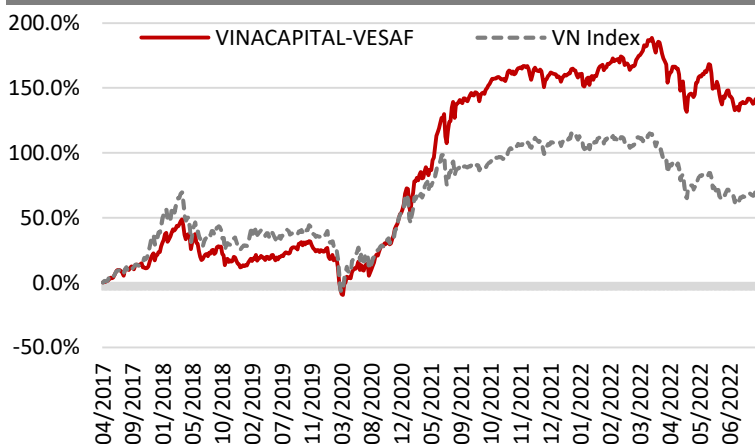


VINACAPITAL-VESAF

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)	1,206.2	
NAV/Share (VND)	23,958.0	
Jul 2022 return (%)	(1.6)	0.7
YTD 2022 return (%)	(8.3)	(19.5)
3-year annualized return (%)	25.1	6.7
Annualized return since inception (%)	18.0	10.6
Cumulative return since inception (%)	139.6	70.1

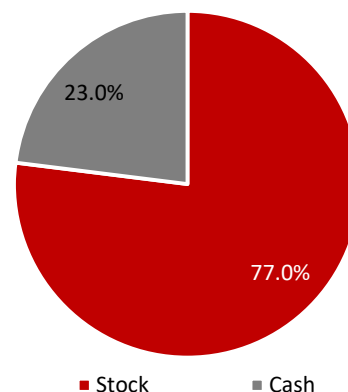
(The NAV is net of management fee and administrative expenses)

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Investment allocation

% Total NAV



Fund information

Inception	18/04/2017
Management fee	1.75% per annum
Subscription fee	0.0%
Redemption fee	2.0% < 12 months
	1.5% >= 12 months
Custodian and Supervisory Bank	0.5% >= 24 months
	Standard Chartered Bank Ltd. (Vietnam)
Auditor	PwC Vietnam
Trading frequency	Daily, From Monday to Friday
Benchmark	VN-Index

Portfolio statistics

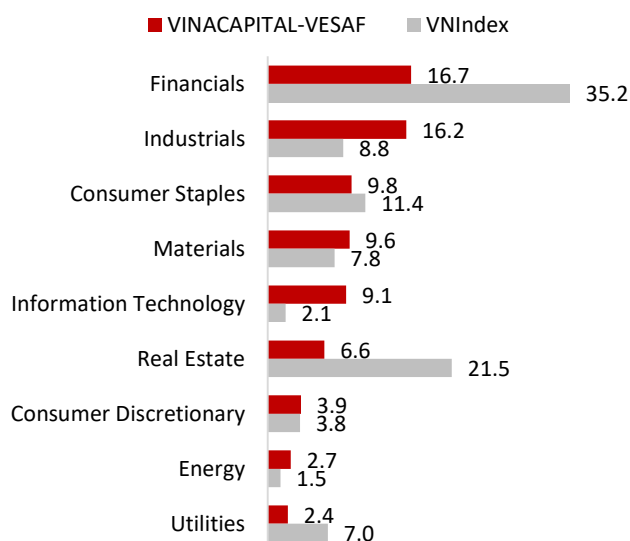
	VINACAPITAL-VESAF	VN-Index
Trailing P/E (x) (*)	11.5	12.9
Trailing P/B (x) (*)	2.5	2.0
Trailing ROE (%) (*)	21.5	15.6
Dividend yield (%) (*)	2.4	1.6
Portfolio turnover 12M (%)	22.0	-
Sharpe ratio	0.7	0.3
No. of stocks	33.0	403

* Trailing 12-month data

Source: Bloomberg, VinaCapital's forecast

Sector Allocation

% Total NAV



Top holdings

Stock	Sector	% NAV
MBB	Financials	9.2
FPT	Information Technology	9.1
SZC	Industrials	4.5
QNS	Consumer Staples	4.2
MWG	Consumer Discretionary	3.9
KDH	Real Estate	3.9
DPR	Materials	3.6
ILB	Industrials	3.0
VPB	Financials	2.9
VHC	Consumer Staples	2.8

