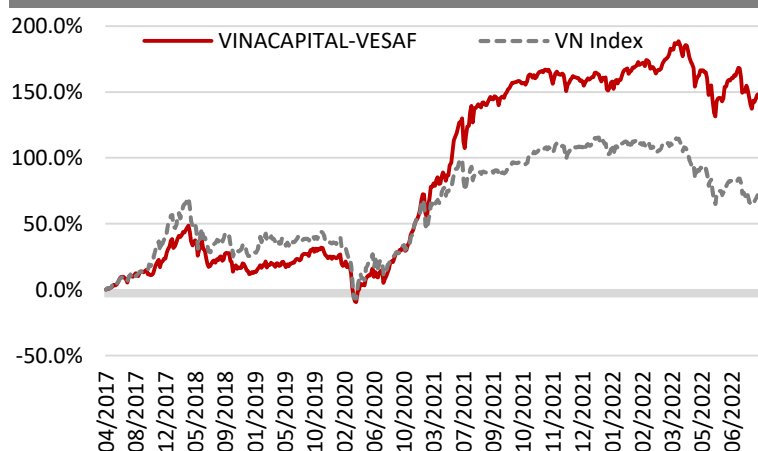


VINACAPITAL-VESAF

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)	1,214.7	
NAV/Share (VND)	24,358.2	
Jun 2022 return (%)	(5.8)	(7.4)
YTD 2022 return (%)	(6.8)	(20.1)
3-year annualized return (%)	26.7	8.0
Annualized return since inception (%)	18.7	10.6
Cumulative return since inception (%)	143.6	68.8

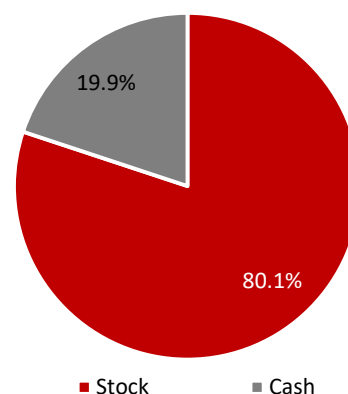
(The NAV is net of management fee and administrative expenses)

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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
	0.5% >= 24 months
Custodian and Supervisory Bank	Standard Chartered Bank Ltd. (Vietnam)
Auditor	PwC Vietnam
Trading frequency	Daily, From Monday to Friday
Benchmark	VN-Index

Portfolio statistics

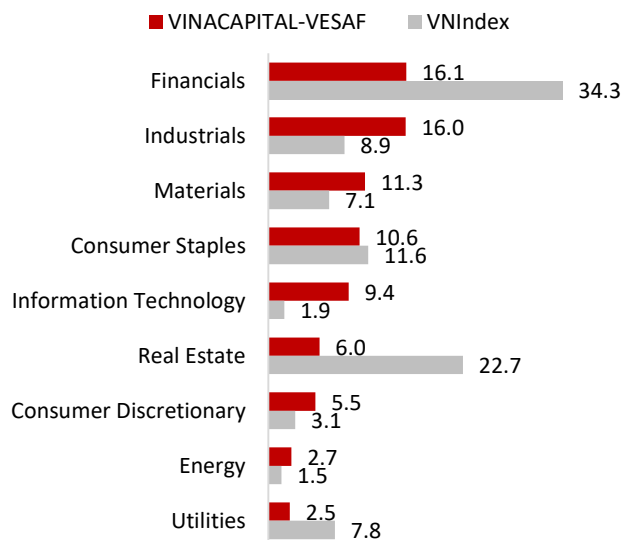
	VINACAPITAL-VESAF	VN-Index
Trailing P/E (x) (*)	12.0	13.0
Trailing P/B (x) (*)	2.7	2.0
Trailing ROE (%) (*)	21.5	15.6
Dividend yield (%) (*)	2.6	1.5
Portfolio turnover 12M (%)	22.6	-
Sharpe ratio	0.7	0.3
No. of stocks	28.0	403

