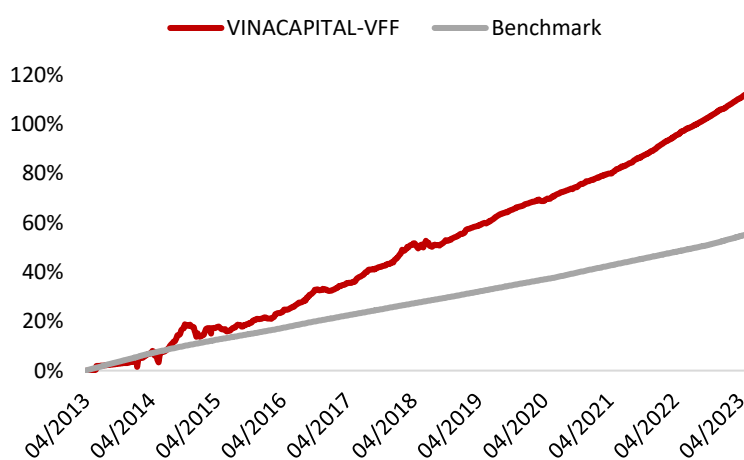


**VINACAPITAL-VFF** Investment approach

Deliver attractive and stable returns from capital appreciation, coupon payments, and yield enhancement instruments.

Invest at least 80% of the fund’s total net assets into government bonds, government-guaranteed bonds, municipal bonds, and corporate bonds issued by highly creditworthy institutions, and short-term bank deposits.

**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.

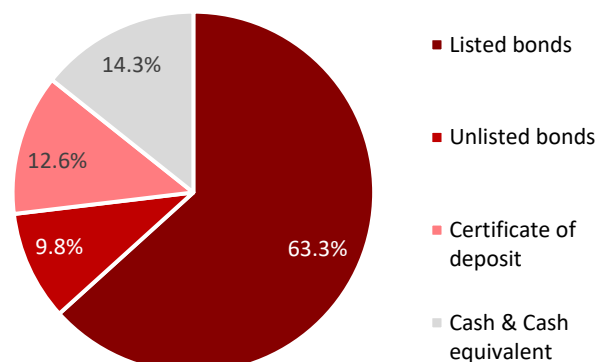
**Fund performance**

	VINACAPITAL-VFF	BM
Total AUM (VND billion)	700.6	
NAV/Share	21,213.5	
Apr 2023 return (%)	0.68	0.55
YTD 2023 return (%)	2.76	2.36
3-year annualized return (%)	7.72	5.59
Annualized return since inception (%)	7.74	4.45
Cumulative return since inception (%)	112.14	55.08

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**Investment Allocation**

**% Total NAV**



**Fund information**

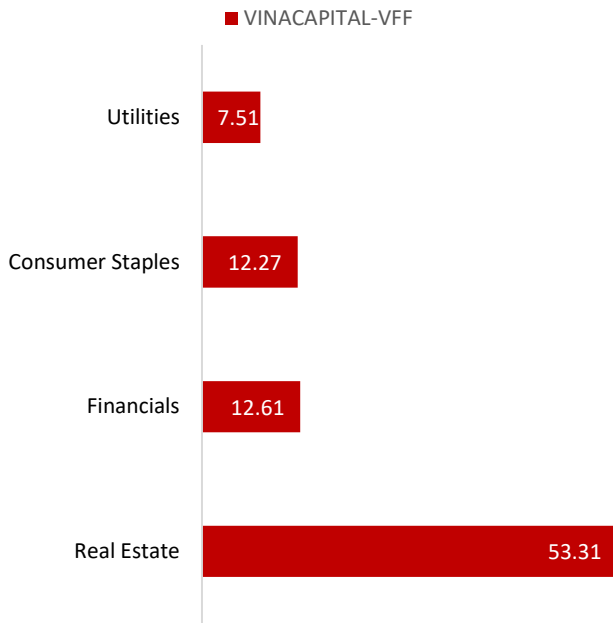
<b>Inception</b>	1/4/2013
<b>Management fee</b>	0.95% per annum
<b>Subscription fee</b>	0.0%
<b>Redemption fee</b>	2.0% < 12 months 0.5% >= 12 months 0.0% >= 24 months
<b>Custodian and Supervisory Bank</b>	Standard Chartered Bank Ltd. (Vietnam)
<b>Auditor</b>	PwC Vietnam
<b>Trading frequency</b>	Twice a week, every Tuesday & Thursday
<b>Benchmark (BM)</b>	Average 12-month VND denominated deposit rate by four SOCBs, namely VietinBank, Agribank, BIDV, and Vietcombank.

