

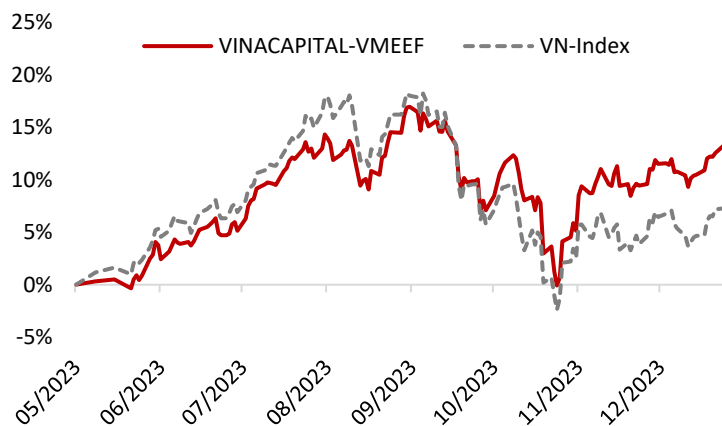
VINACAPITAL-VMEEF Investment approach

The fund's strategy is to construct a portfolio of companies that benefits from Vietnam's long-term economic growth drivers, to be accumulated at reasonable prices.

Because Vietnam's long-term economic growth goes hand in hand with its modernization, the fund prioritizes investments in companies that directly provide products and services to the modern living and working needs of customers.

These companies include, but are not limited to, banks with modern mobile banking products, retailers/distributors of modern household appliances and electronics, urban real estate developers serving the middle/upper class, businesses supporting the e-commerce industry, software solution providers, and companies applying technology to improve production processes.

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-VMEEF	VN-Index
Total AUM (VND billion)	66.6	
NAV/Share (VND)	11,320.4	
Dec 2023 return (%)	3.5	3.3
YTD 2023 return (%)	-	-
3-year annualized return (%)	-	-
Cumulative return since inception (%)	13.2	7.3

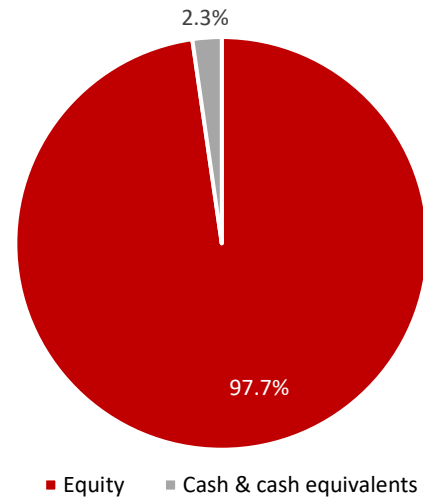
(The NAV is net of management fee and administrative expenses)

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Investment allocation

% Total NAV



Fund information

Inception	04/05/2023
Management fee	1.75% per annum
Subscription fee	0.0%
	2.0% < 12 months
Redemption fee	1.5% >= 12 months
	0.5% >= 24 months
Custodian and Supervisory Bank	Standard Chartered Bank Ltd. (Viet Nam)
Auditor	PwC Vietnam
Trading frequency	Daily, from Monday to Friday
Benchmark	VN-Index

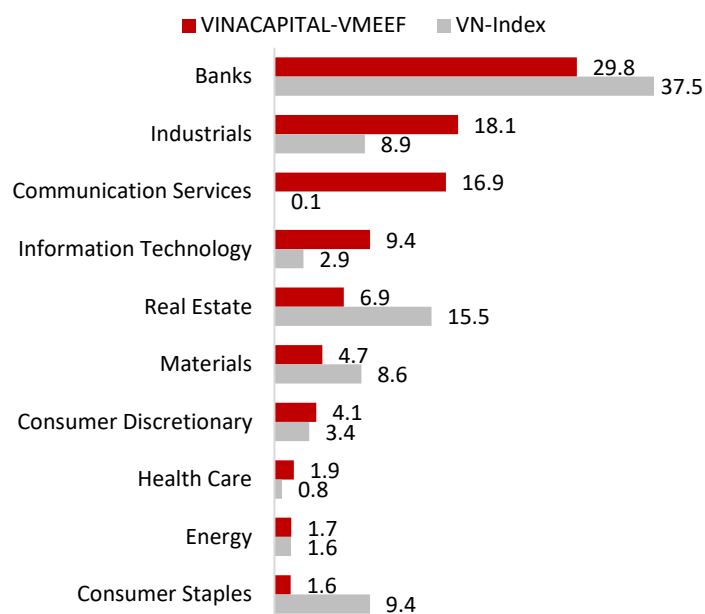
Portfolio statistics

	VINACAPITAL-VMEEF	VN-Index
2024 P/E (x)	8.2	9.5
2024 P/B (x)	2.0	1.5
2024 ROE (%)	20.8	15.3
Dividend yield (%)	3.9	3.1
Portfolio turnover (%)	-	-
Sharpe ratio	0.8	0.4
No. of equities	28	420

