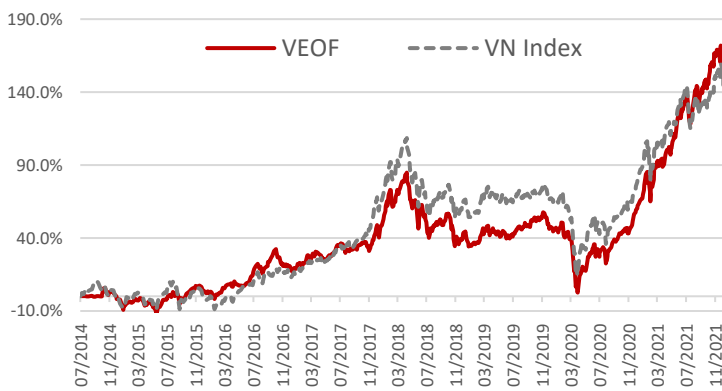


VEOF Investment approach

- The fund applies active investment strategy and bottom-up stock selection, concentrates on high-conviction stocks through a deep dive research and analysis.
- The fund mainly invests in large and mid-cap stocks which are industry leaders or differentiate in competitive advantages, have growth potential and are being undervalued.

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 shares. Current performance may be higher or lower than the performance data quoted.

Fund performance

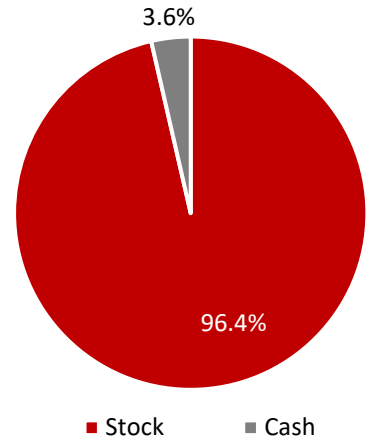
| | VEOF | VN-Index |
|---------------------------------------|----------|----------|
| Total AUM (VND billion) | 618.1 | |
| NAV/Share | 26,569.8 | |
| Dec 2021 return (%) | (0.3) | 1.3 |
| YTD 2021 return (%) | 56.5 | 35.7 |
| 3-year annualized return (%) | 25.2 | 18.8 |
| Annualized return since inception (%) | 13.9 | 13.5 |
| Cumulative return since inception (%) | 165.7 | 159.2 |

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

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Investment allocation

% Total NAV



Fund information

| | |
|---------------------------------------|---|
| Inception | 1 July 2014 |
| Management fee | 1.75% per annum |
| Subscription fee | 0.0% |
| Redemption fee | <ul style="list-style-type: none"> • 2.0% < 12 months • 1.5% >= 12 months • 0.5% >= 24 months |
| Minimum subscription | VND2,000,000/ ~USD90 |
| 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

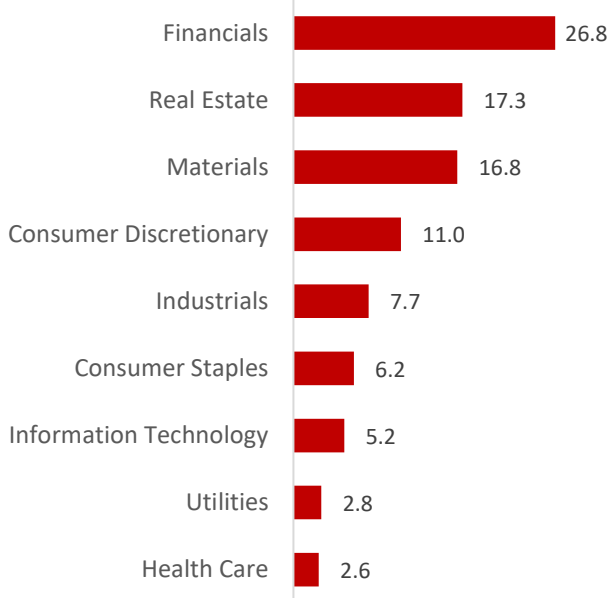
| | VEOF | VN-Index |
|------------------------|------|----------|
| Trailing P/E (x) (*) | 14.4 | 17.5 |
| Trailing P/B (x) (*) | 2.7 | 2.8 |
| Trailing ROE (%) (*) | 18.9 | 16.1 |
| Dividend yield (%) (*) | 1.3 | 1.1 |
| Portfolio turnover (%) | 49.7 | |
| Sharpe ratio | 0.50 | 0.43 |
| No. of stocks | 34 | 404 |

(*) Trailing 12-month data

Source: Bloomberg, VinaCapital's forecast

Sector allocation

% Total NAV



Comments from fund manager

MARKET COMMENTARY

The VN Index gained 1.3% in December 2021, closing the year at 1,498.3, which is very near its all-time high of 1,500.8 recorded in November 2021. For 2021, the VN Index advanced by 35.7%, which was the highest return among ASEAN emerging markets, and ranking Vietnam as one of the best-performing stock markets in the world.

