

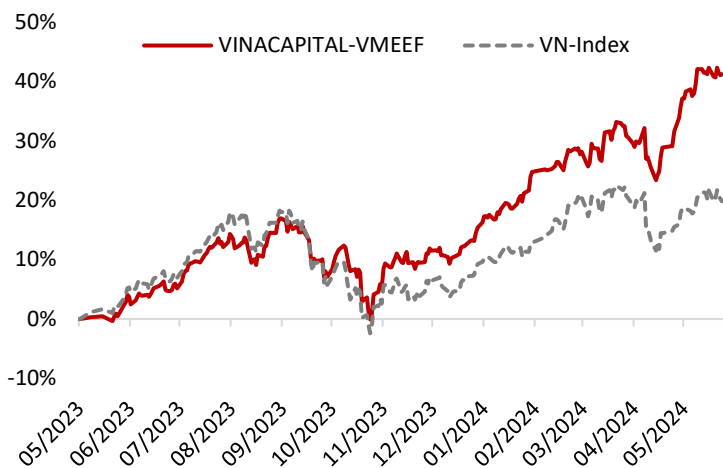
VINACAPITAL-VMEEF Investment approach

The fund's strategy is to construct a portfolio of companies that benefits from Vietnam's long-term economic growth drivers, to be accumulated at reasonable prices.

Because Vietnam's long-term economic growth goes hand in hand with its modernization, the fund prioritizes investments in companies that directly provide products and services to the modern living and working needs of customers.

These companies include, but are not limited to, banks with modern mobile banking products, retailers/distributors of modern household appliances and electronics, urban real estate developers serving the middle/upper class, businesses supporting the e-commerce industry, software solution providers, and companies applying technology to improve production processes.

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-VMEEF	VN-Index
Total AUM (VND billion)	352.3	
NAV/Share (VND)	14,110.1	
May 2024 return (%)	9.4	4.3
YTD 2024 return (%)	24.6	11.7
3-year annualized return (%)	-	-
Cumulative return since inception (%)	41.1	19.8

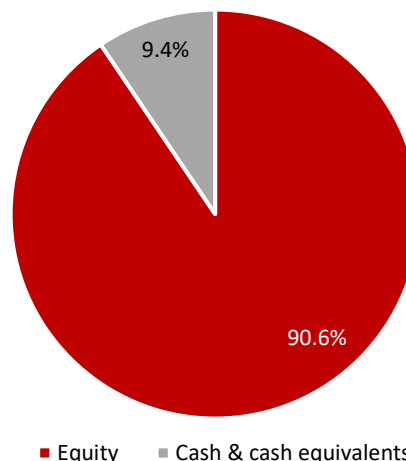
(The NAV is net of management fee and administrative expenses)

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Investment allocation

% Total NAV



Fund information

Inception	04/05/2023
Management fee	1.75% per annum
Subscription fee	0.0%
Redemption fee	2.0% < 12 months 1.5% >= 12 months 0.5% >= 24 months
Personal income tax	0.10%
Custodian and Supervisory Bank	Standard Chartered Bank Ltd. (Viet Nam)
Auditor	PwC Vietnam
Trading frequency	Daily, from Monday to Friday
Benchmark	VN-Index

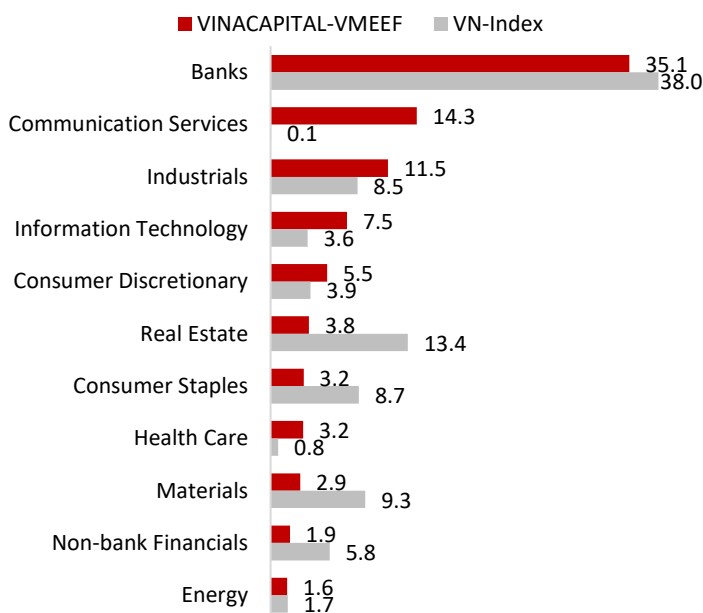
Portfolio statistics

	VINACAPITAL-VMEEF	VN-Index
2024 P/E (x)	10.3	11.3
2024 P/B (x)	2.6	1.7
2024 ROE (%)	25.1	14.3
Dividend yield (%)	3.1	3.2
Portfolio turnover (%)	59.8	-
Sharpe ratio	1.6	0.7
No. of equities	24	401

