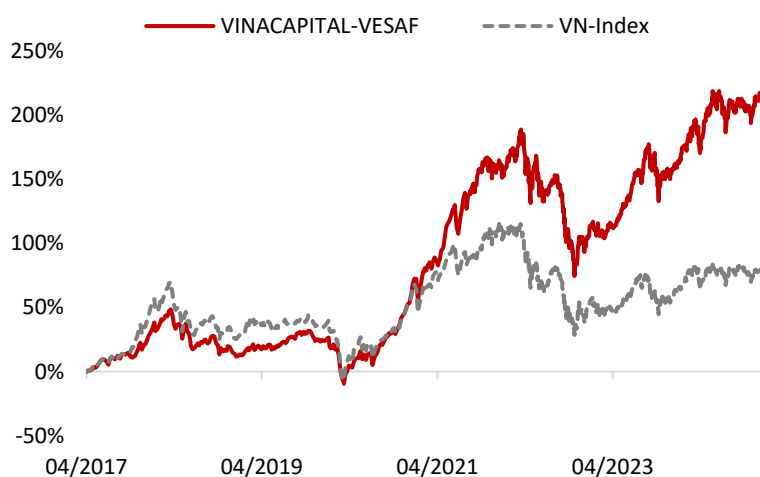


VINACAPITAL-VESAF

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)	2,612.2	
NAV/Share (VND)	31,540.8	
Dec 2024 return (%)	2.6	1.3
YTD 2024 return (%)	22.1	12.1
3-year annualized return (% p.a.)	6.5	(5.4)
5-year annualized return (% p.a.)	20.4	5.7
Annualized return since inception (% p.a.)	16.1	7.8
Cumulative return since inception (%)	215.4	78.6

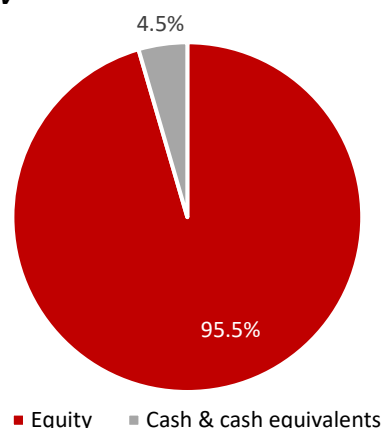
(The NAV is net of management fee and administrative expenses)

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Investment allocation

% Total NAV



Fund information

Inception	18 Apr 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

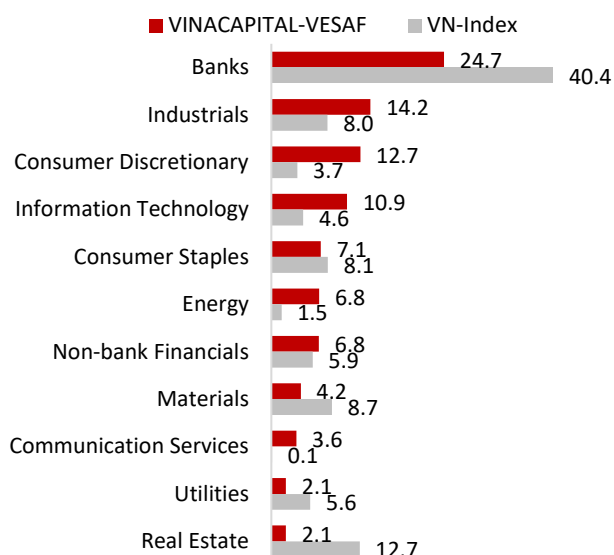
Portfolio statistics

	VINACAPITAL-VESAF	VN-Index
2025 P/E (x)	10.6	11.4
2025 P/B (x)	1.8	1.6
2025 ROE (%)	16.7	14.1
Dividend yield (%)	3.0	2.2
Portfolio turnover 12M (%)	47.1	-
Sharpe ratio	0.6	0.2
No. of equities	28	412

Source: VinaCapital's forecast

Sector allocation

% Total NAV



Top holdings

Equity	Sector	% NAV
FPT	Information Technology	10.9
ACB	Banks	7.6
MWG	Consumer Discretionary	6.2
GMD	Industrials	6.2
VIB	Banks	5.0
BVH	Non-bank Financials	4.9
MBB	Banks	4.9
DGC	Materials	4.2
VPB	Banks	3.9
FMC	Consumer Staples	3.8

Comments from fund manager

MARKET UPDATE

After two consecutive months of decline, the VN-Index recorded a recovery of 1.3% in December 2024, closing the year at 1,266.8. For the entire year of 2024, the VN-Index increased by 12.1%.

