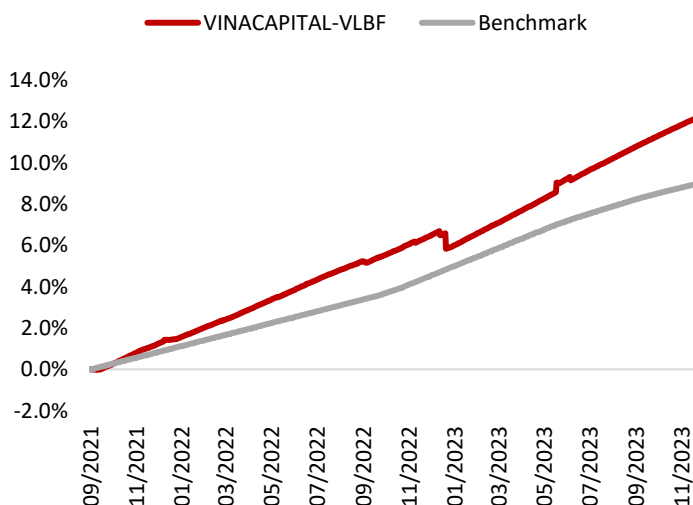


## VINACAPITAL-VLBF Investment approach

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

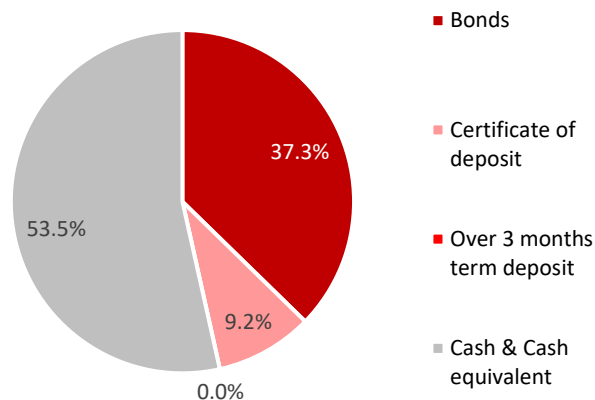


## Fund performance

	VINACAPITAL-VLBF	BM
Total AUM (VND billion)	59.4	
NAV/Share	11,220.0	
Nov 2023 return (%)	0.4	0.3
YTD 2023 return (%)	6.0	4.1

(NAV is net of management fee and administrative expenses)

## Investment allocation



## Fund information

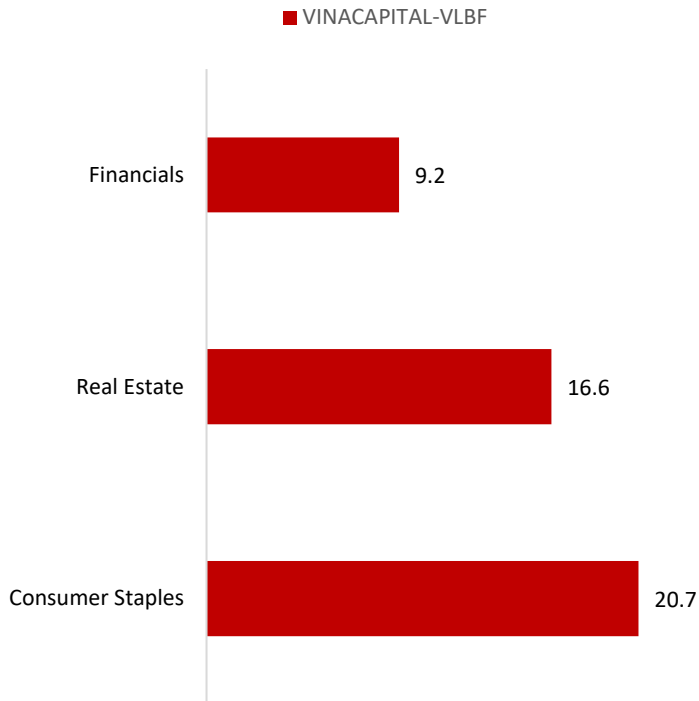
<b>Inception</b>	7/9/2021
<b>Management fee</b>	0.9% per annum
<b>Subscription fee</b>	0.0%
<b>Redemption fee</b>	<=45 days: 0.1%; >45 days: 0%
<b>Minimum subscription</b>	0 VND
<b>PIT</b>	0.10%
<b>Custodian and Supervisory Bank</b>	BIDV
<b>Auditor</b>	PwC Vietnam
<b>Trading frequency</b>	Daily, from Monday to Friday

## Benchmark (BM)

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

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Sector allocation



Top holdings

Issuer	Name	Allocation (%)	Yield-to-maturity (%)	Duration (years)
BAF	BAF Viet nam Agriculture JSC	17.3	10.4	1.5
TN1	TNS HOLDINGS JSC	13.1	8.1	1.2
FECREDIT	FE CREDIT	9.2	6.9	0.6
VIC	Vingroup JSC	3.5	4.8	0.3
SBT	Thanh Thanh Cong - Bien Hoa JSC	3.4	9.3	0.2

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 VND30.5 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).

Important information

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