2021 were as follows:

	31 DECEMBER 2022		31 DECEMBER 2021	
	USD	% Total Assets	USD	% Total Assets
Asset Class Exposure:				
ASSETS HELD THROUGH SPE *Financial assets and liabilities at fair value through profit or loss:**				
Listed Equities	20,183,379	97.13%	38,359,586	98.26%
Convertible Bonds	-	-	-	-
Cash and cash equivalents	127,204	0.61%	533,128	1.37%
Other assets	12,376	0.06%	34,629	0.09%
Net financial assets and liabilities at fair value through profit or loss	20,322,959	97.80%	38,927,343	99.72%
ASSETS HELD BY COMPANY DIRECTLY *Financial assets at amortised cost*				
Cash and cash equivalents	398,226	1.92%	50,235	0.13%
Other assets	57,546	0.28%	59,917	0.15%
Net financial assets at amortised cost	455,772	2.20%	110,152	0.28%
TOTAL ASSETS	**20,778,731**	**100.00%**	**39,037,495**	**100.00%**

**The exposures noted are those arising in the SPE that have been measured at fair value through profit or loss.*

The Investment Manager estimates the reasonably possible market price fluctuations for equity investments being a 10% sensitivity on an individual investment basis, barring black swan events.

The Investment Manager is of the opinion that a +/- 10% price change in presenting the sensitivity analysis is a reasonably possible change across all diverse asset classes. Over the last 5 years, the annualised volatility of the VNIndex of the Ho Chi Minh Stock Exchange, calculated using monthly returns, was 22.61%, 9.25%, 39.92%, 17.02%, and 21.39% in calendar years from 2018 to 2022, respectively. It should be noted that stock markets witnessed higher volatility recently due to several unique headwinds, from both international and domestic macro economies, caused by the COVID-19 pandemic and geopolitical tensions. Other factors such as the increase in the number of retail investors, and foreign investor flows due to adjustments in asset allocation decisions have contributed to market volatility.

The table below sets out the effect on the Company's profit or loss and net assets of a reasonably possible strengthening in the individual equity market prices of 10% at 31 December 2022 and 2021.

The analysis assumes that all other variables, in particular interest and foreign currency rates remain constant.

EFFECT IN USD:	**2022**	**2021**
	USD	**USD**
Net impact on profit or loss and net assets	2,018,338	3,835,959
Effect in % of net assets: Net impact on profit or loss and net assets	9.76%	10.37%

The industry sector breakdown for listed equities as at 31 December 2022 and 2021 is detailed below.

SECTOR	**31 DECEMBER 2022**	**31 DECEMBER 2021**
	VPF A	**VPF A**
Materials	5%	8%
Consumer Staples	3%	5%
Real Estate Developers and Construction Services	38%	33%
Information Technology	12%	11%
Financials	29%	26%
Consumer Discretionary	5%	10%
Energy	7%	7%
TOTAL	**100%**	**100%**

(ii) Currency risk

Currency risk is defined in IFRS 7 as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. For the purposes of IFRS 7, currency risk is ordinarily defined to include monetary items only, such that it therefore excludes non-monetary foreign currency financial instruments.

However, as the Company fair values all its non-monetary financial instruments, all such assets have been included hereunder for the purpose of currency risk exposure analysis. Under the Company's investment objective, there is no explicit intention of performance returns through currency gains and the Company does not seek to speculate in currencies as one of its investment objectives. The Investment Manager has also taken the view not to actively hedge the VND against the USD, the two main currencies held by the Company, as VND is often required for investments into Vietnamese-related securities that require payment in the local currency. Therefore, the Investment Manager sees no circumstances where it may deem it necessary to hedge the exposure to currency risk. A currency risk policy is therefore not in place in the management of the Company.

As such, the two main currencies held by the Company are the USD (the functional currency of the Company) and the VND (which is required for investments into Vietnam that require payment in the local currency). However, on occasion, the Company may hold financial instruments denominated in a currency other than the USD or VND as a consequence of buying securities that are listed on a non-Vietnamese exchange and which are thus denominated in a currency other than USD or VND. When selling these offshore equities which are denominated in the offshore country's base currency the Company may from time to time hold cash that is denominated in a currency other than USD and VND. Under such circumstances, the Investment Manager, on a best effort's basis, will either buy other offshore equities denominated in the offshore country's base currency or repatriate the amount held in the offshore country's base currency into either USD or VND as soon as possible. There are internal controls in place to ensure that the Company adheres to this policy.

