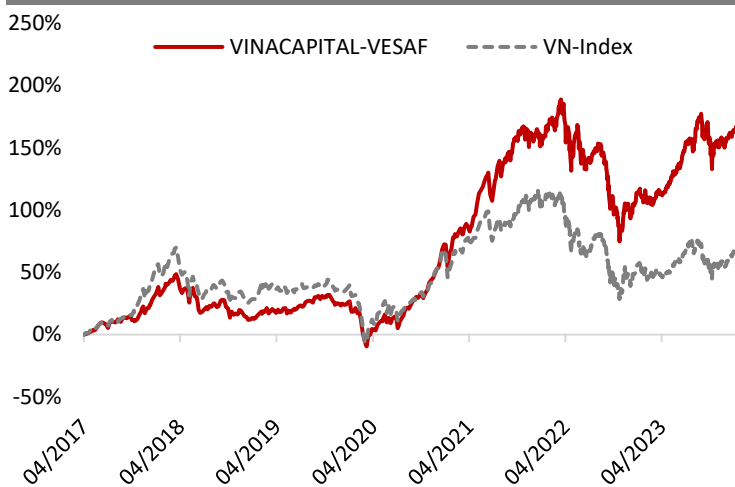


VINACAPITAL-VESAF Investment approach

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)	1,538.3	
NAV/Share (VND)	26,489.7	
Jan 2024 return (%)	2.5	3.0
YTD 2024 return (%)	2.5	3.0
3-year annualized return (%)	18.7	3.3
Annualized return since inception (%)	15.5	7.6
Cumulative return since inception (%)	164.9	64.1

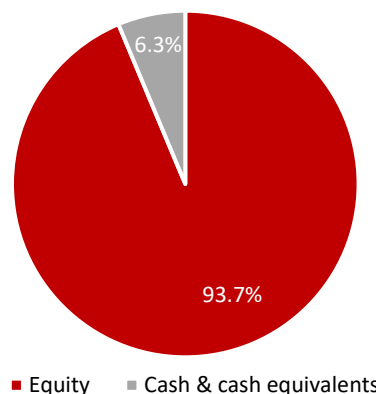
(The NAV is net of management fee and administrative expenses)

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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 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	VN-Index

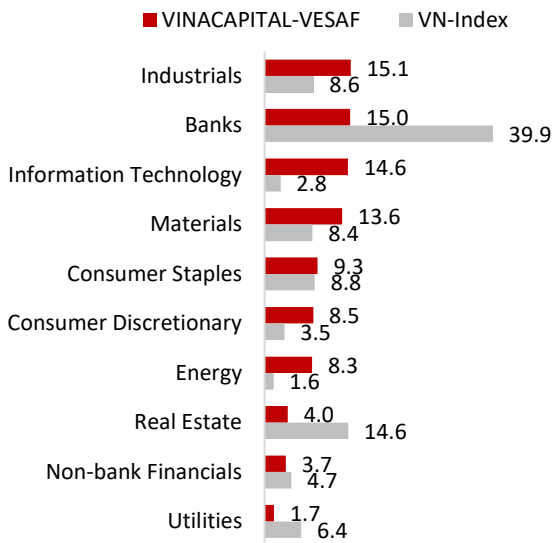
Portfolio statistics

	VINACAPITAL-VESAF	VN-Index
2024 P/E (x)	9.3	10.0
2024 P/B (x)	1.9	1.5
2024 ROE (%)	16.6	14.9
Dividend yield (%)	2.7	2.9
Portfolio turnover 12M (%)	22.1	-
Sharpe ratio	0.5	0.2
No. of equities	27	417

Source: Bloomberg, VinaCapital's forecast

Sector allocation

% Total NAV



Top holdings

Stock	Sector	% NAV
FPT	Information Technology	14.6
MBB	Banks	9.3
STB	Banks	5.7
QNS	Consumer Staples	4.9
SZC	Industrials	4.8
PNJ	Consumer Discretionary	4.6
FMC	Consumer Staples	4.4
PVS	Energy	4.0
MWG	Consumer Discretionary	3.9
DPR	Materials	3.6

Comments from fund manager

MARKET UPDATES

Vietnam's stock market has begun 2024 on a positive note. Following increases of 6.4% in November and 3.3% in December 2023, the VN-Index continued its upward trajectory with a 3.0% rise in January 2024.

