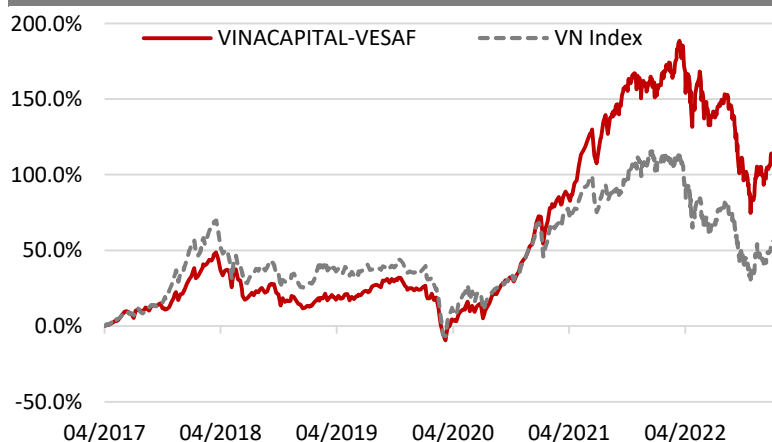


VINACAPITAL-VESAF

Investment approach

Invest in all equity opportunities unencumbered by foreign restriction or size. The strategy of the fund is to take meaningful stakes in companies with a robust franchise that we believe can benefit from the domestic growth of the country.

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-VESAF	VN-Index
Total AUM (VND billion)	1,093.9	
NAV/Share (VND)	21,698.6	
Jan 2023 return (%)	9.9	10.3
YTD 2023 return (%)	9.9	10.3
3-year annualized return (%)	21.8	5.9
Annualized return since inception (%)	14.4	8.1
Cumulative return since inception (%)	117.0	56.6

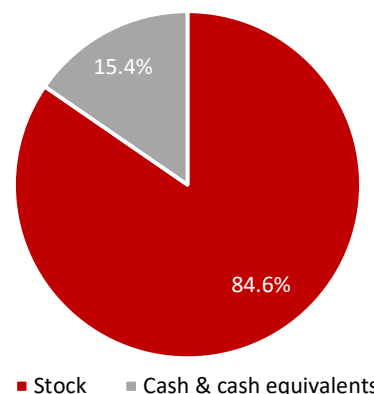
(The NAV is net of management fee and administrative expenses)

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Investment allocation

% Total NAV



Fund information

Inception	18/04/2017
Management fee	1.75% per annum
Subscription fee	0.0%
Redemption fee	2.0% < 12 months
	1.5% >= 12 months
Custodian and Supervisory Bank	0.5% >= 24 months
	Standard Chartered Bank Ltd. (Vietnam)
Auditor	PwC Vietnam
Trading frequency	Daily, From Monday to Friday
Benchmark	VN-Index

Portfolio statistics

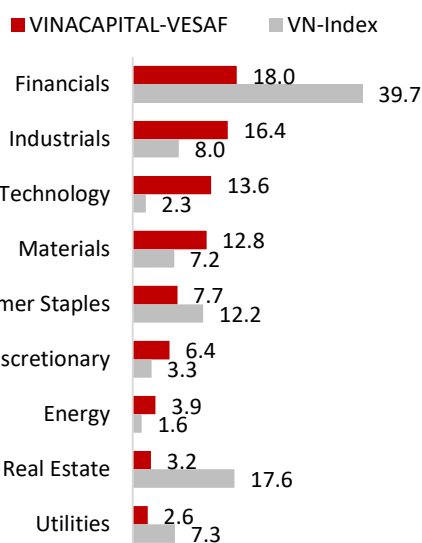
	VINACAPITAL-VESAF	VN-Index
Trailing P/E (x) (*)	10.8	12.9
Trailing P/B (x) (*)	1.9	1.8
Trailing ROE (%) (*)	14.9	14.8
Dividend yield (%) (*)	3.5	1.8
Portfolio turnover 12M (%)	36.8	-
Sharpe ratio	0.5	0.2
No. of stocks	24	404

* Trailing 12-month data

Source: Bloomberg, VinaCapital's forecast

Sector allocation

% Total NAV



Top holdings

Stock	Sector	% NAV
FPT	Information Technology	13.6
MBB	Financials	8.5
MWG	Consumer Discretionary	6.4
QNS	Consumer Staples	4.7
DPR	Materials	4.3
STB	Financials	4.1
SZC	Industrials	3.7
ILB	Industrials	3.7
PVS	Energy	3.3
PC1	Industrials	3.3

Comments from fund manager

MARKET COMMENTARY

Following a 3.9% decline in December 2022, the VN-Index rebounded 10.3% in January 2023. The negative factors that prompted the stock market to slump in 2022 started to reverse at the beginning of 2023 and eased investors' concerns. The banking system's liquidity improved compared with 4Q22, while bank deposit rates dropped by approximately 1% following an agreement between the State Bank of Vietnam and commercial banks on a deposit rate cap of 9.5% in December 2022. The Vietnam Dong (VND) appreciated 0.8% against the US Dollar (USD) in January 2023 after gaining over 4% in December 2022. It is estimated that the State Bank of Vietnam increased its USD reserve by approximately USD2.8 billion in January thanks to the appreciation of the VND. Vietnam's government bond yields also declined by around 40 bps across all tenors.

