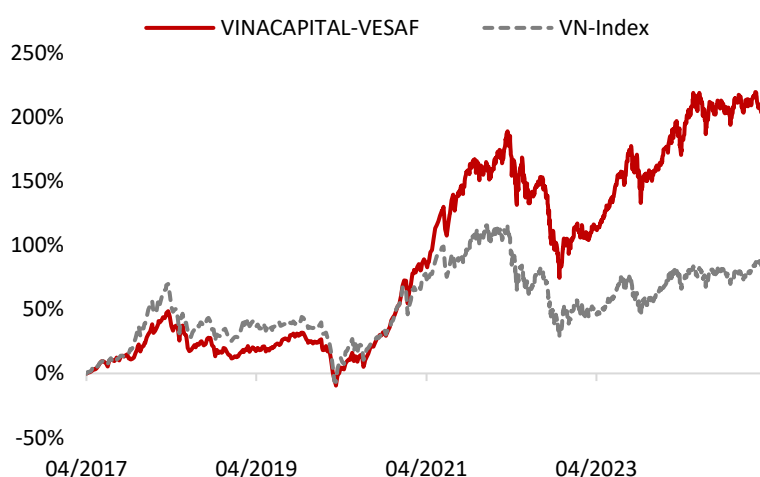


**VINACAPITAL-VESAF** Investment approach

The fund applies a bottom-up stock selection approach, complemented by macro and sector analysis. The stock selection process prioritizes companies operating in large addressable markets with scalable business models and niche competitive advantages, as well as undervalued opportunities in recovery or restructuring phases.

**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)	2,509.4	
NAV/Share (VND)	30,343.8	
Mar 2025 return (%)	(3.9)	0.1
YTD 2025 return (%)	(3.8)	3.2
3-year annualized return (% p.a.)	2.4	(4.3)
5-year annualized return (% p.a.)	27.3	14.5
Annualized return since inception (% p.a.)	15.0	8.0
Cumulative return since inception (%)	203.4	84.2

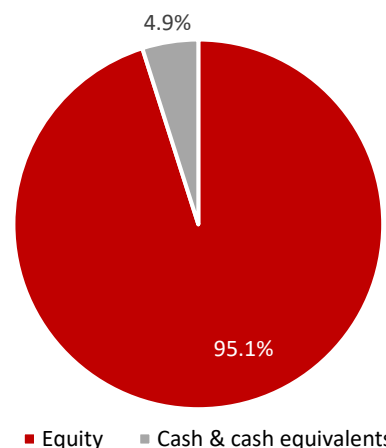
(The NAV is net of management fee and administrative expenses)

Investor Relations: [irwm@vinacapital.com](mailto:irwm@vinacapital.com)

Tel: +84 28 38 27 85 35

**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

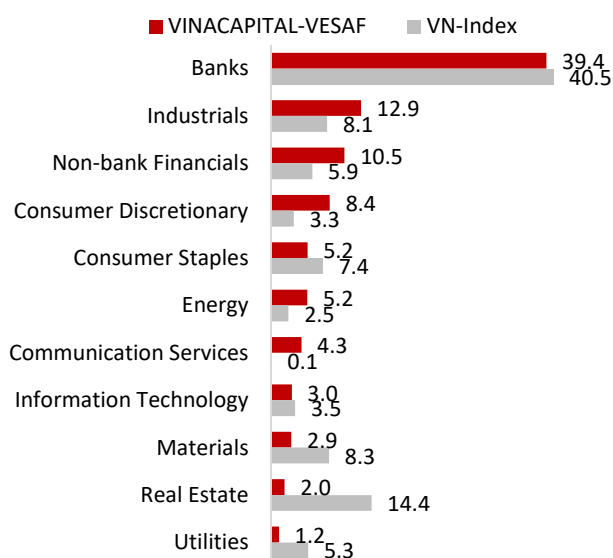
**Portfolio statistics**

	VINACAPITAL-VESAF	VN-Index
2025 P/E (x)	8.8	10.7
2025 P/B (x)	1.5	1.6
2025 ROE (%)	16.6	15.1
Dividend yield (%)	2.6	2.0
Portfolio turnover 12M (%)	75.7	-
Sharpe ratio	0.6	0.2
No. of equities	28	412

Source: VinaCapital's forecast

Sector allocation

% Total NAV



Top holdings

Equity	Sector	% NAV
MBB	Banks	13.9
TCB	Banks	7.5
BVH	Non-bank Financials	7.4
ACB	Banks	5.5
MWG	Consumer Discretionary	4.8
GMD	Industrials	4.7
CTG	Banks	4.1
VIB	Banks	3.5
VPB	Banks	3.5
FOX	Communication Services	3.4