(SOCBs: State-owned Commercial Banks)

**Portfolio statistics**

Duration (years)	0.73
Yield-To-Maturity (%)	9.03

Sector allocation



Comments from Fund Manager

Vietnam’s economy continued to witness a sharp decline in manufacturing output growth, although a strong resurgence in foreign tourist arrivals somewhat offset that. Manufacturing output shrank at a 2% pace in 4M23 versus 8% growth in 4M22 and versus long-term average annual growth of over 10%. Not surprisingly, Vietnam’s Manufacturing PMI hit a new YTD low of 46.7, driven by an acceleration in the decline of new orders at Vietnamese factories. That said, we believe that the light at the end of the tunnel for the sector is approaching and that orders will start recovering from end-2023. The ongoing depletion of inventories in the US and around the world is accelerating and likely to bottom out by the end of this year.

In contrast to manufacturing, Vietnam is experiencing a reasonably strong rebound in foreign tourist arrivals, which is helping counter some of the hit to GDP. In 4M23, the number of foreign tourists visiting Vietnam was over 60% of pre-COVID levels, and foreign tourist arrivals reached nearly 70% of pre-COVID levels in April. Furthermore, Chinese tourist arrivals are finally starting to rebound, reaching over one-quarter of pre-COVID levels in April (recall that April includes a “golden week” holiday in China). As a result, April real retail sales (i.e., stripping out the impact of inflation) increased by 8.3% YoY compared to 3.9% YoY over the same period last year.

Meanwhile, inflation in Vietnam remained modest, falling from 3.4% yoy in March to 2.8% in April, driven by a drop in food price inflation from 4%, to 3.6%. Note that falling food price inflation across Asia, as well as falling global oil prices, also contributed to lower CPI inflation rates in the region in 2023.

To counter the slowdown in Vietnam’s GDP growth this year, we have seen the introduction of several supportive measures by the Government and SBV. On 23rd April, the SBV issued revised circulars on the bond trading activities of commercial banks (Circular 03) and on debt restructuring (Circular 02). In general, these two new circulars provide banks with the necessary tools to manage the issues related to corporate bonds and loans to customers who are struggling in their businesses. Meanwhile, borrowers may have more time to prepare for their upcoming repayments.

According to data from the SBV, credit growth reached 2.75% on a year-to-date basis as of 20th April, a notable increase from mid-March, when the figure stood at 1.61%, a result of banks offering borrowers lower interest rates. At present, the SBV continues to encourage commercial banks to reduce interest rates to support the economy. As a result, the deposit rate for 6M and 12M dropped by 20-50 bps MoM at the end of April, for a YTD total decline of 100-200bps, but still higher than April 2022 by 100-250 bps.

After significant improvement in March, the corporate bond market was muted again in April, with issuance value of only VND2,671 billion, a significant drop of 91.1% YoY. There were two domestic bond issuances, including VND2,000 billion via a public offering from MSN Group in the consumer staples sector (accounting for 74.9% of total issuance) and VND671 billion via a private placement from North Star Holding in the real estate sector (account for 25.1%).

Top holdings

Securities	Allocation (%)	Effective Yield (%)	Duration (years)
KBC	20.3	9.5	0.1
VIC	14.5	11.5	0.8
TN1	8.7	11.1	1.6
MML	8.4	11.0	2.7
GEG	7.5	15.4	1.3

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	0.6%	0.5%	0.4%	0.6%	0.6%	0.6%	0.6%	0.9%	0.5%	0.6%	0.7%	0.9%	7.7%
2022	0.8%	0.6%	0.7%	0.7%	0.8%	0.5%	0.6%	0.6%	0.7%	0.6%	0.8%	0.4%	8.0%
2023	0.7%	0.6%	0.7%	0.7%									2.8%

Important information

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