



VIETCOMBANK FUND MANAGEMENT

# VCBF'S OPEN-ENDED FUNDS QUARTERLY REPORT

4Q - 2024

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## 1. ECONOMIC REVIEW

		Q4-2024	Q3-2024	Q2-2024	Q1-2024	Q4-2023	Q3-2023	Q2-2023	Q1-2023	Q4-2022
Quarter GDP growth	yoy	7.6%	7.4%	7.3%	6.0%	6.7%	5.5%	4.3%	3.4%	5.9%
YTD GDP growth	yoy	7.1%	6.8%	6.4%	6.0%	5.1%	4.2%	3.7%	3.3%	8.1%

		Dec 2024	Nov 2024	Oct 2024			Dec 2024	Nov 2024	Oct 2024
CPI	{ mom	0.3%	0.1%	0.3%	VN Index (HSX)	{ ytd	12.1%	10.7%	11.9%
	{ yoy	2.9%	2.8%	2.9%		{ yoy	12.1%	14.3%	23.0%
Money Supply (M2)	ytd	9.4%	n.a.	n.a.	HNX Index	{ ytd	-1.6%	-2.8%	-2.0%
Credit growth	ytd	15.1%	11.9%	10.1%		{ yoy	-1.6%	-0.7%	9.8%
Real retail sales growth	yoy	5.9%	5.8%	4.6%	Foreign Net Purchases (\$ m)	ytd	\$ (3,472)	\$ (3,378)	\$ (2,917)
Industrial Prod Index	{ mom	0.8%	2.3%	4.0%	Registered New FDI (\$ m)	ytd	\$ 33,688	\$ 27,319	\$ 23,579
	{ yoy	8.8%	8.0%	7.1%	Change ytd registered FDI	yoy	17.5%	12.3%	9.6%
Manufacturing Index	{ mom	0.8%	3.2%	3.6%	Disbursed FDI (\$ m)	ytd	\$ 25,350	\$ 21,680	\$ 19,580
	{ yoy	10.2%	10.0%	8.6%	Change ytd disbursed FDI	yoy	9.4%	7.1%	8.8%
Exports (\$ m)	ytd	\$ 405,532	\$ 370,003	\$ 336,201	Imports (\$ m)	ytd	\$ 380,764	\$ 345,759	\$ 312,955
Change ytd exports	yoy	14.3%	14.4%	14.9%	Change ytd imports	yoy	16.7%	16.4%	16.8%
Trade Balance (\$ m)	ytd	\$ 24,768	\$ 24,244	\$ 23,246	Bank US\$ selling rate	VND	25,551	25,463	25,450
Change ytd trade bal	yoy	-13.2%	-8.1%	-5.7%	Change bank US\$ selling rate	yoy	4.6%	4.2%	2.9%
PMI	mth	49.8	50.8	51.2	VND 12-mth deposit rate p.a.		4.6%	4.6%	4.6%

Sources: GSO, SBV, VCB, Customs, S&P Global + press  denotes improvement  deterioration or unchanged

### 4Q GDP growth remains strong and 7.0% growth target for 2024 attained

GDP growth met expectations and, continuing the trajectory from the previous quarters, achieved 7.6% yoy growth in the 4Q and thus 7.1% yoy growth for the year as a whole, comparable to the growth rates seen before the Covid pandemic in 2018 and 2019. All sectors recorded good growth. The Industrial & Construction sector grew by 8.2% yoy and was driven by Manufacturing & Processing which grew by 9.8% yoy, up from 6.0% in the previous three years but still below the double-digit pre-Covid annual growth rates. Mining & Extraction contracted by 7.2% yoy, while Construction grew by 7.9% yoy. The Services sector grew by 7.4%, also up from 6.0% in the previous three years, and level with the pre-Covid growth rates, while the Agriculture, Forestry & Fisheries sector grew by a robust 3.3% yoy, a tick under the previous three-year average but above the pre-Covid period.

### Exports drive Manufacturing sector; PMI dips under 50 points in December

Much of the growth of the Manufacturing sector is due to exports, which grew by 14.3% yoy, over 8.4% on average in the previous three years. The main exports, electronics and telephones, which account for 31.2% of total exports, grew by 26.6% and 2.9% respectively, whereas machinery (12.9% of the total) grew by 21.0%, and garments, and shoes (9.1% and 5.6% of the total) grew by 11.2% and 13.0% respectively. The manufacturing indices also bear out the same results, with growth of 9.6% for the whole year, comfortably above the average growth rate of 5.2% in the previous three years. Growth rates have, however, tailed off over the last two quarters from 11.6% yoy in the 2Q to 9.6% in the 4Q. The PMI also dipped back into contractionary mode at 49.8 points in December. After recovering from 47.3 points due to the typhoons in September, new orders and export orders slowed in

December. The outlook is uncertain, but manufacturers have reportedly remained cautiously optimistic.

### **Retail sales buoyant; tourism almost back at pre-pandemic level**

Retail sales of goods and services grew by 9.0% yoy in nominal and by 5.9% in real terms, down from 9.4% and 6.8% respectively in 2023, which generally had strong growth recovering from the impact of the Covid pandemic. The recovery of tourism boosted 2024 retail sales and services. Hospitality services (accommodation, catering and travel services) grew by 13.1% yoy, although they also dipped 0.4% qoq in the 4Q. A total of 17.6m inbound tourists arrived in 2024, growing by 39.5% yoy and 26.0% qoq, which is just 2.3% short of the pre-pandemic total of 18.0m arrivals in 2019. Koreans maintained their pole position, accounting for 26.0% of total arrivals, ahead of China (21.3%) and Taiwan (7.3%).

### **Solid merchandise trade surplus; record FDI disbursements**

The trade deficit in services however widened by 39.8% to US\$12.3bn despite the 33.1% increase of inbound tourist revenues as outbound tourism increased more strongly (60.6%) giving a tourist services' deficit in addition to the conventional and larger deficit in transport services. Overall, the capital account however was supported by the large merchandise trade surplus of US\$24.8bn but also by the disbursement of VND25.4bn for FDI projects, up 9.4% yoy and the highest on record. This matched a record US\$33.7bn in approved FDI projects, the highest level since 2008, in which many large real estate projects were approved. In contrast, manufacturing projects accounted for 81.4% and 73.3% of the 2024 disbursements and approvals respectively.

### **Exchange rate slides as USD strengthens; Government budget ends year in surplus**

The appreciation of 2.9% qoq of the exchange rate in the 3Q was reversed in the 4Q and the VND | USD rate fell by 3.7% qoq bringing depreciation to 5.0% yoy. The strong capital account however enabled the SBV to offset the much stronger USD: the DXY, the USD trade-weighted indicator, appreciated by 7.6% qoq in the 4Q and 7.1% yoy. The SBV was also successful in managing domestic monetary conditions. The inflation rate reached 3.6% yoy and remained under the 4.0% threshold, while banks accelerated credit disbursements in the 4Q so that the annual credit growth of 15.1% yoy by end of December 2024 is in reach of the 15% target with the conventional, end-of-year spike in credit growth.

The Government's budget position strengthened as revenues benefited from the growth of the economy and grew 19.8% yoy to exceed the plan. Expenditures lagged behind plan and grew by 5.7% so that the budget surplus rose almost tenfold to over VND206.7bn. Notable is that despite the Government's pressure to expend the budget to add additional stimulus, public investment disbursement remained under plan and fell by 6.8% yoy to VND540.5bn. However, public disbursement has another month to complete 2024's budget so budget deficit is still expected for the entire 2024 as planned.

## 2. STOCK MARKET

### **VN-Index ends 4Q with modest 1.6% decline, achieves 12.1% total return for 2024**

The quarter opened on a cautious note in October, as the VN-Index approached the psychologically significant 1,300-point threshold, triggering widespread profit-taking among investors. This was further exacerbated by substantial foreign investor outflows, weighing heavily on market sentiment. The bearish trend persisted into November, with the index edging closer to the critical 1,200-point support level. Despite favorable macroeconomic indicators, including Vietnam's robust GDP growth, impressive earnings recovery among listed companies, strong performance in U.S. stock markets, and a rate cut by the Federal Reserve, the VN-Index remained under pressure from persistent foreign selling and weak local investor sentiment. In late November, the market began to show resilience, with the VN-Index rebounding 3.8% from its lows. This recovery was driven by renewed investor confidence at the 1,200-point support level and a reversal in foreign investor activity, marked by a shift to net buying starting November 22nd. December started sluggishly, with the index declining by 0.9% during the first three trading sessions. However, a sharp rally on December 5th, fueled by strong buying momentum, brought a brief surge of optimism. Following this rally, the VN-Index only traded within a narrow range of 1,250 to 1,280 points for the remainder of the month, closing the quarter at 1,266.8 points, marking a 1.6% decline quarter-on-quarter. Several factors constrained the market's upside potential during the quarter, including the absence of significant market-moving news, the Federal Reserve's signaling of fewer rate cuts in 2025, and the State Bank of Vietnam's resumption of USD sales to stabilize the exchange rate. These headwinds, coupled with lingering foreign investor skepticism, tempered the VN-Index's recovery and capped gains for the quarter.

Despite this, the VN-Index still gained 12.1% in local currency terms and outperformed several regional markets in 2024, including the Philippines' PCOMP (+1.2%), Thailand's SET (-1.1%) and Indonesia's JCI (-2.7%). However, it lagged behind Malaysia's FBMEMAS (+16.3%) and China's SHCOMP (+12.7%).

### **Market liquidity contracts for second consecutive quarter. Foreign outflows intensified in the 4Q, total \$3.7bn YTD**

The combined average daily trading value (ADTV) for HSX, HNX, and UPCoM in Q4 2024 amounted to US\$655.7 million, marking declines of 11.7% both quarter-over-quarter and year-over-year. The subdued liquidity during the quarter stemmed from a combination of factors. The market's largely sideways movement offered limited opportunities for short-term trading, dampening retail investor enthusiasm. Meanwhile, persistent foreign investor outflows weighed heavily on market sentiment, further discouraging active participation. For the full year of 2024, however, ADTV showed a 13.4% year-over-year increase, reaching US\$830.0 million. This reflects the strong trading activity seen in the first half of the year, despite the later slowdown in the second half.

Net foreign outflows accelerated in Q4 2024, with foreign investors offloading a net total of US\$1.0 billion, attributed to a slower-than-anticipated trajectory for FED rate cuts and the

strengthening USD. Cumulatively, foreign investors withdrew US\$3.7 billion from Vietnam's market in 2024, a significant rise compared to the US\$944.0 million recorded in 2023. Thailand's SET and Philippines' PCOMP also recorded foreign net outflows of US\$3.8bn and US\$305mn, respectively, while Indonesia's JCI recorded net inflows of US\$1.5bn.

### **Small-cap stocks lead in 4Q, VN30 dominates full-year 2024 returns**

In terms of performance by market capitalization, small-cap stocks outperformed in Q4 2024, with the VN30 Index posting a gain of 1.8%. In contrast, the VN70 Index, which tracks large-cap stocks, and the VN30 Index, representing mid-cap stocks, recorded declines of 0.6% and 2.2%, respectively, as they faced significant selling pressure from foreign investors.

For the full year 2024, the VN30 Index delivered a strong return of 18.9%, significantly outperforming the VN70 and VN30, which recorded gains of 9.9% and 5.8%, respectively. This marks a shift from the previous year, where the VN70 Index led the market with an impressive 32.2% gain, followed by the VN30 Index at 28.9%, driven largely by retail investor participation, while the VN30 posted a more modest increase of 12.6%.

### **Few sectors managed to gain in a muted quarter, yet positive returns are seen across almost all sectors in 2024**

Amid the subdued market conditions in Q4 2024, only 4 out of 11 GICS sectors recorded positive returns. The Information Technology sector emerged as the top performer, posting a decent gain of 12.5%. This performance was primarily driven by FPT Corp (HSX: FPT, +14.2%), which sustained double-digit earnings growth throughout the year. FPT's gains were further supported by the launch of two AI factories in Japan and Vietnam in November, highlighting the company's continued innovation and expansion in advanced technology.

