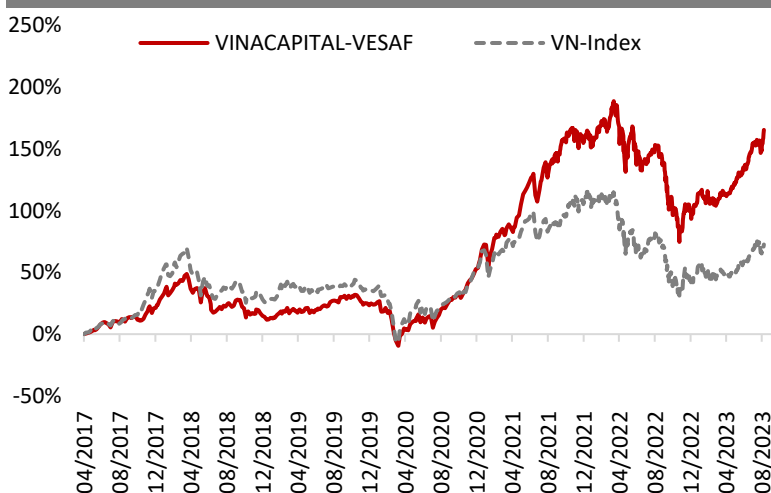


VINACAPITAL-VESAF

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)	1,422.8	
NAV/Share (VND)	26,533.4	
Aug 2023 return (%)	3.8	0.1
YTD 2023 return (%)	34.4	21.5
3-year annualized return (%)	29.7	11.6
Annualized return since inception (%)	16.6	9.0
Cumulative return since inception (%)	165.3	72.5

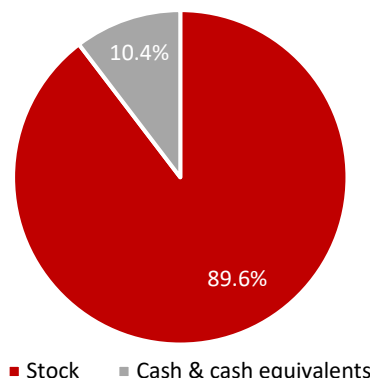
(The NAV is net of management fee and administrative expenses)

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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
	0.5% >= 24 months
PIT	0.1%
Custodian and Supervisory Bank	Standard Chartered Bank Ltd. (Vietnam)
Auditor	PwC Vietnam
Trading frequency	Daily, From Monday to Friday
Benchmark	VN-Index

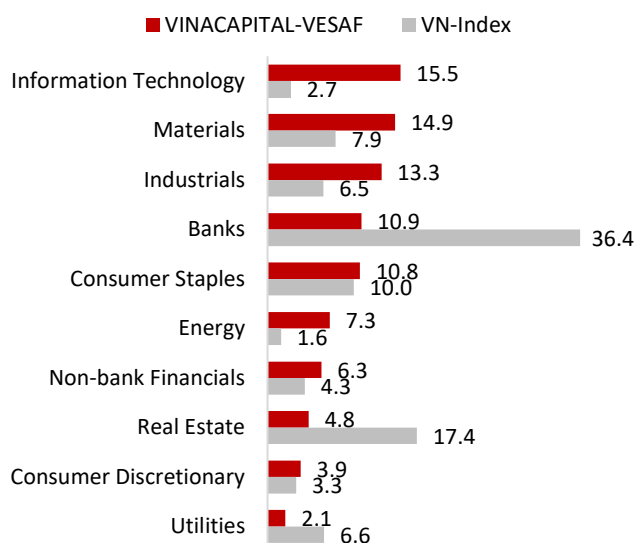
Portfolio statistics

	VINACAPITAL-VESAF	VN-Index
Forward P/E (x)	11.1	12.3
Forward P/B (x)	2.2	1.8
Forward ROE (%)	16.6	14.6
Dividend yield (%)	3.0	1.6
Portfolio turnover 12M (%)	42.5	-
Sharpe ratio	0.6	0.2
No. of stocks	26	400

Source: Bloomberg, VinaCapital's forecast

Sector allocation

% Total NAV



Top holdings

Stock	Sector	% NAV
FPT	Information Technology	15.5
MBB	Banks	5.9
QNS	Consumer Staples	5.7
STB	Banks	5.0
FMC	Consumer Staples	5.0
PVS	Energy	4.2
SZC	Industrials	4.0
DPR	Materials	3.9
PTB	Materials	3.9
MWG	Consumer Discretionary	3.9

Comments from fund manager

MARKET UPDATES

The VN-Index rose 0.1% in August, closing at 1,224 at the end of the month. On a year-to-date basis, the VN-Index has advanced by 21.5%.

