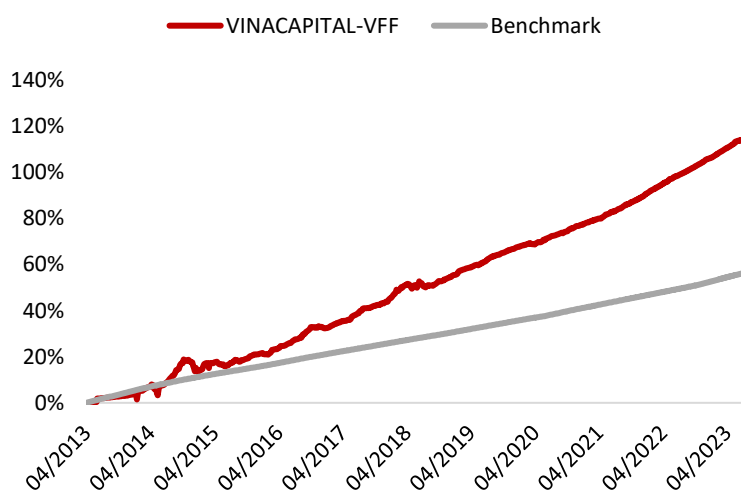


VINACAPITAL-VFF Investment approach

Our investment objective is to optimize risk-adjusted returns for investors by investing in high-quality assets that are backed by sustainable cash flows. We place a strong emphasis on downside protection and make sure that credit risk, interest rate risk, inflation risk, and liquidity risk are properly analyzed and managed.

We target a well-diversified, duration-neutral, high-conviction portfolio and seek to add value through yield curve positioning, sector allocation, security selection, and competitive trade execution. Our focus is on corporate bonds, government bonds, and valuable papers.

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.

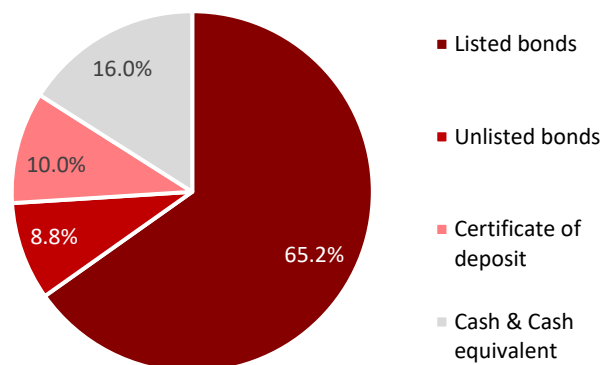
Fund performance

	VINACAPITAL-VFF	BM
Total AUM (VND billion)	598.7	
NAV/Share	21,445.8	
Jun 2023 return (%)	0.27	0.54
YTD 2023 return (%)	3.89	3.55
3-year annualized return (%)	7.57	5.68
Annualized return since inception (%)	7.73	4.45
Cumulative return since inception (%)	114.46	56.26

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Investment Allocation

% Total NAV



Fund information

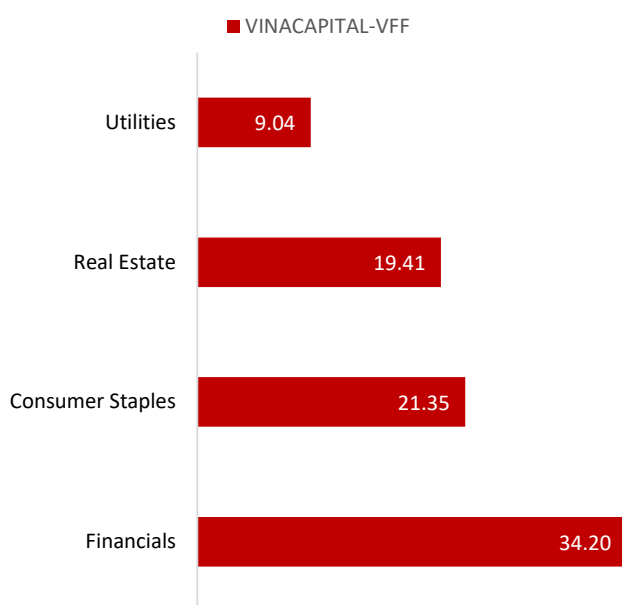
Inception	1/4/2013
Management fee	0.95% per annum
Subscription fee	0.0%
Redemption fee	2.0% < 12 months 0.5% >= 12 months 0.0% >= 24 months
PIT	0.1%
Custodian and Supervisory Bank	Standard Chartered Bank Ltd. (Vietnam)
Auditor	PwC Vietnam
Trading frequency	Twice a week, every Tuesday & Thursday
Benchmark (BM)	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)	1.81
Yield-To-Maturity (%)	9.85

