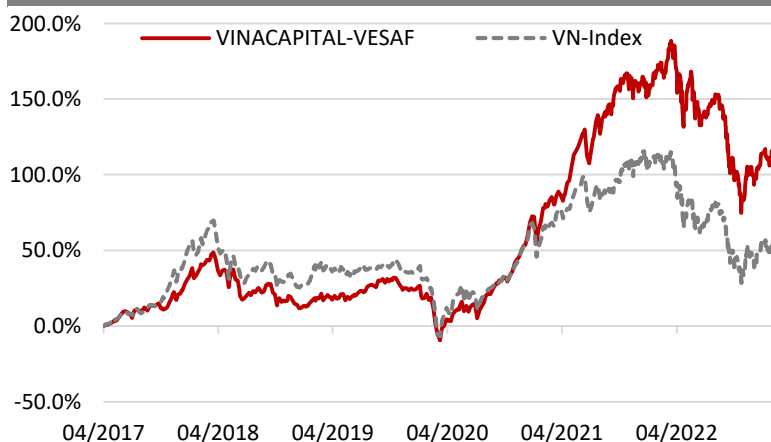


VINACAPITAL-VESAF

Investment approach

Invest in all equity opportunities unencumbered by foreign restriction or size. The strategy of the fund is to take meaningful stakes in companies with a robust franchise that we believe can benefit from the domestic growth of the country.

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-VESAF	VN-Index
Total AUM (VND billion)	1,031.5	
NAV/Share (VND)	20,569.3	
Feb 2023 return (%)	(5.2)	(7.8)
YTD 2023 return (%)	4.2	1.7
3-year annualized return (%)	20.2	5.1
Annualized return since inception (%)	13.1	6.5
Cumulative return since inception (%)	105.7	44.4

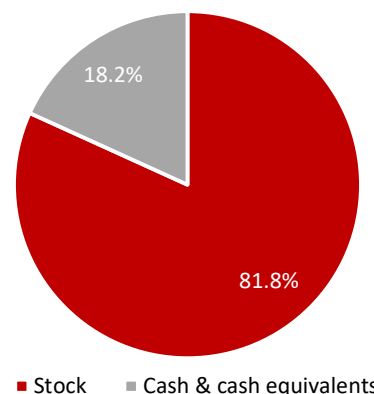
(The NAV is net of management fee and administrative expenses)

Investor Relations: irwm@vinacapital.com

Tel: +84 28 38 27 85 35

Investment allocation

% Total NAV



Fund information

Inception	18/04/2017
Management fee	1.75% per annum
Subscription fee	0.0%
Redemption fee	2.0% < 12 months
	1.5% >= 12 months
Custodian and Supervisory Bank	0.5% >= 24 months
	Standard Chartered Bank Ltd. (Vietnam)
Auditor	PwC Vietnam
Trading frequency	Daily, From Monday to Friday
Benchmark	VN-Index

Portfolio statistics

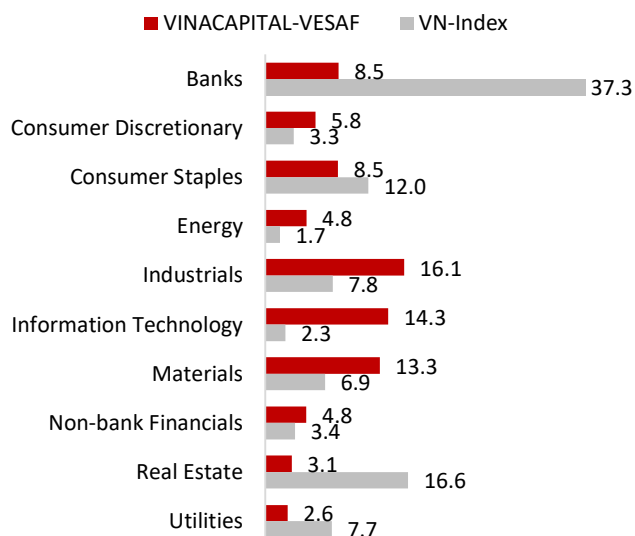
	VINACAPITAL-VESAF	VN-Index
Trailing P/E (x) (*)	10.5	13.3
Trailing P/B (x) (*)	2.0	1.6
Trailing ROE (%) (*)	18.5	14.0
Dividend yield (%) (*)	3.9	1.8
Portfolio turnover 12M (%)	42.9	-
Sharpe ratio	0.4	0.1
No. of stocks	24	404

