

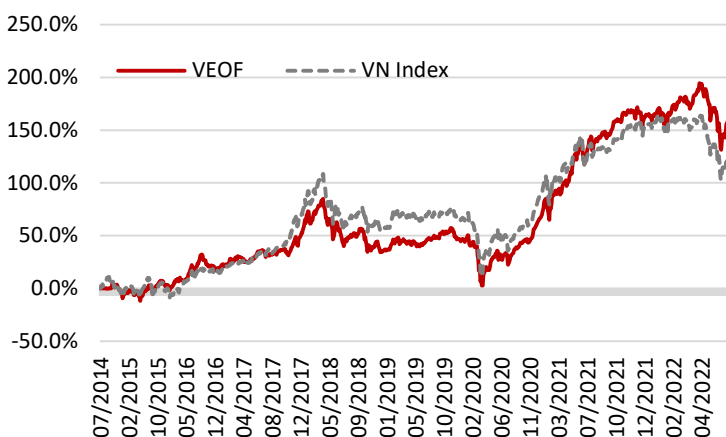
VEOF

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

Fund performance

VEOF VN-Index

Total AUM (VND billion)	1,098.2	
NAV/Share (VND)	26,018.8	
May 2022 return (%)	(4.1)	(5.4)
YTD 2022 return (%)	(2.1)	(13.7)
3-year annualized return (%)	22.4	10.4
Annualized return since inception (%)	12.8	10.7
Cumulative return since inception (%)	160.2	123.6

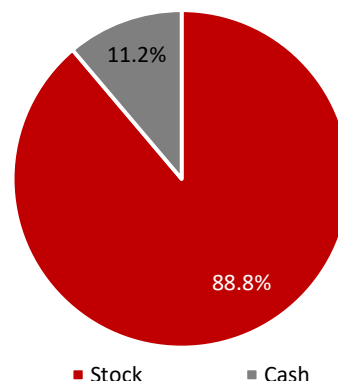
(The NAV is net of management fee and administrative expenses)

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Investment allocation

% Total NAV



Fund information

Inception	1/7/2014
Management fee	1.75% per annum
Subscription fee	0.0%
Redemption fee	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

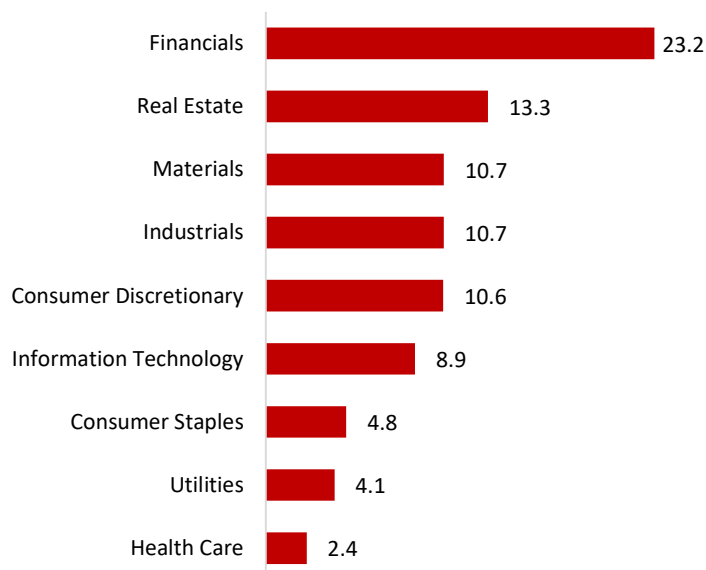
	VEOF	VN-Index
Trailing P/E (x) (*)	13.5	13.9
Trailing P/B (x) (*)	3.0	2.2
Trailing ROE (%) (*)	21.9	15.9
Dividend yield (%) (*)	1.8	1.4
Portfolio turnover (%)	20.7	-
Sharpe ratio	0.5	0.3
No. of stocks	35	404

