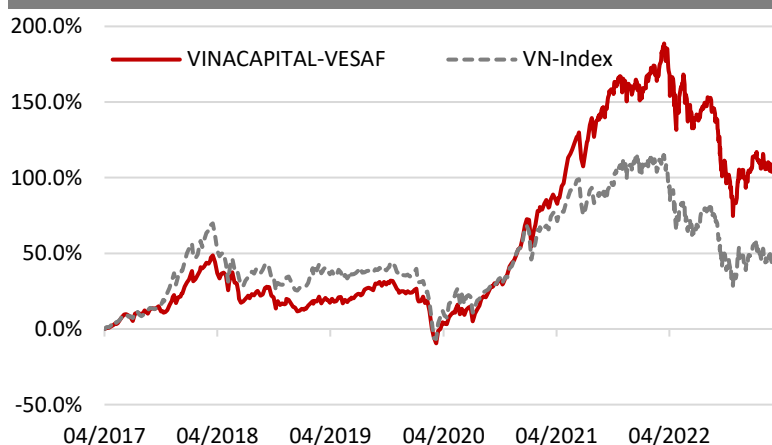


**VINACAPITAL-VESAF**

**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)	1,054.0	
NAV/Share (VND)	21,001.4	
Mar 2023 return (%)	2.1	3.9
YTD 2023 return (%)	6.4	5.7
3-year annualized return (%)	32.4	17.1
Annualized return since inception (%)	13.3	7.1
Cumulative return since inception (%)	110.0	50.1

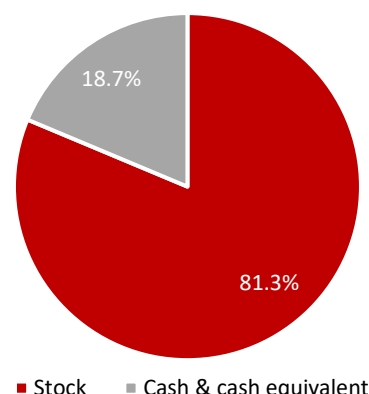
(The NAV is net of management fee and administrative expenses)

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**Investment allocation**

**% Total NAV**



**Fund information**

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

**Portfolio statistics**

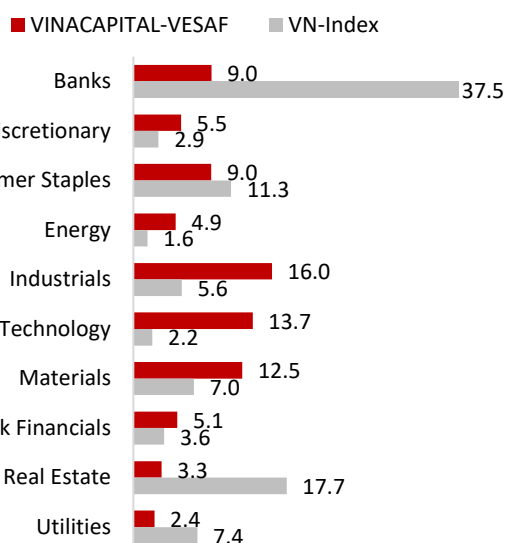
	VINACAPITAL-VESAF	VN-Index
Trailing P/E (x) (*)	10.8	14.0
Trailing P/B (x) (*)	2.0	1.7
Trailing ROE (%) (*)	17.6	13.8
Dividend yield (%) (*)	3.8	1.8
Portfolio turnover 12M (%)	41.1	-
Sharpe ratio	0.5	0.2
No. of stocks	23	404

\* Trailing 12-month data

Source: Bloomberg, VinaCapital's forecast

Sector allocation

% Total NAV



Top holdings

Stock	Sector	% NAV
FPT	Information Technology	13.7
QNS	Consumer Staples	5.7
MWG	Consumer Discretionary	5.5
MBB	Banks	4.9
PVS	Energy	4.1
STB	Banks	4.1
DPR	Materials	4.1
PLC	Materials	3.7
ILB	Industrials	3.6
SZC	Industrials	3.6

Comments from fund manager

MARKET UPDATES

After plummeting 7.8% in February, the VN-Index recovered 3.9% in March, bringing its year-to-date (YTD) return to 5.7%.

