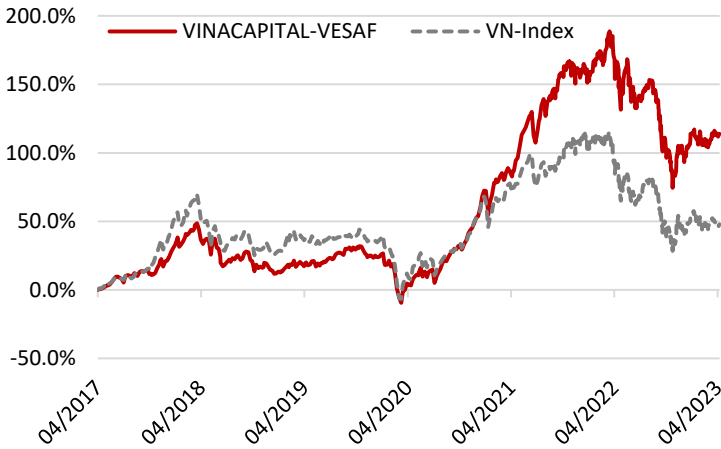


VINACAPITAL-VESAF

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)	1,065.9	
NAV/Share (VND)	21,380.2	
Apr 2023 return (%)	1.8	(1.5)
YTD 2023 return (%)	8.3	4.2
3-year annualized return (%)	27.1	10.9
Annualized return since inception (%)	13.5	6.7
Cumulative return since inception (%)	113.8	47.9

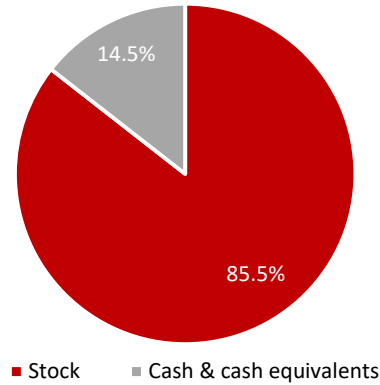
(The NAV is net of management fee and administrative expenses)

Investor Relations: irwm@vinacapital.com

Tel: +84 28 38 27 85 35

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 0.5% >= 24 months
Custodian and Supervisory Bank	Standard Chartered Bank Ltd. (Vietnam)
Auditor	PwC Vietnam
Trading frequency	Daily, From Monday to Friday
Benchmark	VN-Index

Portfolio statistics

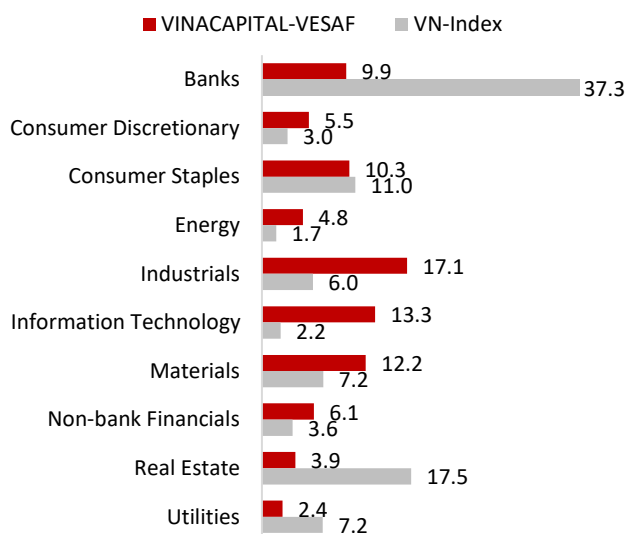
	VINACAPITAL-VESAF	VN-Index
Trailing P/E (x) (*)	11.1	14.1
Trailing P/B (x) (*)	2.0	1.6
Trailing ROE (%) (*)	16.7	13.1
Dividend yield (%) (*)	3.6	1.8
Portfolio turnover 12M (%)	40.2	-
Sharpe ratio	0.5	0.2
No. of stocks	24	403

* Trailing 12-month data

Source: Bloomberg, VinaCapital's forecast

Sector allocation

% Total NAV



Top holdings

Stock	Sector	% NAV
FPT	Information Technology	13.3
QNS	Consumer Staples	6.5
MWG	Consumer Discretionary	5.5
STB	Banks	5.0
MBB	Banks	4.9
DPR	Materials	4.1
ILB	Industrials	4.0
PVS	Energy	4.0
SZC	Industrials	3.9
FMC	Consumer Staples	3.8

Comments from fund manager

MARKET UPDATE

The VN-Index fell 1.5% in April to close at 1,049. On a year-to-date (YTD) basis, Vietnam's stock market has advanced by 4.2%.