* Trailing 12-month data

Source: Bloomberg, VinaCapital's forecast

Investment approach

% Total NAV



Top holdings

Stock	Sector	% NAV
FPT	Information Technology	9.4
MBB	Financials	8.6
MWG	Consumer Discretionary	5.5
QNS	Consumer Staples	4.2
SZC	Industrials	3.9
DPR	Materials	3.7
KDH	Real Estate	3.6
FMC	Consumer Staples	3.2
VHC	Consumer Staples	3.2
ILB	Industrials	3.1

Comments from fund manager

MARKET COMMENTARY

The VN-Index fell 7.4% in June, closing the month at 1,197.6 points, marking its third consecutive month of decline. On a year-to-date (YTD) basis, the VN-Index has declined 20.1%. Vietnam's stock market retreated after news that the US consumer price index surged by 8.6% YoY in May, the highest inflation since December 1981, which prompted the Fed to raise its benchmark interest rate by 75 bps to a range of 1.5% - 1.75%. Global stock markets fell even further in June, with the MSCI World Index and the S&P 500 dropping 8.6% and 8.4% MoM, respectively.

Domestic retail investors became more cautious, leading to the average daily trading value to fall 42% q-o-q to VND17.8 trillion on the combined three bourses. Foreign investors, on the other hand, were net-buyers of VND3.3 trillion in June. This marks the third month-in-a-row that they were net-buyers, bringing the YTD net-buy value to VND4.2 trillion.

Macro-economic data for 2Q22 were far better than expected. Vietnam's GDP advanced by 7.7% YoY in 2Q22, lifting 1H22 growth to 6.4% YoY, a significant improvement compared with 5.7% YoY growth in 1H21. The June figures alone were also impressive. The industrial production index grew 11.5% YoY in June and 8.7% YTD. Retail sales surged by 27.3% YoY in June, bringing YTD growth to 11.7% YoY in nominal terms and 7.9% in real terms. Inflation was a bit of a concern, as the CPI increased 0.7% MoM, while it was 3.4% for the YTD at the end of June.

Short-term volatility is likely to persist as the Fed considers additional interest rate hikes and domestic investor sentiment remains affected by the recent stock market violations and the stringent regulations of the real estate sector. Nevertheless, we maintain our view that at the current valuation of 2022F P/E of 11.8x at the end of June, Vietnam's stock market is attractive for long-term investment. In the next few months, investors may look forward to the higher credit quotas granted by the State Bank of Vietnam and a cooling-down of inflation. As of 6 July, the Bloomberg Commodity Index has declined by 19% from its peak roughly one month ago.

UPDATE ON VINACAPITAL-VESAF

VINACAPITAL-VESAF declined 5.8% in June as the broader market continued to face selling pressure. Overall, the fund still significantly outperformed VN-Index on a YTD basis, largely due to the fund's underweight of the banking, brokerage, and other sectors that have been highly volatile during the challenging macro environment.

In June, DGC was the star of the portfolio, with a return of 13.1%, outperforming their peers and the broader market. DGC was expected to post strong earnings growth of 5-6 times for 2Q22, surpassing their strong 1Q22 earnings by over 30% due to resilient yellow phosphorus prices. We currently expect that DGC will deliver earnings growth of nearly triple last year's growth based on the expected high prices for the remainder of the year. We also believe that with 25% global export share, DGC has bargaining power in its phosphorus products as well as the potential to expand its portfolio to higher value-added products for better profit margin. Moreover, several projects in Nghi Son and Dak Nong are due to commence operations from 2023 onwards, which will further support the company's long-term growth. DGC has set a revenue target of USD2 billion to be achieved after 2025.

Although we maintain a conservative view on the broader market in the short term, the recent market sell-off has created an opportunity to accumulate additional shares in some of the fund's existing holdings as their valuations became very attractive. In June, we increased exposure to MBB (banking), BWE (utilities), SZC (industrial park), ILB (logistics), and PVS (oil and gas). We also sold CTG and reduced weight in REE as part of the portfolio restructuring process.

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%							-6.8%

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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