Source: Bloomberg, VinaCapital's forecast

Sector allocation

% Total NAV



Top holdings

Equity	Sector	% NAV
FOX	Communication Services	14.3
FPT	Information Technology	7.5
ACB	Banks	6.4
TCB	Banks	4.5
CTG	Banks	4.5
MBB	Banks	4.4
VIB	Banks	4.4
VCB	Banks	4.3
SCS	Industrials	4.3
STB	Banks	4.1

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	-	-	-	-	0.4%	4.3%	8.5%	0.8%	-4.1%	-9.0%	9.5%	3.5%	13.2%
2024	5.7%	7.1%	3.7%	-2.9%	9.4%								24.6%

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.

Comments from fund manager

MARKET UPDATE

After a 5.8% decrease in April, the VN-Index recovered by 4.3% in May. Since the beginning of the year, the Vietnamese stock market has increased by 11.7%.

Despite the fact that foreign investors were net-sellers of VND19 trillion in May, a record amount for one month, this selling pressure was fully absorbed by domestic investors with liquidity maintained at an encouraging level (average daily trading value of VND25.1 trillion, up 3% MoM).

Economic indicators in May revealed several positive developments. The most significant were the expansion in industrial manufacturing and the increase in trade activities. The manufacturing index grew by 10.6% YoY in May and by 7.3% YoY in 5M24. Vietnam's exports increased by 15.2% in 5M24, driven by a 33.4% growth in electronics and computer goods. Imports rose by 18.2% in 5M24, with May alone seeing a 29.9% YoY increase, as businesses increased the import of production materials to prepare for export orders in the second half of the year. Consequently, it is anticipated that Vietnam's economic growth will be more robust in the latter half of 2024.

Domestic consumption has not yet strongly recovered, with the retail sales growth only reaching 5.2% in 5M24 in real terms. However, the encouraging growth in the manufacturing sector is expected to have a spillover effect on consumer spending in the coming time and positively impact the business results of consumer goods companies on the stock market.

The exchange rate was more stable in May. After increasing by 4.4% in 4M24, the USD/VND exchange rate only rose by 0.5% in May, mainly due to increased USD demand for the import of production materials.

FUND UPDATE AND INVESTMENT OUTLOOK

The NAV per share of VINACAPITAL-VMEEF increased 9.4%/24.6%/41.1% in May/YTD/since inception as at end-May, respectively, outperforming the VN-Index, which increased 4.3%/11.7%/19.8% during the same period.

In May/YTD/since inception, the top return contributor, in all cases, has been FPT Telecom or FOX, which has returned 28.9%/59.2%/113.4% during those periods, respectively. By now, it should be clear to the market that FOX can deliver a very high ROE in its core broadband Internet segment with high entry barriers, and it is also benefitting from tailwinds in its data center business, due to everincreasing demand for computing power, on the back of the AI revolution. More importantly, we think the market is also underestimating FOX's intrinsic value. While the popular P/E ratio seems to be on the high side when applied to FOX, we think the numerator of this ratio disregards FOX's net cash position (largely not tied up to daily operations), while the denominator of this ratio disregards FOX's conservative asset depreciation schedule (about twice to three times faster than regional peers). In our view, the P/E ratio is not particularly useful for FOX, and the EV/EBITDA ratio would be a better gauge of its valuation. Even after a strong share price performance, its 2024E EV/EBITDA stood at 7.7x as at end May-2024 per our estimates, still a marked discount to regional peers (usually trading at double-digit EV/EBITDA, as noted in one of our previous reports). As such, we think FOX is far from expensive.

Besides FOX, Dat Phuong Group or DPG has also performed well, and has returned 35.3%/46.5% during May/YTD, respectively. Despite moderate growth in public investment in 2024 so far, DPG has gained market share, as its strong balance sheet and track record aided its bidding profile. Its foreseeable backlog should be equivalent to about two years of revenue, per our estimates, an admirable record for a construction contractor. Our site visit to its landed housing real estate earlier this year yielded positive results.