

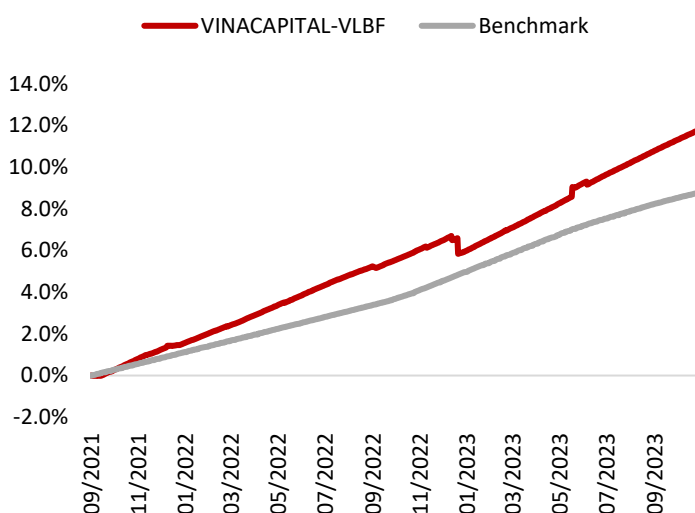
VINACAPITAL-VLBF

Investment approach

VINACAPITAL-VLBF mainly invests in short-term fixed income securities and money market instruments to generate very stable returns while maintaining daily liquidity.

VINACAPITAL-VLBF is considered a low-risk fund suitable for investors who are looking for a safe, short and medium term investment with a higher return than short-term bank deposit rates. The target return for the fund is 4.5 – 5.0% per annum.

NAV chart since inception

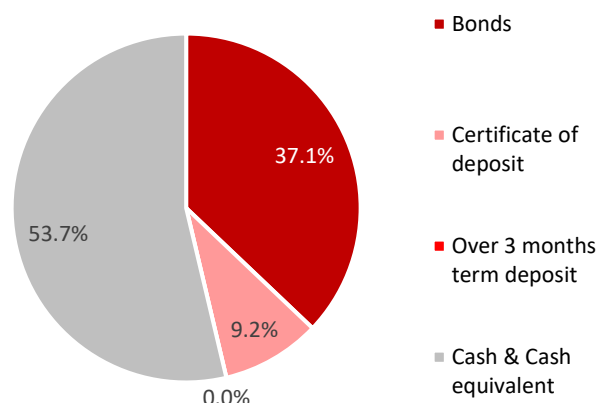


Fund performance

	VINACAPITAL-VLBF	BM
Total AUM (VND billion)	59.3	
NAV/Share	11,171.3	
Oct 2023 return (%)	0.5	0.3
YTD 2023 return (%)	5.5	3.8

(NAV is net of management fee and administrative expenses)

Investment allocation



Fund information

Inception	07/09/2021
Management fee	0.9% per annum
Subscription fee	0.0%
Redemption fee	0.0%
Minimum subscription	0 VND
PIT	<=45 days: 0.1%; >45 days: 0%
Custodian and Supervisory Bank	BIDV
Auditor	PwC Vietnam
Trading frequency	Daily, from Monday to Friday

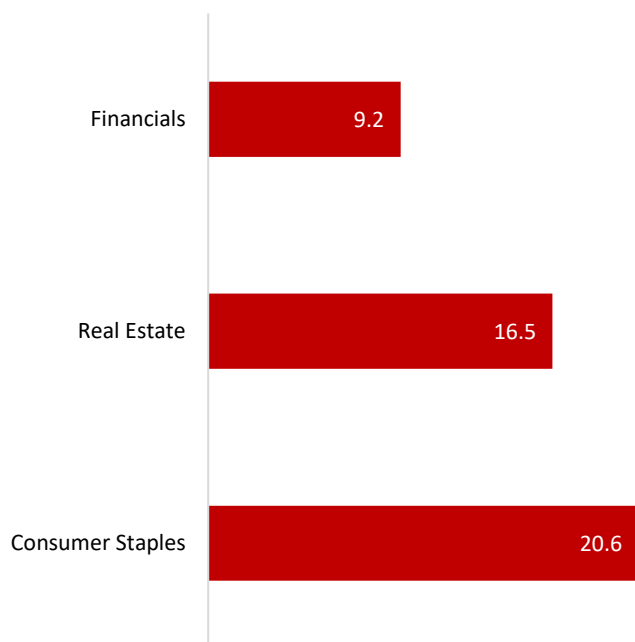
Benchmark (BM) Average 3-month VND denominated deposit rate of VietinBank, Agribank, BIDV, and Vietcombank.

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Sector allocation

■ VINACAPITAL-VLBF



Top holdings

Issuer	Name	Allocation (%)	Yield-to-maturity (%)	Duration (years)
BAF	BAF Viet nam Agriculture JSC	17.2	10.4	1.6
TN1	TNS HOLDINGS JSC	13.0	1.3	1.3
FECREDIT	FE CREDIT	9.2	6.9	0.7
VIC	Vingroup JSC	3.5	6.1	0.4
SBT	Thanh Thanh Cong - Bien Hoa JSC	3.4	9.6	0.2

Comments from Fund Manager

The recovery in Vietnam's manufacturing sector continued to gather pace in October, evidenced by a range of economic data. On a MoM basis, manufacturing output accelerated from 1% MoM in September (which is a typical monthly growth rate figure) to a 6% MoM surge in October. Vietnam's PMI dipped from 49.7 in September to 49.6 in October as factories trimmed their output to deplete their own inventories of finished products to some extent. Meanwhile, new export orders for products grew for the third month in-a-row in October, and firms stopped laying off workers for the first time in seven months.

Regarding inflation, a 5% drop in retail petrol prices in October dampened Vietnam's headline CPI rate from 3.7% yoy in September to 3.6% in October. Food prices were essentially unchanged during the month because the continued rise in rice prices (prompted in part by India's rice export ban) was essentially offset by falling pork prices.

The VN Dong continued to depreciate in October, falling by a further 1.1% and bringing the YTD depreciation to 3.9% at end-October because of a 7% increase in the value of the US Dollar/DXY Index from July to October, as well as the fact that Vietnam's central bank cut policy interest rates by 150 bps earlier this year in contrast to the 100 bps of rate hikes by the US Federal Reserve in 2023. And SBV responded to the depreciation of the VN Dong by resuming SBV-Bill issuance in late September and in October to absorb excess liquidity from the money market, which helped support the value of the VN Dong to some degree.

In the corporate bond market, the total issuance amount reached VND 27.9 trillion, significantly higher compared to only VND 535 billion in October last year. There were 26 issuances, mainly from the banking and real estate sectors. The banking sector dominated the market with over 60% share of the total issuance value, amounting to VND 17.1 trillion. The average maturity and interest rate of these bonds were 4.2 years and 6.6%, respectively. The real estate sector also improved well, with a total issuance value of VND 8.1 trillion. The average maturity of real estate bonds was 3.4 years, and the average interest rate was at 11.3%. We also note that there were only three real estate issuers: Vinhomes (VND 5 trillion), Saigon Capital (VND 1 trillion), and Thien An Investment (over VND 2 trillion).

Important information

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