* Trailing 12-month data

Source: Bloomberg, VinaCapital's forecast

Sector allocation

% Total NAV



Top holdings

Stock	Sector	% NAV
FPT	Information Technology	8.9
MWG	Consumer Discretionary	7.3
MBB	Financials	6.8
VCB	Financials	5.6
GAS	Utilities	4.1
VPB	Financials	3.6
VRE	Real Estate	3.3
PNJ	Consumer Discretionary	2.9
CTG	Financials	2.8
PHR	Materials	2.8

Comments from fund manager

MARKET COMMENTARY

After retreating 8.4% in April, Vietnam's stock market continued to be volatile in May. The VN-Index fell from 1,366.8 at the end of April to 1,171.9 on 16 May (-14.3%), but then recovered to close at 1,292.7 by the end of May, a 5.4% MoM decline. On a year-to-date basis, the VN-Index has declined 13.7%.

Most investors remained concerned about the risks that lingered from April, such as inflation, interest rate hikes, the investigation into violations of stock market regulations, and the more stringent control of loans to the real estate sector. Retail investors were cautious in buying stocks, with the average daily trading value on the combined three bourses receding to VND17.8t in May, a 32% MoM decline and a 15-month low.

Investors welcomed several positive news items that may have contributed to the market's recovery during the second half of the month. First, S&P Global Ratings upgraded Vietnam's long-term sovereign credit rating to BB+ from BB with a stable outlook, which may enable Vietnam to attract more foreign capital at a lower cost. Second, the State Bank of Vietnam issued guidance for the 2% interest rate subsidy for bank loans offered to enterprises in a variety of industries. Total reduced interest may reach VND40t, for the total loan amount of VND2,000t, to be disbursed in 2022 and 2023.

Notably, foreign investors turned to net-buyers in both April and May, when the stock market fell sharply, with the net-buy value reaching VND4.0t and VND3.5t in April and May, respectively.

Most macro data demonstrated accelerated economic growth in May. The industrial production index and retail sales grew 10.4% and 22.5 YoY in May, bringing 5M22 growth to 8.3% and 9.7%, respectively. The Purchasing Managers' Index (PMI) climbed from 51.7 in April to 54.7 in May, indicating continuous expansion in the manufacturing sector. Inflation remained a concern, as May CPI rose 0.38% MoM and 2.86% YoY, mainly driven by petroleum prices.

FUND COMMENTARY AND INVESTMENT OUTLOOK

VEOF's NAV per share retreated 4.1% in May, outperforming the VN-Index by 1.3%. On a year-to-date basis, VEOF declined 2.1%, while the VN-Index slumped by 13.7%.

Among VEOF's top holdings, 7 out of 10 stocks outperformed the market in May. Three of those stocks that delivered positive monthly returns recorded upbeat earnings results.

FPT (+4.7% MoM) posted 4M22 net profit of VND1.7t, a 35% YoY growth, driven by the technology and education segment. The value of new orders of the global IT service business advanced by 40% YoY, reaching VND9.0t, securing future revenue growth for the company.

GAS (+11.0% MoM) recorded better-than-expected 4M22 net profit of VND4.5t, representing 61% YoY growth. The company benefited from rising oil prices.

PNJ (+6.4% MoM) also beat earning expectations with 4M22 revenue and net profit reaching VND12,912b (+43% YoY) and VND866b (+45% YoY), respectively. The company has completed 66% of its full-year profit target after just four months.

At its current valuation of 2022F P/E of 12.4x at the end of May, we believe the VN-Index's downside risk is not significant, and that there will be more on the upside supported by economic growth and the earnings results of listed companies. The risks that occurred in the last two months were rather short-term: inflation may peak in the next few months, while the stricter supervision of the stock market and the real estate sector will facilitate the sustainable growth of and strengthen investor confidence in Vietnam's financial markets.

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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%
2022	0.0%	5.1%	3.3%	-6.0%	-4.1%								-2.1%

Important information

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