Source: Bloomberg, VinaCapital's forecast

Sector allocation

% Total NAV



Top holdings

Equity	Sector	% NAV
FOX	Communication Services	16.9
FPT	Information Technology	9.4
IDC	Industrials	4.7
MBB	Banks	4.5
DPG	Industrials	4.5
BID	Banks	4.4
CTR	Industrials	4.3
ACB	Banks	4.1
VCB	Banks	4.0
CTG	Banks	3.5

Comments from fund manager

MARKET UPDATE

After rising 6.4% in November, the VN-Index continued to advance by 3.3% in December. December's gains have been rather consistent among most sectors, except for the Energy sector, which dropped 0.6% MoM, and the Consumer Discretionary sector, which outperformed the market and increased 7.5% MoM, led by MWG (+11.2% MoM).

Liquidity in December declined 4% MoM, with the average trading value on the combined 3 bourses reaching VND 18.5 trillion/day. There was a heavy selling pressure from foreign investors with a net selling value of VND 10.1 trillion on the combined three bourses. This is one of the three months since 2015 that Vietnam's stock market has seen such a large net selling by foreign investors of over VND 10 trillion per month. However, the silver lining is that the market was not heavily affected by the large net selling by foreign investors. Domestic investors offset the net-selling from foreign investors, showing their confidence in the outlook of the stock market.

The main reasons for the heavy selling from foreign investors were their portfolio restructuring at the end of the year due to the changes in global economic conditions and the profit-taking activities from Thai investors before the new tax law on overseas investment income takes effect from the start of 2024. Therefore, 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 the economic growth) and the service sector (which grew by 7.29% and contributed 49.9% to the growth) boosted the Q4 GDP growth. Importantly, within the service sector, the real estate business increased by 2.1% YoY in Q4, breaking the streak of declines in the previous three quarters, indicating that the real estate industry has begun to improve.

The VN-Index rose by 12.2% in 2023. Despite the market volatility during the year, we think this was a reasonable performance, taking into account both the positive and negative factors in market sentiment, the macro conditions and the business performance of listed companies, as well as market expectations for 2024.

As we enter 2024, we believe that the market will be supported by the recovery of Vietnam's economy and the resulting earnings of listed enterprises, the low interest rates and the potential of Vietnam's stock market to be upgrade 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 in 2024.

FUND UPDATE AND INVESTMENT OUTLOOK

The NAV per share of VINACAPITAL-VMEEF rose 3.5% while the VN-Index rose 3.3% during December 2023. Since inception, the return performance has been 13.2% and 7.3%, respectively, as at the end of December 2023.

The banking sector was the main return contributor during December 2023. In our portfolio, BID (+11.7%), ACB (+8.6%), MBB (+4.8%), TCB (+7.6%) and VIB (+4.8%) performed well during the month, on the back of improving credit conditions. These banks were selected and weighted accordingly in the portfolio based on our careful analysis of their risk/reward profiles, taking into considerations the general economic outlook going into 2024, their individual CAMEL standing (Capital Adequacy - Asset Quality - Management - Earnings - Liquidity, focusing on how the underlying asset quality is shaping up), and their valuations. We believe banks will continue to play an essential role in the modern economy as well as a major earnings driver on the stock market.

During the month, we added Imexpharm (IMP) - the biggest domestic pharmaceutical firm by EU-GMP compliant production capacity. IMP is gaining market share in higher-tier drugs sold in the hospital channel on the back of cost competitiveness and quality. Overall, we are comfortable with the composition of the portfolio, which remains fully invested, and we look forward to further alpha delivery in 2024.

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	-	-	-	-	0.4%	4.3%	8.5%	0.8%	-4.1%	-9.0%	9.5%	3.5%	-

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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