

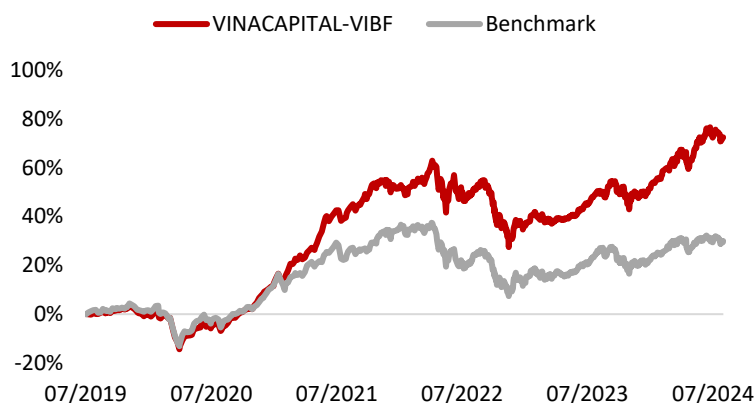
VINACAPITAL-VIBF Investment approach

The Fund has a goal of providing investors with exposure to potential equity appreciation while also investing in fixed income to reduce overall portfolio volatility. The Fund has a standard allocation of 50%/50%.

The Fund focuses on investing into companies with strong fundamentals, large market shares, good corporate governance, healthy financial status and reasonable valuations compared to their potential upside.

The Fund will also take positions in bills, bonds, certificate of deposits, and other fixed-income products issued by creditworthy companies with sustainable profitability and high capital adequacy.

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-VIBF	BM
Total AUM (VND billion)	568.9	
NAV/Share	17,244.2	
Jul 2024 return (%)	0.0	0.4
YTD 2024 return (%)	13.8	6.7
3-year annualized return (% p.a.)	6.8	2.1
5-year annualized return (% p.a.)	11.5	5.0
Annualized return since inception (% p.a.)	11.3	5.3
Cumulative return since inception (%)	72.4	29.9

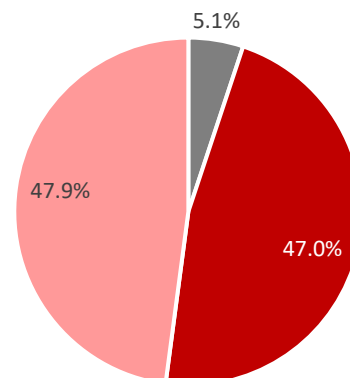
(The NAV is net of management fee and administrative expenses)

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Investment allocation

% Total NAV



■ Cash ■ CD & Bonds & Deposits ■ Equity

Fund information

Inception	02 Jul 2019
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. (Vietnam)
Auditor	PwC Vietnam
Trading frequency	Daily, from Monday to Friday
Benchmark (BM)	Average of VN-Index and 12-month VND denominated deposit rate by Vietcombank.

Equity portfolio statistics

	VINACAPITAL-VIBF	BM
2024 P/E (x)	9.7	11.8
2024 P/B (x)	2.3	1.6
2024 ROE (%)	17.9	13.5
Dividend yield (%)	3.0	2.7
No. of equities	19	403

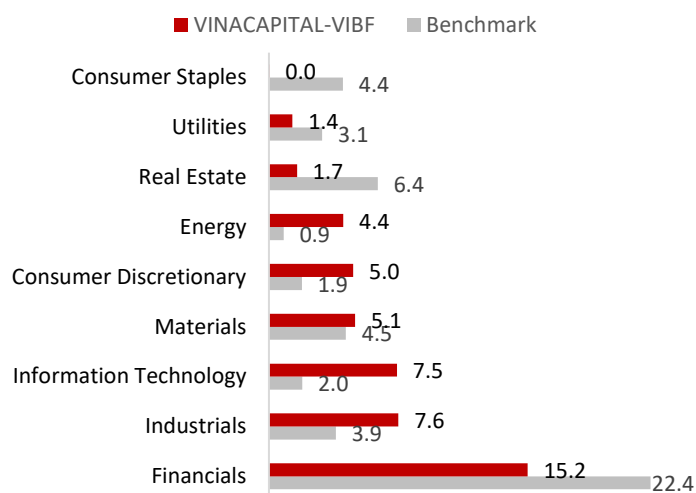
Fixed-income portfolio statistics

Macaulay Duration (years)	0.9
Yield-To-Maturity (%)	5.6

Source: Bloomberg, VinaCapital's forecast

Equity sector allocation

% Total NAV



Comments from fund manager (Cont.)

A positive highlight of the stock market last month was the Q2/2024 business results of listed companies, which confirmed the economy's recovery trend. Aggregate Q2 net profit of listed companies on the combined three bourses advanced by 21% YoY. The three sectors recording the strongest Q2 profit growth included Materials (+76% YoY, mainly from steel and fertilizer companies), Consumer Discretionary (+73% YoY, mainly from retail companies), and Industrials (+47% YoY, mainly from aviation companies). A common characteristic of these sectors is their growth from the low profit base of Q2/2023. The Banking sector also achieved 20% YoY profit growth in Q2. On the other hand, the Real Estate sector recorded a Q2 profit decrease of 18% YoY.