The market entered April with positive sentiment thanks to new Government policies to support the economy and the real estate and bond market. The VN-Index reached its monthly high of 1,081 points on 5 April but fell back as profit-taking pressure occurred towards the end of the month in advance of the long national holidays. Additionally, the weak economic data in April and the poor business results of listed companies in Q1 also made investors more cautious.

Following the announcement of supportive policies from the Government, on 23 April 23 the State Bank of Vietnam (SBV) issued revised circulars on the bond trading activities of commercial banks (Circular 03) and on debt restructuring (Circular 02). In general, these two new circulars provide banks with the necessary tools to manage issues related to corporate bonds and loans to customers who are struggling in their businesses. Meanwhile, borrowers may have more time to prepare for their upcoming repayments.

The Q1 business results of listed companies showed that businesses have experienced a difficult period. The global economic slowdown continued to weigh on Vietnam's manufacturing and export sectors while domestic demand weakened; interest rates, despite having cooled down, remained high. As of 8 May, 1,023 listed companies have announced Q1 business results, with the aggregate net profit of these enterprises decreasing by 18.1% YoY. The sectors with the sharpest drops included Materials, Consumer Discretionary, Consumer Staples, and Real Estate (except VHM), whose Q1 profits declined by 81.6%, 66.3%, 51.4% and 45.8% YoY, respectively. On a more positive note, the Energy, Healthcare, and Information Technology sectors saw Q1 profits increase by 79.1%, 34.9% and 5.6% YoY, respectively.

Foreign investors' activities were also somewhat discouraging. After being net buyers of VND6.9 trillion in Q1, foreign investors net sold VND1.5 trillion in April. Market liquidity improved from the previous month, with average daily trading value rising to VND13.4 trillion in April, up 32% MoM.

Vietnam's stock market remains attractive for long-term investment with the VN Index's 2023F P/E at just over 10x. The market needs more time to absorb supportive policies from the Government to overcome short-term challenges and set the stage for the economy to return to stronger growth. According to data from the SBV, credit growth as of 20 April reached 2.75% on a YTD basis, a notable increase from mid-March (when it stood at 1.61%) after banks lowered interest rates. At present, the SBV continues to encourage commercial banks to reduce interest rates to support the economy. In the short term, there may be some difficulties and risks that investors need to pay attention to, such as the weak growth of both the global and domestic economies, slow recovery of domestic businesses, and a large amount of bonds issued by real estate companies will become due from the end of Q2.

UPDATES ON VINACAPITAL-VESAF

The fund returned 1.8% in April and 8.3% in the first four months, outperforming the VN-Index by 3% and 4% respectively. After the strong performance of real estate and banking stocks in March, which was driven by the surprise cut in interest rates, these stocks stabilized at the current level in April. As discussed in the previous report, the new regulations helped to ease the liquidity pressure on real estate developers and lifted investor sentiment, although they have not yet solved the core problems they face, such as weak credit demand and legal bottlenecks.

The fund, therefore, maintains major exposure to companies with encouraging earnings growth, which tend to outperform when most other companies experience weak earnings as evidenced in the lacklustre Q1 business results and low full-year earnings targets. Contributors to the fund's return in April were still YTD outperforming holdings, including QNS (+9.6% in April), ILB (+12.9%), and FMC (+8.5%), as they announced resilient business performances in Q1. QNS (Consumers) reported NPATMI growth of 80% YoY in Q1 with a robust sugar segment even as soymilk growth was flat. To compare their results to peers, profit declined 51.4% in Consumer Staples and 66.3% in Consumer Discretionary. ILB (Logistics) reported nearly flat earnings in Q1 while its logistics peers were hit hard by the reduction in throughput volume, with aggregate earnings declining 33% YoY. FMC (Fishery) recorded growth of 7.3% YoY in Q1, an outstanding result compared to a large loss at its direct competitor MPC and a 73% decline YoY in fishery peers. Overall, the portfolio's aggregate earnings declined slightly by 6.1% YoY in Q1, compared to a decline of 18.1% for the broader market.

We continue to reduce the cash level by increasing weight in selected companies in Financials, Industrial Parks, and Consumers.

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%	1.8%									8.3%

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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