

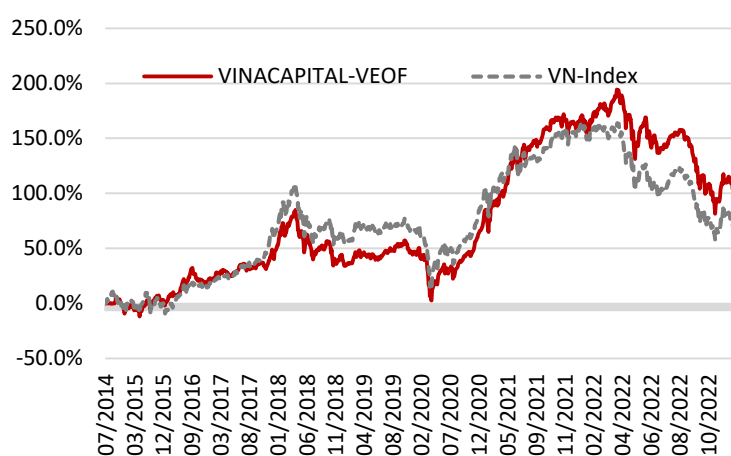
## VINACAPITAL-VEOF

## 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)	877.2	
NAV/Share (VND)	20,939.9	
Dec 2022 return (%)	(0.1)	(3.9)
YTD 2022 return (%)	(21.2)	(32.8)
3-year annualized return (%)	12.7	1.6
Annualized return since inception (%)	9.1	6.7
Cumulative return since inception (%)	109.4	74.2

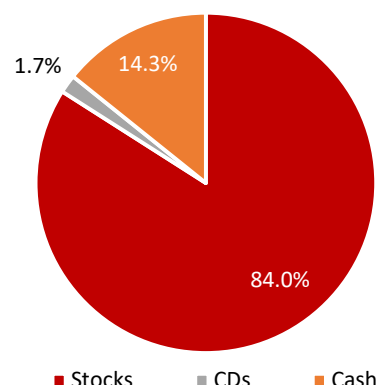
(The NAV is net of management fee and administrative expenses)

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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

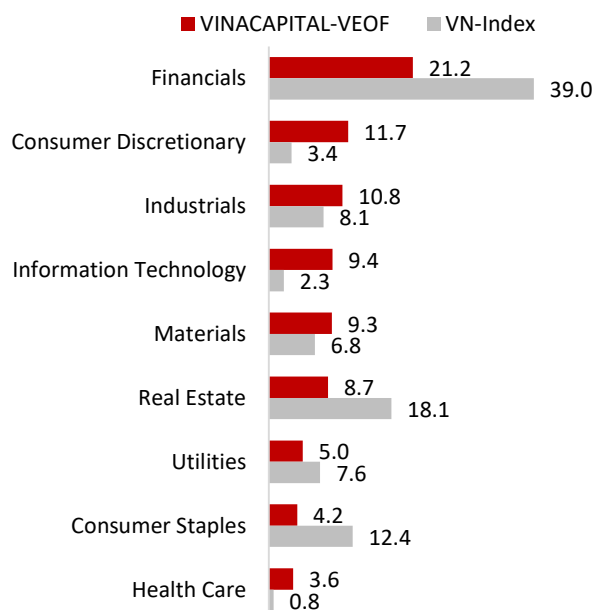
	VINACAPITAL-VEOF	VN-Index
Trailing P/E (x) (*)	10.3	12.4
Trailing P/B (x) (*)	2.4	1.6
Trailing ROE (%) (*)	22.5	15.2
Dividend yield (%) (*)	2.7	2.0
Portfolio turnover (%)	25.0	-
Sharpe ratio	0.3	0.1
No. of stocks	30	402

