

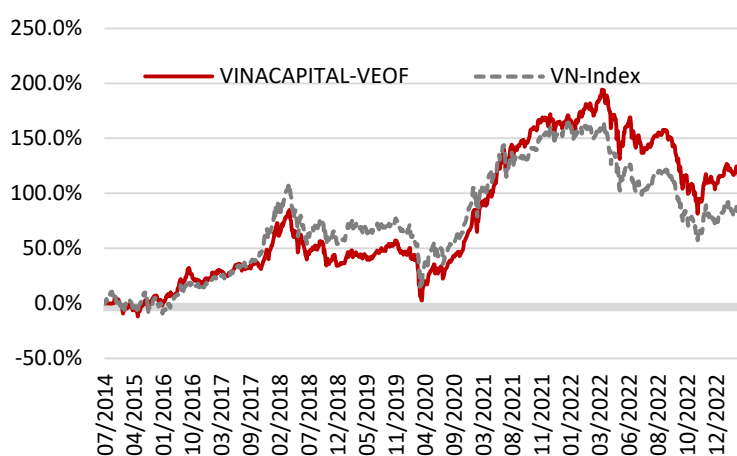
## VINACAPITAL-VEOF

## 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)	881.0	
NAV/Share (VND)	21,371.0	
Feb 2023 return (%)	(5.3)	(7.8)
YTD 2023 return (%)	2.1	1.7
3-year annualized return (%)	15.5	5.1
Annualized return since inception (%)	9.2	6.8
Cumulative return since inception (%)	113.7	77.3

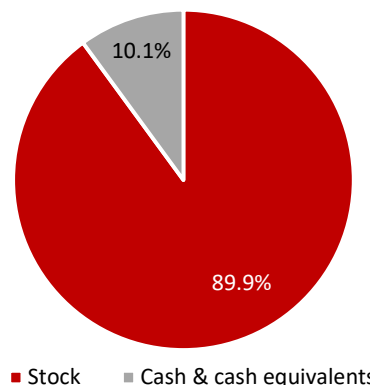
(The NAV is net of management fee and administrative expenses)

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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

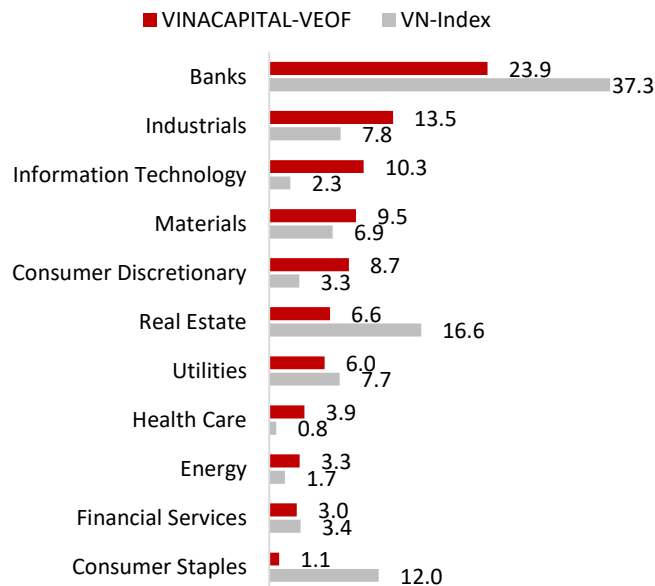
	VINACAPITAL-VEOF	VN-Index
Trailing P/E (x) (*)	12.8	13.3
Trailing P/B (x) (*)	2.5	1.6
Trailing ROE (%) (*)	18.9	14.0
Dividend yield (%) (*)	2.4	1.8
Portfolio turnover (%)	34.9	-
Sharpe ratio	0.3	0.1
No. of stocks	30	404.0

\* Trailing 12-month data

Source: Bloomberg, VinaCapital's forecast

## Sector allocation

### % Total NAV



## Top holdings

Stock	Sector	% NAV
FPT	Information Technology	10.3
VCB	Banks	8.7
GAS	Utilities	5.1
PNJ	Consumer Discretionary	4.5
STB	Banks	4.4
ACB	Banks	4.3
VRE	Real Estate	4.0
HPG	Materials	4.0
MWG	Consumer Discretionary	3.7
BID	Banks	3.5

## Comments from fund manager

### MARKET UPDATE

After gaining 10.3% in January, the VN-Index fell 7.8% in February 2023 to close at 1,024.7. On HOSE, 10/11 sectors and 300/404 stocks retreated last month.