The Industrials sector (+4.5%) also performed relatively well in the quarter, driven by Vietnam Airlines JSC (HSX: HVN, +36.1%) and Viettel Post JSC (HSX: VTP, +74.2%). HVN's rally was supported by the company's return to profitability after four years of losses and a series of government support measures, including capital raising approval and debt relief, aimed at sustaining its operations. VTP's rally was driven by high market expectations following the launch of its first logistics park near Huu Nghi Border gate, which is anticipated to enhance its value chain and cement its position in China – Vietnam cross-border logistics. On the other hand, the Energy sector (-12.9%) was the quarter's weakest performer, weighed down by declining oil prices.

For 2024, all but one GICS sector ended the year in positive territory and seven sectors outpaced the VN-index return, with the Real Estate (-5.6%) being the sole exception. Vingroup JSC (HSX: VIC, -9.1%), Vinhomes JSC (HSX: VHM, -7.4%) and Vincom Retails JSC (HSX: VRE, -26.4%) in the Real Estate were under great selling pressures among concerns over their supports to VinFast.

Leading the pack was the Information Technology sector, surging 75.5%, driven by the exceptional performance of FPT Corp (HSX: FPT), whose stock price soared by 85.0%. FPT, having demonstrated its resilience and showcased a compelling case for sustainable long-



term growth, stands out as one of the few local listed companies operating in advanced technology businesses on a global scale. This has made it a favored choice for both domestic and foreign investors. The Consumer Discretionary sector (+31.6%) also delivered notable gains, driven by earnings recovery from last year's low base, supported by improved economic conditions and consumer confidence. The Financials sector (+20.4%) also performed well, as the improved economic outlook, along with a recovering real estate market suggests stronger credit demand, better net interest margins (NIM), and a reduction in non-performing loan (NPL) pressures heading into year-end and 2025.

### 3. BOND MARKET

#### 3.1 Government Bond Market

##### **Demands weakened month by month**

VND58.7 trillion G-Bonds were issued in 4Q 2024, 22% higher than what was issued in 4Q 2023, but just half the issuance volume recorded in 3Q 2024. The issuance volume reduced month by month and only VND7.3 trillion was issued in December 2024. For the entire 2024, State Treasury successfully issued VND330.4 trillion G-Bonds, completing 82.6% annual issuance plan. Tightening liquidity of the banking system in the final quarter of the year, accompanied by surging concerns on currency devaluation and thus increasing yields on the secondary market led to low subscription volume, which was around VND110.9 trillion, only half the volume recorded in 3Q. December recorded historical low subscription with just VND20.2 trillion, 67.0% lower than 11M 2024 monthly average. Subscription/Offer of 4Q dropped to 0.8x from 1.3x recorded in 3Q and that of December was just 0.6x.

In terms of tenors, different from the previous quarters, demands for 15YR GBonds diminished with subscription volume dropping to VND12.3 trillion compared to quarterly average of VND46.5 trillion over the first 9M 2024. Subscription/Offer of this tenor dropped to 0.6x, which is a historical low. Requirements for higher yields by commercial banks for long tenors, concerns on rising interest rates due to currency pressures negatively affected demands. As a result, 10YR GBonds dominated the primary market, accounting for 65.2% total subscription and 72.5% total issuance.

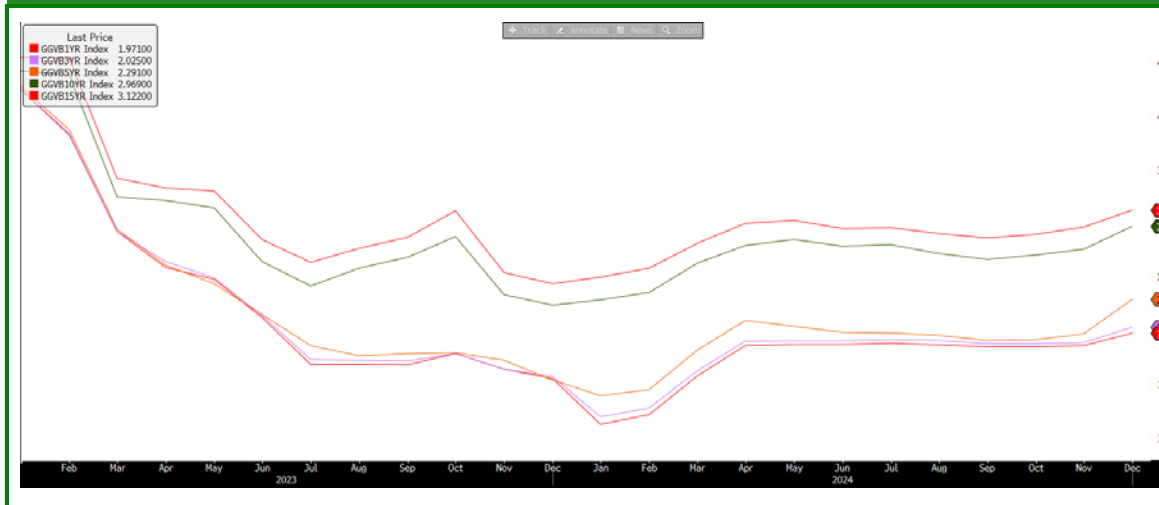
### Government Bond Issuance in 4Q 2024 (VND Billion)

Tenor	Issue Plan	Issue Amount	Actual Issue/Plan	Actual Issue/Offer	Subscription /Offer	Subscription /Issue
5-year	10,000	10,120	101.2%	42.2%	0.8x	1.9x
7-year	5,000	0	0.0%	0.0%	-	-
10-year	53,000	42,567	80.3%	56.0%	1.0x	1.7x
15-year	48,000	750	1.6%	3.8%	0.6x	16.4x
20-year	6,000	0	0.0%	0.0%	0.1x	-
30-year	6,000	5,276	87.9%	44.0%	0.6x	1.3x
<b>Total</b>	<b>128,000</b>	<b>58,713</b>	<b>45.9%</b>	<b>44.0%</b>	<b>0.8x</b>	<b>1.9x</b>

### Yields of all tenors gradually increased throughout the quarter

During the quarter, on both primary and secondary markets, yields of all tenors rose, but as usual increasing pace was much higher on the secondary market, widening the gap in yields between the two markets. 5YR GBonds recorded the highest increase in yields, 39bps on the secondary and 16bps on the primary, followed by 10YR GBonds with an increase of 31bps and 11bps respectively. The yields of 15YR Gbonds also surged by 26bps on the secondary market, but there was no successful bid on the primary one since mid-November till year end. Super long Gbond 30YR also recorded 12bps rise on both markets. Thus, by the end of the year, yield gaps widened to 20-25bps for 5-10YR tenors and around 5bps for 30YR tenors.

### Government Bond Yields 1-15 years



On the global market, although FED has continued cutting rates in November (0.25%) and December (0.25%) meetings, USD has continuously regained its strength since the market expects slower rate cuts in 2025 on the ground of solid economic expansion and persistently elevated inflation. DXY ended 2024 at 108.5, translating to 7.6% appreciation in 4Q and 7.1% in 2024. VND was under great pressure during the quarter and SBV had to sell spot USD to commercial banks. VND depreciated by 3.7% against USD in the final quarter of



the year. Compared to end of 2023, the depreciation was 5.0%. Credit disbursement has also accelerated, growing by 15.1% by year end compared to 9% by the end of September. All such factors had contributed to rising yields throughout the fourth quarter.

Looking forward to 1Q 2025, it is expected that yields would continue to rise till Lunar New Year under tight liquidity and going concerns on currency depreciation. Effects might abate towards the quarter end. However, compared to 2024, demands for funds are expected to be much higher due to potential growth in investments in both private and public sectors. From the private side, economics growth momentum, improved regulatory environment, reformed administration and strong wills of the Government to sustain low interest environment are expected to boost private investments. From the public side, the National Assembly has approved public investment budget of VND790.7 trillion for 2025, an increase of 16.7% compared to the budget for 2024. Additionally, pressures on VND would continue to sustain in 2025 due to strong USD and high USD interest rates. As a result, yields are expected to go higher in 2025.

### **Secondary market very active throughout the quarter**

In the fourth quarter, the average daily transaction volume on the secondary market was around VND9.0 trillion, 31.7% higher than that of 3Q 2024. The market became very active in November and December with average daily trading volume rising to VND9.0 trillion and VND11.0 trillion respectively from VND7.2 trillion in October. Foreign investors net sold in October, but net bought in the final two months of the year. On an accumulated basis, they net bought VND40 billion (US\$1.6 million) in 4Q and VND1.2 trillion (US\$44.7 million) for the entire 2024.

### **3.2 Corporate Bond Market**

In 4Q 2024, the corporate bond market recorded private placement volume of VND138.7 trillion face value, 7.7% lower than the volume recorded in 3Q 2024 and 1.7% lower than that recorded in the same quarter last year. Year to date, total issuance volume reached VND436.1 trillion, 36.7% higher than that 2023. Banks continued to be dominant issuers, accounting for 53.7% and 68.0% of total issuance volume in 4Q and entire 2024 respectively. On the public offering market, VND6.3 trillion face value was issued by four banks and two corporates. YTD, VND35.8 trillion corporate bonds have been raised through public offerings, 68.2% of which belongs to banks.

Yields inched up a bit in the final month of the year with banks' 2-3YR tenors offering first year coupon rates mostly within the range of 5.3%-5.8% compared to 5.0%-5.7% recorded in the previous quarter. Tier 2 bonds with 7-8YR tenors continue to offer coupon rates within the range of 5.78% and 7.47%, within lower end by Tier 1 banks and higher end of Tier 3 banks. First year coupon rates offered by issuers in the real estate and other sectors were within the range of 9.0%-12.0%. Compared to end of 2023, yields of 2-3YR banks bonds increased by around 50bps while those of junior 7-8YR bank bonds and bonds in other sectors remained relatively flat.

## Corporate Bond Private Placement (VND Billion)

	1Q 2024		2Q 2024		3Q 2024		4Q 2024		2024	
	VND Billion	%	VND Billion	%	VND Billion	%	VND Billion	%	VND Billion	%
Bank	1,050	6.9%	98,663	74.8%	122,307	81.4%	74,529	53.7%	296,548	68.0%
Real Estate	8,750	57.9%	14,185	10.7%	19,995	13.3%	33,055	23.8%	75,985	17.4%
Securities	500	3.3%	2,722	2.1%	2,059	1.4%	1,300	0.9%	6,581	1.5%
Financial Service	1,000	6.6%	3,400	2.6%	150	0.1%	7,530	5.4%	12,080	2.8%
Energy	-	0.0%	-	0.0%	1,800	1.2%	-	0.0%	1,800	0.4%
Others	3,810	25.2%	13,017	9.9%	3,966	2.6%	22,323	16.1%	43,116	9.9%
<b>Total</b>	<b>15,110</b>	<b>100.0%</b>	<b>131,986</b>	<b>100.0%</b>	<b>150,276</b>	<b>100.0%</b>	<b>138,737</b>	<b>100.0%</b>	<b>436,109</b>	<b>100.0%</b>

On HNX exchange for private placement bonds, VND348.4 trillion transaction value was recorded in 4Q 2024 and VND1,084.2 trillion for the entire year. Corporate bonds by commercial banks (ACB, LPB, TPB) and real estate developers (Viet Duc, Golden Hill, Vinam Land, Hung Think Group) were issuers with the highest transaction volume.