\* Trailing 12-month data

Source: Bloomberg, VinaCapital's forecast

## Sector allocation

### % Total NAV



## Top holdings

Stock	Sector	% NAV
FPT	Information Technology	9.4
VCB	Financials	7.4
MWG	Consumer Discretionary	5.9
PNJ	Consumer Discretionary	5.2
GAS	Utilities	5.0
MBB	Financials	4.4
VRE	Real Estate	4.0
STB	Financials	3.1
ACB	Financials	2.9
GMD	Industrials	2.8

## Comments from fund manager

### MARKET COMMENTARY

Following a swift recovery from the 26-month low of 911.9 in mid-November to 1,093.7 on 5 December, the VN-Index corrected to close the month at 1,007.1, a 3.9% MoM decline. Vietnam's stock market slumped 32.8% in 2022, which was the sharpest annual decline since the Global Financial Crisis in 2008 (-66%).

Although the stock market declined in December, we feel that the overall market sentiment was not so negative. In fact, several factors that negatively impacted the stock market starting in September are getting better. Liquidity in the banking system has improved as the interbank rates dropped from 5-6% in October and November to 3-4% at the end of December. Also in December, the Vietnam Bank Association, at the direction of the State Bank of Vietnam, reached an agreement with banks to cap the maximum deposit rate at 9.5% in an effort to terminate the race in rising deposit rates, which reached 11-12% at some banks. Pressure on the foreign exchange market eased as the Vietnamese Dong appreciated by over 4% against the US Dollar in December, reducing the 2022 depreciation to 3.4%.

Compared with last month, stock market liquidity significantly improved, with average daily trading value reaching VND16.3 trillion on the combined three bourses, a 25% MoM increase. Foreign investors continued to be net buyers of VND13.4 trillion in December. In 2022, they were net-buyers of VND30.7 trillion, mainly in November and December, when the valuation of the stock market was at a multi-year low.

Vietnam's GDP growth reached a 10-year high of 8.0% in 2022. Nevertheless, weaker figures were seen in the fourth quarter and December. Fourth quarter GDP growth reached only 5.9% YoY, with the manufacturing sector slowing to 3.0% YoY. Impacted by weaker external demand, both exports and imports declined 14.0% and 9.1% YoY in December. The Purchasing Managers' Index (PMI) dropped further to 46.4 in December from 47.4 in November, signaling a deteriorating outlook for the manufacturing sector.

### FUND COMMENTARY AND INVESTMENT OUTLOOK

VINACAPITAL-VEOF NAV per share declined 0.1% in December, outperforming the VN-Index by 3.8%. For the full-year 2022, the VN-Index plunged 32.8% but the fund declined by only 21.2%.

Among the top-10 holdings in VINACAPITAL-VEOF's portfolio, seven out of ten stocks outperformed the market in December. FPT, the fund's largest holding, increased 3.1% in December. The company maintained its earnings growth momentum with 11M2022 net profit advancing by 29% YoY to reach VND5,067 billion, driven by the overseas software business and education segment.

PNJ advanced by 5.6% in December. The company's net profit reached VND153 billion in November (+8% YoY), bringing its 11M2022 net profit to VND1,640 billion (+96% YoY). As jewelry demand remained strong, the company's retail sales advanced by 25% YoY in November and 92% YoY in 11M2022.

STB continued to be among the fund's best-performing stocks in November, rising 12.5% MoM. Foreign investors were net-buyers of STB with a net-purchase amount of VND1.2 trillion in November. The bank is expected to complete its restructuring process in 2023 to clear its non-performing assets.

Although economic growth may be sluggish in the next 1-2 quarters and whether a global recession occurs remains a big question, we see several factors that are becoming more positive for the stock market, as we mentioned in our report last month. Global inflation has cooled down, which should prompt the US Fed to be less hawkish. Interest rate hikes and the Vietnamese Dong's depreciation may no longer be the major risks for the stock market in 2023. The boost in public investment and the effects of China's reopening will positively contribute to GDP growth. The stock market's valuation remains at a multi-year low (2023F P/E of approximately 10x), offering an attractive entry point for investors.

## 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%	-0.1%	-21.2%

### Important information

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