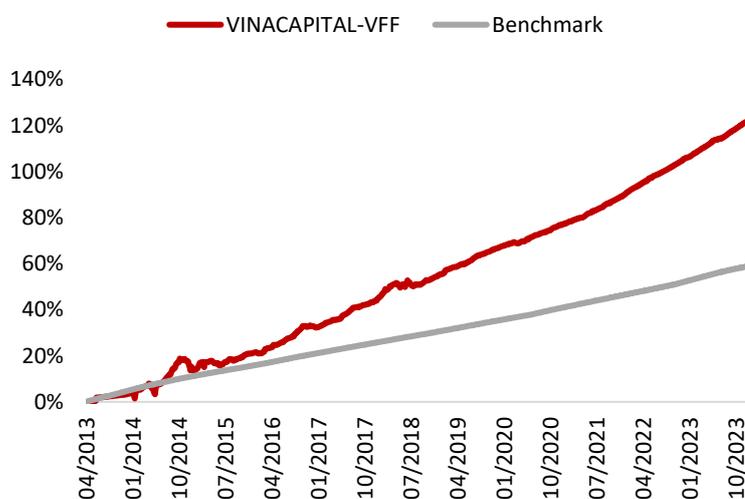


**VINACAPITAL-VFF** Investment approach

Our investment objective is to optimize risk-adjusted returns for investors by investing in high-quality assets that are backed by sustainable cash flows. We place a strong emphasis on downside protection and make sure that credit risk, interest rate risk, inflation risk, and liquidity risk are properly analyzed and managed.

We target a well-diversified, duration-neutral, high-conviction portfolio and seek to add value through yield curve positioning, sector allocation, security selection, and competitive trade execution. Our focus is on corporate bonds, government bonds, and valuable papers.

**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**

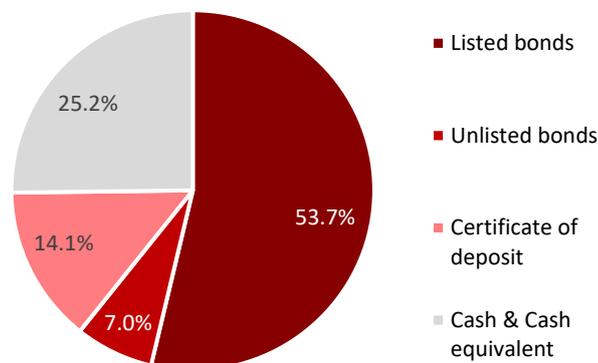
	VINACAPITAL-VFF	BM
Total AUM (VND billion)	591.1	
NAV/Share	22,163.2	
Nov 2023 return (%)	0.7	0.4
YTD 2023 return (%)	7.4	6.0
3-year annualized return (%)	7.8	5.7
Annualized return since inception (%)	7.7	4.4
Cumulative return since inception (%)	121.6	58.7

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**Investment Allocation**

**% Total NAV**



**Fund information**

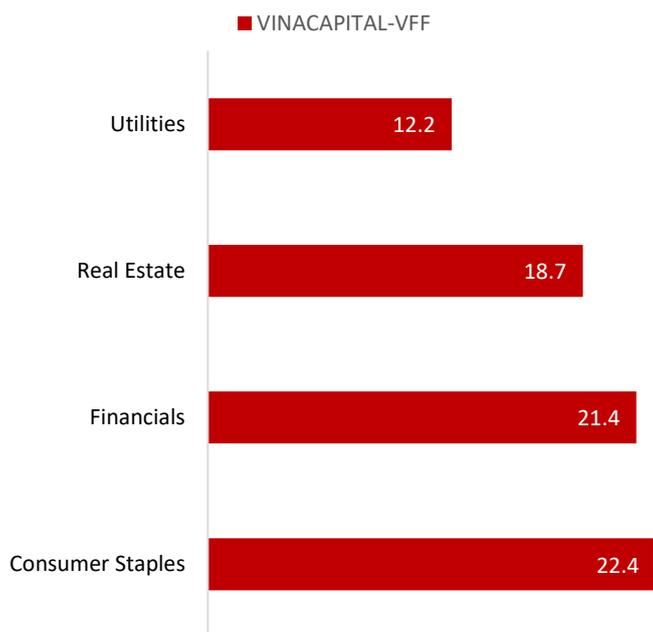
<b>Inception</b>	1/4/2013
<b>Management fee</b>	0.95% per annum
<b>Subscription fee</b>	0.0%
<b>Redemption fee</b>	2.0% < 12 months 0.5% >= 12 months 0.0% >= 24 months
<b>PIT</b>	0.1%
<b>Custodian and Supervisory Bank</b>	Standard Chartered Bank Ltd. (Vietnam)
<b>Auditor</b>	PwC Vietnam
<b>Trading frequency</b>	Twice a week, every Tuesday & Thursday
<b>Benchmark (BM)</b>	Average 12-month VND denominated deposit rate by four SOCBs, namely VietinBank, Agribank, BIDV, and Vietcombank.