As highlighted in last month's report, the Q4 2023 economic data further affirmed the economy's recovery momentum. Additionally, interest rates on bank deposits remain at historically low levels, while inflation and exchange rates remain relatively stable. The Government continues to implement supportive policies for businesses and public investment. In terms of credit growth, the State Bank of Vietnam has set a target of 15% credit growth from the outset of 2024. This differs from previous years when credit growth quotas were incrementally allocated throughout the year. This upfront allocation aims to facilitate credit institutions in meeting the capital demands of economic growth.

Global stock markets are also exhibiting positive trends, with the S&P 500 index consistently reaching new highs and posting a gain of 1.6% in January 2024.

In the domestic market, after nine consecutive months of net selling, foreign investors resumed net buying, totalling VND1.2 trillion in January 2024 across the combined three bourses. While foreign investors only account for about 15% of the total market transaction value, their renewed interest has bolstered domestic investors' confidence in the stock market's prospects for 2024.

Listed companies have announced their full-year 2023 business results. The aggregate profit of businesses on the combined three bourses decreased by 4.6% compared to 2022. Sectors such as Banking and Financials, Industrials (primarily seaports and aviation), and Information Technology witnessed profit growth in 2023, while the Real Estate and Consumer Goods sectors experienced declines. However, focusing on Q4 2023 alone, the total profit of listed companies increased by 4.4% QoQ and surged by 32.2% YoY, indicating an overall recovery phase for listed companies.

Based on recent macroeconomic data and business trends of listed companies, we maintain a positive outlook for Vietnam's stock market in 2024. With a P/E ratio of approximately 10x at the end of January 2024 and persistently low interest rates, coupled with the recovery trend of listed enterprises, Vietnamese stocks have significant potential for higher valuations.

UPDATES ON VINACAPITAL-VESAF

VINACAPITAL-VESAF increased 2.5% in January, mainly contributed by the fund's large exposure to MBB, which had one of the highest returns among banking stocks during the month (+16.6%). The bank is our top position in the banking sector, which delivered earnings growth of 18.3% for 2023, with projected earnings growth of 15.7% for 2024 and a forward P/B of 1.0x. We hold the view that real estate reached its bottom in 2023, with mild recovery supported by the low-rate environment and improving legal frameworks, and we believe MBB, with its moderately high exposure to real estate loans, has better room for recovery.

The other positive contributors included STB (+7.0%) and PNJ (+6.4%). We added a position in PNJ in November 2023, anticipating a recovery in consumption in the years ahead. We like PNJ for its undemanding P/E valuation of 11.4x for 2024 at the entry and a projected earnings recovery of 25.0% for 2024 backed by expected SSSG of 8.0%, a 9.0% increase in the number of stores, and margin expansion. The company's product portfolio upgrade, lower gold-content jewelry, and active digital marketing campaigns has helped it gain significant market share in the last two years.

Banking stocks were the major contributor to Index's return in January, buoyed by attractive valuations and softening economic headwinds. We expect a mild recovery in NIMs and fee incomes, as well as less pressure on asset quality, that will drive earnings growth of 18.1% for 2024. For the portfolio, banking exposure was increased to 15.0% at the end of January for selected bank holdings. We continue disbursing to companies that we believe will benefit from the recovery in exports, domestic consumption, and real estate.

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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%	2.1%	1.8%	5.7%	3.5%	9.4%	3.8%	-1.2%	-11.2%	8.2%	2.5%	30.9%
2024	2.5%												2.5%

Important information

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

The information does not constitute and/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/or opinions of the Company at the time the statements are made, and is therefore, of no obligation to be updated or corrected to changing circumstances.