## 4. FUND PERFORMANCE

### 4.1. Fund Summary

NAV (As of 31 December 2024)

FUND	INCEPTION DATE	STRATEGIC ALLOCATION		NUMBER OF UNITS ( million units)			TOTAL NAV (VND'bn)		
		Equity (%)	Fixed Income (%)	Inception	Last quarter	This quarter	Inception	Last quarter	This quarter
VCBF-FIF	9/8/2019	0	100	5.7	22.6	26.7	56.6	322.5	386.1
VCBF-TBF	24/12/2013	50+/-25	50+/-25	6.0	10.7	11.5	60.4	347.3	381.2
VCBF-BCF	22/8/2014	100	0	5.9	18.2	19.6	59.2	639.2	702.4
VCBF-MGF	2/12/2021	100	0	15.3	42.9	45.8	153.0	546.7	613.5
<b>Total</b>				<b>32.9</b>	<b>94.4</b>	<b>103.6</b>	<b>329.2</b>	<b>1,855.8</b>	<b>2,083.2</b>

### Investment Objectives and Risk/Return Profile

FUND	INVESTMENT OBJECTIVES	RISK/RETURN PROFILE
<b>VCBF Fixed Income Fund (VCBF-FIF)</b>	Capital Protection + Income	Low
<b>VCBF Tactical Balanced Fund(VCBF-TBF)</b>	Total Return (Capital Appreciation + Dividend + Interest Income)	Medium to High
<b>VCBF Blue Chip Fund (VCBF-BCF)</b>	Total Return (Capital Appreciation + Dividend)	Medium to High
<b>VCBF Mid-Cap Growth Fund (VCBF-MGF)</b>	Total Return (Capital Appreciation + Dividend)	High

### Investment Strategy and Benchmark

FUND	INVESTMENT STRATEGY AND BENCHMARK
<b>VCBF-FIF</b>	<p><b>Investment Strategy:</b> The fund will invest up to 100.0% of its assets in fixed income assets, which mainly consist of Government bonds of Vietnam, municipal bonds, Government guaranteed bonds and corporate bonds. The fund will not buy shares but may exercise the right to convert bonds into shares or exercise the right to buy shares if this right is attached to bond holdings. In any case, the value of shares held by the fund will not exceed 20.0% of the Fund's Net Asset Value.</p> <p><b>Benchmark:</b> The fund's benchmark return is 10-year government bond yield</p>
<b>VCBF-TBF</b>	<p><b>Investment Strategy:</b></p> <ul style="list-style-type: none"> <li>VCBF-TBF has a balanced allocation of 50% of its total assets in equity securities and 50% in high credit quality fixed income</li> </ul>

securities. The asset allocation may vary tactically from the balanced allocation by  $\pm 25.0\%$  subject to VCBF's investment team's assessment of risk and return in these asset classes and the availability of investment opportunities.

- The high credit quality fixed income securities include bank deposits, Vietnam Government bonds and municipal bonds or bonds guaranteed by the Government or listed corporate bonds. Listed corporate bonds are considered only if the bonds meet certain safety requirements.
- With regard to equity, the fund will primarily invest in a diversified portfolio of stocks listed on the Ho Chi Minh Stock Exchange (HSX), Hanoi Stock Exchange (HNX) and the Unlisted Public Company Market (UPCoM) which have large or medium market capitalization and are liquid. The fund follows a bottom-up approach to stock-picking by valuing fundamentals of the companies and chooses companies across various sectors.

**Benchmark:** The fund's benchmark return is the average of the change in VN-Index and 10-year government bond yield

#### VCBF-BCF

##### **Investment Strategy:**

- VCBF Blue Chip Fund (VCBF-BCF) will primarily invest in a diversified portfolio of stocks listed on the HSX, HNX and UPCoM which have a large market capitalization and are liquid. Stocks with large market capitalization are considered as those with market capitalization larger than the smallest stock, by market capitalization, of the VN30 index of the HSX.
- The fund follows a blend of value and growth style of investing. In seeking sustainable growth characteristics, VCBF evaluates the long-term market opportunity and competitive structure of an industry to target leaders and emerging leaders. In assessing value, the Manager considers whether security prices fully reflect the balance of sustainable growth opportunities relative to business and financial risks.
- The fund will follow a bottom-up approach to selecting stocks for investment, focusing on the individual attributes of a company, and choosing companies across sectors. In evaluating sector weighting in the Fund's investment portfolio, the investment manager considers, but may deviate from the relative weightings of sectors in the benchmark index.

**Benchmark:** The fund's benchmark return is the change in VN100 Index

#### VCBF-MGF

##### **Investment Strategy:**

- VCBF Mid-cap Growth Fund (VCBF-MGF) will invest up to 100% of its assets primarily in stocks listed on the HSX, HNX and UPCoM. The Fund will invest a majority of its assets in stocks that have medium-sized market capitalizations and of companies with strong growth

outlook. Stocks with medium-sized market capitalizations are considered as those with market capitalizations within the range of market capitalizations of companies in the VNMidcap (VN70) Index.

- The fund primarily follows the growth style of investing. In seeking sustainable growth characteristics, VCBF evaluates the long-term market opportunity and competitive structure of an industry to target leaders and emerging leaders.
- The fund will follow a bottom-up approach to selecting stocks for investment, focusing on the individual attributes of a company, and choosing companies across sectors. In evaluating sector weighting in the Fund's investment portfolio, the investment manager considers, but may deviate from the relative weightings of sectors in the benchmark index.

**Benchmark:** The fund's benchmark return is the change in VNMidcap (VN70) Index

### Portfolio Managers

Ms. Duong Kim Anh

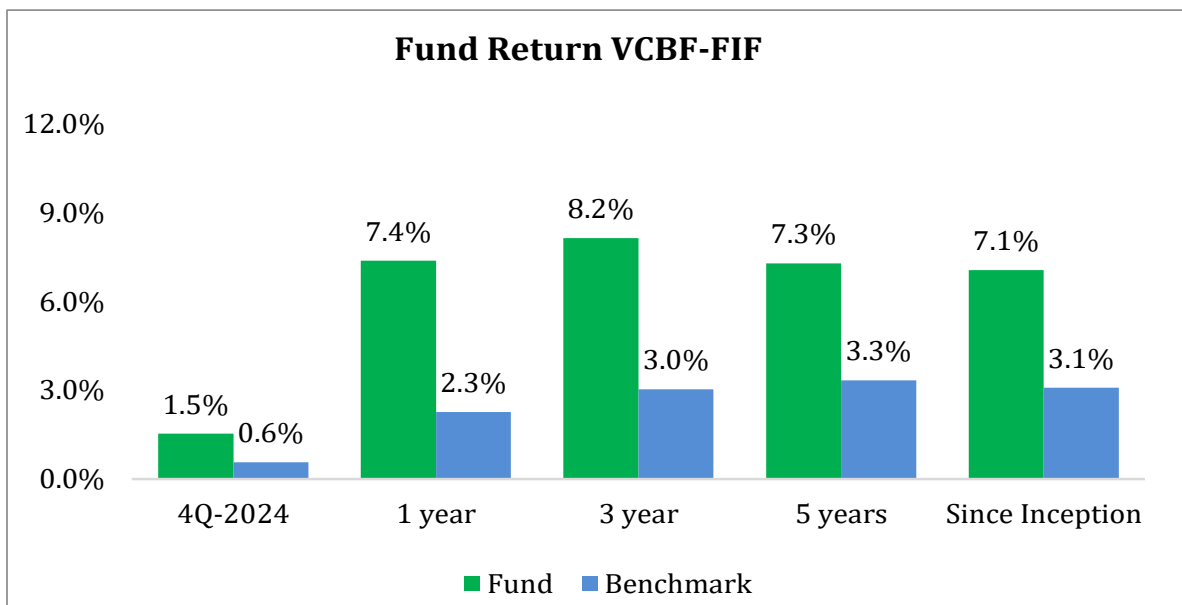
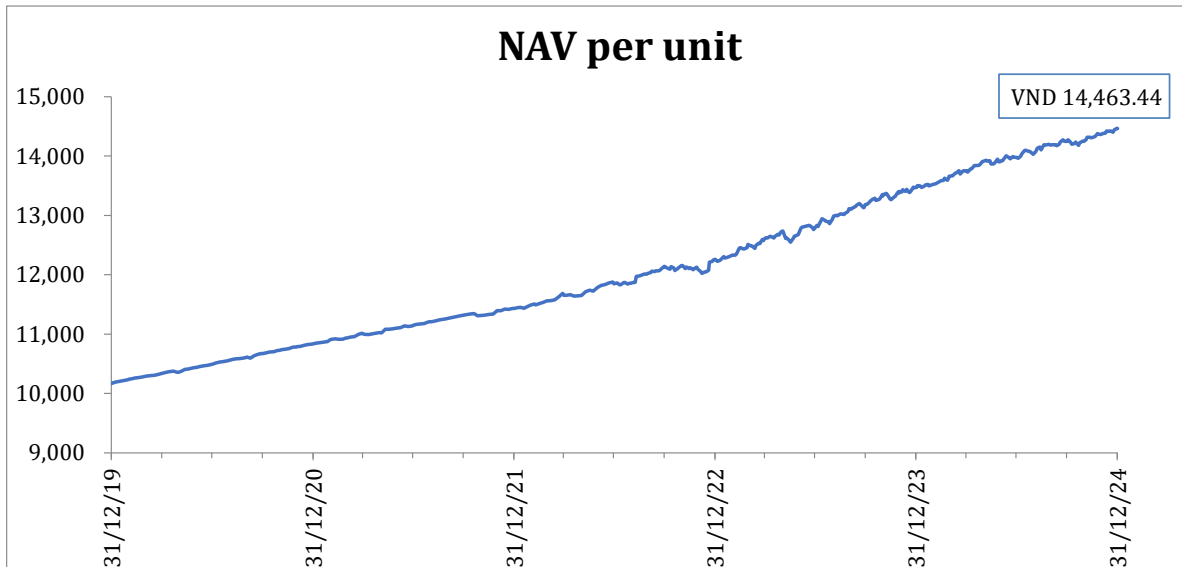
Mr. Nguyen Trieu Vinh, CFA

Mr. Nguyen Duy Anh, CFA

Mr. Pham Le Duy Nhan

## 4.2. VCBF Fixed Income Fund (VCBF-FIF)

### Performance Summary



**Notes:**

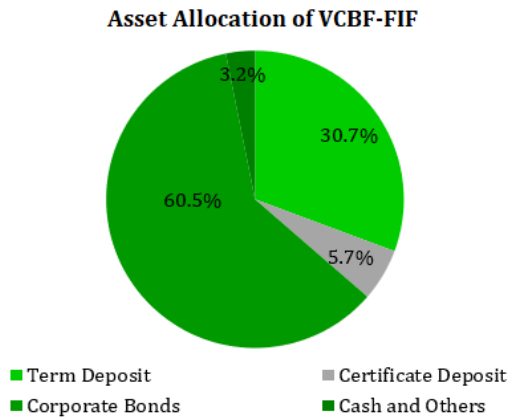
- Return is annually compounded and net of all fees. Return is calculated by VCBF based on NAV provided by the fund administrator, Standard Chartered Bank (Vietnam) Ltd, and has not been verified by any other third parties. Historical returns do not imply or guarantee future performance.
- Benchmark Return = 10-year Government Bond Yield

In 4Q 2024, VCBF-FIF's delivered a return of 1.5%, outperforming its benchmark's return by 0.9%. For the entire 2024, the Fund recorded a net return of 7.4%, 5.1% higher than its benchmark return. The outperformance is mainly attributed to high allocation of the Fund's NAV to corporate bonds, which generated higher yields. However, the supply of qualified



listed corporate bonds has continued to be very limited which has rendered it impossible to immediately disburse the continuous net inflows and further increased the allocation of the Fund’s assets to high yield assets. As at end of 2024, corporate bonds accounted for 60% of the Fund’s NAV vs 75% as at end of 3Q 2024 and this has, to some extent, negatively affected the Fund’s performance in both 4Q and thus the entire 2024.