Vietnam's stock market was volatile in August. After rising to an 11-month high of 1,243 on August 16, the VN-Index fell back to 1,173 on August 23 due to short-term profit-taking activities given the market's strong advance for three months in a row. The VN-Index then quickly recovered, ending the month up 0.1% compared to July.

VIC was the index leader, up 12.7% MoM thanks to Vinfast's listing on the NASDAQ stock exchange. However, some other large stocks such as VHM, VCB, and BCM declined, preventing the VN-Index from rising further.

Market liquidity remained healthy, with the average daily trading value in August reaching VND25.7 trillion on the combined three bourses, a 20% MoM increase and a 16-month high. Buying activity was strong on the days when the market slumped, prompting a quick rebound later. However, foreign investors continued to be net-sellers for five months in a row, with a net-selling value of VND1.8 trillion in August.

Most macroeconomic indicators improved in August. The industrial production index rose 2.9% MoM and 2.6% YoY, reducing the YTD drop to only 0.5%. Exports and imports, though still down 7.6% and 8.3% YoY, increased 7.7% and 5.7% MoM, respectively. The purchasing managers index (PMI) increased to 50.5 in August, exceeding 50 for the first time since February 2023. Retail sales increased by 0.9% MoM and 7.6% YoY, keeping the YTD growth at 7.7% in real terms. However, the USD/VND exchange rate increased to VND24,055/USD at the end of August, a 1.6% depreciation over the month due to USD interest rates being significantly higher than VND interest rates on the interbank market.

On September 10 and 11, U.S. President Joe Biden paid a state visit to Vietnam. This is an important event for Vietnam's diplomatic and economic development. During this visit, the two countries elevated their relationship from Comprehensive Partnership, established in 2013, to Comprehensive Strategic Partnership. In addition to the U.S., Vietnam has established Comprehensive Strategic Partnerships with China, Russia, India, and South Korea. In 2022, Vietnam – U.S. trade reached USD123.9 billion. The U.S. is Vietnam's largest export market and second-largest trading partner, while Vietnam is the U.S.'s seventh largest trading partner in the world and the largest in ASEAN. The establishment of a Comprehensive Strategic Partnership between Vietnam and the U.S. is expected to have a positive impact on Vietnam's economy in the coming years.

At the end of August, the VN-Index was trading at a 2023F P/E of 12.3x, almost unchanged from July, which remains very reasonable for long-term investment.

UPDATES ON VINACAPITAL-VESAF

VINACAPITAL-VESAF increased by 3.8% in August while the VN-Index was essentially flat. The main driver of the fund's strong performance was FPT (+14.3%), due to expectations that US President Joe Biden's state visit to Vietnam will open up more opportunities for FPT to grow its business in artificial intelligence, cloud computing, and semiconductors. The company may also benefit from increased tech labor workforce training; FPT University also recently established its Semiconductor Circuit Faculty. STB also experienced price appreciation of 12.8% thanks to the resumption of the auction of Phong Phu industrial park as well as the bank's expectation that it will clear all remaining VAMC-related issues by the end of this year through both settlement and provisioning. Brokerage firms also did well in August, with SSI +12.7% and VCI +8.3%, thanks to retail excitement about the new KRX trading system that is expected to be launched by the end of 2023. Additionally, the SSC demonstrated the government's continued commitment to meeting its deadlines to complete both FTSE and MSCI upgrades by 2025 at a conference in Hong Kong at the end of August.

The fund's portfolio has delivered a 34.4% return in the first eight months of the year, attributable to our stock selection, which had tailwinds in the period of challenging economics conditions. The cash level increased to 10.6% at the end of August from 8.5% at the end of July, as the fund restructured its portfolio by reducing the weights of stocks that had rallied strongly but had unclear prospects as well as increasing exposure to export-oriented stocks that will benefit from the anticipated US economic and retail sales recovery at the end of 2023. The upgrade of the US-Vietnam relationship also indicates a stronger commitment to enhancing trade and economic ties, which should further benefit selected Vietnamese companies.

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%	5.7%	3.5%	9.4%	3.8%					34.4%

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.

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