

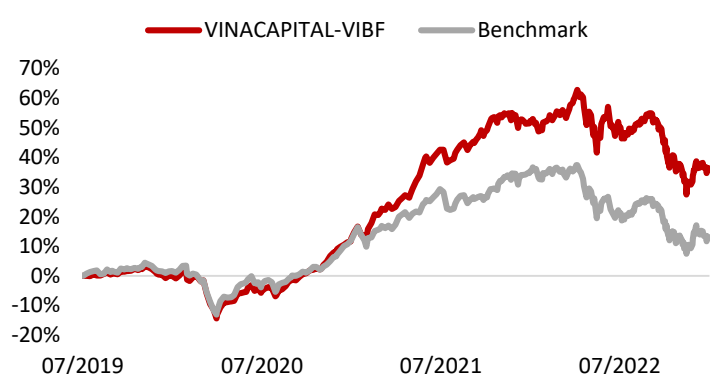
VINACAPITAL-VIBF Investment approach

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)	495.8	
NAV/Share	13,624.6	
Dec 2022 return (%)	0.5	-1.7
YTD 2022 return (%)	-10.5	-13.4
3-year annualized return (%)	10.9	3.6
Annualized return since inception (%)	9.2	3.5
Cumulative return since inception (%)	36.2	12.8

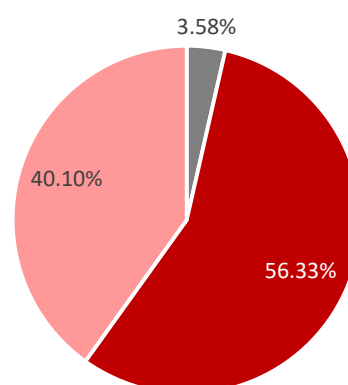
(The NAV is net of management fee and administrative expenses)

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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) (*)	9.0	12.4
Trailing P/B (x) (*)	2.3	1.6
Trailing ROE (%) (*)	23.4	15.2
Dividend yield (%) (*)	2.8	2.0
No. of stocks	24	403

(*) Trailing 12-month data

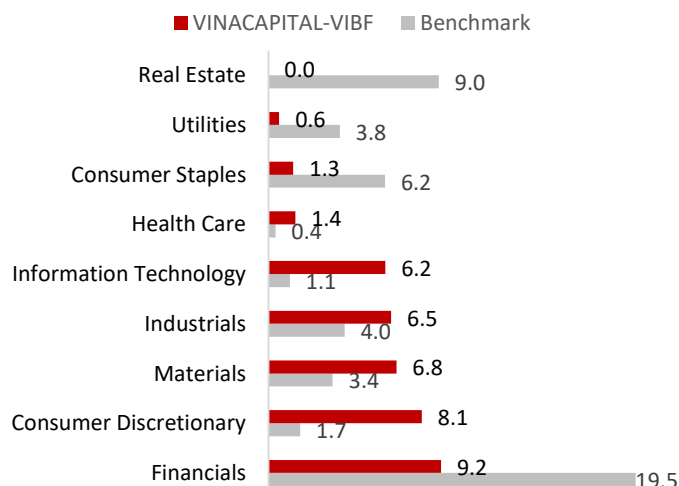
Fixed-income portfolio statistics

Macaulay Duration (years)	1.1
Yield-To-Maturity (%)	9.0

Source: Bloomberg, VinaCapital's forecast

Equity sector allocation

% Total NAV



Top holdings

	Ticker	Sector	Weighted (%)
Equity	FPT	Information Technology	6.2
	PNJ	Consumer Discretionary	4.7
	MWG	Consumer Discretionary	3.4
	DPR	Materials	3.2
	MBB	Financials	3.1
Bond	KBC121020	Real Estate	8.5
	KDHH222500	Real Estate	7.4
	TN1122016	Real Estate	7.3

Comments from fund manager

BOND MARKET COMMENTARY

In the corporate bond market, there were a total of 13 domestic corporate bond issuances via private placement in December with a total value of VND4.97 trillion, a drop of 96.9% YoY. The banking and real estate sectors ranked first and second in terms of issuance value, accounting for 73.8% and 13.1% of total issuance value, respectively. There were two issuers in the real estate sector, which were Nam Long Group and An Phat 1, their total issued amount was only VND650 billion. Therefore, the real estate issuance saw a drop of 98.9% YoY.

EQUITY 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 overall market sentiment recovered to some extent. In fact, several factors that negatively impacted the stock market starting September are getting better. Liquidity in the banking system has improved, with the interbank rates dropping 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 as average daily trading value reached 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. For the full year, they were net-buyers of VND30.7 trillion, mainly in November and December, when the stock market's valuation was at a multi-year low.

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 will 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), which offers an attractive entry point for investors.

FUND COMMENTARY

VINACAPITAL-VIBF's NAV per share advanced by 0.5% in December, outperforming the benchmark which declined 1.7%. On a full-year basis, the fund declined 10.5%, performing far better than the benchmark, which dropped 13.4%.

Looking back, 2022 was a challenging year with a range of global and local issues, including high inflation, geopolitical shocks, tightening regulations on the corporate bond market, and rising deposit rates. The fact that we overweighted sectors such as information technology and consumer discretionary and underweighted the real estate and banking sectors contributed to the fund's outperformance. On an individual stock basis, FPT (+1.4%), REE (+20.4%), and PNJ (+13.1%) were amongst the top contributors to the fund's performance while KBC and HDC were amongst the laggards.

The above-mentioned uncertainties have reset the valuation of Vietnam's stock market to an attractive level compared to its historical average. As a result, we will take this opportunity to acquire more stakes in companies with solid fundamentals, stable earnings, and low debt, which we expect can gain market share and grow well when the worst is behind us.

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%	0.45%	-10.52%

Important information

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