The positive market movement was also driven by foreign inflows. Foreign investors were net buyers of VND4.2 trillion on the combined three bourses in January, the third month in a row with net-purchasing from foreign investors.

As of 3 February 2023, 992 companies (representing 97% market cap on the combined three bourses) have announced 2022 earnings results. Aggregate net profit of those companies grew 8% in 2022, although the 4Q22 figure was negative, subsiding by 30% YoY and 24% QoQ. There was a large divergence between the financials and non-financials sectors, with 4Q22 net profit of the financials sector advancing 20% YoY, but declining 14% QoQ, while the 4Q22 profit of the non-financials sectors slumped 51% YoY and 36% QoQ.

Additionally, several macro-economic data were not positive. Vietnam's CPI rose 0.5% MoM and 4.9% YoY in January 2023, temporarily above the average CPI target of 4.5% set by the Government for the full-year 2023. Exports dropped by 21.3% YoY due to weak global demand and longer Tet holidays in January, while imports also fell 28.9% YoY. The Industrial Production Index (IIP) declined 8% YoY in January 2023. Vietnam's Purchasing Managers' Index (PMI) was recorded at 47.4 in January, up from 46.4 in December, but still indicating a deterioration in manufacturing activities. While overall operating conditions remained weak for a third consecutive month, new export orders rose for the first time in three months. In addition, Vietnam still managed to achieve a trade surplus of USD3.6 billion in January 2023, supporting the appreciation of the VND.

Although the 4Q22 earnings results of listed companies and the macro-economic figures during the last three months were not very encouraging, we maintain our view that several factors are becoming more positive for the stock market, such as interest rates, global inflation, the USD/VND exchange rate, and the banking system's liquidity. The stock market's rally may pause for a while after the strong performance in January, but nevertheless, its valuation remains attractive with a 2023F P/E of just over 10x. In the past 10 years, the market has rarely seen such a low valuation and each time it occurred, stock prices re-rated afterwards.

UPDATES ON VINACAPITAL-VESAF

The fund's return in January was in line with the broader market in January after a resilient performance in the last month, thanks to the strong performances of our selected positions in logistics, utilities, materials, and financials. PC1 (utilities and industrials) maintained its uptrend momentum of the last three months, with a return of 29.2% in January, buoyed by solid earnings growth of 33% YoY in 4Q22. The company reported good profit in the power construction segment from a wind power project, while a reversal of FX loss was also recorded following the VND's appreciation in the last quarter. New business segments including industrial parks and nickel mining are key growth drivers for the coming year, while the asset valuation is currently at an attractive level. ILB (logistics) was another star holding, returning 32.3% in the month with full-year earnings growth of 26.4% driven by new warehouses leased during the year. The company's business outlook remains bright within the sector, partially attributable to its fully licensed ICD in January which will enable the increase in goods flows in the coming years.

FPT maintained its resilience as the fund's top holding, returning 8.6% in January and making it the top contributor to the fund's return. The company completed its profit target for the full year on reported earnings growth of 22.1% in 2022. Global software outsourcing revenue achieved top-line growth of 30.2%, of which the Japan market posted accelerated growth in 2H22 for a full-year growth of 30% in JPY terms. The company saw significant growth in other metrics as well, including signed contracts reaching USD1 billion in 2022 and the number of clients with revenue from USD5 million increasing 28.6% during the year.

We have further reduced VESAF's cash level to 15.4% at the end of January. After the month's strong rally, the stock market may stabilize at the current level, and every market correction gives us the opportunity to further reduce cash. We are forecasting the portfolio's EPS growth at 41% and a forward P/E of 7.8x for 2023.

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	1.2%	12.5%	1.4%	3.4%	14.1%	6.3%	-1.2%	6.2%	3.7%	6.7%	0.0%	-0.7%	67.0%
2022	-0.8%	4.9%	3.9%	-5.6%	-2.9%	-5.8%	-1.6%	5.5%	-10.2%	-11.3%	-1.8%	-0.1%	-24.4%
2023	9.9%												9.9%

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.

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