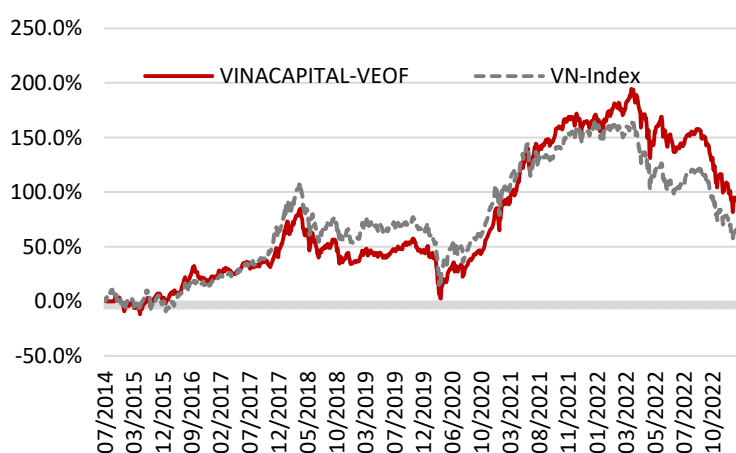


VINACAPITAL-VEOF Investment approach

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)	880.8	
NAV/Share (VND)	20,962.9	
Nov 2022 return (%)	0.8	2.0
YTD 2022 return (%)	(21.1)	(30.0)
3-year annualized return (%)	12.3	2.6
Annualized return since inception (%)	9.2	7.3
Cumulative return since inception (%)	109.6	81.4

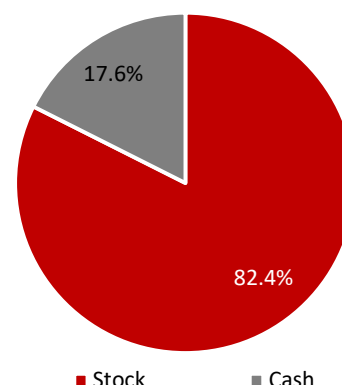
(The NAV is net of management fee and administrative expenses)

Investor Relations: irwm@vinacapital.com

Tel: +84 28 38 27 85 35

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

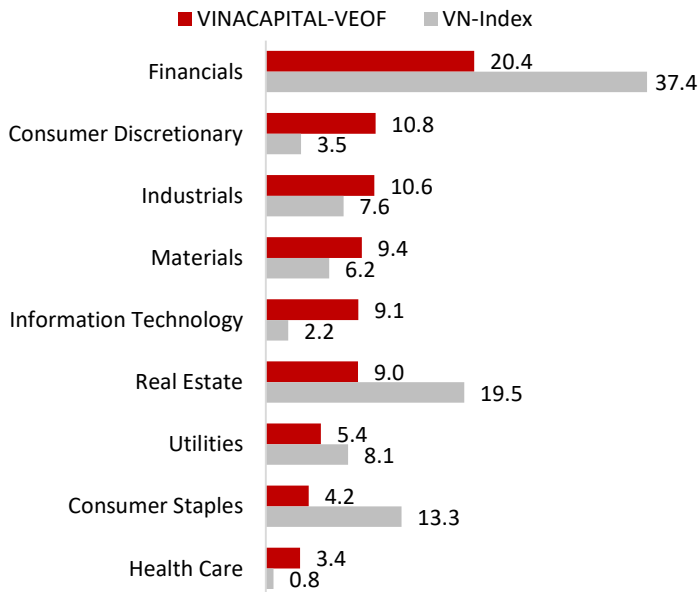
	VINACAPITAL-VEOF	VN-Index
Trailing P/E (x) (*)	10.2	13.0
Trailing P/B (x) (*)	2.4	1.7
Trailing ROE (%) (*)	22.5	15.2
Dividend yield (%) (*)	2.7	1.8
Portfolio turnover (%)	23.0	-
Sharpe ratio	0.3	0.2
No. of stocks	31	402

* Trailing 12-month data

Source: Bloomberg, VinaCapital's forecast

Sector allocation

% Total NAV



Top holdings

Stock	Sector	% NAV
FPT	Information Technology	9.1
VCB	Financials	7.5
MWG	Consumer Discretionary	6.0
GAS	Utilities	5.4
VRE	Real Estate	4.6
MBB	Financials	4.5
PNJ	Consumer Discretionary	4.2
CTG	Financials	3.4
STB	Financials	2.8
VEA	Industrials	2.7

