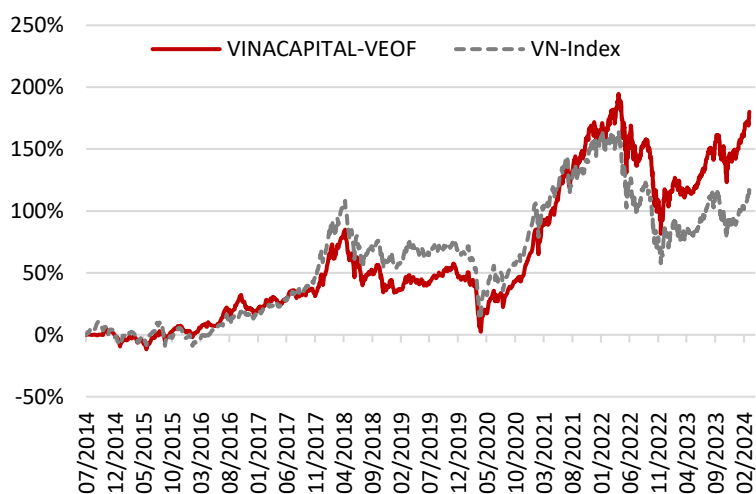


VINACAPITAL-VEOF Investment approach

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)	784.5	
NAV/Share (VND)	28,010.2	
Feb 2024 return (%)	7.5	7.6
YTD 2024 return (%)	11.9	10.9
3-year annualized return (%)	13.9	2.3
Annualized return since inception (%)	11.2	8.3
Cumulative return since inception (%)	180.1	116.7

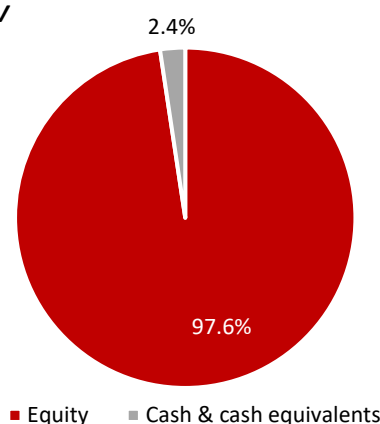
(The NAV is net of management fee and administrative expenses)

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Investment allocation

% Total NAV



Fund information

Inception	1/7/2014
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

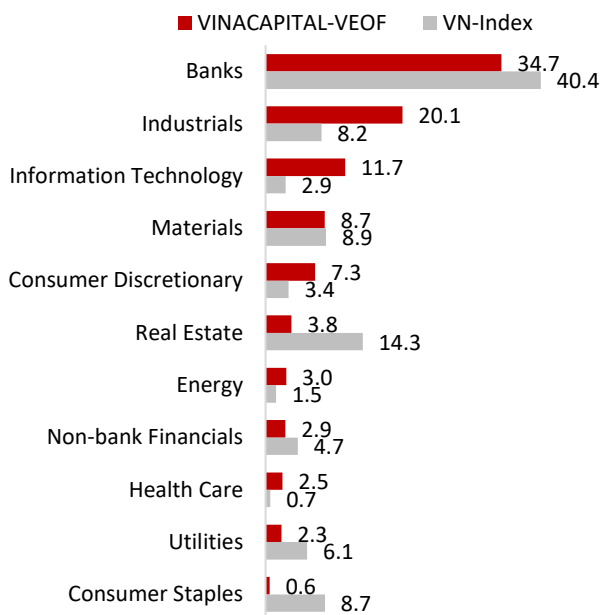
Portfolio statistics

	VINACAPITAL-VEOF	VN-Index
2024 P/E (x)	10.8	11.4
2024 P/B (x)	2.3	1.7
2024 ROE (%)	17.8	14.5
Dividend yield (%)	2.4	2.7
Portfolio turnover (%)	50.3	-
Sharpe ratio	0.4	0.2
No. of equities	30	417

Source: Bloomberg, VinaCapital's forecast

Sector allocation

% Total NAV



Top holdings

Equity	Sector	% NAV
FPT	Information Technology	11.7
VCB	Banks	8.5
MBB	Banks	8.1
ACB	Banks	6.9
BID	Banks	4.6
STB	Banks	4.1
NTC	Industrials	3.7
PNJ	Consumer Discretionary	3.7
MWG	Consumer Discretionary	3.6
CTR	Industrials	3.4

Comments from fund manager

STOCK MARKET UPDATE

Vietnam’s stock market maintained its positive momentum in February 2024. The VN-Index increased by 7.6% during the month, bringing the growth rate for the first two months of the year to 10.9%.

