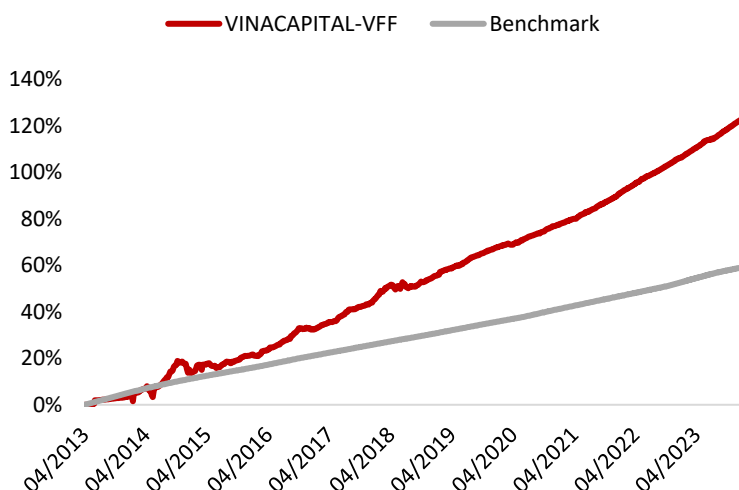


VINACAPITAL-VFF Investment approach

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.

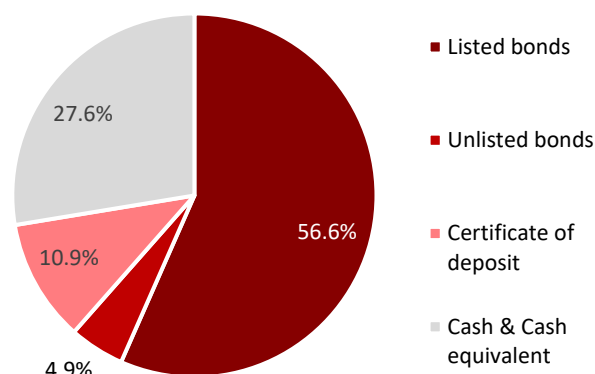
Fund performance

	VINACAPITAL-VFF	BM
Total AUM (VND billion)	743.9	
NAV/Share	22,301.8	
Dec 2023 return (%)	0.6	0.4
YTD 2023 return (%)	8.0	6.4
3-year annualized return (%)	7.9	5.6
Annualized return since inception (%)	7.7	4.4
Cumulative return since inception (%)	123.0	59.1

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Investment Allocation

% Total NAV



Fund information

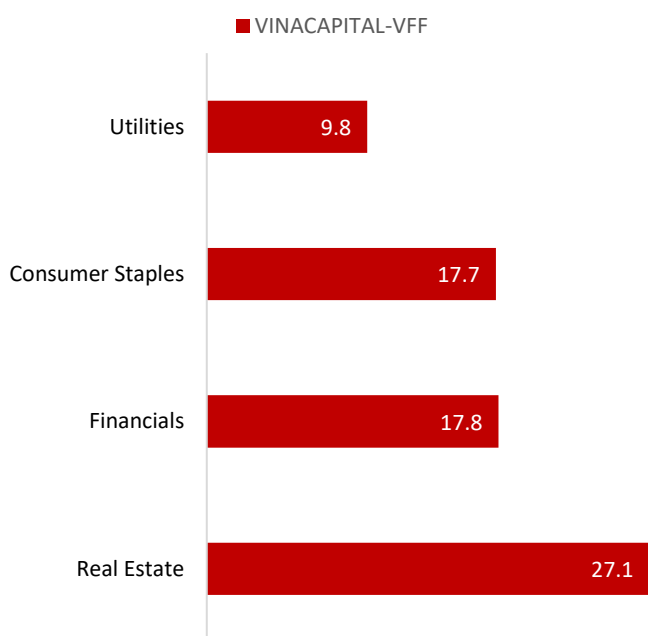
Inception	01/04/2013
Management fee	0.95% per annum
Subscription fee	0.0%
Redemption fee	2.0% < 12 months 0.5% >= 12 months 0.0% >= 24 months
PIT	0.1%
Custodian and Supervisory Bank	Standard Chartered Bank Ltd. (Vietnam)
Auditor	PwC Vietnam
Trading frequency	Twice a week, every Tuesday & Thursday
Benchmark (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)	0.7
Yield-To-Maturity (%)	8.4

Sector allocation



Comments from Fund Manager

Vietnam’s economy grew by 6.72% YoY in Q4-2023, resulting in 5.05% GDP growth for full-year 2023, making the recovery story more visible. The manufacturing sector accelerated with 8% growth in Q4 versus 5.6% growth in Q3, with whole-year growth of 3.6%. We believe manufacturing output growth has bottomed out and is likely to recover to 8-9% in 2024, which is still below pre-COVID growth levels due to the weakening US and global economies.

The growth of retail sales, stripping out the impact of inflation, dropped from 15.8% in 2022 to 7.1% in 2023. Domestic consumption was depressed by layoffs in the manufacturing sector and by the country’s “frozen” real estate market, although this weakness was largely offset by a surge in foreign tourist arrivals, which reached nearly 70% of pre-COVID levels. We expect domestic consumption growth to recover as the employment picture starts to improve, while lower mortgage interest rates/monthly payments will free up money for homeowners to spend on purchases.

Deposit rates in Vietnam shot up by about 300bps and then fell all the way back to levels below where they had started in mid-2022. We expect interest rates to remain stable at around current levels for the foreseeable future, which would support the economy in a variety of ways. Inflation in December was stable at 3.6% yoy as a 4% rise in fuel prices was partially offset by a 1.4% decrease in retail pork prices.

In the corporate bond market, December’s total issuance reached VND 55.8 trillion, significantly higher than the VND 15.4 trillion issued in December last year. There were 75 issuances during the month, of which the banking sector ranked first with an issuance amount of VND 49.3 trillion, accounting for approximately 88.4% of the total. The average coupon rate and tenor in this sector were about 6.3% and 6.4 years, respectively. The real estate sector also showed improvement, with a total issuance value of VND 2.8 trillion, an increase of over 2.9 times YoY. The average maturity of real estate bonds was 4.0 years, and the average interest rate was 11.1%. We note that there were only three real estate issuers: Vinhomes (VND 2 trillion), Sun Group (VND 500 billion), and Trung Minh Company (VND 300 billion).

Top holdings

Securities	Name	Allocation (%)	Effective Yield (%)	Duration (years)
MML	Masan Meatlife	12.9	9.9	2.2
TN1	TNS Holdings	11.3	7.4	0.9
GEG	Gia Lai Electricity	9.8	10.0	0.6
VND	VNDirect Securities	6.9	8.0	0.1
VHM	Vinhomes	6.6	8.5	0.2

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%	0.5%	0.8%	0.7%	0.7%	0.7%	0.6%	8.0%

Important information

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