Comments from fund manager

MARKET COMMENTARY

After heavy selloffs in September and October due to interest rate hikes, the Vietnam Dong's depreciation, the arrest of a senior executive of a major real estate developer, and concerns about the corporate bond market, the VN-Index recovered by 2.0% in November thanks to large foreign inflows and improved sentiment from local investors. On a year-to-date (YTD) basis, the VN-Index has declined 30.0%. The stock market tumbled during the first two weeks of November, triggered by margin calls of several stocks which were pledged for loans to key shareholders. After hitting a 26-month low of 911.9 on 15 Nov at a 2022F P/E of only 8.8x, the VN-Index rebounded sharply to close the month at 1,048.4 (a 2% MoM gain and 15% increase from the bottom).

Foreign investors were among those who did well bottom-fishing in November, when valuation of the stock market was at multi-year low; they were net-buyers of VND16.9 trillion on the combined three bourses, focusing mainly on the large-cap, blue-chip stocks.

We saw market sentiment improve towards the end of the November, with daily trading value at times approaching VND20 trillion on the combined three bourses, compared with an average daily trading value of only VND13 trillion in October and the full month of November.

November macro data signalled weaker economic growth ahead. While retail sales remained strong, advancing 17.5% YoY in November bringing the 11M22 growth to 16.9% in real terms, the index of industrial production weakened to 5.3% YoY, reducing the 11M22 growth to 8.6% YoY. Exports and imports also declined 8.4% and 7.3% YoY, respectively. The Purchasing Managers' Index (PMI) dropped to 47.4 in November, the first time it has slipped below the 50-level since September 2021, when social-distancing regulations were imposed in Vietnam to control COVID-19. The deterioration of the PMI was prompted by a decline in new orders, output, and employment, while business confidence also fell. Finally, November's CPI increased 0.4% MoM and 4.4% YoY, driven by inflation in petroleum prices and accommodation rents.

FUND COMMENTARY AND INVESTMENT OUTLOOK

VINACAPITAL-VEOF NAV per share increased 0.8% in November. On a YTD basis, the fund has declined by 21.1% while the VN-Index has plunged 30.0%.

VRE was among the fund's top performers in November, rising 24.2% MoM. Its business showed a strong recovery after the economy reopened earlier this year, with 9M2022 net profit surging by 63% YoY to reach VND1.9 trillion.

PNJ, which is also in the retail business, outperformed the market during the month, increasing 9.9% MoM as the company continued to deliver upbeat business results. PNJ's net profit reached VND147 billion in October (+23% YoY), bringing its 10M2022 net profit to VND1.5 trillion (+114% YoY).

STB was also among the fund's best-performing stocks in November, rising 23.8% MoM. The stock was strongly purchased by foreign investors, with a net-buy value of VND1.3 trillion. According to a recent statement from the bank's CEO, the bank can complete its restructuring process in 2023 to clear its non-performing assets. After that, the bank's profit is expected to grow robustly.

Contrary to the outperformers, MWG declined 14.5% in November due to lower-than-expected earnings. October and 10M2022 net profit reached VND356 billion and VND3,839 billion, declines of 37% and 2% YoY, respectively. Nevertheless, the stock price drop has made MWG's valuation appealing, and we expect 2023 will be a turning point for the Bach Hoa Xanh grocery chain that will prompt multiple valuation re-ratings.

The current outlook for the stock market is rather mixed as economic growth is slowing and domestic risks, such as the corporate bond market and the financial conditions of certain real estate companies, may not be resolved quickly. Nevertheless, we see several factors that are becoming more positive for the stock market, including global inflation, which is forecasted to have peaked as commodity prices have cooled down, as well as more stable supply chains. The latest message from Fed Chair at the end of November was less hawkish, indicating that smaller interest rate hikes could occur in December. In Vietnam, following the weakening USD Index (DXY), the VND has appreciated against the USD by over 3% in the last few weeks, reducing the YTD depreciation of the VND to approximately 5%. We reiterate our view that Vietnamese stocks are trading at a bargain level, with the VN-Index's 2022F P/E of 10.8x nearly two standard deviations below the 5-year mean and a 25% discount from the average of ASEAN stock 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%	-4.7%	-1.3%	5.2%	-10.1%	-10.2%	0.8%		-21.1%

Important information

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