

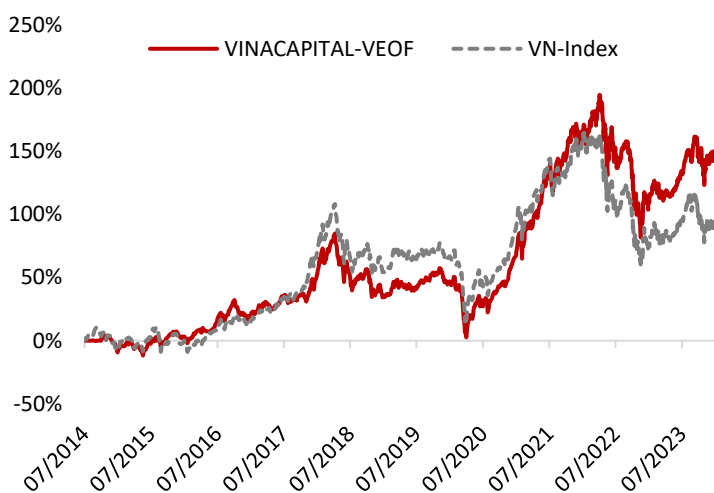
VINACAPITAL-VEOF

Investment approach

The fund applies active investment strategy and bottom-up stock selection, concentrates on high-conviction stocks through a deep dive research and analysis.

The fund mainly invests in large and mid-cap stocks which are industry leaders or differentiate in competitive advantages, have growth potential and are being undervalued.

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-VEOF VN-Index

Total AUM (VND billion)	763.6	
NAV/Share (VND)	25,026.5	
Dec 2023 return (%)	3.4	3.3
YTD 2023 return (%)	19.5	12.2
3-year annualized return (%)	13.8	0.8
Annualized return since inception (%)	10.1	7.3
Cumulative return since inception (%)	150.3	95.5

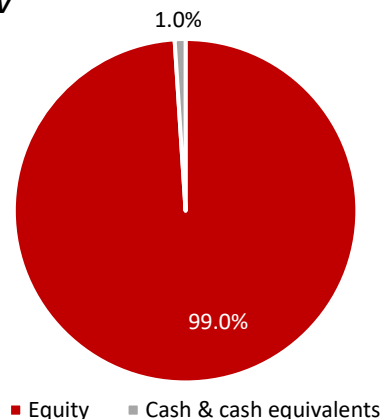
(The NAV is net of management fee and administrative expenses)

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Investment allocation

% Total NAV



Fund information

Inception	01/07/2014
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. (Viet Nam)
Auditor	PwC Vietnam
Trading frequency	Daily, from Monday to Friday
Benchmark	VN-Index

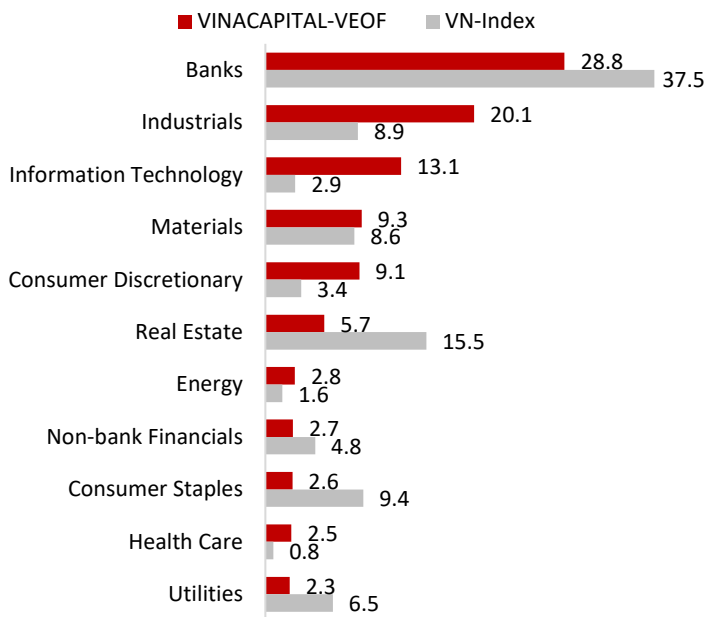
Portfolio statistics

	VINACAPITAL-VEOF	VN-Index
2024 P/E (x)	9.6	9.5
2024 P/B (x)	2.1	1.5
2024 ROE (%)	17.9	15.3
Dividend yield (%)	2.6	3.1
Portfolio turnover (%)	60.0	-
Sharpe ratio	0.3	0.2
No. of equities	29	420

Source: Bloomberg, VinaCapital's forecast

Sector allocation

% Total NAV



Top holdings

Equity	Sector	% NAV
FPT	Information Technology	13.1
VCB	Banks	7.9
MBB	Banks	6.4
ACB	Banks	6.0
PNJ	Consumer Discretionary	4.8
BID	Banks	4.7
MWG	Consumer Discretionary	4.2
STB	Banks	3.8
NTC	Industrials	3.6
CTR	Industrials	3.1

Comments from fund manager

STOCK MARKET UPDATE

After rising 6.4% in November, the VN-Index continued its advance in December, increasing 3.3%. December's gains were consistent across most sectors, apart from the Energy sector, which declined 0.6% MoM, and the Consumer Discretionary sector, which outperformed the market and increased 7.5% MoM, led by MWG (+11.2% MoM).

