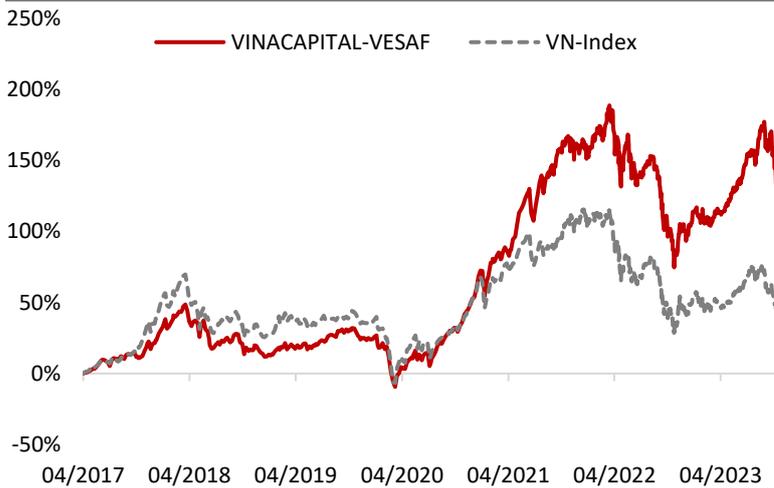


VINACAPITAL-VESAF Investment approach

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)	1,269.3	
NAV/Share (VND)	23,288.8	
Oct 2023 return (%)	(11.2)	(10.9)
YTD 2023 return (%)	18.0	2.1
3-year annualized return (%)	21.7	3.6
Annualized return since inception (%)	13.8	5.9
Cumulative return since inception (%)	132.9	44.9

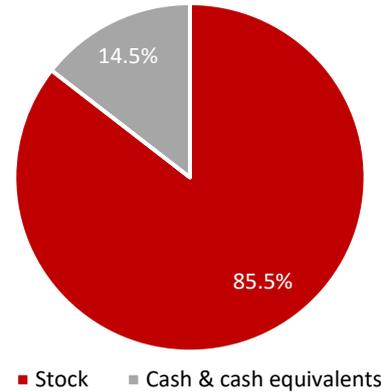
(The NAV is net of management fee and administrative expenses)

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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

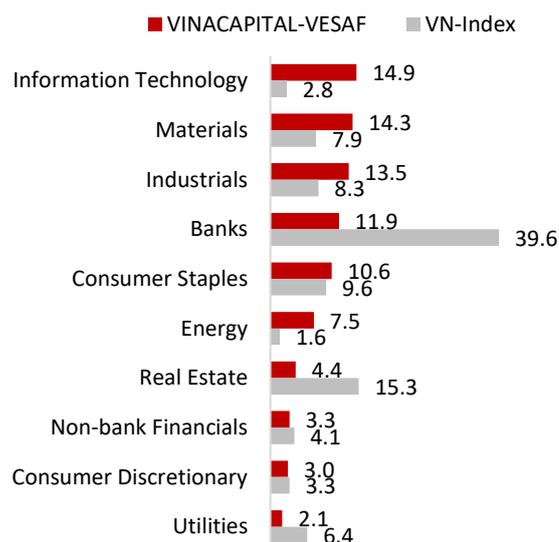
Portfolio statistics

	VINACAPITAL-VESAF	VN-Index
2023 P/E (x)	9.2	10.6
2023 P/B (x)	1.8	1.5
2023 ROE (%)	16.0	13.9
Dividend yield (%)	3.6	3.3
Portfolio turnover 12M (%)	30.9	-
Sharpe ratio	0.5	0.1
No. of stocks	27	416

Source: Bloomberg, VinaCapital's forecast

Sector allocation

% Total NAV



Top holdings

Stock	Sector	% NAV
FPT	Information Technology	14.9
MBB	Banks	7.2
QNS	Consumer Staples	5.6
FMC	Consumer Staples	5.0
STB	Banks	4.7
PVS	Energy	4.4
PTB	Materials	4.0
DPR	Materials	3.9
SZC	Industrials	3.8
KDH	Real Estate	3.1

Comments from fund manager

MARKET UPDATE

Following a 5.7% decline in September 2023, the VN-Index slumped a further 10.9% in October. The year-to-date (YTD) growth of the VN-Index has narrowed to only 2.1%.