Retail investors continued to dominate the stock market, driving the VN Mid Cap and VN Small Cap Index to outperform the broader market, increasing 7.4% and 7.5% MoM, respectively, while the VN30 Index declined 0.1% MoM. December average daily trading value retreated to VND33.0t from the record high of VND40.1t in November. Foreign investors kept on selling, with a net-sell amount totalling VND4.7t on the combined three bourses in December. In 2021, foreign investors were net-sellers of VND62.7t.

Q4 macro data demonstrated clear economic improvement after social-distancing regulations were relaxed. Q4 GDP grew 5.2% YoY from a 6.0% YoY contraction in Q3. GDP growth for 2021 was 2.6%, slightly lower than the 2.9% growth in 2020. Most other full-year 2021 figures were on the positive side, with exports and imports advancing 19.0% and 26.5% YoY, reaching USD336.3b and USD332.3b, respectively, resulting a USD4.0b trade surplus. Industrial production grew 8.7% YoY in December and 4.8% YoY in 2021. Retail sales also edged up 1.1% YoY in December, but still declined 3.8% in 2021 due to several months of social distancing.

FUND COMMENTARY

VEOF's NAV per share declined by 0.3% in December 2021. For the full year 2021, the fund gained 56.5% compared to a 35.7% increase in the VN Index.

MWG has become the largest holding in VEOF's portfolio. The company continued to deliver better-than-expected earnings results in November 2021, with net profit reaching VND489b, up 55% YoY, lifting 11M21 net profit to VND4,395b, a 22% YoY growth. For 2022, the company is targeting a net profit of VND6,350b, 34% higher than its 2021 target (VND4,750b).

The banks in VEOF's portfolio recorded mixed performances in December 2021, with STB and CTG outperforming the VN Index, while TCB and MBB underperformed. According to a recent survey by the State Bank of Vietnam, in 4Q21, banks operating in Vietnam saw clear improvement in their businesses compared with 3Q21. They expect further improvement in both Q1 and the full year 2022. Credit risk is expected to be alleviated in 2022 compared with 2021. As a result, we expect solid performances from bank stocks in 2022.

2021 has ended with better-than-expected returns for most stock investors. In 2022, we look forward to recovery and growth. According to Bloomberg's estimate, listed companies on HOSE are expected to record 2022 net profit growth of 26%, which will put the 2022 P/E of the VN Index at 13.9x, well below the 5-year average and ASEAN emerging markets. The National Assembly is discussing a socioeconomic support package of VND347t, which should boost economic growth in 2022-2023 and bring additional positive sentiment to the stock market.

Top holdings

| Stock | Sector | % NAV |
|-------|------------------------|-------|
| MWG | Consumer Discretionary | 7.8 |
| TCB | Financials | 6.8 |
| MBB | Financials | 5.8 |
| VHM | Real Estate | 5.4 |
| HPG | Materials | 5.4 |
| FPT | Information Technology | 5.2 |
| VPB | Financials | 3.6 |
| DGC | Materials | 3.1 |
| STB | Financials | 3.1 |
| NLG | Real Estate | 3.0 |

Monthly returns

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|------|-------|-------|--------|------|-------|-------|-------|------|-----|-------|-------|-------|------|
| 2019 | 1.0 | 4.2 | 1.0 | 0.5 | (1.9) | (0.6) | 4.6 | 1.0 | 3.5 | (0.3) | (3.7) | (1.2) | 8.2 |
| 2020 | (2.8) | (2.3) | (26.2) | 15.1 | 10.3 | (2.4) | (2.1) | 10.9 | 3.2 | 0.4 | 10.1 | 7.7 | 16.1 |
| 2021 | (0.1) | 11.8 | 0.5 | 5.6 | 11.6 | 5.1 | (1.8) | 3.0 | 3.2 | 8.3 | (0.1) | (0.3) | 56.5 |

Important information

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