In March, a series of supportive policies for the real estate and bond markets were announced: Decree 08/2023/ND-CP, which amends a number of regulations on offering and trading corporate bonds; Resolution No. 33/NQ-CP regarding a number of solutions to develop the real estate market; and draft amendments to Circular 16/2021/TT-NHNN regarding credit institutions buying and selling corporate bonds. More importantly, on March 15th, the State Bank of Vietnam (SBV) reduced the discount rate from 4.5% to 3.5%, and then on March 31st, it reduced the refinancing rate from 6% to 5.5% and lowered the ceiling interest rate for term deposits from 1-month to less than 6-months from 6% to 5.5%.

Thanks to these supportive policies, the collapses of Silicon Valley Bank (USA) and Credit Suisse (Switzerland) had no significant impact on Vietnam’s stock market. Furthermore, the swift solutions implemented by the US and Swiss governments regarding these banks have minimized the negative impact on world financial markets.

Investor sentiment in the stock market remained cautious in March. The average daily trading value on the combined three bourses fell to USD448 million, 10% lower than in February. Foreign investors returned to a net buying position of USD129 million across the combined three bourses, after net selling USD11 million in February. Since the beginning of the year, foreign investors have been net buyers of USD231 million.

Vietnam’s economy decelerated significantly in Q1 2023. GDP growth was only 3.3% in the first quarter, the lowest quarterly growth since Q3 2021, when the whole country applied social distancing regulations due to the COVID-19 epidemic. The manufacturing sector slowed, with the industrial production index down 2.2%, along with exports decreasing 11.9% and imports dropping 14.7% YoY in the first quarter of 2023. After rising to 51.2 in February 2023, the Purchasing Managers’ Index (PMI) fell to 47.7 in March. Of the last five months, there have been four months in which the PMI was recorded below the 50-level. More positively, inflation and the exchange rate were well controlled. At the end of March, the CPI increased by just 3.4% YoY and decreased by 0.2% MoM, while the Vietnamese dong has appreciated 0.7% against the USD since the beginning of the year.

At the end of March 2023, the VN-Index traded at a forward P/E for 2023 of 10.2x. This continues to be an attractive valuation for long-term investment, especially when Vietnam’s stock market is valued at a 26% discount to the average of ASEAN countries and monetary policy is loosening. In the short term, however, slower economic growth, weak business performances, and the large amount of real estate bonds that are due to mature in June are the outstanding market risks.

UPDATES ON VINACAPITAL-VESAF

The fund increased 2.1% in March, underperforming the 3.9% increase of the VN-Index. The surprise interest rate reduction triggered positive sentiment toward the laggard stocks in sectors that are highly sensitive to interest rate movements, such as banks, real estate, and brokerage. The fund currently underweights these sectors, which caused its underperformance in March.

However, we retain a cautious market view given the current mixed macro conditions. While interest rates appear to have peaked and corporate bond issues have been somehow eased thanks to supportive measures from the Government, it will take more time for positive effects on the domestic economy to materialize. Moreover, headwinds brought by the weak global economy are still expected to weigh on business performance in the coming quarters, which will require a careful assessment of the resiliency and recovery of each sector as well of companies. Stock selection, but not sector allocation, remains the key driver to the fund’s performance as in previous months.

In the first quarter, the fund returned 6.4% and slightly outperformed VN-Index. The top contributors to the fund included companies that have much brighter earnings outlooks despite challenging macro condition, such as FMC (+20.2% YTD), STB (+16.4%), QNS (+15.6%), and ILB (+24.3%), as well as those that expect earnings to recover strongly as macro conditions improve, including PLC (+48%), DHC (+22.3%), VCI (+27.4%), and PVS (+18.7%).

We continue to disburse cash and invest in companies based on a bottom-up analysis rather than sector allocation, with increasing exposure to companies that we believe will truly benefit from softening interest rates.

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%	-5.2%	2.1%										6.4%

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.