The Q3 business results of many listed companies were lower than expected. Exchange rate risk remained a concern when the 10-year yield on US government bonds surpassed 5% at some point in October, their highest level since 2007. Global stock markets also performed poorly, with the S&P 500 Index declining 2.2% in October after dropping 4.9% in September. In Vietnam, trading activity was subdued, with the average daily trading value on the combined three bourses reaching only VND16.9 trillion, down 37% MoM and a five-month low.

On October 26th, a large volume of VHM shares were sold at the floor price during the ATO trading session, casting a shadow across the market. As a result, the VN-Index subsided by 4.2% in just one day. Although it was later understood that this selling activity was conducted by the investors in the exchangeable bonds issued by Vingroup (which simultaneously purchased the exchangeable bonds and sold the VHM shares to enhance expected return), market sentiment has not improved much since then. As of November 6th, 1,570 listed companies (accounting for over 98% of the market capitalization on the combined three bourses) had announced their Q3 business results with Q3 and 9M23 aggregate net profit of those companies down 6.5% YoY and 13.5% YoY, respectively. The sectors that delivered disappointing results in Q3 included: (1) Utilities, impacted by a sharp increase in financial expense and recording a profit slump of 47% YoY; (2) Consumer Discretionary, which saw Q3 net profit declining by 45% YoY as profit margins of mobile phone and consumer electronics retailers were compressed by a price war amid a weak consumption demand; (3) Real Estate, which recorded a 41% YoY decline in Q3 profit due to the stagnation of the property market. Meanwhile, Financials saw Q3 net profit increase by 4% YoY, mainly thanks to the brokerage companies, while banks recorded a decline of 1.6% YoY in Q3 net profit.

The stock market's sharp decline in October brought the VN-Index's 2023F P/E to only 10.6x, about 1.2 standard deviations below the 10-year mean. Exchange rate risk has somewhat subsided as the 10-year US government bond yield has dropped from a peak of over 5.0% to roughly 4.6% after the Fed's meeting in late October, prompting the USD/VND exchange rate to fall from 23,600 in October to just over 23,300 VND/USD in early November. We also expect the economy and the business results of listed companies to gradually recover from Q4/23, which will be positive factors for the stock market going forward.

UPDATES ON VINACAPITAL-VESAF

VINACAPITAL-VESAF's NAV per share declined 11.2% in October, consistent with the monthly performance of the VN-Index as the correction was broad-based. We considered this market correction an opportunity to increase our existing holdings and to position our portfolio for the next year, based on the analysis of Q3 earnings results and company updates which gave more colour on the earnings recovery pathway. We have started to see a strong dispersion in the outlook among companies.

The earnings of portfolio companies increased 5.2% YoY in Q3 and 3.7% YoY in 9M23 on a portfolio weighted basis, stronger than that of the broader market, supported by strong earnings in the top holdings FPT (+19.6% YoY in Q3 and +20.3% YoY in 9M), MBB (+18.3% and 11.7%), QNS (+60.0% and +79.0%) and STB (+34.9% and +66.0%). Another top holding FMC, reported earnings growth of 6.1% YoY in Q3 and a decline of 16.4% YoY in 9M23, nevertheless had an outstanding business performance compared with its peers in the fishery export sector, where average earnings declined approx. 90% YoY in both periods. For whole year 2023, we expect VINACAPITAL-VESAF's portfolio to deliver aggregate earnings growth of 24.7% YoY compared with the broader market's growth of just 1.8%.

As we look forward to 2024, we maintain our investment strategy focusing on companies with resilient earnings or strong near-term recovery. The current portfolio is forecasted to have revised earnings growth of 33.2% YoY in 2024, with the highest growth coming from retailers, banks, companies benefiting from the recovery of exports and accelerated infrastructure spending, and technology. Those sectors will continue to be our major focus for the next year.

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%	-1.2%	-11.2%			18.0%

Important information

The information contained herein has been prepared by VinaCapital Fund Management Joint Stock Company (the "Company") and is subject to updating, revision, further verification and amendment without notice.

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