**Asset Allocation**

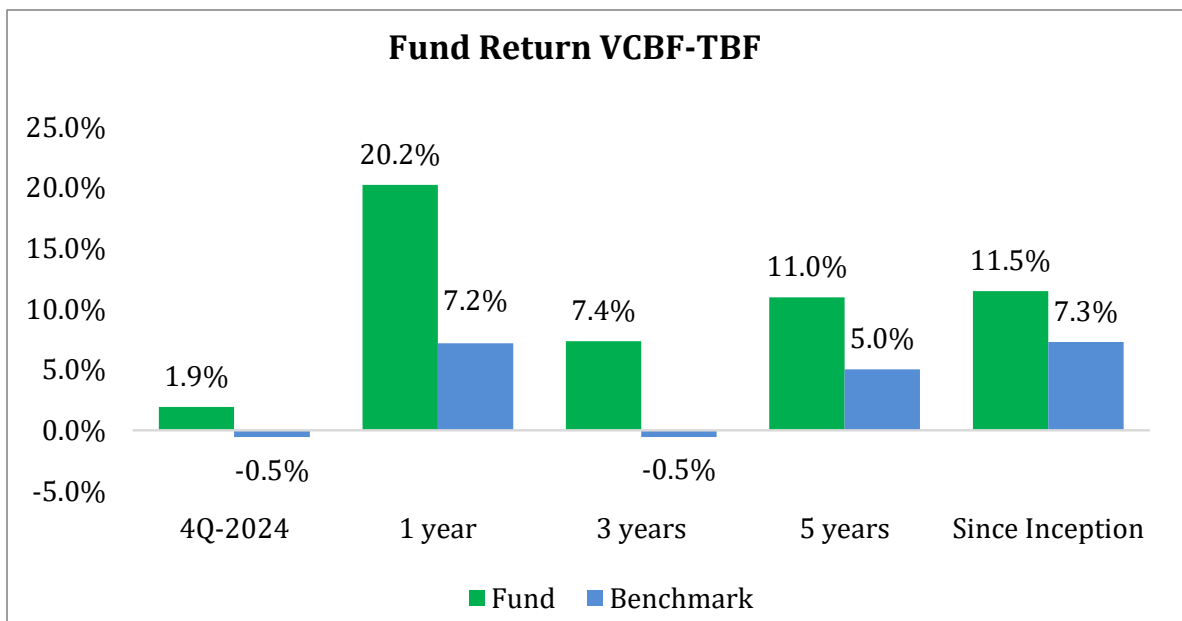
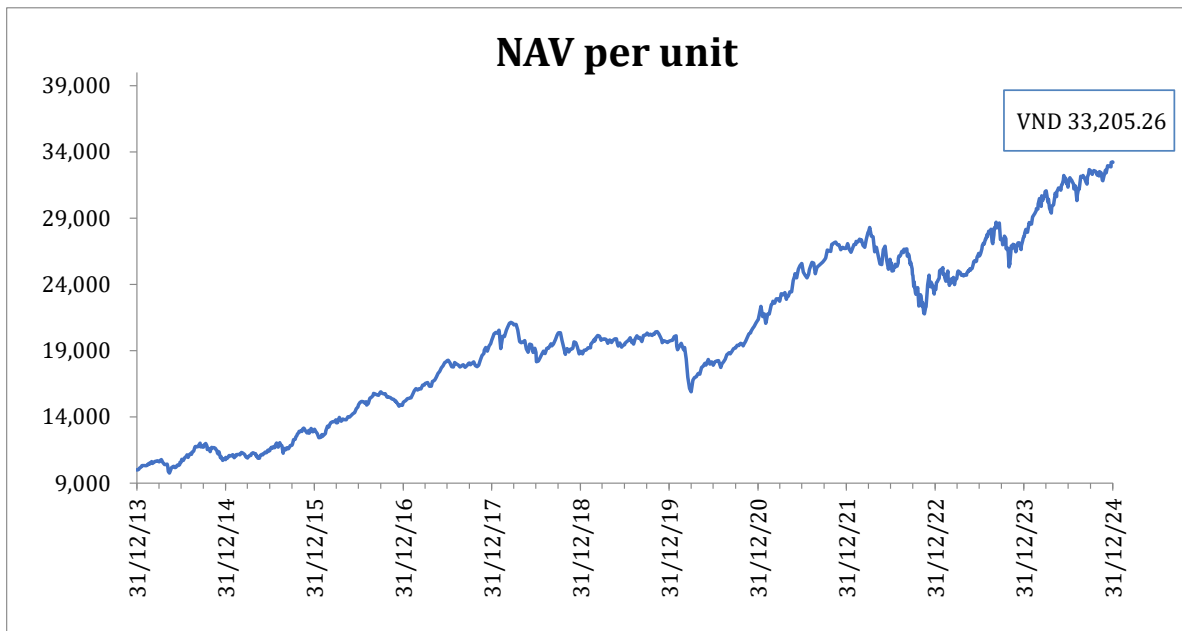


Top Holdings	% NAV
Bond of COTECCONS Construction JSC (CTD122015)	15.5%
Bond of Vinhomes JSC (VHM121025)	11.3%
Bond of Masan Group Corp. (MSN123008)	9.9%
Bond of Masan Meatlife Corporation (MML121021)	8.3%
Bonds of Investment and Industrial Development Corporation (BCM2427003)	8.3%
Bond of TNG Investment And Trading JSC (TNG122017)	7.1%

Data as of 31 December 2024

### 4.3. VCBF Tactical Balanced Fund (VCBF-TBF)

#### Performance Summary



**Notes:**

- Return is annually compounded and net of all fees. Return is calculated by VCBF based on NAV provided by the fund administrator, Standard Chartered Bank (Vietnam) Ltd, and has not been verified by any other third parties. Historical returns do not imply or guarantee future performance.
- Benchmark Return = 50% × 10-year Government Bond Yield + 50% × VNIndex Change

In 4Q 2024, VCBF-TBF generated a return of 1.9%, which outperformed the benchmark’s negative return of -0.5%. In 12M 2024, the Fund delivered a strong return of 20.2%,

outperforming the benchmark's return by 13.0%. The fund outperformed its benchmark in both 4Q and 12M 2024 as it overweighted equity and the fund's equity portfolio generated better return than its respective benchmark, the VNIndex, as analyzed further below. Since inception, the fund has outperformed its benchmark by 4.2% per annum.

### Attribution analysis

Attribution Summary VCBF-TBF: 4Q 2024					
Total return (%)			Sector allocation (%)	Stock selection (%)	Total attribution (%)
Portfolio	Benchmark	+/-			
3.0	-1.2	4.2	1.6	2.6	4.2
Key stock selection	% average weight			% total return	
	Portfolio	Benchmark	+/-	Portfolio	Benchmark
HSX: VTP	2.2	0.3	2.0	71.0	0.0
HSX: STB	7.4	1.2	6.1	10.6	10.6
HSX: BVH	2.9	0.7	2.2	21.1	21.1
HSX: BWE	4.2	0.2	4.0	4.6	4.6
Key sector allocation	% average weight			% total return	
	Portfolio	Benchmark	+/-	Portfolio	Benchmark
Information Technology	11.8	4.4	7.4	14.2	12.5
Not classified group	4.6	0.0	4.6	11.1	0.0

Attribution Summary VCBF-TBF: 12M 2024					
Total return (%)			Sector allocation (%)	Stock selection (%)	Total attribution (%)
Portfolio	Benchmark	+/-			
30.4	14.3	16.0	7.6	8.4	16.0
Key stock selection	% average weight			% total return	
	Portfolio	Benchmark	+/-	Portfolio	Benchmark
HSX: VTP	4.1	0.2	4.0	140.8	140.8
HSX: MBB	8.0	2.5	5.6	37.5	37.5
HSX: STB	7.4	1.1	6.2	32.0	32.0
HSX: BWE	3.5	0.2	3.3	31.4	31.4
Key sector allocation	% average weight			% total return	
	Portfolio	Benchmark	+/-	Portfolio	Benchmark
Information Technology	11.2	3.8	7.3	85.0	75.5
Consumer Discretionary	10.4	3.6	6.8	36.2	31.6
Not classified group	4.8	0.0	4.8	44.4	0.0

The attribution analysis of VCBF-TBF's equity portfolio is run against the total return of the VNI. In 4Q 2024, the fund's equity portfolio recorded a return of 3.0%, outperforming the total loss of -1.2% of the VNIndex. The alpha was contributed by both stock selection and sector allocation. Specifically, the alpha from stock selection was mainly by the fund's overweighting outperforming stocks including Viettel Post JSC (HSX: VTP, +71%) in the Industrial sector, Saigon Thuong Tin Commercial JSB (HSX: STB, +10.6%) and Bao Viet Holdings (HSX: BVH, +21.1%) in the Financial sector and Binh Duong Water Environment Corporation (HSX: BWE, +4.6%) in the Utility sector. In terms of sector allocation, the alpha was attributed mostly to overweighting the Information Technology sector, or more specifically FPT Corporation (HSX: FPT, +14.2%) and the Not classified group and in more detail the stock of Airports Corporation of Vietnam (UPCoM: ACV, +21.3%).

For the whole year of 2024, the fund's equity portfolio recorded an impressive return of 30.4%, much better than the total return of 14.3% of the VN-Index. The alpha was contributed by both stock selection and sector allocation. Specifically, the alpha from stock selection is mainly attributed to the fund's overweighting stocks that had strong performances VTP (+140.8%) in the Industrial sector, STB (+32%) and stock of Military Commercial JSB (HSX: MBB, +37.5%) in the Finance sector and BWE (+31.4%) in the Utility sector. As regards sector allocation, the positive alpha is attributed mainly to the fund's overweighting two outperforming sectors - the Information Technology and the Consumer Discretionary sector, or more specifically in the largest stocks in the two sectors, FPT (+85.4%) and stock of Mobile World Investment Corporation (HSX: MWG, +43.9%) and also the Not classified group and in more detail ACV (+90.8%).

In terms of absolute return, top contributors to return of the fund's equity portfolio in the 4Q include VTP, FPT, STB, BVH, ACV. In 12M 2024, top contributors to return of the fund's equity portfolio include FPT, VTP, MWG, MBB, STB.

VTP's share price recorded an impressive 71% gain in 4Q 2024 to lift total return in 2024 to 140.8%. The spectacular share price performance could be attributed to the company's solid business results and new business developments. In 9M 2024, VTP recorded a 26.5% YoY increase in postal revenue, outperforming the overall growth rate of the postal industry in the same period of 18.6% YoY. This indicates VTP's ability to increase market share during this period, which is driven by its focus on improving service quality and shortened delivery time. As regards new business developments, in 4Q 2024, VTP inaugurated a logistics park in Lang Son Province. The logistics park will provide one-stop logistics services and promote cross-border trade between Vietnam and China, capitalizing on the existing heavy vehicle traffic crossing border gates in Lang Son. The company also plans to open similar parks in other provinces, bolstering market confidence towards the company's long-term outlook. As at 10 January 2025, VTP's stock was trading at a 2025 forward P/E ratio of 48x.

FPT's share price rallied by 14.2% in 4Q 2024 and 85.4% in 12M 2024 thanks to the company's strong financial performance and promising long-term growth outlook. In 11M 2024, FPT reported VND56,404 bn in revenue (+19.5% YoY) and VND10,239bn in pre-tax profit (+19.8% YoY), completing 91.2% and 94.2% of its revenue and earnings guidance for the fiscal year 2024. The Technology segment recorded an impressive revenue growth of 25% YoY, fueled by increasing IT investment in Japan (+30.2% YoY) and the APAC market (+39.3% YoY). In November, FPT announced its strategic establishment of AI factories in Vietnam and Japan, which will generate a revenue of over USD100 million annually once reaching a 100% utilization rate in phase 1. Additionally, in the same month, FPT also secured a USD225 million contract with a major automotive retailer in the US, indicating a significant growth potential from this market. These initiatives and won deals have reaffirmed FPT's solid position in foreign markets as well as growth trajectory through exposure to high-performing sectors such as AI. Other major businesses, the Telecom and Education continued to deliver steady growths of 10.6% YoY and 14.3% YoY, respectively,

in 11M 2024. As of 10 January 2025, FPT's stock was trading at a 2025 forward P/E ratio of 23.8x.

