

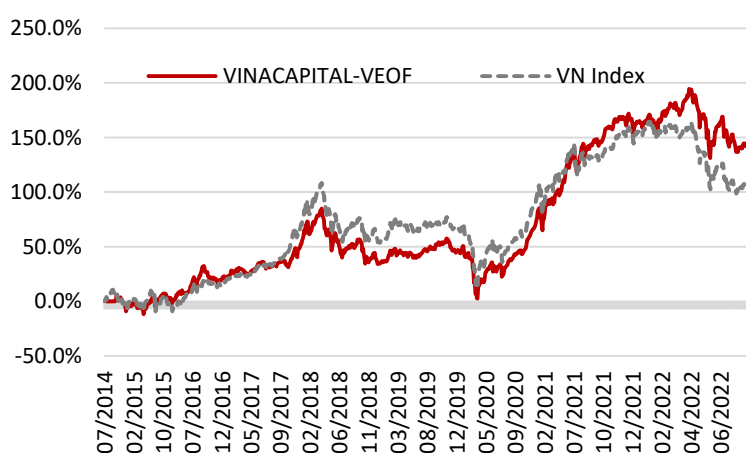
## VINACAPITAL-VEOF

## 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

	VINACAPITAL-VEOF	VN-Index
Total AUM (VND billion)	1,063.7	
NAV/Share (VND)	24,476.1	
Jul 2022 return (%)	(1.3)	0.7
YTD 2022 return (%)	(7.9)	(19.5)
3-year annualized return (%)	18.4	6.7
Annualized return since inception (%)	11.7	9.5
Cumulative return since inception (%)	144.8	108.7

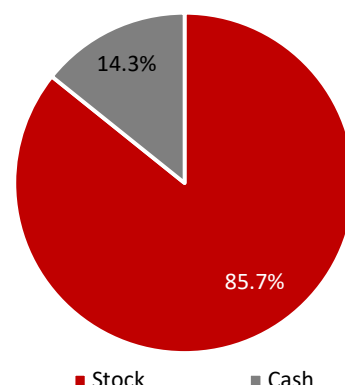
(The NAV is net of management fee and administrative expenses)

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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
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

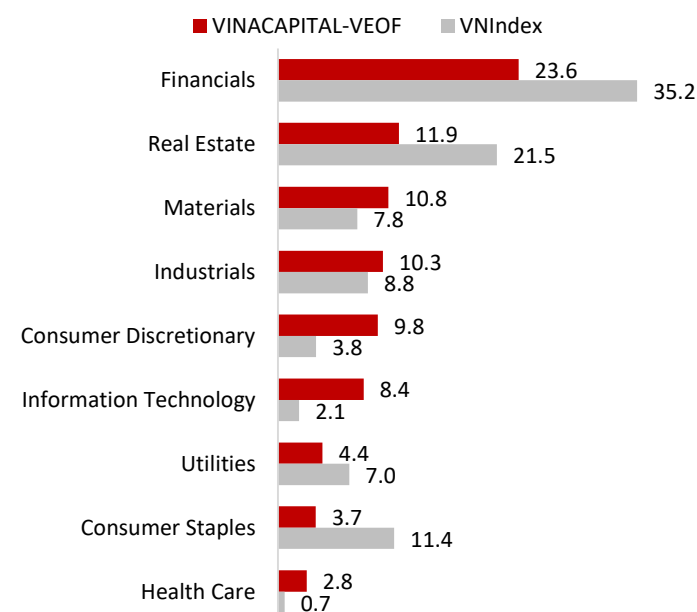
	VINACAPITAL-VEOF	VN-Index
Trailing P/E (x) (*)	11.9	12.9
Trailing P/B (x) (*)	2.7	2.0
Trailing ROE (%) (*)	22.3	15.6
Dividend yield (%) (*)	1.8	1.6
Portfolio turnover (%)	14.4	-
Sharpe ratio	0.4	0.3
No. of stocks	34	403

\* Trailing 12-month data

Source: Bloomberg, VinaCapital's forecast

## Sector allocation

## % Total NAV



## Top holdings

Stock	Sector	% NAV
FPT	Information Technology	8.4
MBB	Financials	6.5
MWG	Consumer Discretionary	6.4
VCB	Financials	5.5
GAS	Utilities	4.4
VPB	Financials	3.4
VRE	Real Estate	3.2
PNJ	Consumer Discretionary	2.9
PHR	Materials	2.9
CTG	Financials	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. The US GDP growth rate 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, the stock markets in both the US and Vietnam rallied right afterward, indicating the markets might have already priced in the interest rate increase. In addition, Fed Chair Jerome Powell also mentioned the possibility of slowing the pace of rate increases in the future depending on economic data.

Most listed companies in Vietnam have announced their 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 reported the strongest 2Q22 profit growth were Financials (+20.7% YoY), Utilities (+59.5% YoY), and Information Technology (+22.1 YoY), while 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. July retail sales surged by 42.7% YoY and 2.4% MoM, bringing 7M22 growth to 11.9% YoY in real terms. FDI disbursement in 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 the YTD growth to 16.1% and 13.6%, respectively, indicating that sluggish global economic growth has impacted Vietnam's economic activities.

## FUND COMMENTARY AND INVESTMENT OUTLOOK

VINACAPITAL-VEOF's NAV per share retreated 1.3% in July, as a few holdings which had outperformed in 6M22 technically corrected in July, such as MWG and PNJ. On a year-to-date basis, VINACAPITAL-VEOF declined 7.9% while the VN-Index slumped by 19.5%.

Most top holdings in VINACAPITAL-VEOF's portfolio reported encouraging business results in 2Q22. FPT, the fund's top holding, recorded net profit growth of 25% YoY and 31% YoY in 2Q22 and 1H22, driven by all the core businesses: IT services, telecommunications, and education.

GAS beat expectations with 2Q22 net profit reaching VND5.1 trillion, 125% YoY growth, lifting 1H22 net profit to VND8.5 trillion, or 98% YoY growth.

PNJ and VRE, two companies in the retail business, strongly recovered from the impacts of COVID-19 last year and recorded 2Q22 net profits of VND367 billion (+65% YoY) and VND773 billion (+99% YoY), respectively.

The earnings of most banks were also encouraging. For 1H22, MBB reported a net profit of VND9.2 trillion (+49% YoY) while VCB reported net profit of VND13.9 trillion (+28% YoY). CTG posted net profit of VND9.3 trillion in 1H22, a moderate 7% YoY growth, but a strong rebound of 73% when compared with 2H21.

We believe that the stock market's rebound following the Fed's interest rate hike at the end of July has to some extent eased investor concern about a further market drop. In fact, the performance of global stock markets in July was also encouraging, with the MSCI World Index advancing by 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 higher 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 was seen in the first half of this year.

## 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%	-4.7%	-1.3%						-7.9%

## Important information

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