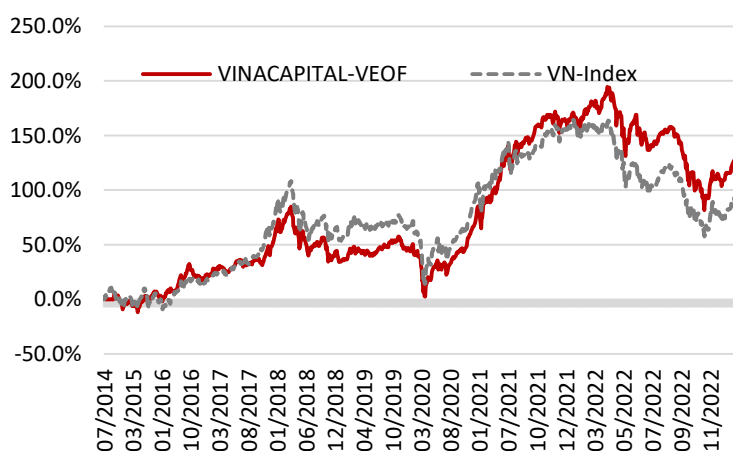


**VINACAPITAL-VEOF**
**Investment approach**

The fund applies active investment strategy and bottom-up stock selection, concentrates on high-conviction stocks through a deep dive research and analysis.

The fund mainly invests in large and mid-cap stocks which are industry leaders or differentiate in competitive advantages, have growth potential and are being undervalued.

**NAV growth since inception**


The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your fund units. Current performance may be higher or lower than the performance data quoted.

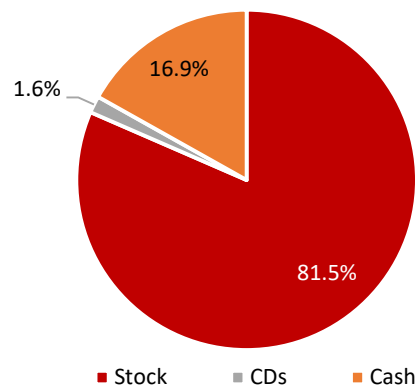
**Fund performance**
**VINACAPITAL-VEOF VN-Index**

Total AUM (VND billion)	941.9	
NAV/Share (VND)	22,578.6	
Jan 2023 return (%)	7.8	10.3
YTD 2023 return (%)	7.8	10.3
3-year annualized return (%)	16.7	5.9
Annualized return since inception (%)	9.9	7.9
Cumulative return since inception (%)	125.8	92.2

(The NAV is net of management fee and administrative expenses)

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**Investment allocation**
**% Total NAV**

**Fund information**

Inception	1/7/2014
Management fee	1.75% per annum
Subscription fee	0.0%
Redemption fee	2.0% < 12 months 1.5% >= 12 months 0.5% >= 24 months
Custodian and Supervisory Bank	Standard Chartered Bank Ltd. (Viet Nam)
Auditor	PwC Vietnam
Trading frequency	Daily, from Monday to Friday
Benchmark	VN-Index

**Portfolio statistics**

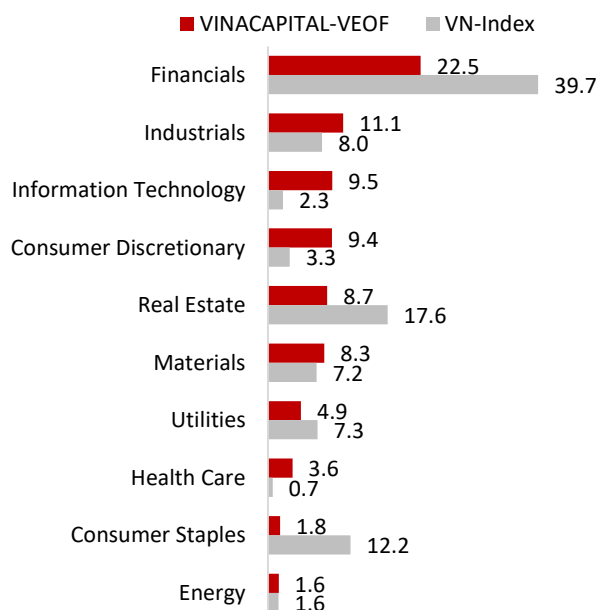
	VINACAPITAL-VEOF	VN-Index
Trailing P/E (x) (*)	12.5	12.9
Trailing P/B (x) (*)	1.6	1.8
Trailing ROE (%) (*)	13.1	14.8
Dividend yield (%) (*)	2.4	1.8
Portfolio turnover (%)	30.5	-
Sharpe ratio	0.3	0.2
No. of stocks	31	404