In summary, the Company's exposure to currency risk is continually monitored by the Investment Manager and hedging against such a risk will be entirely at the Investment Manager's discretion.

The following table sets out the Company's exposure to currency risk. There is no currency risk attached to the other assets and liabilities in the Company's financial statements as these are held in the Company's functional currency.

	31 December 2022			31 December 2021		
	Assets	Liabilities	Net Assets	Assets	Liabilities	Net Assets
	USD	USD	USD	USD	USD	USD
Monetary						
USD	537,215	(96,678)	440,537	1115,252	(2,029,791)	(1,914,539)
VND	58,137	-	58,137	562,657	-	562,657
Non-Monetary						
VND	20,183,379	-	20,183,379	38,359,586	-	38,359,586
TOTAL	**20,778,731**	**(96,678)**	**20,682,053**	**39,037,495**	**(2,029,791)**	**37,007,704**

The Investment Manager estimates that a reasonably possible strengthening of the USD in relation to the other currencies is 5%. The movement in the primary currency exchange rates to USD for the financial year is detailed in the supplemental unaudited information to the financial statements.

The table below sets out the effect on the Company's profit or loss and net assets of a reasonably possible strengthening of the USD in relation to the other currencies by 5% at 31 December 2022 and 2021. This analysis assumes that all other variables, in particular interest rates, remain constant:

EFFECT IN USD:	2022	2021
	USD	USD
Net impact on profit or loss and net assets	963,882	1,853,440
Effect in % of net assets:	4.66%	5.01%

(iii) Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk arises on financial instruments whose fair value or future cash flows are affected by changes in interest rates. The Company is exposed to interest rate risk through the fixed income portion of its assets. The management of such risks is described below.

The following table details the Company's exposure to interest rate risk at year end. It includes the Company's financial assets and trading liabilities, categorised by the earlier of contractual re-pricing or maturity date measured by the carrying value of the assets and liabilities:

31 DECEMBER 2022	Maturity < 1 yr	Maturity 1 to 5 yrs	Maturity > 5 yrs	Non-Interest Bearing	Total Carrying Value
	USD	USD	USD	USD	USD
ASSETS AND LIABILITIES HELD THROUGH SPE					
Financial assets and liabilities at fair value through profit or loss:					
Equities	-	-	-	20,183,379	20,183,379
Cash and cash equivalents	127,204	-	-	-	127,204
Other assets	-	-	-	12,376	12,376
Net financial assets at fair value through profit or loss	**127,204**	**-**	**-**	**20,195,755**	**20,322,959**
ASSETS AND LIABILITIES HELD BY COMPANY DIRECTLY					
Financial assets and liabilities at amortised cost					
Cash and cash equivalents	398,226	-	-	-	398,226
Other assets	-	-	-	57,546	57,546
Other Liabilities	-	-	-	(96,678)	(96,678)
Net financial assets and liabilities at amortised cost	**398,226**	**-**	**-**	**(39,132)**	**359,094**
TOTAL NET ASSETS	**525,430**	**-**	**-**	**20,156,623**	**20,682,053**

31 DECEMBER 2021	Maturity < 1 yr	Maturity 1 to 5 yrs	Maturity > 5 yrs	Non-Interest Bearing	Total Carrying Value
	USD	USD	USD	USD	USD
ASSETS AND LIABILITIES HELD THROUGH SPE					
Financial assets and liabilities at fair value through profit or loss:					
Equities	-	-	-	38,359,586	38,359,586
Cash and cash equivalents	533,128	-	-	-	533,128
Other assets	-	-	-	34,629	34,629
Net financial assets at fair value through profit or loss	**533,128**	**-**	**-**	**38,394,215**	**38,927,343**
ASSETS AND LIABILITIES HELD BY COMPANY DIRECTLY					
Financial assets and liabilities at amortised cost					
Cash and cash equivalents	50,235	-	-	-	50,235
Other assets	-	-	-	59,917	59,917
Other Liabilities	-	-	-	(2,029,791)	(2,029,791)
Net financial assets and liabilities at amortised cost	**50,235**	**-**	**-**	**(1,969,874)**	**(1,919,639)**
TOTAL NET ASSETS	**583,363**	**-**	**-**	**36,424,341**	**37,007,704**

VND-denominated bond portfolio

As at 31 December 2022 and 31 December 2021 the Company did not hold any VND denominated bond portfolio.