Comments from fund manager

MARKET UPDATE

In March 2025, the VN-Index rose by a modest 0.1%. However, a sectoral breakdown reveals that only the Real Estate sector recorded gains, while the other 10 sectors declined. The Real Estate sector's growth was driven entirely by Vingroup stocks, with VIC, VHM, and VRE surging by 40.8%, 24.5%, and 10.1%, respectively. This performance was fueled by news of new real estate projects, an investment plan for a metro line connecting Ho Chi Minh City's center to Can Gio, and the Ho Chi Minh Stock Exchange (HOSE) greenlighting Vinpearl's listing application.

In the first three months of the year, the VN-Index gained 3.2%, with two-thirds of this increase attributable to Vingroup stocks. However, on April 2, U.S. President Donald Trump announced a 46% tariff on most Vietnamese exports to the U.S. Alongside Vietnam, other countries with significant trade surpluses with the U.S. - including China, Cambodia, Thailand, and Taiwan - also faced steep tariffs. Global stock markets tumbled after the tariff announcement. In Vietnam, the VN-Index plummeted by 17% over just four trading sessions from April 3 to April 9.

Following the U.S. tariff announcement, General Secretary To Lam held a direct phone call with President Trump to discuss a mutually beneficial trade agreement. Subsequently, Deputy Prime Minister Ho Duc Phoc embarked on a working visit to the U.S. starting April 6, focusing on tariff negotiations. Amid requests from multiple countries, President Trump announced on April 9 a 90-day tariff suspension for all nations except China.

Vietnam's economic data for the first quarter of 2025 remained relatively robust, with GDP growing by 6.9%, the manufacturing sector expanding by 9.5%, and retail sales increasing by 7.5% after adjusting for inflation. The Purchasing Managers' Index (PMI) reached 50.5 in March, crossing the 50-point threshold for the first time since November 2024. These figures paint a generally positive growth picture. Nevertheless, the U.S. tariffs on Vietnamese imports are expected to pose challenges to economic growth for the remainder of the year.

According to estimates from VinaCapital's research team, with the VN-Index at 1,200 points, its 2025 forward P/E ratio stands at just 9.8x - near a 10-year low. Over the past decade, only two "black swan" events have driven the VN-Index P/E below 10x: the COVID-19 pandemic in 2020 and the collapse of Saigon Commercial Bank (SCB) and the corporate bond market in 2022. Historically, when the stock market falls to such low valuations, a recovery typically follows soon after as negative news was already priced in, and investors seized the opportunity to purchase undervalued stocks. Furthermore, over the next 90 days, negotiations between Vietnam and the U.S. regarding a reduced tariff rate could mitigate significant disruptions to the operations of Vietnamese export companies.

FUND UPDATE AND INVESTMENT OUTLOOK

The NAV per unit of VINACAPITAL-VESAF declined 3.9% in March and 3.8% YTD, while the VN-Index slightly increased 0.1% during the month and 3.2% YTD. This level of underperformance is unusual and is not consistent with our performance since inception.

First, the fund does not hold the Vingroup stocks nor GELEX, and this caused our portfolio to underperform the index by 2.3%, all else equal. Although we acknowledge the scale of these conglomerates, they are not on our watchlist at present as we continue to find attractive investment opportunities in many other businesses with more visible earnings, moderate leverage, and undemanding valuations.

Next, we also note that our decision to be underweight financials and overweight information & communication technology (ICT) caused our portfolio to underperform the index by another 1.6%, all else equal. We think the appearance of new entries such as DeepSeek could cause the economics of ICT incumbents to be negatively impacted, while a moderately loose monetary policy intended to support Vietnam's domestic economy could also benefit financials. In fact, we have increased our financials weight and reduced our ICT weight during Q1 2025 to reflect the probability these developments could materialize. However, we believe the market may have speculatively over-reacted about certain stocks in both sectors, contributing to our underperformance. We are confident that our careful homework on stock picking/position sizing for both sectors will gradually bear fruit.

Finally, we observe that our decision to be overweight in certain exporters/industrial park operators (all of which are SMID-caps) caused us to underperform the index by another 2.0%, all else equal. We acknowledge the uncertainties surrounding export growth/FDI inflows in the economy in 2025. However, we note that our carefully selected exporters and industrial park operators tend to have compelling cost/location advantages, solid dividend track records, and attractive valuations. We believe their ability to gain market share amidst challenging market conditions will gradually deliver shareholder returns.

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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%
2025	-0.6%	0.7%	-3.9%										-3.8%

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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