

## VINACAPITAL-VIBF

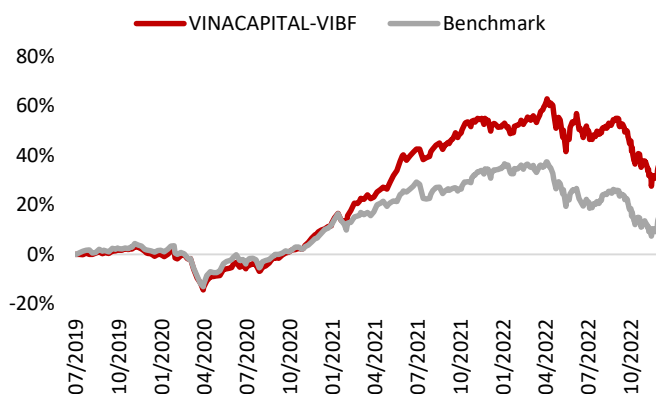
## Investment approach

The Fund has a goal of providing investors with exposure to potential equity appreciation while also investing in fixed income to reduce overall portfolio volatility. The Fund has a standard allocation of 50%/50%.

The Fund focuses on investing into companies with strong fundamentals, large market shares, good corporate governance, healthy financial status and reasonable valuations compared to their potential upside.

The Fund will also take positions in bills, bonds, certificate of deposits, and other fixed-income products issued by creditworthy companies with sustainable profitability and high capital adequacy.

## 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-VIBF	BM
Total AUM (VND billion)	515.1	
NAV/Share	13,563.2	
Nov 2022 return (%)	-1.5	1.3
YTD 2022 return (%)	-10.9	-12.3
3-year annualized return (%)	10.4	4.1
Annualized return since inception (%)	9.3	4.1
Cumulative return since inception (%)	35.6	14.6

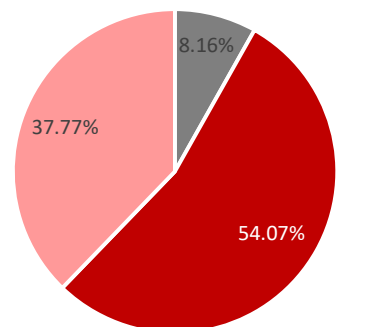
(The NAV is net of management fee and administrative expenses)

Investor Relations: [irwm@vinacapital.com](mailto:irwm@vinacapital.com)

Tel: +84 28 38 27 85 35

## Investment allocation

## % Total NAV



■ Cash ■ CD & Bonds & Deposits ■ Equity

## Fund information

Inception	2/7/2019
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 (BM)	Average of VN-Index and 12-month VND denominated deposit rate by Vietcombank.

## Equity portfolio statistics

	VINACAPITAL-VIBF	BM
Trailing P/E (x) (*)	8.7	13.0
Trailing P/B (x) (*)	2.2	1.7
Trailing ROE (%) (*)	23.7	15.2
Dividend yield (%) (*)	3.2	1.8
No. of stocks	22	402

(\*) Trailing 12-month data

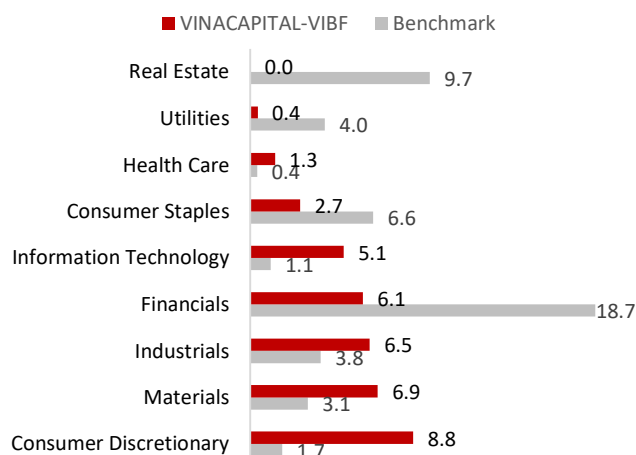
## Fixed-income portfolio statistics

Macaulay Duration (years)	0.8
Yield-To-Maturity (%)	9.0

Source: Bloomberg, VinaCapital's forecast

## Equity sector allocation

### % Total NAV



## Top holdings

	Ticker	Sector	Weighted (%)
Equity	FPT	Information Technology	5.1
	MWG	Consumer Discretionary	4.6
	PNJ	Consumer Discretionary	4.2
	REE	Industrials	3.6
	DPR	Materials	3.2
Bond	KBC121020	Real Estate	8.5
	KDHH22250	Real Estate	7.0
	SBT121002	Consumer Staples	5.9