STB's share price rallied by 10.6% in 4Q 2024 to close 2024 with an impressive return of 32.0%. This growth can be attributable to the bank's encouraging business performance and fast-paced restructuring process. In 9M 2024, STB achieved a total operating income of VND21.3tn (+9.3% YoY) and a PBT of VND8tn (+18.4% YoY). Credit grew by 8.9% YtD, while deposit grew by 11.0% YtD. The bank also announced its preliminary business results for 2024 with a PBT of VND12.7tn, the highest level ever recorded. Regarding the restructuring process, STB has received 60% of installments for sales of loans collateralized by the Phong Phu industrial and residential project in Ho Chi Minh City and expects to receive the remaining amount in 2025. The bank has also submitted the plan to sell a 32.5% equity interest of STB, which was used as collateral for legacy loans, for government approval. Upon completion of these transactions, STB is expected to receive substantial proceeds to finance its core business and record significant non-recurring income from provision reversals. As at 10 January 2025, STB's share was trading at a 2025 forward P/B of 1.0x.

BVH's share price increased by 21.1% in 4Q 2024, which can be attributable to the company's solid business results and to the market expectation that interest rate could increase in 2025 and that fostered positive market sentiment toward the insurance sector. In 3Q 2024, BVH reported a slight increase in gross written premium (+1.1% YoY) but a significant increase in pre-tax profit (+25.6% YoY), driven by a lower loss ratio of 101.4% as compared to 109.1% in 3Q 2023. In 9M 2024, BVH's life insurance segment recorded a premium decrease of -1% YoY but was notably better than the industry's overall decline of -6.4% YoY. This indicates that BVH has managed to increase its market share, as many other life insurance companies continued to struggle since the crisis of the industry in 2023. Additionally, according to the Ministry of Finance, BVH also holds the largest market share for new business premiums in 9M 2024, thanks to its strong distribution network that does not rely on the bancassurance channel. As regards interest rate expectation, the market expects interest rate could increase though not significantly in 2025 on the back of further recovery of credit demand and that would benefit BVH through higher financial income and lower technical reserves. As at 10 January 2025, BVH's stock was trading at a P/B ratio of 1.6x.

ACV's share price continued to rise by 21.3% in 4Q 2024 to close 2024 with an impressive return of 90.8%. The strong share price performance could be attributed to the company's solid performance and upbeat outlook. In 9M 2024, ACV delivered a net revenue of VND16,833bn (+12.3% YoY), and NPAT-MI of VND7,469bn (+24.3% YoY) on the back of strong recovery of the tourism industry. The number of inbound tourists increased by 43.0% YoY in 9M to 12.7 million and by nearly 40% YoY in 12M 2024 to 17.6 million. The outlook remains bright as the industry targets to welcome 22 to 23 million international tourists in 2025. ACV is the sole operator of 19/21 airports in Vietnam thus well-positioned to capitalize on the strong growth of the tourism industry. In terms of new projects, ACV

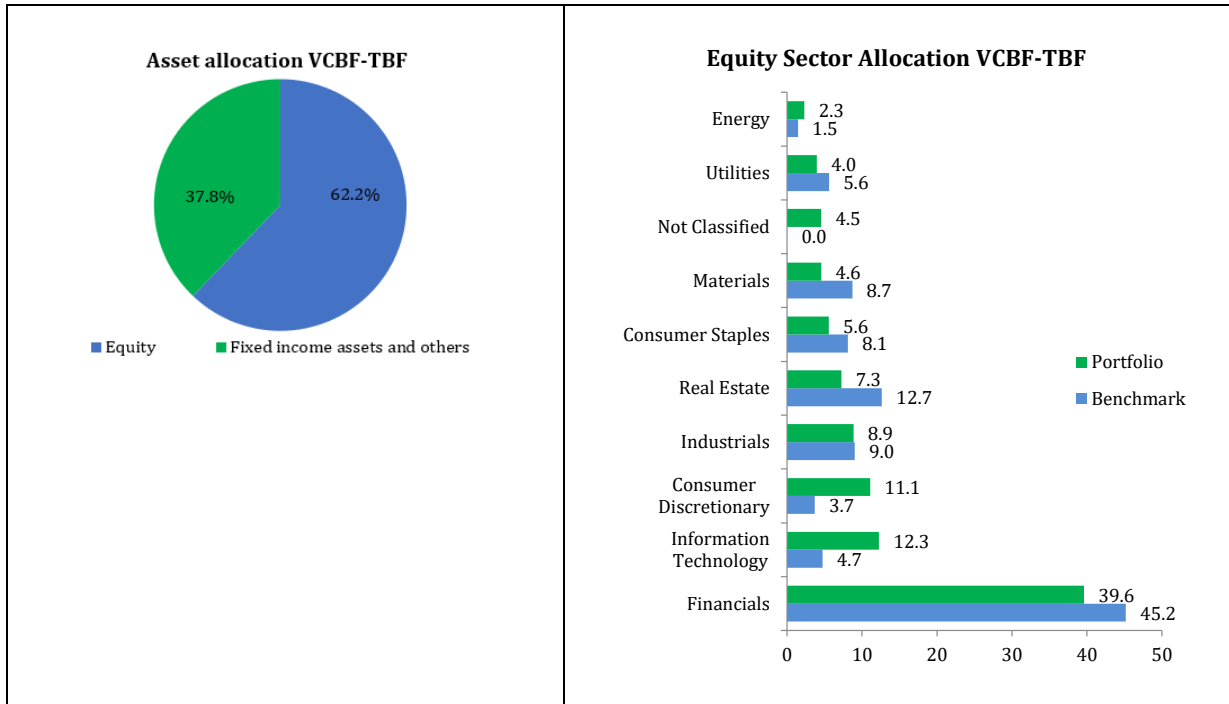
continues to expand its capacity at the Tan Son Nhat and Noi Bai airports and building a new air hub, Long Thanh International Airport, which collectively would increase ACV's serving capacity to 134.6 million passengers per year since 2027 (up about 59% from current capacity). As at 10 January 2025, ACV's share was trading at a 2025 forward P/E of 25.3x.

MWG's share price corrected by 10% in 4Q 2024 but still posted a strong gain of 43.9% in 12M 2024 which can be attributed to the company's strong earnings recovery and bright prospect. In 9M 2024, MWG delivered a net revenue of VND99,767bn (+14.8% YoY) and a NPAT of VND2,881bn (9M 2023: VND77bn) as the consumer electronics and ICT retail businesses (DMX and TGDD chains) continued to recover significantly from the low base last year and the grocery business (BHX chain) was able to generate profit (3Q 2024: VND90bn, 3Q 2023: loss of VND247bn). The recovery of the DMX and TGDD chains is expected to sustain in 2025 on the back of favorable economic conditions. As regards the BHX chain, after achieving high level of monthly revenue per store (3Q 2024: VND2.1bn, 3Q 2023: VND1.7bn), the company has resumed store network expansion, both in the existing markets and new ones including provinces in the central of Vietnam to capture more share in the grocery and FMCG market which is still largely dominated by traditional trade channels. Management team also unveiled the plan to penetrate to the northern provinces of Vietnam in late 2025. That promises a strong growth outlook of the chain in the following years. As at 10 January 2025, MWG's share was trading at a 2025 forward P/E of 15.4x.

MBB's share price posted a strong gain of 37.5% in 2024, which could be attributable to the bank's resilient business performance and bright outlook. In 9M 2024, MBB reported a consolidated PBT of VND20.7tn (+3.5% YoY). While pre-provision operating income increased decently by 10.5% YoY, higher provision expenses of 40.3% YoY constrained the bank's bottom line growth to 3.8% YoY. The bank's preliminary business result for the whole year of 2024 shows considerable improvements in both earnings and asset quality. Specifically, MBB reported a preliminary consolidated PBT of VND28.8tn (+9.5% YoY) and a NPL of parent bank of 1.2% (vs. 1.6% before non-performing loans classified by the Credit Information Centre of Vietnam in 3Q 2024). In 2025, MBB continues to set a high credit growth target of 26% (2024: 24.3%) and that promises a strong growth outlook. As at 10 January 2025, MBB's share was trading at a 2025 forward P/B of 0.9x.



Allocation

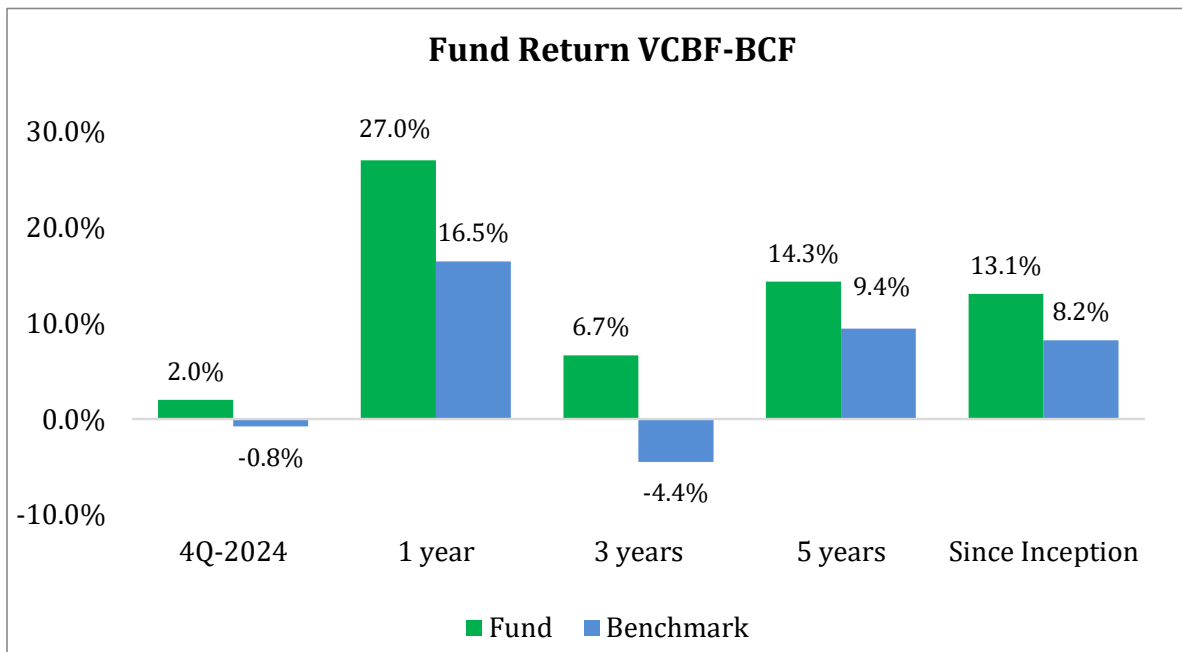
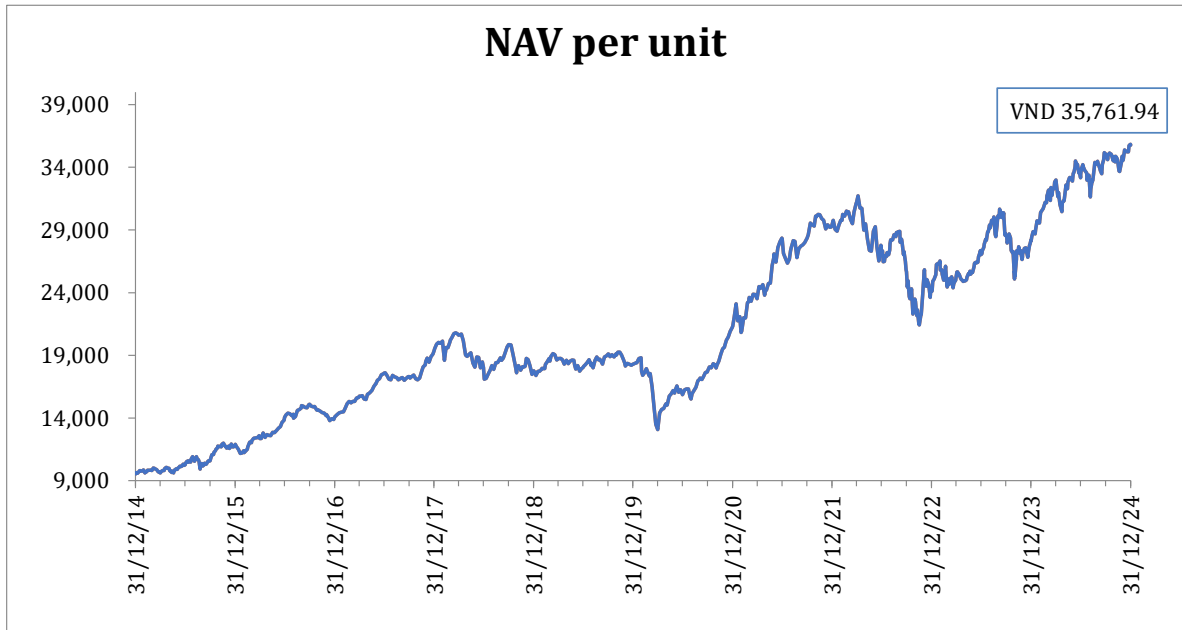