In the first two months of 2023, the stock market advanced by just 1.7%. However, we believe this increase is reasonable given current market conditions.

Global stock markets did not fare well in February either, with the MSCI World Index declining 3.0%, and the MSCI Emerging Market Index falling 6.5%. The Fed has recently taken a more hawkish tone as high inflation may last longer than expected.

In the local market, some unfavourable information prompted investors to take profit after the market's rally in January. The concerns revolved around the corporate bond market, where several real estate companies faced cash flow difficulties and were unable to make timely payments on their bonds. Also affecting the market was less encouraging 2M2023 macroeconomic and falling 4Q22 earnings reported by many listed companies, as we mentioned in last month's report.

Market sentiment was quite weak in February. The average daily trading value on the combined three bourses retreated to VND10.1 trillion/day, the lowest level since November 2020. While foreign investors were active buyers in the previous months, they were net-sellers of over VND300 billion in February.

Macroeconomic data was mixed. The Index of Industrial Production fell 6.3% in 2M2023. Inflation in February 2023 continued to increase by 0.5% MoM and 4.3% YoY. 2M2023 exports and imports declined by 10.4% and 16.0%, respectively. On a positive note, Vietnam maintained a trade surplus of USD2.8 billion in the first two months of the year. The Purchasing Managers' Index (PMI) rose to 51.2 after three consecutive months of staying below 50. Output, new orders, and employment have started to pick up. In addition, 2M2023 retail sales maintained positive growth of 9.2% YoY in real terms.

### FUND UPDATE AND INVESTMENT OUTLOOK

In February 2023, the NAV per share of VINACAPITAL-VEOF decreased by 5.3%, outperforming the VN-Index, which fell 7.8%. In the first two months of the year, VINACAPITAL-VEOF advanced by 2.1%, while the VN-Index only increased by 1.7%.

At the end of February, the fund's largest holdings included FPT, VCB, GAS, and PNJ. In 2021 and 2022, FPT maintained impressive profit growth rates of 23% and 22%. At a meeting with investors at the end of February, the company announced that 2023 revenue and profit before tax is expected to reach VND52.3 trillion and VND9.1 trillion, up 19% and 18% YoY, respectively. In 2022, the value of new contracts signed by the global information technology service business unit, which is FPT's main growth driver, reached VND21.6 trillion, up 39% YoY. In the first two months of 2023, the value of new contracts signed continued to grow by 30% over the same period last year.

In 2022, VCB made a big leap forward to become the enterprise with the largest market capitalization and profit on the Vietnamese stock market. This position is likely to be maintained in 2023 as the bank expects to attain double-digit profit growth this year.

PNJ announced encouraging business results for January 2023, with net profit increasing 12% YoY to reach VND302 billion. Notably, January 2023 had four fewer working days compared to January 2022 due to the earlier Tet holidays. Furthermore, the first quarter of last year was a high base for profit comparison because of the pent-up demand following the social distancing period caused by the COVID-19 pandemic.

The VN-Index's sharp correction in February has brought the stock market back to an attractive valuation, with the 2023F P/E at just 9.5x, according to Bloomberg calculations. The newly issued Decree 08/2023/ND-CP, which amends a number of regulations on corporate bond offerings and transactions, should somewhat reduce the pressure of bond payments on real estate companies and create better market sentiment. In addition, the stock market will continue to be supported by foreign inflows with the foreign ETFs, such as Fubon FTSE Vietnam ETF and VanEck Vietnam ETF, expected to be net buyers on the Vietnamese stock market in the coming months.

## 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%	-5.3%											2.1%

### Important information

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