In February, the sectors that outperformed included Materials (up 14.5% led by GVR, HPG, DGC), Information Technology (up 12.3% led by FPT), and Financials (up 9.0% with many banking and securities stocks outperforming the VN-Index).

On February 28, 2024, the Prime Minister chaired a conference regarding the stock market’s direction and development goals for the year ahead. The Prime Minister set the goal of upgrading the Vietnamese stock market from the frontier to emerging market status by 2025, assigning specific tasks to the Ministry of Finance, the State Securities Commission, the State Bank, and the Ministry of Planning and Investment to urgently address the obstacles within their jurisdictions to meet the upgrading criteria. This conference was closely monitored and positively viewed by stock market investors.

Macroeconomic indicators for the first two months of the year were encouraging and clearly reflected the economy’s recovery. The manufacturing index increased by 5.9% in 2M2024 (compared to a 3.1% decrease in 2M2023). Both exports and imports showed impressive growth, with 2M2024 exports up 19.2% and imports up 18% YoY. Exports to the United States alone increased by 34% in 2M2024, compared to a 21% decrease in 2M2023. The Purchasing Managers’ Index (PMI) reached 50.4 in February, continuing to stay above 50, indicating continued growth prospects for industrial production. Foreign direct investment (FDI) was a bright spot, with registered FDI increasing by 38.6% and disbursed FDI increasing by 9.8% in the first two months of the year. One area of some concern, however, were exchange rate fluctuations, with the USD/VND exchange rate increasing by 1.6% in the first two months of the year due to the interest rate gap between the US dollar and the Vietnamese dong remaining high.

FUND UPDATE AND INVESTMENT OUTLOOK

The net asset value per share of VINACAPITAL-VEOF increased by 7.5% in February 2024. In the first two months of the year, VINACAPITAL-VEOF rose by 11.9%, compared to the 10.9% increase of the VN-Index.

Among the top 10 largest stocks in VINACAPITAL-VEOF’s portfolio, six out of ten outperformed the market in February 2024, including FPT, CTR, and the four banks VCB, MBB, ACB, and BID.

Banking stocks continued to lead the market in February thanks to attractive valuations compared to both the market and the historical mean of the sector. Banks are expected to have overcome the toughest phase of bad debt situations. With economic recovery, declining interest rates, and a more active real estate market, bank borrowers (both corporate and individual customers) will be in better financial conditions, helping to gradually reduce the non-performing loan ratio over time. FPT is expected to continue achieving a profit growth rate of around 20% in 2024. The foreign IT services sector will be the main growth driver, supported by global investment trends in digital transformation and artificial intelligence (AI). In the education business, FPT is boosting programs to train engineers in semiconductor technology and AI.

CTR, with growth drivers in the telecommunications infrastructure construction and base transceiver station (BTS), will benefit from the nationwide rollout of 5G networks. The Ministry of Information and Communications has announced plans to auction three frequency blocks for 5G telecommunications networks, set to take place in the first quarter of 2024. To meet the demand for 5G BTS, CTR plans to build around 4,000 new BTS towers per year in 2024 and 2025. At the end of 2023, the company had 6,436 BTS towers.

By the end of February 2024, the VN-Index was trading at a P/E ratio of 11.4x for 2024, according to Bloomberg’s statistics. We expect listed companies to achieve average profit growth of around 17% in 2024. The stock market’s valuation remains reasonable for long-term investment, although in the short term, market momentum may be affected by ongoing exchange rate volatility and the Federal Reserve’s decision to maintain high interest rates longer than expected.

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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%
2024	4.1%	7.5%											11.9%

Important information

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