July's macroeconomic data continued to show positive growth. The July production index of the processing and manufacturing industry increased by 13.3% YoY, bringing the 7M24 growth to 9.5%. The Purchasing Managers' Index (PMI) remained above 50, reaching 54.7 in July, with production output and new orders continuing to grow strongly. Exchange rate pressure eased thanks to expectations that the US Federal Reserve (Fed) will cut interest rates soon. The USD/VND exchange rate decreased by 0.8% in July to 25,250 VND/USD.

At the beginning of August, the Vietnamese stock market experienced significant volatility, with the VN Index at times falling below 1,200 due to developments in international financial markets. US, Japanese, and European stock indices all fell sharply as the Bank of Japan (BOJ) unexpectedly raised interest rates, causing carry trade investors to sell assets to close their positions. At the same time, the US July job report disappointed with weaker-than-expected data. Among the recent developments in the international financial market, some events are short-term and one-time occurrences, while other factors may be more difficult to predict. Nevertheless, when examining the fundamentals of Vietnam's economy and the business situation of domestic enterprises, we can see clear positive changes. The slowdown in US economic growth should also prompt the Fed to cut interest rates soon.

FUND UPDATE

After a strong outperformance in June, VINACAPITAL-VIBF's NAV per share remained flat in July, compared to a 0.4% increase of the benchmark. Year-to-date, the fund has increased by 13.8%, significantly outperforming the benchmark, which rose by only 6.7%. The portfolio's aggregate net profit recorded an impressive increase of 31.7% in Q2/2024, outperforming the overall market, which saw a 21% rise. This solid growth is reflected in the corporate earnings of the fund's holdings, with notable contributions from companies such as MWG (profit surged 67 times YoY), HPG (+132% YoY), TCB (+39% YoY), VLB (+75% YoY).

Our banking holdings reported profit before tax growth ranging from 13% to 39%, driven by the recovery in net interest margin (NIM), higher credit growth, and managed non-performing loan (NPL) ratios. The sector's valuation remains attractive at 5-6x 2024E P/E and 1.1x 2024E P/B. Notable gains in July included MBB (+10%) and ACB (+3.2%).

PVP recorded a 10.9% increase, driven by a 17% increase in Q2 net profit, thanks to contribution from a new ship last year. Recently, PVP paid a cash dividend of VND800/share (yield 4.6%) and an 8% stock bonus, as well as opened its foreign room from 0% to 49%. PVP has benefited from the geopolitical tensions between Israel and Iran, with shipping rates remaining high over the last two years. The valuation remains undervalued at a 7.7x 2024E P/E and 0.9x P/B.

With the VN-Index hovering around 1,200 points, the P/E ratio of the Vietnamese stock market stands at approximately 11x for 2024. This presents a very reasonable valuation for long-term investments. Market volatility often brings about excellent investment opportunities, allowing us to acquire shares in promising, long-term growth companies at more attractive prices.

Top holdings

	Ticker	Sector	Weighted (%)
Equity	FPT	Information Technology	7.5
	MBB	Financials	7.1
	ACB	Financials	3.9
	HPG	Materials	3.3
	MWG	Consumer Discretionary	2.7
Bond	TN1122016	Real Estate	10.8
	KDH12202	Real Estate	6.5
	BAF122029	Consumer Staples	3.7

Comments from fund manager

BOND MARKET

In the corporate bond market, total issuance was VND 38 trillion, a 17% drop compared to the same period last year. The banking sector was dominant with 89% of the total issuance. The sector had an average yield of 6.1% and an average maturity of 6.0 years. The real estate sector accounted for about 10% of the total issuance, featuring an average yield of 7.3% and an average maturity of 2.7 years. Within this sector, Hai Dang Real Estate issued VND 2.85 trillion at a coupon rate of 9.8% and a tenor of 1.5 years. Additionally, Da Nang IT Park Company raised VND 500 billion with a 0% coupon rate and a tenor of 2.5 years. The remaining VND 412 billion was issued by Hung Thinh Phat with a coupon rate of 12.0% and a tenor of 4.0 years.

STOCK MARKET UPDATE

In July 2024, the VN Index increased by 0.5% to 1,251.5, bringing its year-to-date (YTD) return to 10.8%. Market liquidity in July fell to a six-month low, with average daily trading value reaching VND 19.4 trillion, down 27% MoM. Foreign investors continued to net sell VND 8.3 trillion across the combined three bourses, bringing the 7M24 net sell value to VND 60.9 trillion. (to be cont. in next column)

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	-0.1%	1.9%	3.1%	-2.8%	-1.6%	-1.7%	-0.8%	3.9%	-5.9%	-5.5%	-1.5%	0.5%	-10.5%
2023	4.0%	-2.8%	0.6%	0.5%	1.0%	2.9%	3.8%	1.3%	-1.0%	-5.3%	3.7%	2.2%	11.2%
2024	2.6%	4.3%	3.3%	-2.6%	4.8%	0.9%	0.0%						13.8%

Important information

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