

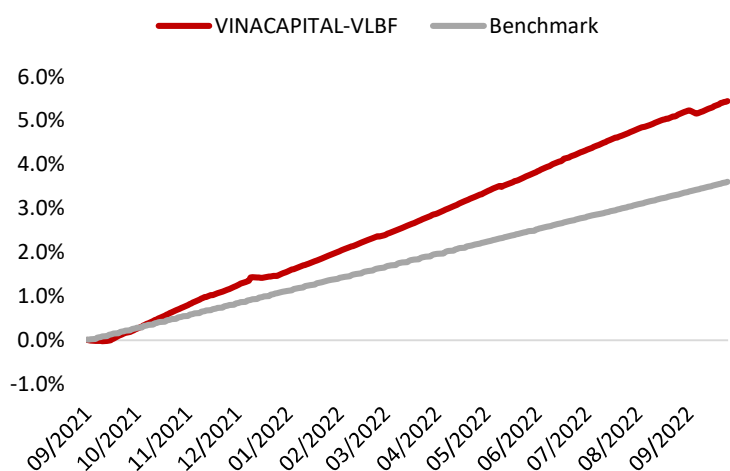
VINACAPITAL-VLBF

Investment approach

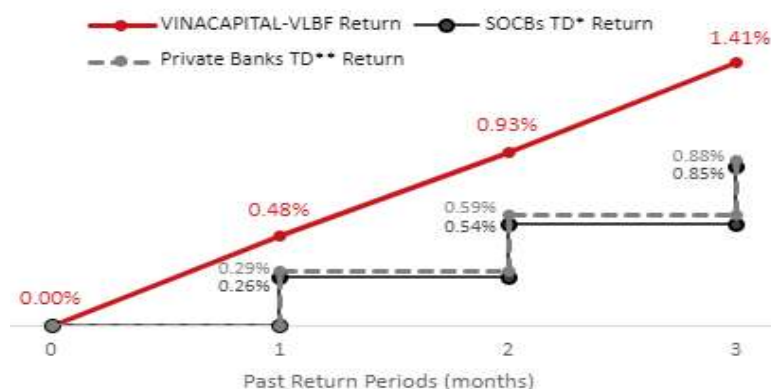
VINACAPITAL-VLBF mainly invests in short-term fixed income securities and money market instruments to generate very stable returns while maintaining daily liquidity.

VINACAPITAL-VLBF is considered a low-risk fund suitable for investors who are looking for a safe, short and medium term investment with a higher return than short-term bank deposit rates. The target return for the fund is 4.5 – 5.0% per annum.

NAV chart since inception



Comparable bank deposit rates

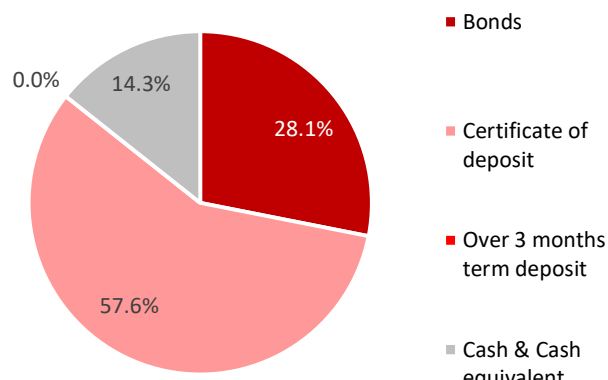


*SOCBs TD: Average term deposit rates of 4 state-owned commercial banks (Vietcombank, Agribank, BIDV, and VietinBank).

**Private Banks TD: Average term deposit rates of 15 private commercial banks.

Note: Past performance is not indicative of future results.

Investment allocation



Fund information

Inception	7/9/2021
Management fee	0.9% per annum
Subscription fee	0.0%
Redemption fee	0.0%
Minimum subscription	0 VND
Custodian and Supervisory Bank	BIDV
Auditor	PwC Vietnam
Trading frequency	Daily, from Monday to Friday

Benchmark (BM)

Average 3-month VND denominated deposit rate of VietinBank, Agribank, BIDV, and Vietcombank.