Cash and cash equivalents

At 31 December 2022, if the market interest rates had increased by 1% with all other variables remaining constant, the net assets attributable to holders of redeemable participating shares would have increased by USD 5,254 (31 December 2021: USD 5,834). A decrease of 1%, with all other variables remaining constant, would have had an equal but opposite effect.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty risk and issuer risk. In relation to the Company, it can arise from receivables due from another party, placing deposits with other entities, purchases of debt securities and entering into derivative contracts. As at year end 31 December 2022 and 31 December 2021, there were no derivative contracts held by the Company.

(c) Counterparty risk

For counterparty risk, the Investment Manager requires that any use of brokers be approved by its Chief Investment Officer and Chief Operating Officer. Documents reviewed when considering whether a broker will be admitted as an approved broker include (i) latest audited accounts or annual report of the entity where the Investment Manager or its clients will have exposure to the broker as a counterparty, (ii) brief profile of the company (e.g. main activities, geographic/markets coverage), (iii) copy of corporate structure including shareholdings (where broker is to be used as a counterparty) and (iv) letter of undertaking from parent company, if applicable. Upon approval, operations will inform the dealer and Investment Manager accordingly, including the limits allocated to the brokers.

(d) Issuer risk

Issuer risk is associated with transacting in exchange traded debt securities and is monitored by use of credit ratings. For funds investing in debt securities, the investment objectives provide details of the credit rating restrictions imposed on that fund.

In managing credit risk, the Investment Manager observes the following investment restrictions and requirements, as set out in the POM in respect of the investment of the assets attributable to the VPF A Shares:

- (i) no more than 20 per cent of the gross assets may be invested in the securities of a single issuer or may be exposed to the creditworthiness or solvency of any one counterparty;
- (ii) the Fund may not invest in unlisted securities without the prior approval of the Directors and, at any such times when approval is given;
- (iii) no more than 10% of the gross assets may be invested in unlisted securities;
- (iv) no more than 5% of the gross assets may be invested in the unlisted securities of a single issuer;
- (v) no more than 40 per cent of the gross assets may be invested in another single fund;
- (vi) no more than 20 per cent, in aggregate, of the value of the gross assets will be invested in other funds whose principal investment objectives include investing in other funds;
- (vii) the Fund will not invest directly in physical commodities;
- (viii) the Fund will not make any direct investment in real estate, although the Fund may invest in any derivatives of real estate, such as securities of investment fund vehicles making investments in real estate; and
- (ix) the Fund will not take or seek to take legal or management control of the issuer of underlying investments.

In addressing issuer risk, financial institutions outside of Vietnam must have a minimum short-term credit rating of Prime-1 (Moody) / A-1 (Standard & Poor) / F-1 (Fitch Ratings). Such deposit instruments may include money-market funds or fixed income instruments with a term of less than 3 months provided that the instrument has a credit rating of 'A' or above. For the purpose of this paragraph, a credit rating of 'A' refers to the credit rating allotted by Standard & Poor's. For instruments with no credit ratings available, the Company monitors the credit risk and credit spreads on a regular basis.

Note 13(a)(iii) and Note 14 provide further details on the risks and sensitivities associated with the listed and unlisted fixed income instruments respectively.

As at 31 December 2022, all of the assets (other than its assets located in Vietnam or assets located in any other jurisdictions which require assets to be held by a local custodian, pursuant to the Custodian Agreement) of the Company are held by the Custodian. Bankruptcy or insolvency of the Custodian may cause the Company's rights with respect to securities held by the Custodian to be delayed or limited. The Company monitors its risk by monitoring the credit rating and financial positions of the Custodian and by monitoring the credit rating of its sub-custodian Citibank (31 December 2021: Citibank Bank).

The carrying amounts of financial assets set out in the table below best represent the maximum credit risk exposure at the date of the Statement of Financial Position. Other assets included in the table below consist of amounts due to the Company for unsettled trades, are current in nature and are expected to be recovered in the short term.

	31 DECEMBER 2022	31 DECEMBER 2021
	USD	USD
Assets and liabilities held through SPE		
Investment in Debt Instruments	-	-
Cash & Cash Equivalents	127,204	533,128
Interest & Other Receivables	12,376	34,629
Assets and liabilities held by Company directly		
Cash & Cash Equivalents	398,226	50,235
Interest & Other Receivables	57,546	59,917
	595,352	**677,909**

VPF ANNUAL REPORT 2022 | NOTES TO THE FINANCIAL STATEMENTS

(e) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company holds sufficient liquid assets at all times to meet its obligations to cover operating expenses. To prevent significant exposure to financial liabilities in an underlying holding, the Company is not permitted to acquire an interest in an investment which exposes the Company to unlimited liability.