Top 10 Holdings	% NAV	Indicator	Portfolio	Benchmark	+/-
FPT Corp (FPT)	7.6%	Price to Earnings Ratio (P/E)	12.6	13.5	-0.9
Bond of Masan Meatlife Corporation (MML121021)	6.1%	Price to Book Ratio (P/B)	1.8	1.7	0.1
Bond of COTECCONS Construction JSC (CTD122015)	5.2%	Dividend Yield (D/P)	2.0	1.9	0.1
Military Commercial JS Bank (MBB)	5.1%	Price to Cash Flow Ratio (P/CF)	72.8	71.9	0.9
Sai Gon Thuong Tin Commercial JS Bank (STB)	4.7%	EV/EBITDA	18.2	25.7	-7.6
Bonds of Investment and Industrial Development Corporation (BCMH2427003)	4.7%	ROE (LFY)	17.8	15.2	2.6
Mobile World Investment Corp (MWG)	3.9%	Latest Quarterly EPS - 1 Yr Growth	162.1	0.0	0.0
Bond of Masan Group Corp. (MSN123008)	3.2%	Latest FY EPS - 1 Yr Growth	18.8	8.1	10.7
Phu Nhuan Jewelry JSC (PNJ)	3.0%	Total Debt to Common Equity	118.0	138.7	-20.8
Hoa Phat Group JSC (HPG)	2.8%	Current Ratio	1.5	1.3	0.2

Data as of 31 December 2024

### 4.4. VCBF Blue Chip Fund (VCBF-BCF)

#### Performance Summary



**Notes:**

- Return is annually compounded and net of all fees. Return is calculated by VCBF based on NAV provided by the fund administrator, Standard Chartered Bank (Vietnam) Ltd, and has not been verified by any other third parties. Historical returns do not imply or guarantee future performance.
- Benchmark Return = Change in VN100 Index (VN100)

In 4Q 2024, VCBF-BCF delivered a good return of 2.0%, which outperformed the -0.8% decline of the benchmark (VN100). In 12M 2024, the fund delivered a strong return of 27.0% and outperformed the benchmark's gain of 16.5%. Since inception, the fund has outperformed its benchmark by 4.9% per annum.

### Attribution analysis

Attribution Summary VCBF-BCF: 4Q 2024						
Total return (%)			Sector allocation (%)	Stock selection (%)	Total attribution (%)	
Portfolio	Benchmark	+/-				
2.8	-0.4	3.2	0.2	3.0	3.2	
Key stock selection	% average weight			% total return		
	Portfolio	Benchmark	+/-	Portfolio	Benchmark	
HSX: VTP	2.1	0.0	2.1	71.0		0.0
HSX: CTD	2.1	0.2	1.9	9.3		9.3
HSX: STB	9.0	3.2	5.8	10.6		10.6
HSX: BVH	2.2	0.2	2.0	21.1		21.1
HSX: BWE	4.2	0.2	4.0	4.6		4.6

Attribution Summary VCBF-BCF: 12M 2024						
Total return (%)			Sector allocation (%)	Stock selection (%)	Total attribution (%)	
Portfolio	Benchmark	+/-				
28.9	18.9	10.0	2.3	7.8	10.0	
Key stock selection	% average weight			% total return		
	Portfolio	Benchmark	+/-	Portfolio	Benchmark	
HSX: VTP	3.6	0.0	3.6	140.8		0.0
HSX: MBB	8.7	3.6	5.2	37.5		37.5
HSX: STB	8.6	3.0	5.6	32.0		32.0
HSX: BWE	3.6	0.2	3.5	31.4		31.4
HSX: SSB	0.0	1.6	-1.6	0.0		-20.4
HSX: VPB	1.1	4.8	-3.7	4.9		5.5
Key sector allocation	% average weight			% total return		
	Portfolio	Benchmark	+/-	Portfolio	Benchmark	
Consumer Discretionary	11.7	5.7	6.0	28.1		38.0
Information Technology	10.3	8.2	2.1	84.8		79.3
Not classified group	4.9	0.0	4.9	41.5		0.0

Attribution analysis of the equity portfolio of VCBF-BCF is run against the total return of VN100. In 4Q 2024, the fund's equity portfolio posted a return of 2.8% which was better than the -0.2% total loss of the VN100 index. The alpha was chiefly contributed by stock selection effect and mainly by the fund's overweighting outperforming stocks including VTP (+71%) and stock of Coteccons Construction JSC (HSX: CTD, +9.3%) in the Industrial sector, STB (+10.6%) and BVH (+21.1%) in the Financial sector and BWE (+4.6%) in the Utility sector.

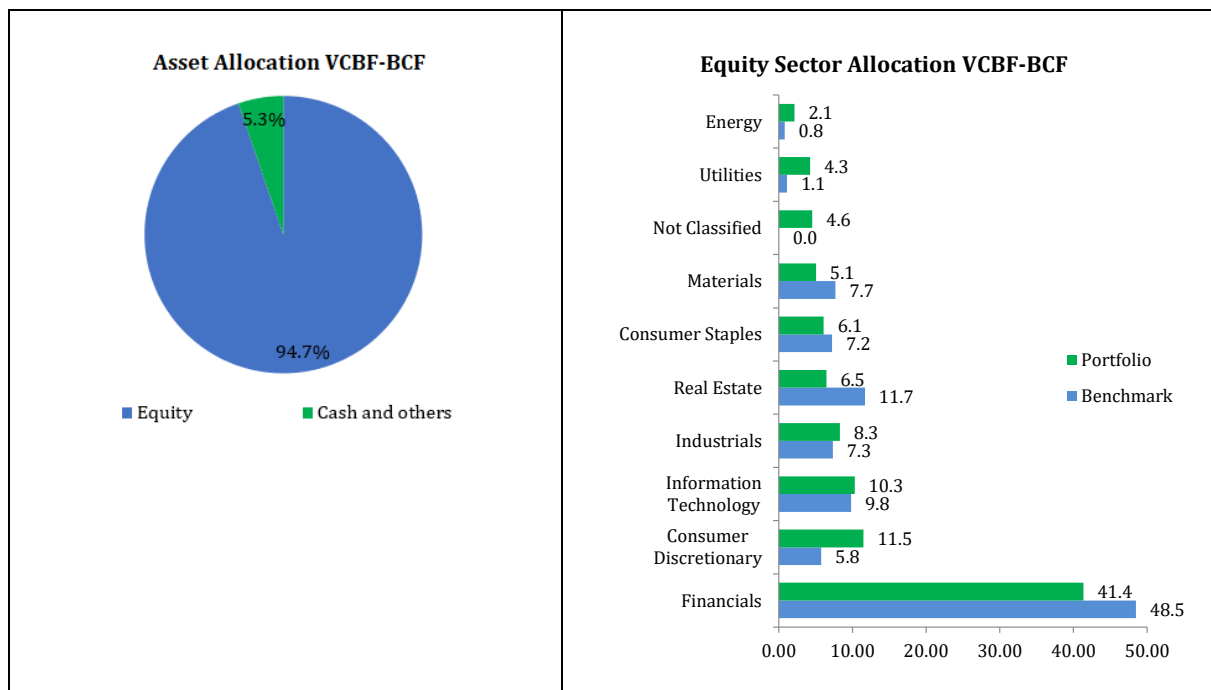
For the whole year of 2024, the fund's equity portfolio achieved an impressive return of 28.9%, significantly higher than the 18.9% total return of the VN100 index. The alpha was largely contributed by stock selection, specifically by the fund's overweighting stocks that performed well in the year including VTP (+140.8%), MBB (+37.5%), STB (+32.0) and BWE (+31.4%). In addition, the fund did not invest in some stocks that underperformed such as

stocks of Southeast Asia Commercial JSB (HSX: SSB, -20.4%) and Vietnam Prosperity Commercial JSB (HSX: VPB, +5.5%) in the Financial sector and that also contributed to the alpha from stock selection. As regards sector allocation, the alpha is mainly attributed to the fund’s overweighting two outperforming sectors - the Consumer Discretionary and the Information Technology sectors, or more specifically in the largest stocks in the two sectors, FPT (+85.4%) and MWG (+43.9%) and also the Not classified group and in more detail ACV (+90.8%).

In terms of absolute return, top contributors to return of the fund’s equity portfolio in the 4Q include VTP, FPT, STB, BVH, ACV. In 12M 2024, top contributors to return of the fund’s equity portfolio include FPT, VTP, MBB, MWG, STB.

Please refer to pages 18 to 20 for updates on the companies.

**Asset Allocation**

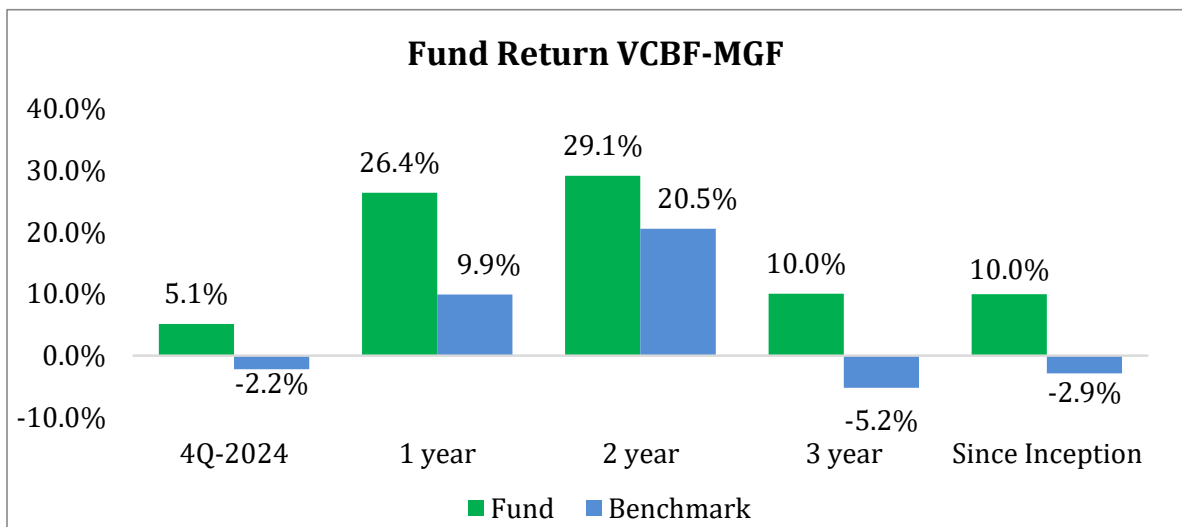
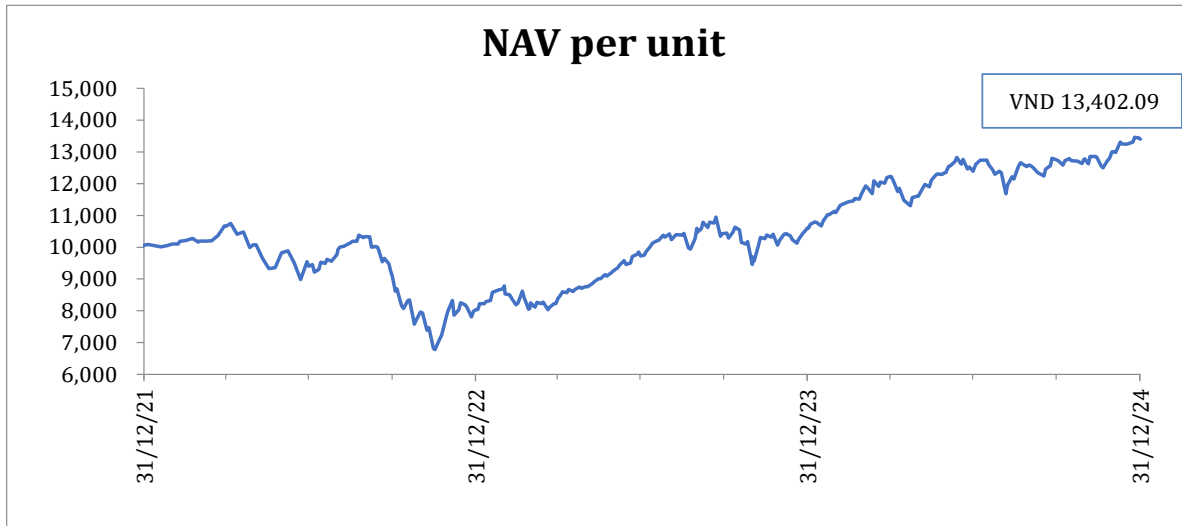