Comments from fund manager

MARKET COMMENTARY

After falling 7.4% in June, the VN-Index slightly rebounded by 0.7% MoM in July, closing the month at 1,206.3. On a year-to-date (YTD) basis, the VN-Index has declined 19.5%. Concerns about global macro factors prompted investors to maintain a cautious stance for most of the month. US GDP fell 0.9% at an annualized pace in 2Q22, following a 1.6% decline in 1Q22, which sent a recessionary signal. On 27 July, the Fed enacted its second consecutive 0.75% interest rate increase, taking its benchmark rate to a range of 2.25%-2.5%. Despite the rate hike, stock markets in both the US and Vietnam rallied right afterwards, indicating the markets might have already priced in the interest rate increase. In addition, Fed Chair Jerome Powell also mentioned about the possibility of slowing the pace of rate increases in the future, depending on the economic data. Most listed companies have announced 2Q22 earnings results. The aggregate net profit of listed companies on HOSE and HNX advanced by 3.4% YoY in 2Q22 and 17.3% YoY in 1H22. The sectors that attained strong 2Q22 profit growth were Financials (+20.7% YoY), Utilities (+59.5% YoY), and Information Technology (+22.1 YoY), while the profits of the Real Estate and Materials sectors declined 40.0% and 34.4% YoY, respectively. Most macro-economic data remained positive. The Index of Industrial Production grew 11.2% YoY in July and 8.8% YoY in 7M22. Retail sales surged by 42.7% YoY and 2.4% MoM, bringing 7M22 growth to 11.9% YoY in real terms. FDI disbursement for 7M22 remained solid, reaching USD11.6 billion, a 10.2% YoY growth. Nevertheless, July exports and imports decelerated to single-digit growth of 8.9% and 3.4% YoY, reducing YTD growth to 16.1% and 13.6%, respectively, indicating that sluggish global economic growth has impacted Vietnam.

We believe the stock market’s rebound after the Fed raised interest rates has, to some extent, eased investor concern about a further market drop. In fact, global stock markets had rather encouraging performances in July, with the MSCI World Index advancing 6.9% MoM. The earnings growth of listed companies remained on track with a forecasted EPS growth of 21.4% in 2022 for the VN-Index, according to Bloomberg consensus, indicating a higher level of earnings growth in 2H22 than in 1H22. We maintain our view that Vietnam’s stock market is attractive for long-term investment at the 2022F P/E of 11.5x at the end of July. The most notable risk may be from a further downturn in the global economy, as seen in the first half of this year.

VINACAPITAL-VESAF

The VN-Index inched up by 0.7% in July mostly thanks to the recovery of Financial sector as many banks reported robust Q2 earnings growth and lifted the sector’s Q2 profit growth to 21%YoY. However, VINACAPITAL-VESAF posted a decline of 1.6% as the fund was underweight in the Financial sector and most export plays in the portfolio faced profit-taking pressure after their strong rallies in the first half of 2022.

That said, banking stock MBB has always been among our top holdings due to its bright prospects for the mid and long-term. The company has delivered stellar earnings growth in recent years and achieved impressive Q2 profit growth of 78%YoY. The bank’s strategies of aggressively obtaining market share in retail banking and consumer finance strongly support margin improvement and lower credit cost by increasing CASA thanks to various attractive promotions for retail customers and ramping up digitalisation development. Additionally, the synergy with its strategic partner, Viettel Group, facilitates expanding the business to e-wallets and the e-money segment, leveraging Viettel’s customer data for cross-selling. We believe that MBB’s outstanding performance and zero-bank rescue activity will be competitive advantages for the bank to be granted a higher credit quota than peers this year.

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	-3.8%	-1.3%	-23.5%	15.0%	6.3%	-1.3%	-1.4%	12.8%	5.2%	1.2%	11.0%	9.0%	25.6%
2021	1.2%	12.5%	1.4%	3.4%	14.1%	6.3%	-1.2%	6.2%	3.7%	6.7%	0.0%	-0.7%	67.0%
2022	-0.8%	4.9%	3.9%	-5.6%	-2.9%	-5.8%	-1.6%						-8.3%

Important information

The information contained herein has been prepared by VinaCapital Fund Management Joint Stock Company (the “Company”) and is subject to updating, completion, revision, further verification and amendment without notice.

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