

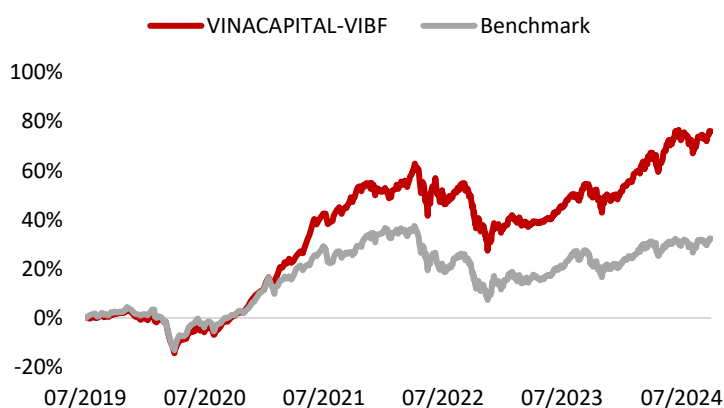
VINACAPITAL-VIBF Investment approach

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)	661.7	
NAV/Share	17,603.8	
Sep 2024 return (%)	0.8	0.3
YTD 2024 return (%)	16.2	8.7
3-year annualized return (% p.a.)	5.8	2.1
5-year annualized return (% p.a.)	11.6	5.2
Annualized return since inception (% p.a.)	11.4	5.5
Cumulative return since inception (%)	76.0	32.2

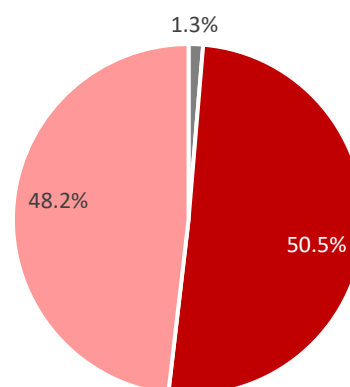
(The NAV is net of management fee and administrative expenses)

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Investment allocation

% Total NAV



■ Cash ■ CD & Bonds & Deposits ■ Equity

Fund information

Inception	02 Jul 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
	Average of VN-Index and 12-month VND
Benchmark (BM)	denominated deposit rate by Vietcombank.

Equity portfolio statistics

	VINACAPITAL-VIBF	BM
2024 P/E (x)	9.5	12.4
2024 P/B (x)	1.6	1.8
2024 ROE (%)	18.4	14.7
Dividend yield (%)	3.0	2.9
No. of stocks	21	410

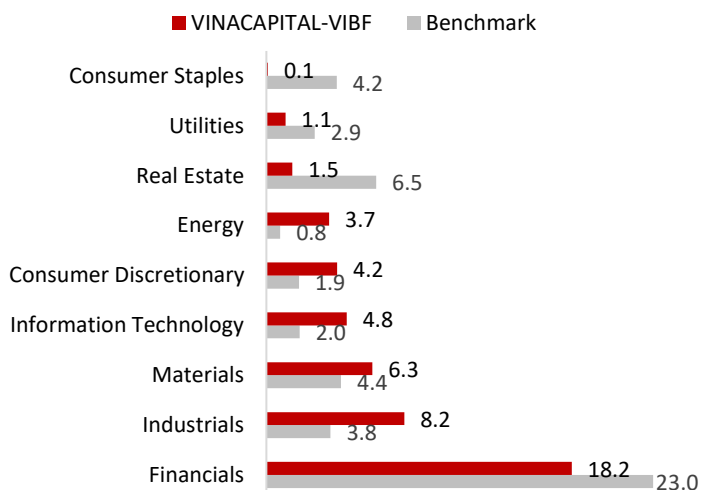
Fixed-income portfolio statistics

Macaulay Duration (years)	0.6
Yield-To-Maturity (%)	6.5

Source: Bloomberg, VinaCapital's forecast

Equity sector allocation

% Total NAV



Top holdings

	Ticker	Sector	Weighted (%)
Equity	MBB	Financials	7.5
	FPT	Information Technology	4.8
	ACB	Financials	3.9
	VEA	Industrials	3.0
	HPG	Materials	2.8
Bond	TN1122016	Real Estate	9.0
	KDH12202	Real Estate	5.4
	TCX124012	Financials	3.5

Comments from fund manager

BOND MARKET UPDATE

In the corporate bond market, total issuances reached VND52.8 trillion, a 26.6% increase compared to the same period last year. The banking sector dominated with VND41.9 trillion in issuances, accounting for approximately 79.5% of the total, with an average yield of 5.9% and an average maturity of 5.3 years. The real estate sector issued VND8.2 trillion, about 15.5% of the total, with an average yield of 11.6% and an average maturity of 2.9 years. The remaining issuances came from the energy sector (VND1.0 trillion, 1.9% of total issuance), the travel sector (VND1.0 trillion, 1.9% of total issuance), and other sectors (VND620 billion, 1.2% of total issuance).