Top 10 Holdings	% NAV	Indicator	Portfolio	Benchmark	+/-
FPT Corp (FPT)	9.8%	Price to Earnings Ratio (P/E)	12.3	12.4	-0.1
Sai Gon Thuong Tin Commercial JS Bank (STB)	8.8%	Price to Book Ratio (P/B)	1.8	1.6	0.2
Military Commercial JS Bank (MBB)	8.0%	Dividend Yield (D/P)	2.0	1.9	0.0
Mobile World Investment Corp (MWG)	5.9%	Price to Cash Flow Ratio (P/CF)	81.9	45.4	36.5
Phu Nhuan Jewelry JSC (PNJ)	5.0%	EV/EBITDA	17.6	27.8	-10.1
Hoa Phat Group JSC (HPG)	4.8%	ROE (LFY)	17.8	16.2	1.7
Vietnam JS Com Bank For Industry & Trade (CTG)	4.2%	Latest Quarterly EPS - 1 Yr Growth	163.9	0.0	0.0
Asia Commercial Bank (ACB)	4.1%	Latest FY EPS - 1 Yr Growth	16.9	12.3	4.6
Binh Duong Water - Environment JSC (BWE)	4.1%	Total Debt to Common Equity	122.0	148.0	-26.0
Vietnam Dairy Products JSC (VNM)	3.3%	Current Ratio	1.5	1.4	0.1

Data as of 31 December 2024

### 4.5. VCBF Mid-cap Growth Fund (VCBF-MGF)

#### Performance Summary



**Notes:**

- Return is annually compounded and net of all fees. Return is calculated by VCBF based on NAV provided by the fund administrator, Standard Chartered Bank (Vietnam) Ltd, and has not been verified by any other third parties. Historical returns do not imply or guarantee future performance.
- Benchmark Return = Change in VNMidcap Index (VN70)

In 4Q 2024, VCBF-MGF delivered a strong return of 5.1% even though the benchmark (VNMidcap Index or VN70 index) declined by 2.2%. In 12M 2024, the fund posted a strong return of 26.4% and outperformed the benchmark's gain by 16.5%. Since inception (02 December 2021), the fund has significantly outperformed its benchmark as it posted a



positive return of 10.0% per annum while the benchmark recorded a negative return of 2.9% per annum.

### Attribution analysis

Attribution Summary VCBF-MGF: 4Q 2024						
Total return (%)			Sector allocation (%)	Stock selection (%)	Total attribution (%)	
Portfolio	Benchmark	+/-				
	6.0	-1.4	7.4	0.8	6.6	7.4
Key stock selection	% average weight			% total return		
	Portfolio	Benchmark	+/-	Portfolio	Benchmark	
HSX: VTP	2.2	0.0	2.2	71.0		0.0
HSX: TLG	2.0	0.4	1.6	34.7		34.7
HSX: CTD	4.2	0.6	3.6	9.3		9.3
HSX: STB	9.2	0.0	9.2	10.6		10.6
HSX: FPT	5.3	0.0	5.3	14.2		0.0

Attribution Summary VCBF-MGF: 12M 2024						
Total return (%)			Sector allocation (%)	Stock selection (%)	Total attribution (%)	
Portfolio	Benchmark	+/-				
	30.0	12.1	17.9	5.1	12.8	17.9
Key stock selection	% average weight			% total return		
	Portfolio	Benchmark	+/-	Portfolio	Benchmark	
HSX: VTP	4.3	0.0	4.3	140.8		0.0
HSX: TLG	1.9	0.3	1.6	47.1		60.0
HSX: FPT	4.8	0.0	4.8	85.0		0.0
HSX: BWE	5.8	0.2	5.7	31.4		31.4
HSX: DIG	0.0	2.1	-2.1	0.0		-29.4
HSX: VND	0.0	3.2	-3.2	0.0		-33.3
Key sector allocation	% average weight			% total return		
	Portfolio	Benchmark	+/-	Portfolio	Benchmark	
Health Care	3.5	0.1	3.4	32.8		84.8
Consumer Discretionary	12.9	7.1	5.9	35.3		29.6
Real Estate	6.8	16.8	-10.0	11.7		-2.3

Attribution analysis of the equity portfolio of VCBF-MGF is run against the total return of VN70. In 4Q 2024, the fund's equity portfolio delivered a positive return of 6.0%, which was better than the benchmark's total loss of -1.4%. The alpha was mostly from stock selection and mainly by the fund's overweighting outperforming stocks including VTP (+71%), CTD (+9,3%) and stock of Thien Long Group JSC (HSX: TLG, +34.7%) in the Industrial sector, STB (+10,6%) in the Financial sector and FPT (+14,2%) in the Information Technology sector.

For the whole year of 2024, the fund's equity portfolio achieved a strong return of 30.0%, much better than the total return 12.1% of the VN70 index. The alpha was contributed by both stock selection and sector allocation. In more detail, the alpha from stock selection is mainly attributed to the fund's overweighting stocks that had strong performances in the year including VTP (+140.8%) and TLG (+47.1%) in the Industrial sector, FPT (+85%) in the Information Technology sector and BWE (+31.4%) in the Utility sector. In addition, the fund did not invest in some stocks but underperformed in the year such as stocks of Development Investment Construction JSC (HSX: DIG, -29.4%) in the Industrial sector and VNDirect Securities Joint Stock Company (HSX: VND, -33.3%) in the Finance sector and that also

contributed to the positive alpha from stock selection. As regards sector allocation, the alpha is attributed mainly due to the fund's overweighting outperforming sectors including the Health Care and Consumer Discretionary sectors and to underweighting the Real Estate sector that declined in 2024.

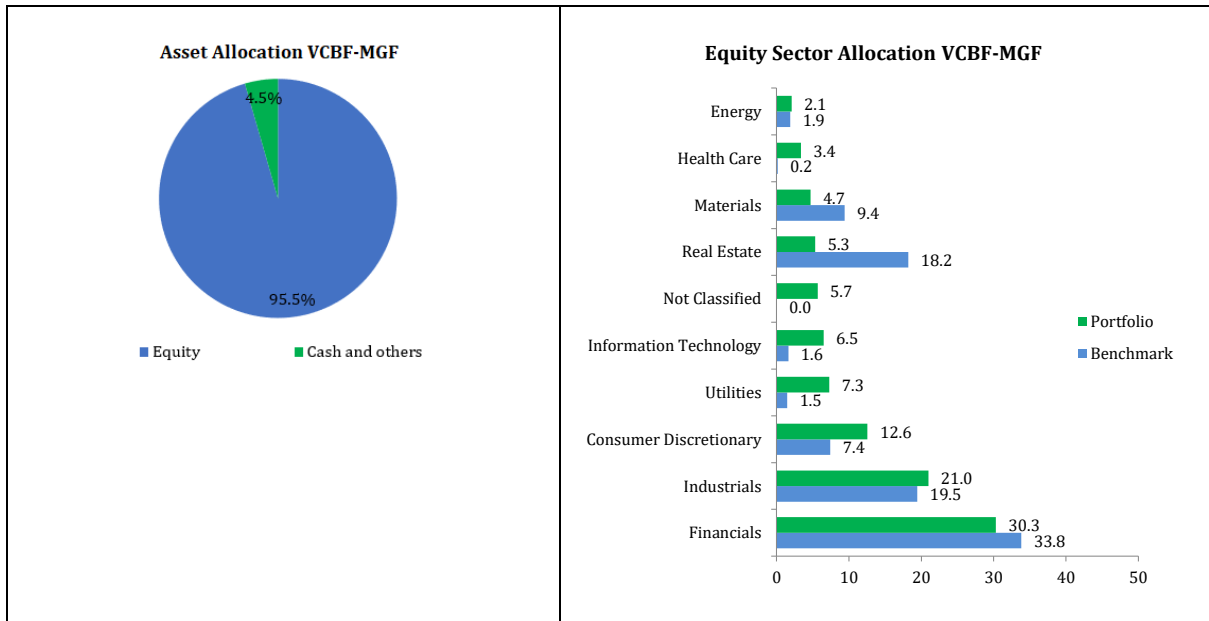
In terms of absolute return, top contributors to return of the fund's equity portfolio in the 4Q include VTP, STB, FPT, TLG and stock of Binh Dinh Pharmaceutical and Medical Equipment JSC (HSX: DBD). In 12M 2024, top contributors to return of the fund's equity portfolio include VTP, FPT, STB, MBB, MWG.

Please refer to pages 18 to 20 for updates on VTP, STB, FPT, MBB and MWG.

TLG's share price surged by 34.7% in 4Q 2024 to close 2024 with a total return of 47.1% which could be attributed to the company's impressive business performance. The company recently announced its preliminary 11M 2024 results with consolidated net revenue of VND3,470bn (+6.1 % YoY) and NPAT-MI of VND448bn (+27.4% YoY), which surpassed the company profit guidance for the whole year of 2024. The stellar business result was driven by encouraging recovery in the domestic market and strong growth in the international markets thanks to TLG's strategic efforts in penetrating new markets including the US. Operating margins also expanded as TLG continued to restructure its sales mix towards high-margin products and manage both input costs and selling and administration expenses more efficiently. As at 10 January 2025, TLG's stock was trading at a forward P/E of 12.7x, attractive for the company's bright prospects.

DBD's stock price increased by 28.0% in 4Q 2024 thanks to the company's resilient business performance and positive growth prospect. In 3Q 2024, DBD posted a net revenue of VND451bn (+4.9%YoY) and a PBT of VND88.4bn (+15.7%YoY). The improvement in business performance resulted from an 100bps increase in blended gross margin, specifically a 120-bps improvement in medicine gross margin. In terms of factory utilization and expansion projects, the new oncology injection line, which just came online last year, has reached a high utilization rate of 90%. In 2025, ETC revenue growth for key products is expected to persist thanks to DBD's solid position in bidding channel. The company is thus investing in an additional line of oncology tablets with WHO-GMP standard to increase production capacity of oncology tablets to 65 million units by 2026. Besides, management plans to complete upgrading this plant to EU-GMP standard in 2026, which would give the company a stronger competitive edge in the ethical drug channel (ETC). In addition, DBD has planned to build a small volume injection plant and a non-beta lactam oral solid dosage plant to expand its product portfolio further. Besides, the partnership with Crearene AG, a medical technology company based in Switzerland, in developing creatine treatment solutions for dialysis patients is showing promising potential. Those projects will enhance the company's competitive position in the ETC segment, which has favorable growth outlook given the wider coverage of health insurance and supportive policy of the government. As at 10 January 2025, DBD's share was trading at 2025 forward P/E of 18.2x.

