

## 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\$2.529 as at 29 April 2004 |                     |            |
| <b>Number of shares in issue:</b> | 2,040,000                     |                     |            |
| <b>Fund size:</b>                 | US\$5.16m                     |                     |            |
| <b>Number of holdings:</b>        | 10                            |                     |            |
| <b>Performance</b>                | <b>1 month</b>                | <b>3 months</b>     | <b>YTD</b> |
| <b>PXPVF</b>                      | -3.29%                        | +1.69%              | +1.16%     |
| <b>Viet Nam Index</b>             | -4.69%                        | +23.38%             | +58.40%    |

### TOP 5 HOLDINGS

|                              | % of net assets |
|------------------------------|-----------------|
| Sacom Cable (SAM)            | 11.25           |
| Gemadep (GMD)                | 11.23           |
| Chau Thoi 620 Concrete (BT6) | 10.25           |
| REE (REE)                    | 9.67            |
| Agifish (AGF)                | 9.62            |

### INVESTMENT COMMENT

During April the Fund's NAV per share fell 3.29% compared to the Viet Nam Index decline of 4.69%. The Fund's equity holdings as a percentage of Net Assets rose from 73.7% to 81.8% as at 29 April 2004.

The unaudited first quarter results of listed companies produced mixed results but overall were up 21.05% on the first quarter of 2003. The companies in the PXP Vietnam Fund portfolio showed average profit increases of 23.53%. The first quarter 2004 increase in net profit for the top-10 stocks by market capitalization (8 of which are Fund holdings) as at 29 April 2004 are reproduced below:

| Stock Code | Market Capitalisation<br>US\$m | Change in Net Profit<br>(% Q on Q) |
|------------|--------------------------------|------------------------------------|
| <b>GMD</b> | 70.3                           | 30.7                               |
| <b>SAM</b> | 51.0                           | 9.1                                |
| <b>REE</b> | 37.1                           | 63.4                               |
| <b>BT6</b> | 15.2                           | -18.4                              |
| <b>AGF</b> | 10.1                           | -10.9                              |
| <b>SAV</b> | 10.0                           | 856.2                              |
| <b>BBT</b> | 8.3                            | -84.9                              |
| <b>TRI</b> | 6.9                            | -6.9                               |
| <b>TMS</b> | 6.8                            | 23.8                               |
| <b>BBC</b> | 6.8                            | 185.2                              |

The expected acceleration in the frequency of new listings, together with a mooted increase in the foreign ownership limit within the coming few months (possibly to 100% in non-strategic sectors) is regarded by the Investment Manager as further evidence of the Government's desire to promote the development of the stock market. The recent refusal of the Government to accept the conditions attached to an International Monetary Fund (IMF) loan facility and the consequent expiry of the loan agreement may be regarded as a move toward more active involvement in traditional capital markets, particularly through equitisations as a preliminary to share sales in large-scale State Owned Enterprises (SOEs) in the oil and gas, energy, telecommunications and banking sectors.

The Investment Manager is confident that recent developments reinforce the likelihood of the stock market's total capitalisation being able to meet the government's target of US\$ 1 billion by the end of 2005, and we will be contacting shareholders shortly with a view to ensuring that the Fund is able to continue to participate fully in the market's development.