

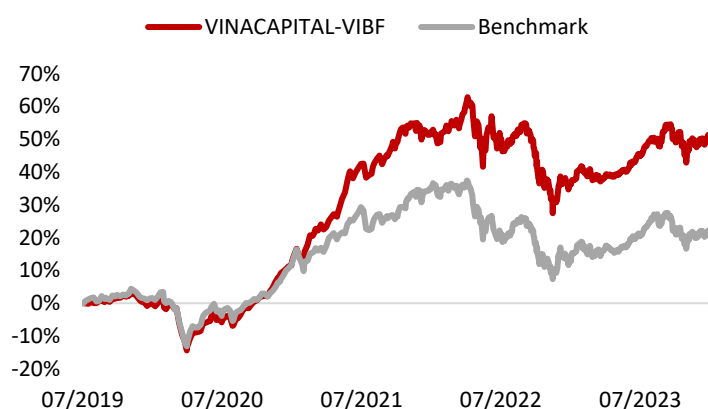
## VINACAPITAL-VIBF Investment approach

The Fund has a goal of providing investors with exposure to potential equity appreciation while also investing in fixed income to reduce overall portfolio volatility. The Fund has a standard allocation of 50%/50%.

The Fund focuses on investing into companies with strong fundamentals, large market shares, good corporate governance, healthy financial status and reasonable valuations compared to their potential upside.

The Fund will also take positions in bills, bonds, certificate of deposits, and other fixed-income products issued by creditworthy companies with sustainable profitability and high capital adequacy.

## 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-VIBF	BM
Total AUM (VND billion)	412.5	
NAV/Share	15,148.6	
Dec 2023 return (%)	2.2	1.8
YTD 2023 return (%)	11.2	9.2
3-year annualized return (%)	10.4	3.2
Annualized return since inception (%)	9.7	4.6
Cumulative return since inception (%)	51.5	22.3

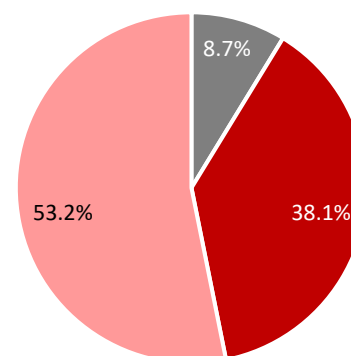
(The NAV is net of management fee and administrative expenses)

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## Investment allocation

### % Total NAV



■ Cash ■ CD & Bonds & Deposits ■ Equity

## Fund information

Inception	02/07/2019
Management fee	1.75% per annum
Subscription fee	0.0%
Redemption fee	2.0% < 12 months 1.5% >= 12 months 0.5% >= 24 months
PIT	0.1%
Custodian and Supervisory Bank	Standard Chartered Bank Ltd. (Vietnam)
Auditor	PwC Vietnam
Trading frequency	Daily, from Monday to Friday
Benchmark (BM)	Average of VN-Index and 12-month VND denominated deposit rate by Vietcombank.

## Equity portfolio statistics

	VINACAPITAL-VIBF	BM
2024 P/E (x)	7.7	9.5
2024 P/B (x)	1.7	1.5
2024 ROE (%)	17.8	15.3
Dividend yield (%)	3.1	3.1
No. of equities	19	420

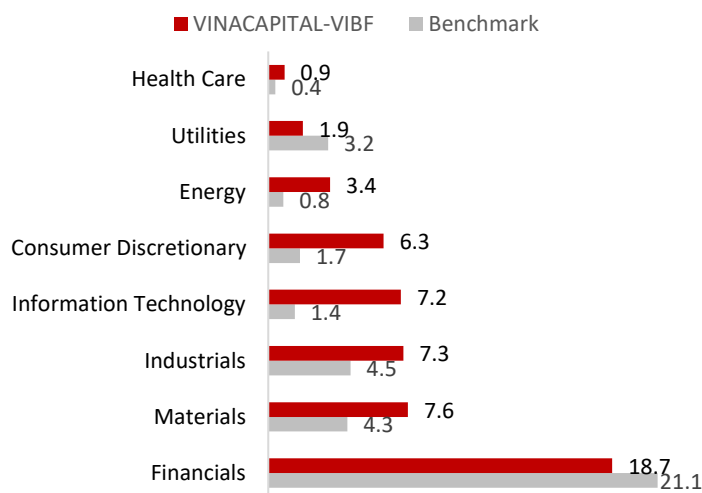
## Fixed-income portfolio statistics

Macaulay Duration (years)	0.8
Yield-To-Maturity (%)	6.2

Source: Bloomberg, VinaCapital's forecast

Equity sector allocation

% Total NAV



Comments From Fund Manager (Cont.)

