

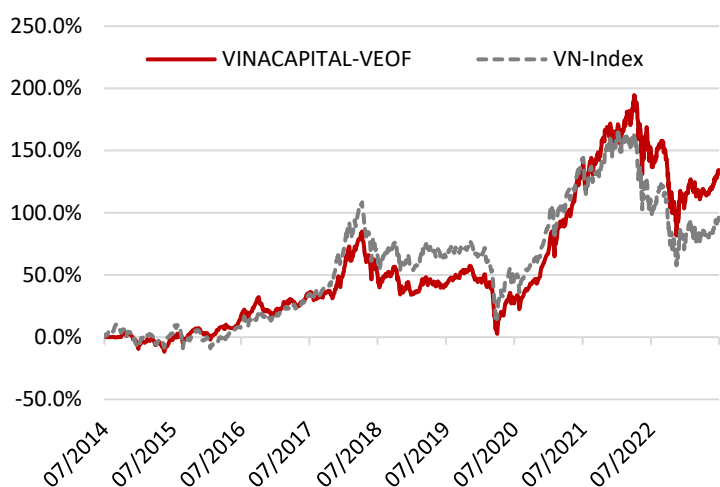
## VINACAPITAL-VEOF

## 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)	912.4	
NAV/Share (VND)	23,156.6	
Jun 2023 return (%)	4.2	4.2
YTD 2023 return (%)	10.6	11.2
3-year annualized return (%)	22.1	10.7
Annualized return since inception (%)	9.8	7.6
Cumulative return since inception (%)	131.6	93.8

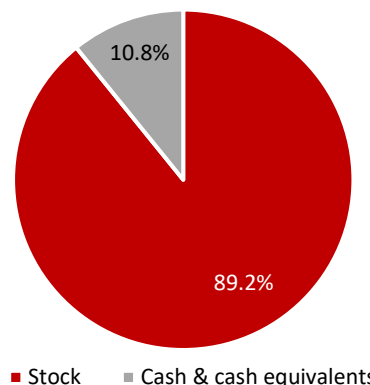
(The NAV is net of management fee and administrative expenses)

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## Investment allocation

### % Total NAV



## Fund information

<b>Inception</b>	1/7/2014
<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>PIT</b>	0.1%
<b>Custodian and Supervisory Bank</b>	Standard Chartered Bank Ltd. (Viet Nam)
<b>Auditor</b>	PwC Vietnam
<b>Trading frequency</b>	Daily, from Monday to Friday
<b>Benchmark</b>	VN-Index

## Portfolio statistics

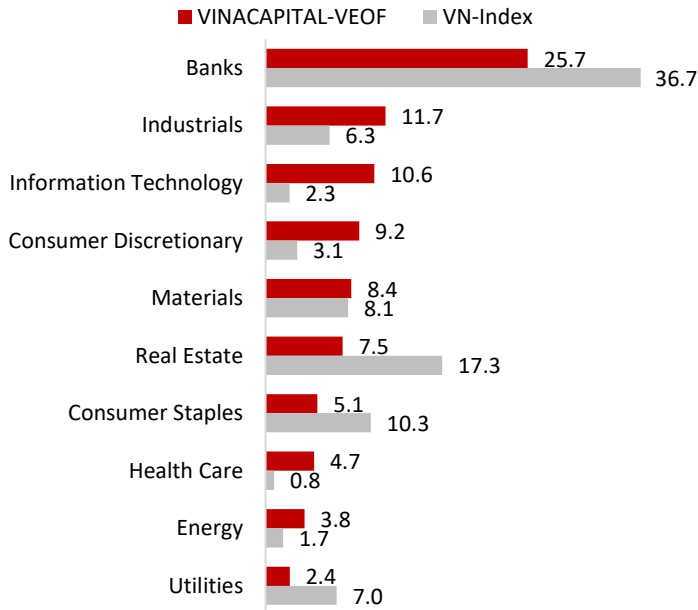
	VINACAPITAL-VEOF	VN-Index
Trailing P/E (x) (*)	13.4	15.3
Trailing P/B (x) (*)	2.6	1.7
Trailing ROE (%) (*)	18.0	12.8
Dividend yield (%) (*)	2.3	1.9
Portfolio turnover (%)	45.0	-
Sharpe ratio	0.3	0.2
No. of stocks	31	398

\* Trailing 12-month data

Source: Bloomberg, VinaCapital's forecast

Sector allocation

% Total NAV



Top holdings

Stock	Sector	% NAV
FPT	Information Technology	10.6
VCB	Banks	8.0
STB	Banks	5.3
PNJ	Consumer Discretionary	4.8
BID	Banks	4.7
ACB	Banks	4.3
VRE	Real Estate	3.9
MWG	Consumer Discretionary	3.9
PLX	Energy	3.8
MBB	Banks	3.3

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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%
2023	7.8%	-5.3%	1.2%	-0.2%	3.0%	4.2%							10.6%

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.