## Comments from fund manager

### FIXED INCOME MARKET COMMENTARY

After the wide volatility in the interbank market with the liquidity crunch in October, the market liquidity improved and stabilized, while liquidity support from the SBV continued in November. In particular, the SBV continued to net inject VND21.3 trillion via open market operations. This was down significantly from the support of VND50.4 trillion in October and therefore, reflected the improvement in liquidity status. The outstanding of both bills and reverse repo as of end-November stood at around VND40 trillion (from VND77 trillion as of October) and VND71 trillion (from VND86.7 trillion as of October), respectively. As a result, the overnight rate in the interbank market was stable towards month-end, wandering around 5.5%, and stayed at 5.3% p.a at the end of the month, reflecting an increase of 20 bps MoM.

In the corporate bond market, there were a total of 5 domestic corporate bond issuances via a private placement with a total value of VND1.94 trillion, a drop of 96.9% YoY. Masan Group, which is in the F&B sector, ranked first in terms of issuance value, accounting for 87.9%. The proportion of real estate and banking sector in issuance value are just 5.2% and 4.4% respectively. Issuance amount in the real estate sector was only VND100 billion, decreasing by 99.7% YoY.

## Comments from fund manager (cont.)

### EQUITY MARKET COMMENTARY

After several heavy sell-offs in both September and October due to interest rate hike, the Vietnam Dong's depreciation, the arrest of Van Thinh Phat Group's chairperson, and concerns about the corporate bond market, the VN-Index recovered by 2.0% in November thanks to large foreign inflows and better sentiment from local investors. On a year-to-date (YTD) basis, the VN-Index has declined 30.0%.

The stock market tumbled in the first 2 weeks of November, triggered by margin calls of several stocks which were pledged for loans to key shareholders. After hitting the 26-month low of 911.9 on 15 Nov at 2022F P/E of only 8.8x, the VN-Index rebounded sharply to close the month at 1,048.4 (2% MoM gain and 15% increase from the bottom).

Foreign investors made a nice bottom-fishing in November, when valuation of the stock market was at multi-year low, being net-buyers of VND16.9 trillion on the combined three bourses, focusing mainly on the large-cap, blue-chip stocks.

We see market sentiment getting much better towards the end of the November with daily trade value on the combined three bourses approaching VND20 trillion at times, compared with the average daily trade value of only VND13 trillion in both October and November.

November macro data signalled a weaker economic growth ahead. While retail sales remained strong, advancing 17.5% YoY in November, the index of industrial production weakened to 5.3% YoY. November exports and imports also declined 8.4% and 7.3% YoY, respectively. The Purchasing Managers' Index (PMI) dropped to 47.4 in November, the below-50 level for the first time since September 2021, when the whole country applied the social-distancing regulation to control the COVID-19. The deterioration of the PMI was prompted by the decline in new orders, output and employment, while business confidence also fell. Finally, inflation has not reversed as November CPI increased 0.4% MoM and 4.4% YoY, driven by the petroleum prices and accommodation rents.

### FUND COMMENTARY AND INVESTMENT OUTLOOK

VINACAPITAL-VIBF's NAV per share declined 1.5% in November. On a YTD basis, the fund has declined by 10.9%, while its benchmark has plunged 12.3%.

PNJ 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	-1.31%	-0.60%	-12.68%	6.58%	3.66%	-0.42%	-0.95%	5.55%	2.40%	1.61%	5.70%	3.96%	12.67%
2021	-0.41%	8.27%	1.46%	3.33%	9.86%	1.91%	-0.71%	1.97%	2.90%	3.85%	-0.23%	-1.03%	35.22%
2022	-0.10%	1.93%	3.11%	-2.76%	-1.63%	-1.71%	-0.78%	3.86%	-5.88%	-5.53%	-1.51%		-10.92%

### 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.

The information does not constitute or form part of any offer for sale or solicitation of any offer to buy or subscribe for any securities nor shall they or any part of them form the basis of or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever. Forward-looking information is based on the estimates and opinions of the Company's at the time the statements are made, and is therefore, of no obligation to be updated or corrected to changing circumstances.