

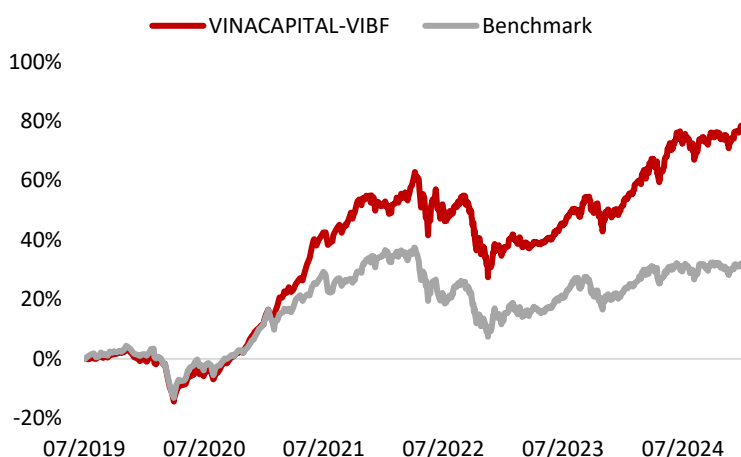
VINACAPITAL-VIBF Investment approach

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

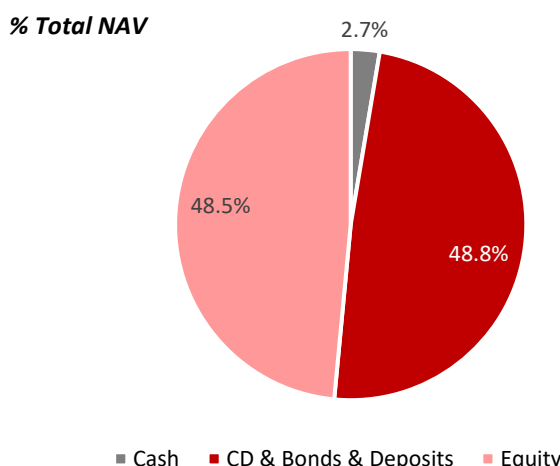
	VINACAPITAL-VIBF	BM
Total AUM (VND billion)	841.1	
NAV/Share	17,853.7	
Dec 2024 return (%)	2.3	0.8
YTD 2024 return (%)	17.9	8.4
3-year annualized return (% p.a.)	5.4	0.2
5-year annualized return (% p.a.)	12.3	5.4
Annualized return since inception (% p.a.)	11.1	5.1
Cumulative return since inception (%)	78.5	31.7

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

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Investment allocation



Fund information

Inception	07 Feb 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
2025 P/E (x)	8.5	11.4
2025 P/B (x)	1.5	1.6
2025 ROE (%)	18.4	14.1
Dividend yield (%)	2.8	2.2
No. of equities	21	412

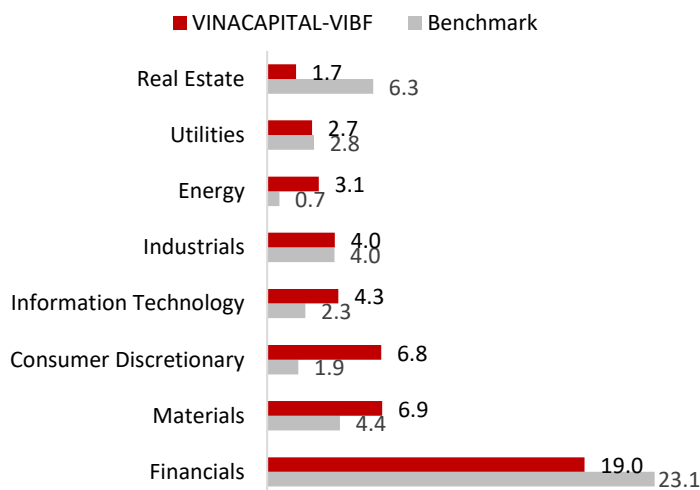
Fixed-income portfolio statistics

Macaulay Duration (years)	0.5
Yield-To-Maturity (%)	6.1

Source: VinaCapital's forecast

Equity sector allocation

% Total NAV



Comments from fund manager (Cont.)

Despite being supported by the expectation of market upgrade following the removal of the pre-funding requirement for foreign investors, the Vietnamese stock market faced pressure from exchange rates during the month. In its most recent meeting, the U.S. Federal Reserve (the Fed) signalled that there would be fewer interest rate cuts in 2025 than previously expected. The State Bank of Vietnam had to sell USD to stabilize the exchange rate during the month. In 2024, the USD/VND exchange rate increased by about 5%.