STOCK MARKET UPDATE

The VN Index continued to experience volatility in September, however it managed to close the month with a slight increase of 0.3%. The stock market began September with cautious sentiment due to concerns about the economic impact of Typhoon Yagi. However, the VN Index gradually recovered towards the end of the month thanks to several factors: (1) The U.S. Federal Reserve (Fed) cut interest rates by 50 bps for the first time in over two years after consistently raising rates to combat inflation; (to be cont. in next column)

Comments from fund manager (Cont.)

(2) China announced the largest economic stimulus package since the COVID-19 pandemic, including monetary policy easing and support packages for the real estate and stock markets; (3) On September 18, the Ministry of Finance issued Circular 68/2024/TT-BTC, removing the pre-funding requirement for foreign institutional investors when placing stock purchase orders. This marks a significant step towards upgrading Vietnam's stock market to emerging market status by FTSE Russell.

On a year-to-date basis, the VN Index has increased by 14.0%, approaching the psychological threshold of 1,300 points.

Liquidity in the stock market slightly decreased in September. The average daily trading value across the combined three bourses fell to an 11-month low of VND 17.7 trillion, 4.5% MoM decrease. On a positive note, foreign investors returned to net buying in September after eight consecutive months of net selling. Excluding the sale of 148 million VIB shares by a foreign shareholder (equivalent to 4.97% of VIB's outstanding shares), foreign investors were net-buyers of VND 478 billion in September.

According to data released by the General Statistics Office, Vietnam's economy continued to achieve better-than-expected growth in Q3/2024. GDP growth reached 7.4% YoY in Q3, led by the manufacturing sector, which grew by 11.4% YoY. Q3 exports and imports advanced by 15.8% and 17.2% YoY, reaching USD 108.6 billion and USD 99.7 billion, respectively. The trade surplus reached USD 8.9 billion in Q3 and USD 20.8 billion in 9M2024, supporting the exchange rate stability.

We observe that there are currently more favorable factors for the stock market compared to a few months ago. Specifically, most of Vietnam's economic indicators are better than expected, pressure on interest rates and exchange rates has alleviated with the Fed having started cutting rate, the U.S. economy is forecasted to avoid a recession, and Vietnam's stock market is expected to be upgraded to emerging market status in 2025. The VN Index is trading at a reasonable valuation for long-term investment (2024F P/E at 12x), and we maintain our forecast for average profit growth of listed companies at around 20% for both 2024 and 2025.

FUND UPDATE

VINACAPITAL - VIBF's NAV per share increased by 0.8%, outperforming the benchmark's 0.3% rise. Year-to-date, the fund has grown by 16.2%, significantly outpacing the benchmark's 8.7% increase. The relaxation of policies in China and the new real estate supply in the center of Hanoi have boosted sentiment in the sectors that directly benefit, including banking, real estate, and materials. For example, STB increased by 9.2%, MBB by 3.4%, and ACB by 3.8%, along with HPG with a 3.3% increase.

STB jumped 9.2% in September after underperforming for eight months, which drove a widening discount compared to industry's average of over 20%. STB has been very active in resolving their legacy bad debts throughout the year with the VAMC bonds expected to be cleared in 3Q2024. 2025 is also pivotal as it marks the final year of the bank's restructuring plan, with efforts to resolve remaining debts related to Mr. Tram Be's 32% stake and enter a growth trajectory afterwards. STB's current valuation is appealing with a P/E of 6.9x and P/B of 1.2x.

HPG achieved a 3.3% gain in September, with steel prices increasing by 2% for rebar and 8% for HRC since mid-September. This follows China's policy relaxation for homebuyers and reduced mortgage rates, easing fears of an economic slowdown in China. Despite facing tax barriers in the EU and India, the worst seems to be over for steel prices, which should benefit from the expected rebound in domestic demand, driven by infrastructure spending and the recovery of construction. These trends support confidence regarding the expected profitability of Dung Quat 2's phase 1, which is scheduled to come online in 2025. Once operational, phase 1 will add new capacity of approximately 2.8 million tons of crude steel per year or 32% of the current capacity. HPG is trading at a 1.5x 2024E P/B, a 17% discount compared to the five-year average.

As 2024 draws to a close, we are restructuring our portfolio for next year, focusing on companies with high earnings growth, increasing market share, solid cash flows, and reasonable valuations. We remain cautiously optimistic that the Fund will continue to deliver sustainable returns for long-term and disciplined investors.

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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%
2024	2.6%	4.3%	3.3%	-2.6%	4.8%	0.9%	0.0%	1.3%	0.8%				16.2%

Important information

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