Asset Allocation



Top 10 Holdings	% NAV
Sai Gon Thuong Tin Commercial JS Bank (STB)	8.9%
FPT Corp (FPT)	5.2%
Military Commercial JS Bank (MBB)	5.1%
Binh Duong Water - Environment JSC (BWE)	5.0%
Phu Nhuan Jewelry JSC (PNJ)	5.0%
Cotec Construction JSC. (CTD)	3.9%
Gemadep Corp (GMD)	3.8%
Ho Chi Minh City Securities Corp (HCM)	3.4%
Binh Dinh Pharmaceutical and Medical Equipment JSC (DBD)	3.2%
Asia Commercial Bank (ACB)	3.0%

Indicator	Portfolio	Benchmark	+/-
Price to Earnings Ratio (P/E)	13.0	17.1	-4.1
Price to Book Ratio (P/B)	1.7	1.5	0.2
Dividend Yield (D/P)	2.5	1.7	0.8
Price to Cash Flow Ratio (P/CF)	0.0	0.0	0.0
EV/EBITDA	16.2	42.8	-26.6
ROE (LFY)	16.1	12.3	3.8
Latest Quarterly EPS - 1 Yr Growth	476.8	0.0	0.0
Latest FY EPS - 1 Yr Growth	24.9	43.3	-18.4
Total Debt to Common Equity	94.7	132.8	-38.2
Current Ratio	1.7	1.9	-0.1

Data as of 31 December 2024

## 5. MARKET OUTLOOK

The Vietnamese economy is poised to sustain its high growth momentum in 2025. Outlook of the manufacturing sector, one of the key growth drivers in last year, remains bright. Export is forecast to continue expanding though at lower rate as base effect fades. Globally, the recalibration of world major central banks would support economic growth. The Fed has cut interest rates collectively by 100 bps in 2024 as inflation pressure has cooled off while the labor market showed signs of weakening. The European Central Bank also cut interest rates, collectively by 100 bps for the same reasons as in the US. In Asia, China unveiled broad stimulus and regulatory measures to support the sluggish economy and troubled real estate market. Additionally, foreign direct investment capitals, especially to the manufacturing sector, have been robust and that would create incremental export value. It is important to note that the Government has been very active in improving the regulatory environment to facilitate business and encourage new investments, especially those in high value-added sectors, paying special attention to infrastructure investments drawing upon strong fiscal position. The National Assembly has approved public investment budget of VND790.7 trillion for 2025, an increase of 16.7% compared to the budget for 2024. That not only benefits short-term economic growth but also helps enhance Vietnam's competitive edges in attracting foreign capital.

The services sector, another key growth driver in last year, also has favorable outlook. The tourism industry had a strong year in 2024. The number of inbound tourists in 2024 reached nearly 17.6 million, a strong YoY growth of approximately 40.0%<sup>2</sup>. It is worth to note that the number of Chinese tourists to Vietnam in last year was just at 64.4% of pre-Covid level, promising plenty headroom for further recovery. The industry set an ambitious preliminary target for of 22-23 million inbound tourists<sup>3</sup>, or a YoY growth of from 25.0% to 30.7%.

Domestic consumption, which has been stagnating in last year, could gather steam and contribute more meaningfully to economic growth in 2025. The government would maintain the current expansive monetary policy to stimulate consumption, especially when domestic inflation is still in check. Exchange rate pressure re-emerged in the last quarter of 2024 after macro data in the US showed that the economy has still been resilient. In addition, the market also expected that the tariff, fiscal and immigration policies of the US president-elect Donald Trump could lead to enduring inflationary pressure and strong USD. However, as the current interest rate (4.25%-4.5%) remains restrictive while inflation pressure has eased remarkably (US PCE in November: +2.4% YoY<sup>4</sup>), it is likely that the US Federal Reserve (Fed) will continue to cut interest rate in 2025 to prevent further worsening of the labor market, one of its dual mandates. The US unemployment rate in

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<sup>2</sup> vnexpress.net, 05.01.2025: The number of foreign tourists to Vietnam increased by 40% in 2024

<sup>3</sup> bvhttdl.gov.vn, 26.12.2024: Vietnam tourism strives to welcome 22-23 million international visitors by 2025

<sup>4</sup> bea.gov, 20.12.2024: Personal consumption expenditures price index

November and December was 4.2% and 4.1%<sup>5</sup>, which is on par with the Fed's long-run unemployment target<sup>6</sup>. Besides, the domestic currency will also be supported by foreign direct investment inflows and trade surplus. Deposit interest rates are still at low levels and may increase slightly in the upcoming quarters when credit growth accelerates further. On the lending side, rates are not expected to increase significantly because commercial banks have been offering attractive lending interest rates to attract good customers. Last but not least, the recovery of industrial production will continue to benefit consumption as consumers will be more confident about their jobs and income outlook.

The US's president-elect Donald Trump's tariff plan can potentially put Vietnam exports at risk given the substantial trade surplus with the US (US\$104.6bn in 2024<sup>7</sup>). The risk is thus needed to be closely monitored. That being said, there are grounds to expect that Vietnam could prevent or at least minimize the risk. Firstly, it is important to note that Donald Trump has used tariff as a negotiation tactic to achieve not only economic but also political outcomes. That explains his threats to tax products imported from Canada and Mexico and impose additional tariff on Chinese products in purported retaliation for illegal drugs and migrants crossing the US border. Vietnam is obviously not subject to such conflicts. Secondly, there is a wide gap in labor costs in the US and Vietnam, making it uneconomical to relocate labor-intensive manufacturing businesses such as textile and footwear, mobile phones and consumer electronics to the US. Besides, Vietnam has already well established supply chains for those products and thus it is difficult for US companies to find alternative sources of supply. On another note, the Vietnamese government is highly aware of the risk and proactively plans to import more products such as aircraft, liquefied natural gas and artificial intelligence chips from the US to narrow the trade deficit<sup>8</sup>. In a more positive scenario, Vietnam could benefit if the trade war between the US and China intensifies, drawing upon the strong edges in attracting FDI capital including but not limited to strategic geographic location and competitive labor costs.

The current macro conditions are constructive for equities. Corporate earnings have been recovering considerably and are expected to sustain the momentum. In 9M 2024, earnings of companies in the VN-Index increased by 14.4% YoY. Market consensus forecasts earnings of companies in the VN-Index to grow by 18.1% YoY in 12M 2024 and by 16.2% YoY in 2025<sup>9</sup>. Stock valuation thus looks more attractive on the forward basis with the VN-Index's 2024 and 2025 forward P/E ratios of 11.6x and 10.0x, respectively<sup>10</sup>, considerably lower than the median level in the last 10 years of 15.7x. Emerging market upgrade could be another catalyst. With the removal of prefunding requirement for foreign institutional investors, the major obstacle for an upgrade by the Financial Times Stock Exchange ("FTSE"), it is widely expected that Vietnam could be upgraded to Secondary Emerging

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<sup>5</sup> bls.gov, 06.12.2024: The employment situation reports for November 2024

<sup>6</sup> federalreserve.gov, 18.12.2024: Summary of economic projections

<sup>7</sup> gso.gov.vn, 06.01.2025: Socio-economic situation report in 4Q and 2024

<sup>8</sup> Bloomberg, 27.11.2024: Vietnam vows to buy more US aircraft, LNG in new tariff era

<sup>9</sup> Market Consensus, 15.01.2025

<sup>10</sup> Market Consensus, 15.01.2025

market status by FTSE in 2025. According to the representative from FTSE, Vietnam could be allotted a weight of 0.3% upon an upgrade and that translates to an immediate inflow of approximately US\$1bn from passive funds that track the FTSE Emerging Market Index. That being said, in the short-term, pressure on the local currency and uncertainties around Trump's policy and tariff plan could weigh on investor sentiment.

In terms of investment strategy, we remain focused on financials, technology, consumer goods and manufacturing- and export-related companies. We believe the on-going recovery of the economy will boost credit demand and help banks improve service incomes and asset quality. We also see opportunities in select securities brokerage companies, especially those with leading market shares in foreign investor segment for the stock market upgrade theme. The technology is still our favored sector as we believe in the secular trend of applying technologies globally. We also like select consumer goods companies for the trend of increasing income and spending in Vietnam, especially companies that have right premiumization strategies and retailers that could expand their store networks to capitalize on the on-going transition from traditional trade to modern trade. Also with a long-term view, we expect production in Vietnam will continue to expand and that will benefit leading players in sectors such as utilities and logistics. That being said, as a bottom-up stock picker, we believe that business quality and valuation are critical the most for success in investing. Our investment team continues to analyze and value every single company meticulously for potential opportunities to build diversified portfolios of high-quality companies at justified valuations. Accordingly, and as the uncertainties under Donald Trump's presidency abound, we assess how the risks, if materialize, would impact companies' businesses as their intrinsic worth. We believe that our time-tested approach will continue to generate attractive risk-adjusted returns to our investors.

Country	Index	Valuation Multiple (x)		ROE (%)	Est. earnings growth 2025 (%)	Est. GDP growth (%)		
		TTM P/E	P/B			2023A	2024F	2025F
India	NIFTY Index	22.1	3.5	15.9	14.4	7.0	8.2	6.4
The Philippines	PCOMP Index	11.6	1.4	11.9	10.4	5.5	5.8	6.0
China	SHCOMP Index	15.3	1.3	8.6	10.1	5.2	4.8	4.5
Indonesia	JCI Index	16.1	1.9	8.4	9.3	5.1	5.0	5.0
Malaysia	FBMEMAS Index	15.1	1.4	9.0	9.7	3.7	5.2	4.7
Thailand	SET Index	19.3	1.3	7.3	11.1	1.9	2.7	3.0
<b>Vietnam</b>	<b>VN Index</b>	<b>13.7</b>	<b>1.6</b>	<b>12.5</b>	<b>16.6</b>	<b>5.1</b>	<b>7.1</b>	<b>6.6</b>

Source: VCBF's compilation, 15 January 2025

## ACRONYMS, TICKERS and ABBREVIATIONS

AGM	Annual General Meeting	P/E	Price-Earnings ratio
bn	Billion (thousands of million)	PMI	Purchasing Managers Index
BoM	Board of Management of VCBF	PPP	Public-Private Partnership
bps	basis points (hundredths of a percent)	pts	points
C-19 or Covid-19	Covid-19 or coronavirus disease (due to severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) virus)	P/B	Price-Book ratio
CAGR	Compound Annual Growth Rate	PBT	Profit Before Tax
CPI	Consumer Price Index	NPAT	Net Profit After Tax
EBITDA	Earnings before interest, taxes, and amortization	NII	Net Interest Income
ETF	Exchange-Traded Fund	NIM	Net Interest Margin
EU	European Union	NPLs	Non-performing Loans
EV	Enterprise value	Q	Quarter
EVFTA	EU Vietnam Free Trade Agreement	qoq	quarter-on-quarter
FDI	Foreign Direct Investment	SBV	State Bank of Vietnam
Fed	The Federal Reserve System of the United State of America	SOBs	State-owned Banks
G-Bonds	Government Bonds (of Vietnam)	S&P 500	Standard & Poor's 500 Index
GDP	Gross Domestic Product	SSC	State Securities Commission
GSO	General Statistics Office	TTM	Trailing Twelve Month
GICS	Global Industry Classification Standard	US/USA	United States of America
H	Half (of year)	trn/tn	Trillion (thousands of billions)
HCMC	Ho Chi Minh City	VCBF	Vietcombank Fund Management
HNX	Hanoi Stock Exchange	VN100	HSX 100 Index
HSX	Ho Chi Minh City Stock Exchange	VN70	HSX 70 Index
IMF	International Monetary Fund	VNI or VN-Index	VN-Index
IT	Information Technology	YoY	year-on-year
LLR	Loan Loss Reserve	YR	year
m	million	Ytd/YTD/ytd	year to date
M or mth	month-on-month		

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