Fund performance

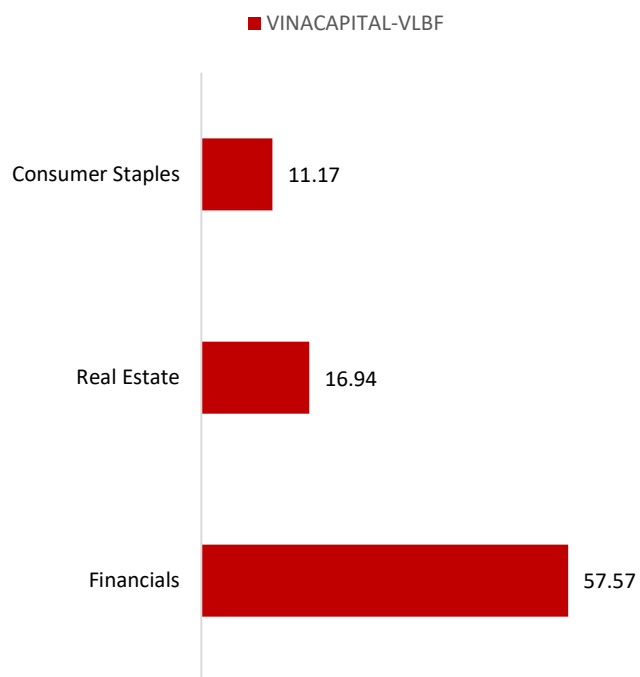
	VINACAPITAL-VLBF	BM
Total AUM (VND billion)	130.1	
NAV/Share	10,544.2	
Sep 2022 return (%)	0.3	0.3
2021 return (%)	1.5	1.1

(NAV is net of management fee and administrative expenses)

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Sector allocation



Top holdings

Issuer	Allocation (%)	Yield-to-maturity (%)	Duration (years)
HOME CREDIT	19.24	5.98	1.00
MBB	15.74	4.00	0.40
KBC	9.85	9.44	0.67
MSN	8.04	6.51	0.57
TCB	7.71	4.56	2.69

Comments from Fund Manager

Bond yields in the secondary market increased significantly in September, reflecting tighten market liquidity conditions and rising rate expectations. Yields were up across almost all terms by 100-190 bps in September and by 200-400 bps year-to-date. The yield curve has taken on a flatter shape while it moved upward and the current yields are much higher than the pre-Covid level. In the primary market, STV issuance was slow down, with only VND10.2 tn (-60.9% MoM) was raised. Bid-to-coverage remained weak, at 1.2x (lower than 1.3x in August), whereas the winning ratio dropped to 37% (from 80% in Aug). As a result, winning yields crawled back to 3% (+15 bps) for 10Y and 3.25% (+15 bps) for 15Y. Year-to-date, the STV has completed just 28.7% of its annual plan due to relatively low pressure in terms of public disbursement (disbursement in 9M22 just achieved only 46.7% of the annual plan).

In the corporate market, there were a total of 25 domestic corporate bond issuances via a private placement with a total value of VND15.6 trillion, a drop of 77.1% YoY. The banking and real estate sectors ranked first and second in terms of issuance value, accounting for 59.7% and 21.8% of total issuance value, respectively. In particular, the real estate sector still witness a drop by 88.1% YoY

Average deposit rates increased sharply by 15-60 bps in September compared to the previous month, although we noticed that certain banks raised their rates by an aggressive 100 bps. In the month, the SBV officially hiked the policy rate by 100 bps, it marked the first rate hike by the SBV since 2011, while the cap on the deposit rate under the 6 month tenure also rose from 4% to 5%. Therefore many banks adjusted their deposit rates under 6M to higher levels. Compared to the end of 2021, deposit rates have increased by 50-80 bps on average, with private banks having raised by 45-80 bps. As of the end of August, the average 3M deposit rate was 4.26% for SOCBs and 4.55% for private banks.

Important information

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