Liquidity in the stock market remained weak in December, with the average daily trading value on the combined three bourses reaching VND 16.5 trillion. Although increasing by 5% MoM, December's liquidity was 22% lower than the average for the year.

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 VND 92.6 trillion, resulting in the ownership ratio of foreign investors in the Vietnamese stock market to decrease to 16.4% by year-end, the lowest level in many years.

Vietnam's economic growth has been encouraging, with GDP increasing by 7.1% in 2024. The main growth driver was manufacturing, with the industrial production index of the manufacturing sector increasing by 9.6% YoY. Additionally, exports increased by 14.3% YoY and imports increased by 16.7% YoY, with the trade surplus reaching USD 24.8 billion in 2024, which somewhat eased exchange rate pressure amid consistently high U.S. government bond yields throughout the year.

Domestic consumption also recovered, with retail sales in Q4/2024 increasing by 9.3% YoY, marking the highest quarterly growth in the year. This brought the annual retail sales growth rate to 9.0% in nominal terms and 5.9% in real terms. However, some figures need to be closely monitored in the near term, such as the Purchasing Managers' Index (PMI), which fell to 49.8 points in December on 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 share of VINACAPITAL-VIBF increased by 2.3% in December 2024, outperforming the benchmark by 1.4%. For full-year 2024, VINACAPITAL-VIBF rose by 17.9%, strongly beating the benchmark's increase of just 8.4%.

In 2024, the stocks that significantly contributed to the fund's superior returns included FPT, MWG, and several banks, such as MBB and ACB.

FPT has been one of the fund's most successful investments over the years. In 2024, FPT's market capitalization increased by 83%, from VND 122.8 trillion to 224.3 trillion, making FPT one of the top three listed companies by market capitalization and the largest private enterprise on the Vietnamese stock market. The importance of information technology, the global digitalization trend, and the immense potential of artificial intelligence should all continue to be growth drivers for FPT for years to come.

MWG had a major turnaround last year, overcoming difficulties in 2023 by achieving net profit of VND 2,875 billion in 9M2024, compared to only VND 78 billion VND in 9M2023. The banks in which the fund invests are those with good asset quality or significant ongoing improvements in asset quality. Most banks on the Vietnamese stock market are currently undemanding in valuation and analysts expect them to achieve encouraging growth in 2025.

The valuation of the Vietnamese stock market has not changed much in recent months. The VN Index is trading at a P/E ratio of roughly 12x for 2024, with expected profit growth of listed companies at about 15% in 2025. In the short term, the market may remain cautious given expected ongoing exchange rate volatility. However, we believe the pressure may ease as President Trump's policies become clearer and the Fed cuts interest rates further in the coming months. Additionally, further information about the upgrade of the Vietnamese stock market should create positive investor sentiment.

Top holdings

	Ticker	Sector	Weighted (%)
Equity	MBB	Financials	6.8
	FPT	Information Technology	4.3
	ACB	Financials	3.9
	HPG	Materials	3.4
	STB	Financials	3.4
Bond	TN1122016	Real Estate	8.2
	KDH12202	Real Estate	4.3
	TCX124012	Financials	2.8

Comments from fund manager

BOND MARKET UPDATE

In the corporate bond market, total issuance value in December stood at VND 61.5 trillion, marking a 19.9% decline compared to the same period last year. The banking sector maintained the largest share, issuing VND 29.3 trillion, which accounted for approximately 47.7% of total issuance, with an average yield of 6.1% and an average maturity of 5.5 years. The real estate sector followed with an issuance value of VND 23.4 trillion, representing about 38.0% of the total, with an average yield of 9.5% and an average maturity of 3.5 years. Within this sector, Vinhomes and NEWCO (a subsidiary of Masterise) issued VND 4.0 trillion and VND 6.9 trillion, respectively. Additionally, An Think Company and its related party, Minh An Company, issued VND 7.0 trillion and VND 1.0 trillion, respectively. The remaining issuances came from the Travel (VietJet – VND 5.0 trillion), Financials (VND 1.18 trillion), Energy (VND 900 billion), and other sectors (VND 1.75 trillion).

STOCK 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%.

(to be cont. in next column)

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%	-0.5%	-0.3%	2.3%	17.9%

Important information

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