As at year end 31 December 2022 and 31 December 2021, there was no net exposure arising through the Company's holdings in the SPE as current assets in the SPE exceed current liabilities.

The Investment Manager's policy of managing the liquidity of the Company's investments is as follows:

The VPF A Shares are redeemable monthly at the option of the shareholders. The majority of VPF A Shares portfolio are liquid listed securities. Any VPF A Share redemption notice must be received at least 30 business days prior to the relevant redemption date and the payment date is generally within 20 days of the relevant redemption date. Therefore, the Investment Manager has approximately 50 days to liquidate assets to satisfy any redemption requests, which the Investment Manager expects to be sufficient under normal market conditions. The Company could limit the ability of the shareholder to redeem from VPF A if required.

(f) Risk management controls for financial instruments

The following paragraphs describe the risk controls taken to manage the risk levels of each of the financial instruments stated below:

(i) Cash & cash equivalents

The Company's investments in Vietnam are in securities that are denominated in VND. Therefore, a significant cash portion of the Company is held in VND.

The VND is held in bank accounts with Citibank N.A. (Vietnam), as sub-custodian. The Investment Manager has taken the view not to actively hedge the VND against the USD as VND is often needed for investments into Vietnamese-related securities that require payment in the local currency.

The Company may hold up to 100 per cent of its assets in cash at any time at the sole discretion of the Investment Manager.

(ii) Equities

To manage risk in both the listed and unlisted portions of the portfolio, the Company observes the condition that no more than 20 per cent of the gross assets of the Company may be invested in the securities of a single issuer or may be exposed to the creditworthiness or solvency of any one counterparty.

(iii) Listed equities

Listed equities are exposed to market price risks. The Investment Manager has adopted a prudent approach in building Company exposure to the broader Vietnamese markets to minimise such risks. The Company's exposure to market price risk at 31 December 2022 is equivalent to the fair values of underlying investments held by the SPE. The value of listed equities as at 31 December 2022 was USD 20,183,379 (97.59% of NAV), 31 December 2021: USD 38,359,586 (103.65% of NAV).

(iv) Unlisted equities

The Company may hold investments in unlisted equities with the prior approval of the Board.

Note 12 details the Company's interests in associated companies. These associated companies are entities over whose financial and operating policies the Company has the ability to exercise significant influence.

(v) Other liabilities

Other liabilities comprise expense accruals, all of which are payable within one month of transaction date. To manage the associated liquidity risk, the Investment Manager regularly monitors the level of these short-term liabilities and maintains a cash balance sufficient to meet these liabilities as their settlement dates fall due.

The table below analyses the Company's non-derivative financial liabilities into the relevant maturity grouping based on the remaining period at 31 December 2022 and 31 December 2021 to the contractual maturity date. Accounts payable are detailed in Note 7.

31 DECEMBER 2022	Within 1 month	Between 1 month + 1 year	Total
	USD	USD	USD
Accounts payable	(96,678)	-	(96,678)
TOTAL	**(96,678)**	-	**(96,678)**

31 DECEMBER 2021	Within 1 month	Between 1 month + 1 year	Total
	USD	USD	USD
Accounts payable	(2,029,791)	-	(2,029,791)
TOTAL	**(2,029,791)**	-	**(2,029,791)**

(g) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities with financial instruments, either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risk such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior.

The Company's objective is to manage operational risk so as to balance the limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to shareholders.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board. This responsibility supported by the development of overall standards for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers, in the following areas:

(i) Documentation of controls and procedures;

(ii) Requirements for:

i. the appropriate segregation of duties between various functions, roles and responsibilities; the reconciliation and monitoring of transactions; and

ii. the periodic assessment of operational risk.

(iii) The adequacy of controls and procedures to address the risk identified;

(iv) Compliance with regulatory and other legal requirements;

(v) Development of contingency plans;

(vi) Training and professional development;

(vii) Ethical and business standards; and

(viii) Risk mitigation, including insurance if this is effective.

The Board's assessment of the adequacy of the controls and processes in place at the service providers with respect to operational risk is carried out via regular and ad hoc discussions with the service providers and a review of the service providers' Service Organisation Controls (SOC) reports on internal controls.