Comments from fund manager

MARKET UPDATES

The VN-Index continued to advance in June 2023, increasing 4.2% and closing at 1,120.2. On a year-to-date (YTD) basis, the VN-Index has risen 11.2%. After a significant decline in 2022 due to several negative events, Vietnam's stock market has rebounded to rank among the strongest performers once again in Asia in 1H23, behind only Japan and Taiwan.

As mentioned in our previous reports, the State Bank of Vietnam reduced policy interest rates four times in the first half of 2023. As a result, deposit interest rates are now approximately 1.5% lower than at the beginning of the year. This has prompted cash inflows into other investment channels such as the stock market, which remains undervalued.

Market sentiment was positive in June. The average daily trading value on the combined three bourses rose to a 14-month high, reaching USD843 million per day. Foreign investors have been net-sellers for three months in a row, with the net-selling value in June and 2Q23 at USD17 million and USD214 million, respectively. However, the selling activities of foreign investors did not significantly impact the market thanks to active participation from domestic retail investors. In June 2023, domestic retail investors accounted for 85% of the total transaction value on HOSE, the highest level since September 2022.

Vietnam's GDP grew by 4.1% in 2Q23, bringing the 1H23 growth to 3.7%, amongst the lowest during the past 13 years. Economic data showed slight improvement in June compared to May. The industrial production index rose 2.8% YoY, helping to bring down the decline in 1H23 to 1.2%. Exports and imports, though still down 11.4% and 16.9% YoY in June, increased by 4.5% and 2.6% MoM, respectively. Nevertheless, the Purchasing Managers' Index (PMI) reached 46.2 in June, indicating that the recovery in production and import/export expected in the coming months is not likely to happen quickly. Total retail sales increased by 6.5% YoY in June and 10.9% YoY in 1H23 (8.4% in real terms). Inflation remained well controlled with the June consumer price index (CPI) rising 2.0% YoY.

FUND COMMENTARY AND INVESTMENT OUTLOOK

VINACAPITAL-VEOF's NAV per share advanced by 4.2% in June 2023. On a YTD basis, the fund's NAV per share has increased 10.6%.

FPT, the fund's largest investment, continues to post strong business results. The company reported 5M23 revenue and net profit of VND19.9 trillion and VND2.5 trillion, respectively, up 23% and 20% YoY. Revenue of the global information technology services for 5M23 increased 32% YoY, reaching VND9.2 trillion. Newly signed contracts jumped by 35% YoY to VND13.7 trillion in 5M23, further securing future growth.

After a period of disappointing stock price movement despite stable business results, PNJ increased by 6.7% in June. The company achieved a 5M23 net profit of VND970 billion, down 4% YoY, which is much more encouraging than other companies in the retail and consumer goods sectors. Vietnam's economy is expected to gradually recover in the second half of 2023, enabling companies in the retail and consumer goods sectors to be able to record better business results in the second half of the year.

Most banks are forecast to post positive earnings growth in 1H2023, despite a sluggish economy and a struggling real estate sector. The stock prices of many banks are currently in an undemanding valuation zone compared to their historical performance. The Government's supportive policies for the real estate and banking sectors to help address the problems of bonds and bad debts make banking stocks, which have the largest weight in the fund's portfolio, good investments in the long term.

Although Vietnam's economy has not yet overcome a period of difficulties and slow growth, expectations for a recovery have emerged. The Government has continuously emphasized the implementation of measures to support businesses, requesting banks to reduce lending interest rates. According to data from Bloomberg, 2024 profit growth of listed companies is forecasted to reach over 20% on average. In terms of valuation, the VN Index is trading at a 2023F P/E of 11.5x, still in a low valuation zone over the past 10 years (about 1.5x standard deviation below the 10-year mean). This valuation remains attractive for long-term investment. However, we will be cautious should market sentiment become overexcited, and we maintain our investment discipline, choosing stocks that possess earnings growth drivers with a long-term investment vision.