(SOCBs: State-owned Commercial Banks)

**Portfolio statistics**

Duration (years)	0.7
Yield-To-Maturity (%)	8.9

Sector allocation



Top holdings

Securities	Name	Allocation (%)	Effective Yield (%)	Duration (years)
MML	Masan Meatlife	16.1	9.9	2.3
GEG	Gia Lai Electricity	12.2	10.7	0.7
VHM	Vinhomes	8.3	17.0	0.3
LPB	Lien Viet Post Bank	7.4	7.1	0.1
KDH	Khang Dien House	6.1	12.0	1.5

Comments from Fund Manager

November economic data presented a mixed picture for Vietnam’s growth prospects in the months ahead. The growth of retail sales, stripping out the impact of inflation, dropped from 16.6% in 11M22 to 7.7% in 11M23; nearly all this year’s growth can be attributed to a recovery of Vietnam’s tourist arrivals to nearly 70% of pre-COVID levels. The collapse of Vietnam’s manufacturing output to just 1.1% yoy growth in 11M23 is the single-biggest factor weighing on the country’s GDP growth this year. Meanwhile, PMI dropped from 49.6 in October to a five-month low of 47.3 in November, with new export orders contracting once again. The sector had started to rebound during the summer, evidenced by ~4% average month-on-month (m-o-m) growth starting in August, which is a very high level.

The sudden deterioration of Vietnam’s nascent manufacturing rebound in November more-or-less followed a similar pattern across Asia, where manufacturing and exports had been recovering for months but then suddenly dipped (e.g., Korea’s export growth declined from nearly 6% yoy in October to an estimated 2% in November). Additional evidence that this is not a Vietnam-specific issue comes from comments during recent earnings calls of leading US retailers during which executives expressed concerns about a weakening outlook for retail sales growth.

Inflation in Vietnam moderated from 3.6% yoy in October to 3.5% in November due to a 1% decline in retail petrol prices during the month, and because food price inflation remained very modest in November at 3% yoy. The impact of increases in global rice prices, caused by weather issues and India’s rice export ban, were once again offset by falling pork prices in Vietnam, as has been the case for several consecutive months. In Vietnam, rice prices rose nearly 4% m-o-m in November, while pork prices fell nearly 2% m-o-m.

In the corporate bond market, the total issuance amount reached VND 30.5 trillion, significantly higher than the VND2.1 trillion issued in November last year. There were 39 issuances in this month, of which the banking sector ranked first with 25 issuances and a total issuance amount of VND13.8 trillion, accounting for approximately 45.3% of the total amount. The average coupon rate and tenor in this sector were about 6.8% and 7.4 years, respectively. Thaco Group in the motors sector ranked second in this month’s total issuance, with an amount of up to VND8.68 trillion and a coupon rate and tenor of 6% and 5 years, respectively. The real estate sector also showed improvement, with a total issuance value of VND3.0 trillion, an increase of 29 times YoY. The average maturity of real estate bonds was 3.5 years, and the average interest rate was 12.3%. We note that there were only two real estate issuers: Vinhomes (VND2 trillion) and Saigon Capital (VND1 trillion).

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	0.6%	0.5%	0.4%	0.6%	0.6%	0.6%	0.6%	0.9%	0.5%	0.6%	0.7%	0.9%	7.7%
2022	0.8%	0.6%	0.7%	0.7%	0.8%	0.5%	0.6%	0.6%	0.7%	0.6%	0.8%	0.4%	8.0%
2023	0.7%	0.6%	0.7%	0.7%	0.8%	0.3%	0.5%	0.8%	0.7%	0.7%	0.7%		7.4%

Important information

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