Despite being supported by the expectation of a market upgrade after the removal of the pre-funding requirement for foreign investors, the Vietnamese stock market faced pressure from the exchange rate in December. In its most recent meeting, the U.S. Federal Reserve (the Fed) signaled that the number of interest rate cuts in 2025 would be fewer than previously expected. The State Bank of Vietnam sold USD to stabilize the exchange rate during the month. In 2024, the VND depreciated by about 5% against the USD.

Stock market liquidity remained weak in December, with the average daily trading value on the combined three bourses reaching VND 16.5 trillion. Although liquidity increased 5% MoM, it was 22% lower than the annual average.

Foreign investors continued to be net-sellers of VND 2.8 trillion in December. However, the net selling value decreased significantly compared to the previous two months, when the average monthly net selling value exceeded VND 11 trillion. For the entire year of 2024, foreign investors net sold a record value of VND 92.6 trillion, resulting in the ownership ratio of foreign investors in the Vietnamese stock market decreasing to 16.4% at the end of 2024, the lowest level in many years.

Vietnam's economic growth has been encouraging, with GDP increasing by 7.1% in 2024, driven mainly by manufacturing, with the industrial production index increasing by 9.6% YoY. Additionally, exports increased by 14.3% YoY and imports increased by 16.7% YoY, resulting in a trade surplus of USD 24.8 billion in 2024, which somewhat eased exchange rate pressure. Domestic consumption also recovered, with retail sales in Q4/2024 increasing by 9.3% YoY, marking the highest quarterly growth of the year. This brought the annual retail sales growth rate to 9.0% in nominal terms and 5.9% in real terms. However, the Purchasing Managers' Index (PMI) in December fell to 49.8 points, with weaker growth in output and new orders. The growth rate of exports has also slowed in recent months.

FUND UPDATE AND INVESTMENT OUTLOOK

The NAV per unit of VINACAPITAL-VESAF increased 2.6% in December, outperforming the VN-Index, which rose 1.3%. Similar to November, FPT (+6.4%) and Bao Viet Holdings – BVH (+6.7%) were key contributors to this outperformance. For full year 2024, the portfolio delivered a 22.1% return, exceeding the VN-Index's 12.1% by 10 percentage points.

The 22.1% return in 2024 is complemented by the fund's 5-year annualized return of 20.4% as of December 2024. Since inception, as a specialist in small and mid-cap (SMID-cap) stocks, VINACAPITAL-VESAF has typically maintained a relatively low allocation to large-cap stocks and has remained underweight in financials.

SMID-cap stocks may not lead the market every year; in fact, their underperformance in 2024 reflects a market driven primarily by large caps. As noted in our September 2024 report, rising deposit rates and greater-than-expected VND depreciation created challenging liquidity conditions. Based on our analysis of past market cycles, these conditions typically weigh on SMID-cap performance.

Nevertheless, we continue to focus on uncovering high-quality SMID-cap stocks. Given the lack of research in this space, we believe there are significant opportunities to capitalize on the unrecognized growth potential of well-managed, undervalued companies. Our portfolio's aggregate EV/EBITDA – a relevant valuation metric for non-financial companies – tends to be, and remains, relatively low. We see substantial potential for EV/EBITDA re-rating as our SMID-cap stocks unlock value.

We also recognize the potential benefits of Vietnam's possible upgrade to FTSE Emerging Market status, which could initially favor selected large-cap stocks as foreign inflows resume. However, we do not speculate on this outcome or disproportionately position our portfolio around it. Instead, we remain committed to our bottom-up stock-picking approach and are confident that VINACAPITAL-VESAF is well-positioned to capture the long-term growth potential of Vietnam's SMID-cap stocks, as well as the near-term re-rating potential from the potential market upgrade.

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%	5.7%	5.2%	-4.3%	6.9%	1.0%	0.2%	1.8%	0.2%	-1.1%	-0.2%	2.6%	22.1%

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.

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