Liquidity declined 4% MoM, with the average trading value on the combined three bourses reaching VND 18.5 trillion/day. There was heavy selling pressure from foreign investors, who net sold VND 10.1 trillion on the three exchanges, making December 2023 one of only three months since 2015 that the market saw foreign net selling of over VND 10 trillion per month. However, the good news is that the market was not too affected by this, with domestic investors buying most of the shares, showing their confidence in the stock market's outlook.

The main reasons for the heavy selling from foreign investors were year-end portfolio restructurings due to changes in the global economic situation and profit-taking activities from Thai investors before a new tax law on overseas investment income was to take effect from the start of 2024. Therefore, we believe this net selling pressure is likely to be short-term.

Regarding the Q4 macro data, the economy grew by 6.72% YoY in Q4 of 2023, resulting in a 5.05% GDP growth for the whole year of 2023, which confirmed the economic recovery trend. The industry and construction sector (which grew by 7.35% YoY and contributed 42.6% to economic growth) and the service sector (which grew by 7.29% and contributed 49.9% to growth) boosted Q4 GDP growth. Importantly, within the service sector, real estate increased by 2.1% YoY in Q4, breaking the streak of declines in the previous three quarters, indicating that the real estate industry has started to improve.

The VN-Index rose by 12.2% in 2023. We believe this was a reasonable performance, given the market volatility seen throughout the year, which was due to a range of positive and negative factors in the market, the macro situation, and the business performance of listed companies, as well as market expectations for 2024.

FUND UPDATE AND INVESTMENT OUTLOOK

VINACAPITAL-VEOF's net asset value per share rose by 3.4% in December, slightly outperforming the VN-Index's 3.3% increase. For full-year 2023, VINACAPITAL-VEOF gained 19.5%, beating the VN-Index by 7.3%.

The fund's return in 2023 was driven by FPT (+47%), and two industrial park stocks, SZC (+104%) and NTC (+73%).

Two stocks among the fund's largest holdings did not rise in 2023, both in the consumer discretionary sector: PNJ (-1.9%) and MWG (+0.7%). Despite Vietnam's slow economic growth and falling consumer demand, PNJ's profit grew by 6% in the first 11 months of the year, reaching VND 1.7 trillion, thanks to an effective marketing and sales strategy that helped the company to gain market share. PNJ's business performance was also better than expected in the last months of the year. MWG's business results deteriorated in 2023 due to price competition in the mobile phone and consumer electronics markets amid weak demand. However, MWG's profit is expected to bounce back strongly in 2024 as consumer demand rises and the Bach Hoa Xanh grocery store chain becomes profitable.

As we enter 2024, we believe that the market will be supported by the recovery of Vietnam's economy and the results of listed enterprises, as well as low interest rates and the potential of Vietnam's stock market being upgraded to an emerging market. Coupled with a reasonable valuation (P/E for 2024 is around 10x), we anticipate a positive outlook for the stock market for the year.

As for the fund's investment strategy, VINACAPITAL-VEOF has constructed a portfolio that focuses on a few key sectors: (1) Banking and consumer goods, as we anticipate economic recovery in 2024; (2) Stocks in construction, building materials and energy, which will benefit from stimulus policies and government investment in infrastructure and energy; (3) Industrial parks and seaports, which are benefitting from the increase in foreign direct investment (registered FDI in 2023 reached USD 36.6 billion, up 32% YoY), which is not expected to slow for the foreseeable future.

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	-0.1%	11.8%	0.5%	5.6%	11.6%	5.1%	-1.8%	3.0%	3.2%	8.3%	-0.1%	-0.3%	56.5%
2022	0.0%	5.1%	3.3%	-6.0%	-4.1%	-4.7%	-1.3%	5.2%	-10.1%	-10.2%	0.8%	-0.1%	-21.2%
2023	7.8%	-5.3%	1.2%	-0.2%	3.0%	4.2%	8.2%	2.1%	-3.1%	-9.9%	8.5%	3.4%	19.5%

Important information

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