

**PXP VIETNAM FUND LIMITED**

A Cayman-domiciled closed-end fund listed in Ireland. The investment objective of the Fund is to achieve long-term capital appreciation of its assets by investing in a portfolio of the equity securities of Vietnamese companies, whether established with domestic or foreign ownership, which are either listed companies or pre-listing companies.

**FUND DETAILS**

<b>Launch Date:</b>	31 Dec 2003		
<b>Issue Price:</b>	US\$2.50		
<b>NAV per share:</b>	US\$2.615 as at 31 March 2004		
<b>Number of shares in issue:</b>	2,040,000		
<b>Fund size:</b>	US\$5.33m		
<b>Number of holdings:</b>	10		
<b>Performance</b>	<b>1 month</b>	<b>3 months</b>	<b>Year-to-</b>
<b>Date</b>			
<b>PXPVF</b>	+2.31%	+4.60%	+4.60%
<b>Viet Nam Index</b>	+6.46%	+66.19%	+66.19%

**TOP 5 HOLDINGS**

	<b>% of net assets</b>
Chau Thoi 620 Concrete (BT6)	10.63
Sacom Cable (SAM)	10.14
Savimex (SAV)	9.19
Agifish (AGF)	9.06
Transimex (TMS)	8.57

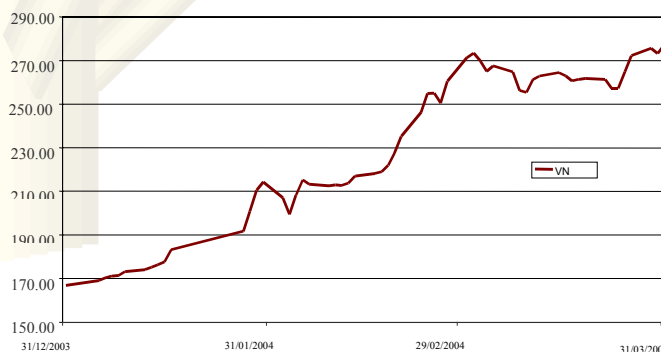
**INVESTMENT COMMENT**

During March the Fund's NAV per share rose 2.31% compared to the Viet Nam Index gain of 6.96%. In the first full month of investing, the Fund's equity holdings as a percentage of Net Assets rose from 38.1% to 73.7% as at 31 March 2004. Of the Vietnam Stock Exchange's then 23 listed companies six had reached the 30% foreign-ownership limit. The Fund had holdings in five of those companies.

The effective removal of a source of demand upon reaching the foreign ownership limit in a stock has generally caused that stock to underperform the broader market thereafter. Although the Manager expects domestic investors to rediscover the relative quality of those companies once first quarter 2004 results are released, new foreign investors are for the time being effectively prevented from buying companies which, at the end of March, represented approximately 16% of total market capitalization. This reduction of availability is expected to continue until foreign participation is severely restricted unless steps are taken to resolve the situation. The Vietnam Government appears to be fully behind the concept of developing its capital markets, particularly the stock exchange and we expect to see a broadening of the market including the listing of Vinamilk, Asia Commercial Bank and SACOM Bank within this year.

The Manager is actively seeking pre-listing investment opportunities in order to ensure participation for the Fund in large capitalisation issues. The introduction of a foreign board along the lines of the Thai model would ensure that foreign investors are not restricted in their choice of investments and would be relatively simple to adopt. We introduced this idea at a recent forum co-hosted by the Ho Chi Minh City People's Committee and are confident that it will receive due consideration.

**Performance of Viet Nam Index (VNI): 2004**



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