Substantially all the assets of the Company are held by the custodian. The bankruptcy or insolvency of the Custodian may cause the Company's rights with respect to the securities held by the Custodian to be limited. The Investment Manager monitors the credit ratings and capital activity of the Custodian through the review of the SOC report on the internal controls annually.

(h) Other general risk management procedures

The Company will not:

(i) Acquire an interest in an investment which exposes the Company to unlimited liability;

(ii) Make any investments on margin unless to meet the requirements of settlement; or

(iii) Undertake any short-selling.

14 FAIR VALUE INFORMATION AND HIERARCHY

This note describes the fair value measurement of the assets and liabilities of the Company and also the assets and liabilities the Company's SPE.

IFRS 13, "Fair value measurement", requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

"Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

The fair value hierarchy has the following levels:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e. as prices). This category includes instruments valued using: quoted prices for identical or similar instruments in markets that are considered less than active including securities priced using quotations received from brokers, whenever available and considered reliable; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation and instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The Company invests directly into SPE as described in Note 12 which onwards invests in underlying listed securities. The investment in SPE has been classified as Level 2 (2021: Level 2).

The following table analyses the fair value hierarchy within the Company's financial instruments measured at fair value at 31 December 2022:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL FAIR VALUE
	USD	USD	USD	USD
ASSETS AND LIABILITIES HELD THROUGH SPE				
Financial assets and liabilities at fair value through profit or loss				
Listed Equities	20,183,379	-	-	20,183,379
Total	**20,183,379**	**-**	**-**	20,183,379
Cash and cash equivalents	127,204	-	-	127,204
Other assets	-	12,376	-	12,376
Net financial assets at fair value through profit or loss	**20,310,583**	**12,376**	**-**	**20,322,959**
ASSETS AND LIABILITIES HELD BY COMPANY DIRECTLY				
Financial assets and liabilities at amortised cost				
Cash and cash equivalents	398,226	-	-	398,226
Other assets	-	57,546	-	57,546
Other liabilities	-	(96,678)	-	(96,678)
Net financial assets and liabilities at amortised cost	**398,226**	**(39,132)**	**-**	**359,094**
TOTAL NET ASSETS	**20,708,809**	**(26,756)**	**-**	**20,682,053**

The following table analyses the fair value hierarchy within the Company's financial instruments measured at fair value at 31 December 2021:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL FAIR VALUE
	USD	USD	USD	USD
ASSETS AND LIABILITIES HELD THROUGH SPE				
Financial assets and liabilities at fair value through profit or loss				
Listed Equities	38,359,586	-	-	38,359,586
Total	**38,359,586**	**-**	**-**	**38,359,586**
Cash and cash equivalents	533,128	-	-	533,128
Other assets	-	34,629	-	34,629
Net financial assets at fair value through profit or loss	**38,892,714**	**34,629**	**-**	**38,927,343**
ASSETS AND LIABILITIES HELD BY COMPANY DIRECTLY				
Financial assets and liabilities at amortised cost				
Cash and cash equivalents	50,235	-	-	50,235
Other assets	-	59,917	-	59,917
Other liabilities	-	(2,029,791)	-	(2,029,791)
Net financial assets and liabilities at amortised cost	**50,235**	**(1,969,874)**	**-**	**(1,919,639)**
TOTAL NET ASSETS	**38,942,949**	**(1,935,245)**	**-**	**37,007,704**

Transfers between levels of the fair value hierarchy are deemed to have occurred when the pricing source or methodology used to price an investment has changed which triggers a change in level as defined under IFRS 13. There were no transfers between the fair value hierarchy levels during the years ended 31 December 2022 and 31 December 2021.

Level 3 Reconciliation

No financial instruments categorised within Level 3 were held during the year ending 31 December 2022.

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 during the year ended 31 December 2021:

	Convertible Bonds	Total
	USD	USD
Opening Fair Value	7,798,115	7,798,115
Realised gain	11,551	11,551
Unrealised gain/(losses)	-	-
Purchases	-	-
Sales	(7,809,666)	(7,809,666)
Transfers out of Level 3	-	-
Transfers into Level 3	-	-
CLOSING FAIR VALUE	**-**	**-**

The realised gains and losses and the movement in unrealised gains and losses are recognised in the Statement of Comprehensive Income as a net gain/(loss) on investments at fair value through profit or loss.

15 COMMITMENTS

There were no commitments to investments as at 31 December 2022 or 31 December 2021.