* Trailing 12-month data

Source: Bloomberg, VinaCapital's forecast

Sector allocation

% Total NAV



Top holdings

Stock	Sector	% NAV
FPT	Information Technology	14.3
MWG	Consumer Discretionary	5.8
QNS	Consumer Staples	5.4
MBB	Banks	4.8
DPR	Materials	4.2
PVS	Energy	4.0
ILB	Industrials	3.8
STB	Banks	3.8
PC1	Industrials	3.6
PLC	Materials	3.3

Comments from fund manager

MARKET UPDATE

After gaining 10.3% in January, the VN-Index fell 7.8% in February to close at 1,024.7. In the first two months of 2023, the stock market advanced by just 1.7%.

Global stock markets also fell back in February, with the MSCI World Index declining 3.0% and the MSCI Emerging Market Index dropping 6.5%. The Fed’s messages have recently become more hawkish 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, as several real estate companies faced cash flow difficulties and were unable to make timely payments on their bonds. In addition, the fact that 2M23 macroeconomic data was mixed and the declining 4Q22 earnings of many listed companies (as we stated in last month’s report) also affected the market.

Market sentiment was quite weak in February. The average daily trading value on the combined three bourses retreated to VND10.1 trillion, 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 with negative and positive numbers. The Index of Industrial Production fell 6.3% in 2M23. Inflation in February rose by 0.5% MoM and 4.3% YoY. 2M23 exports and imports declined by 10.4% and 16.0% YoY, respectively. On a positive note, Vietnam still 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, 2M23 retail sales maintained solid growth of 9.2% YoY in real terms.

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 relating to corporate bond offerings and transactions, could provide some relief for real estate companies and create better sentiment for the market. In addition, the stock market should be supported by foreign inflows with foreign ETFs, such as Fubon FTSE Vietnam and VanEck Vietnam ETF, expected to be net buyers on the Vietnamese stock market in the coming months.

UPDATES ON VINACAPITAL-VESAF

The fund declined 5.2% in February but still achieved a positive return of 4.2% for the first two months of the year, outperforming the VN-Index which returned 1.7% YTD. The outperformances were attributable to both stock selection and risk management during this period of mixed outlook.

Notably, our selected exposure to companies that benefited both directly and indirectly from the accelerated public investment and China’s reopening story, which accounted for 30% of total portfolio, contributed to the positive performance. The holdings benefiting from public spending activities including PLC (+7.3% in February, +31.6% in 2M23), ILB (-3.8%, +27.3%), DHA (-2.1%, +7.7%) and PC1 (+4.2%, +34.7%); all were resilient in the first two months of the year. Holdings that benefited from China’s reopening story included DHC (-3.9% in February, +13.1% in 2M23), FMC (-5.1%, +11.8%) and PVS (+1.6%, +21.5%).

Given the current volatile market, a portion of the portfolio has been allocated to defensive stocks (over 25% of the portfolio) such as FPT (-3.6% in February, +4.7% in 2M23), QNS (+8.3%, +12.1%) and BMI (+0.2%, +20.0%). The remainder of the portfolio has been structured to also have some exposure to selected high-beta stocks in the brokerage and banking sectors, which tend to do well when interest rates are at their peak.

The fund had 18% cash at the end of February, which we will consider disbursing during market corrections.

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	1.2%	12.5%	1.4%	3.4%	14.1%	6.3%	-1.2%	6.2%	3.7%	6.7%	0.0%	-0.7%	67.0%
2022	-0.8%	4.9%	3.9%	-5.6%	-2.9%	-5.8%	-1.6%	5.5%	-10.2%	-11.3%	-1.8%	-0.1%	-24.4%
2023	9.9%	-5.2%											4.2%

Important information

The information contained herein has been prepared by VinaCapital Fund Management Joint Stock Company (the “Company”) and is subject to updating, completion, revision, further verification and amendment without notice.

The information does not constitute or form part of any offer for sale or solicitation of any offer to buy or subscribe for any securities nor shall they or any part of them form the basis of or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever. Forward-looking information is based on the estimates and opinions of the Company’s at the time the statements are made, and is therefore, of no obligation to be updated or corrected to changing circumstances.