\* Trailing 12-month data

Source: Bloomberg, VinaCapital's forecast

## Sector allocation

## % Total NAV



## Top holdings

Stock	Sector	% NAV
FPT	Information Technology	9.5
VCB	Financials	8.0
PNJ	Consumer Discretionary	4.9
GAS	Utilities	4.9
MBB	Financials	4.7
VRE	Real Estate	4.2
MWG	Consumer Discretionary	4.0
STB	Financials	3.5
ACB	Financials	3.2
GMD	Industrials	3.0

## Comments from fund manager

## MARKET COMMENTARY

Following a 3.9% decline in December 2022, the VN-Index rebounded 10.3% in January 2023. The negative factors that prompted the stock market to slump in 2022 started to reverse at the beginning of 2023 and eased the concerns of investors. The banking system's liquidity improved compared with 4Q22. Deposit rates at banks dropped by approximately 1% following an agreement between the State Bank of Vietnam and commercial banks on a deposit rate cap of 9.5% in December 2022. The Vietnam Dong (VND) appreciated 0.8% against the US Dollar (USD) in the month, after gaining over 4% in December 2022. It is estimated that the State Bank of Vietnam increased its USD reserves by approximately USD2.8 billion in January thanks to the appreciation of the VND. Vietnam government bond yields also declined by around 40 bps across all tenors.

The positive market movement was also driven by foreign inflows. Foreign investors were net buyers of VND4.2 trillion on the combined three bourses in January, the third month in a row with net-purchasing.

As of 3 February, 992 companies (representing 97% of the market cap on the combined three bourses) have announced 2022 earnings results. The aggregate net profit of those companies grew 8% in 2022, although the 4Q22 figure was negative, subsiding by 30% YoY and 24% QoQ. There was a large divergence between the financials and non-financials sectors, with 4Q22 net profit of the financials sector advancing 20% YoY but declining 14% QoQ, while the 4Q22 profit of the non-financials sectors slumped 51% YoY and 36% QoQ.

Several macro-economic data were not positive either. Vietnam's CPI rose 0.5% MoM and 4.9% YoY in January 2023, temporarily rising above the average CPI target of 4.5% set by the Government for full year 2023. Exports dropped by 21.3% YoY due to weak global demand and longer Tet holidays in January, while imports also fell 28.9% YoY. The Industrial Production Index (IIP) declined 8% YoY in January 2023. Vietnam's Purchasing Managers' Index (PMI) was recorded at 47.4 in January, up from 46.4 in December, but still indicating a deterioration in manufacturing activities. Overall operating conditions remained weak for the third consecutive month. On a positive note, new export orders rose for the first time in three months. In addition, Vietnam still managed to achieve a trade surplus of USD3.6 billion in January 2023, supporting the appreciation of the VND.

## FUND COMMENTARY AND INVESTMENT OUTLOOK

The NAV per share of VINACAPITAL-VEOF advanced by 7.8% in January 2023. Among the fund's top-ten holdings, nine companies reported positive earnings growth in 2022, with many of them beating consensus expectations. The only company that saw profit decline in 2022 is MWG, as 2021 profit was on a high base and the company is in the process of restructuring its grocery business Bach Hoa Xanh.

FPT maintained growth of over 20% in 2022, with net profit reaching VND5.3 trillion, a 22% YoY increase. The recovery of companies post-COVID-19 continued, with PNJ and VRE announcing exceptional 2022 net profit growth of 76% and 108%, respectively. PNJ's 2022 profit was 51% higher than its pre-pandemic profit in 2019.

GAS and GMD also had successful fiscal years as their earnings beat expectations. GAS benefited from high oil prices and attained a historically high profit of VND14.8 trillion, or 71% YoY growth. Thanks to the new Gemalink deep-sea port in Cai Mep, GMD's net profit surged 63% YoY to reach VND1.0 trillion.

The banks in VINACAPITAL-VEOF's portfolio are among those that achieved the highest profit growth in the banking sector. The 2022 net profit of VCB and MBB reached VND29.9 trillion and VND17.5 trillion, 36% and 38% YoY growth, while profit growth at ACB and STB were even higher at 43% and 48%, respectively.

Although the 4Q22 earnings results of listed companies and the macro-economic figures during the last three months were disappointing, we maintain our view that several factors are becoming more positive for the stock market, such as interest rates, global inflation, the USD/VND exchange rate, and the banking system's liquidity. The stock market's rally may pause for a while after the strong performance in January. Nevertheless, its valuation remains attractive with a 2023F P/E of just over 10x. In the past 10 years, the market has rarely seen such low valuation and each time it occurred, stock prices would re-rate afterwards.

## Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	-0.1%	11.8%	0.5%	5.6%	11.6%	5.1%	-1.8%	3.0%	3.2%	8.3%	-0.1%	-0.3%	56.5%
2022	0.0%	5.1%	3.3%	-6.0%	-4.1%	-4.7%	-1.3%	5.2%	-10.1%	-10.2%	0.8%	-0.1%	-21.2%
2023	7.8%												7.8%

## Important information

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