16 SIGNIFICANT EVENTS DURING THE YEAR

In line with the Fund's standard board rotation, Mr. Judd Kinne and Mr. Martin Adams have resigned as Directors. Effective 25 August 2022, Mr. Kinne has been replaced by Ms. Polka Mishra and effective 30 November 2022, Mr. Adams has been replaced by Mr. An Nguyen.

Effective 13th December 2022, KPMG LLP., Cayman Islands, ceased as Statutory Auditor to the Company and was replaced by Ernst & Young Ltd., Cayman Islands. ("EY"), effective 23rd December 2022.

During 2022, the conflict between Russia and Ukraine, coupled with the lockdown in China resulted in volatile global commodity and energy prices. This raised inflationary pressures both globally and domestically in Vietnam. In a bid to control the inflation, tightening monetary policies were implemented as a result of which the liquidity of the equity market reduced.

The are no other events or transactions that occurred during the year that materially impact the amounts or disclosures in the Fund's Financial statements.

17 SIGNIFICANT EVENTS AFTER THE YEAR END

Subsequent to 1 January 2023 up to 28 April 2023, the Fund has recorded subscriptions of USD Nil and has recorded redemptions of USD 101,095.

No other significant events have occurred since the end of the reporting period which would have an impact on the financial position of the Company as disclosed in the Statement of Financial Position as at 31 December 2022 or on the results and cash flows of the Company for the year ended on that date.

18 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board on 10.05.2023.

- **Registered Office**
  Suite 5B201,
  2nd Floor, One Nexus Way,
  Camana Bay,
  Grand Cayman KY1-1108,
  Cayman Islands

- **Investment Manager**
  Duxton Capital (Australia) Pty Ltd.
  7 Pomona Road,
  Stirling, SA 5152,
  Australia

- **Custodian**
  European Depositary Bank SA, Dublin Branch
  2nd Floor, Block 5,
  Irish Life Centre,
  Abbey Street Lower,
  Dublin 1, D01 P767,
  Ireland

- **Sub-Custodians**

  Citibank N.A. London branch
  CitiGroup Centre,
  Canada Square,
  Canary Wharf,
  London, E14 5LB,
  United Kingdom

  Citibank N.A. Hanoi Branch
  11st floor, Horison Tower, 40 Cat Linh Street,
  Cat Linh Ward, Dong Da District,
  Hanoi,
  Vietnam

- **Administrator, Registrar and Transfer Agent**
  Apex Fund Services Limited
  Vallis Building, 4th Floor,
  58 Par-La-Ville Road,
  Hamilton HM11,
  Bermuda

- **Dealing Enquiries**
  Duxton Capital (Australia) Pty Ltd.
  7 Pomona Road,
  Stirling SA 5152,
  Australia

- **Company Secretary**
  Waystone Governance Ltd.
  Suite 5B201, 2nd Floor, One Nexus Way,
  Camana Bay, Grand Cayman KY1-1108,
  Cayman Islands

- **Auditors**

  Ernst & Young Ltd
  (From 23 December 2022)
  P.O. Box 510,
  62 Forum Lane,
  Camana Bay, KY1 - 1106,
  Cayman Islands

  KPMG
  (Until 13 December 2022)
  P.O. Box 493,
  SIX Cricket Square,
  Grand Cayman, KY1-1106,
  Cayman Islands

- **Legal Advisor to the Company on Cayman Islands Law**
  Ogier
  89 Nexus Way, Camana Bay,
  Grand Cayman, KY1-9009,
  Cayman Islands

RECONCILIATION TO DEALING NAV (UNAUDITED)	31/12/2022	31/12/2021
	USD	USD
NAV per IFRS financial statements	20,682,053	37,007,704
Adjustments:		
Capital redemptions with trade date 31 December 2022/2021, settlement date January 2023/2022		
(VPF A shares)	20,634	108,587
Reduction of audit fees	(10,747)	-
NAV per dealing NAV	20,691,940	37,116,291

Seasonal or cyclical changes
The Company is not subject to seasonal or cyclical changes.

Exchange rates
The year-end exchange rates to USD are as follows:

		31/12/2022	31/12/2021
EUR	Euro	0.9341	0.8829
GBP	British Pound	0.8276	0.7402
VND	Vietnamese Dong	23,632.0000	22,826.0000

GOLDEN BRIDGE, HÒA NINH, HÒA VANG, DANANG
VIETNAM

VPF

VIETNAM
PHOENIX FUND