STOCK MARKET UPDATE

After rising 6.4% in November, the VN Index continued its advance in December, increasing by 3.3%. December's gains were consistent across most sectors, apart from the Energy sector, which declined 0.6% MoM, and the Consumer Discretionary sector, which outperformed the market and increased 7.5% MoM, led by MWG (+11.2% MoM). Liquidity declined 4% MoM, with the average trading value on the combined three bourses reaching VND 18.5 trillion/day. There was heavy selling pressure from foreign investors, who net sold VND 10.1 trillion on the three exchanges, making December 2023 one of only three months since 2015 that the market saw foreign net selling of over VND 10 trillion per month. However, the good news is that the market was not too affected by this, with domestic investors buying most of the shares, showing their confidence in the stock market's outlook.

The heavy selling from foreign investors was largely due to year-end portfolio restructurings accounting for changes in the global economic situation as well as profit-taking by Thai investors before a new tax law on overseas investment income takes effect from the start of 2024. Therefore, we believe this net selling pressure is likely to be short-term.

Regarding the Q4 macro data, the economy grew by 6.72% YoY in Q4 of 2023, resulting in a 5.05% GDP growth for the whole year of 2023, which confirmed the economic recovery trend. The industry and construction sector (which grew by 7.35% YoY and contributed 42.6% to economic growth) and the service sector (which grew by 7.29% and contributed 49.9% to growth) boosted Q4 GDP growth. Importantly, within the service sector, real estate increased by 2.1% YoY in Q4, breaking the streak of declines in the previous three quarters, indicating that the real estate industry has started to improve.

The VN Index rose by 12.2% in 2023. We believe this was a reasonable performance, given the market volatility seen throughout the year, which was due to a range of positive and negative factors in the market, the macro situation, and the business performance of listed companies, as well as market expectations for 2024.

FUND UPDATE

VINACAPITAL-VIBF's NAV per share increased by 2.2% in December, outperforming the benchmark, which increased 1.8%. On a full-year basis, the Fund increased 11.2% versus a 9.2% increase for the benchmark. Several of the Fund's top holdings outperformed the benchmark during the month, including ACB (+8.9%), MWG (+11.2%), and PNJ (+6.8%), while there were some laggards including PVD (+1.1%), DBD (-8%), and DHC (-1.3%).

As the economy continues to gain momentum, we have observed early signs of demand recovery in various sectors. For instance, HPG reported a 7% MoM and 30% YoY increase in total crude steel sales volume in December, driven by the rebound in domestic demand from public investment projects, residential demand, and exports. MWG estimated a stable YoY sales performance of VND 9.9 trillion in November, which indicated an improvement from the 14% YoY decline in 10M23. Upon further analysis, we find that the mobile phone and grocery segments were the key contributors to the group's performance, with the sales growth of 10% and 34% YoY, respectively. PNJ sustained its growth momentum, as its retail revenue rose by 9% y/y in November 2023 while profit surged by 31% y/y to VND199bn, bringing the 11M2023 net profit growth to 6%.

We are optimistic that the market will be bolstered by the continued recovery of Vietnam's economy and the performance of listed enterprises, the low interest rate environment, and the potential for Vietnam's stock market to be upgraded to an emerging market. With a reasonable valuation (P/E for 2024 is around 10x), we foresee a positive outlook for the stock market in 2024. We have seized this opportunity to construct our portfolio, capturing the 2024 recovery themes, focusing on growth and quality investment ideas.

Top holdings

	Ticker	Sector	Weighted (%)
Equity	FPT	Information Technology	7.2
	MBB	Financials	6.3
	ACB	Financials	3.9
	VCB	Financials	3.8
	PNJ	Consumer Discretionary	3.7
Bond	KDHH2225001	Real Estate	8.9
	TN1122016	Real Estate	6.1
	BAF122029	Consumer Staples	5.0

Comments From Fund Manager

BOND MARKET UPDATE

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).

(to be cont. in next column)

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	-0.4%	8.3%	1.5%	3.3%	9.9%	1.9%	-0.7%	2.0%	2.9%	3.9%	-0.2%	-1.0%	35.2%
2022	-0.1%	1.9%	3.1%	-2.8%	-1.6%	-1.7%	-0.8%	3.9%	-5.9%	-5.5%	-1.5%	0.5%	-10.5%
2023	4.0%	-2.8%	0.6%	0.5%	1.0%	2.9%	3.8%	1.3%	-1.0%	-5.3%	3.7%	2.2%	11.2%

Important information

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