Sector allocation



Top holdings

Securities	Allocation (%)	Effective Yield (%)	Duration (years)
MML	16.9	11.1	2.5
LPB	15.7	9.3	0.5
TN1	10.6	9.4	1.5
GEG	9.0	15.1	1.1
KDH	6.1	12.0	1.8

Comments from Fund Manager

Vietnam's GDP growth for the first six months of 2023 was 3.7% yoy, a sharp decline from the 6.1% yoy growth recorded in 1H22. Weak demand for “Made in Vietnam” products continued to weigh on the economy in Q2 just as it did in Q1, although a surge in foreign tourist arrivals continued to partly offset that weakness.

The growth of manufacturing output in Vietnam fell from 9.7% yoy in 1H22 to 0.4% in 1H23, knocking more than 2%pts off Vietnam’s H1 GDP growth rate. The weak demand for “Made in Vietnam” products in 2023 was predictable, given a surge of inventories of US retailers and other consumer-facing US firms last year, but inventory depletion in the US has been accelerating as 2023 progresses; the ISM Inventory Index fell to a new nine-year low of 44 in June, and S&P Global noted that “inventories declined sharply” in June, according to its PMI surveys.

That said, it appears that the consumer electronics inventory cycle is close to reaching the bottom, as evidenced by 5% m-o-m growth in Vietnam’s exports of laptop computers and other electronics, which followed a 12% m-o-m bounce in May. Vietnam’s PMI increased from 45.3 in May to 46.2 in June. A similar dynamic was also seen in China, where the PMI went from 48.8 in May to 49 in June.

The Government responded to weakness in Vietnam’s economy by announcing a series of supportive policies. On the fiscal side, the Government is ramping up infrastructure spending, which increased 25% MoM in May and a further 25% MoM increase in June. The VAT rate was also reduced from 10% to 8%, while an easing of tourist visa restrictions starting from the middle of August may also boost tourism. On the monetary side, the SBV cut the refinancing rate by a further 50bps to 4.5% (or by -150bps YTD) and cut the cap on short term deposits by an additional 25bps to 4.75% (or by -125bps YTD). As a result, the deposit rate for 6M and 12M dropped by 30-100 bps MoM at the end of June, for a YTD total decline of 150-300 bps.

The SBV was able to cut policy interest rates because the USD-VND exchange rate has remained quite stable this year, despite a 5% YTD depreciation in China’s currency, and because inflation in Vietnam fell from nearly 5% yoy at the beginning of the year to 2% in June. Vietnam’s trade surplus swelled from about 0%/GDP in 1H22 to 6% of GDP in 1H23, or to USD12 billion in H1, according to the General Statistics Office. FDI inflows remained resilient, with disbursed FDI increasing by 1% yoy to USD10 billion in 1H23, or to 5% of GDP.

The corporate bond market in Vietnam showed signs of improvement in June 2023, with total issuances reaching VND26.4 trillion, an eight-fold increase from the previous month. However, this was still 42.4% lower than the same month last year. There were 27 domestic issuances in June, mostly from the banking sector (67.4% of total issuances) and the real estate sector (16.8% of total issuances). The bond yield from the banking sector ranged from 6.7% to 9.5% with tenors ranging from 2 to 10 years, while the bond yield from the real estate sector was from 10.5% to 14.0% with tenors ranging from 2 to 7 years. There was only one public bond offering worth VND1.9 trillion, issued by Vietbank.

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%	0.8%	0.3%							3.9%

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.

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