

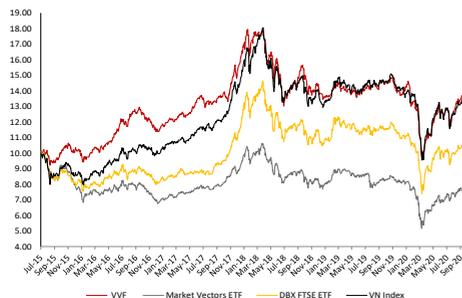
VVF is an actively managed UCITS-compliant fund that invests in equities and equity-related securities of companies that are based in Vietnam or that have substantial exposure to Vietnam, with an objective to outperform the Vietnamese benchmark index over the long term, through bottom up stock picking and disciplined risk management.

Performance summary

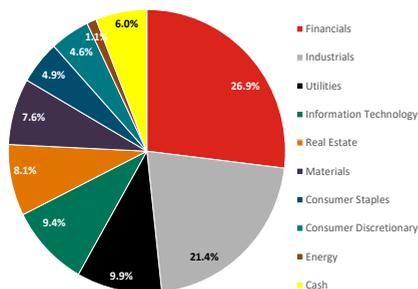
	Fund ¹	VN Index
September 2020 (month-on-month)	4.3%	2.6%
Year-to-date	0.3%	(5.8%)
Annualised return since inception	6.4%	5.7%
Sharpe ratio (annualised since inception)	0.20	0.17
Annualised standard deviation	19.1%	21.1%
Tracking error	10.8%	

¹Fund information calculated from Class A shares

Performance Chart



Sector Allocation



Top holdings

Ticker	Market Cap (USDm)	Sector	% of NAV	2020F PE	Div Yield
FPT	1,691	Information Technology	9.4%	11.2	4.0%
VCB	13,455	Financials	9.3%	16.1	0.0%
MBB	2,054	Financials	7.2%	6.7	0.0%
HPG	3,773	Materials	6.9%	9.2	1.9%
VTP	399	Industrials	6.8%	20.1	1.8%
VNM	9,816	Consumer Staples	4.6%	20.7	4.1%
VSC	87	Industrials	4.5%	7.7	6.9%
VHM	10,713	Real Estate	4.2%	9.6	1.3%
SCS	264	Industrials	4.0%	13.6	6.6%
PNJ	591	Consumer Discretionary	3.7%	15.6	3.3%
VVF Port.				12.5	3.5%
VNIndex				16.4	1.6%

Source: VinaCapital's estimates, Bloomberg

Manager's monthly commentary

Vietnam's stock market continued its positive momentum in September, increasing 2.6%, and outperforming its peers such as Indonesia (-8.6%), Thailand (-7.2%), and Malaysia (-1.1%). For the third quarter of 2020, Vietnam delivered 9.8% in USD terms, ranking among the world's best performing markets. During the month, the top sectors contributing to the VN-Index's return were financials (+3.1%), consumer staples (+3.1%) and real estate (+1.5%).

Investors, particularly local ones, have been drawn to the stock market given the strong and effective measures that the Vietnamese government has implemented to contain the virus and mitigate its impact on the economy, as well as excessive liquidity resulting from lower interest rates. Macro data was encouraging, with third quarter GDP growth of 2.62% versus 0.39% growth in the second quarter, putting Vietnam on top of the region in terms of economic performance. Furthermore, the State Bank of Vietnam cut the refinancing rate by 50 basis points from 4.5% to 4% to support enterprises and this has also increased liquidity in the market. The average daily trading value on Vietnam's three bourses jumped 23% m-o-m to USD 338.8 million while foreigners turned to net buying after two consecutive months of net selling, with net inflows of USD69.3 million in September. On a cumulative basis, for 9M 2020, the market has recorded foreign net outflows of USD297.8 million versus a net inflow of USD467.8 million in 9M 2019.

The funds' Class A NAV per share increased 4.3% in the month, outperforming the VN-Index, the local benchmark. Top contributors to the fund's performance included Hoa Phat Group (HPG, +7.5%), Military Bank (MBB, +10%), and Viconship (VSC, +11%). For the period of 9M2020, the fund delivered a positive return of 0.3% compared to a negative 5.8% for the VN-Index.

While investors await Q3 earnings, which are normally announced by the end of October, certain companies have already been shedding some light on their performances. As the earnings picture in Q3 may vary by sector, we anticipate a gradual recovery in the earnings of companies that have actively coped with the impact of Covid-19, such as retailers, consumer staples, and securities. Also, earnings are expected to be strong amongst those companies that benefit from public spending or are related to the nation's resilient export market.

In particular, HPG released a record monthly sales volume for September of 352,000 tons in construction steel, up 82.3% y-o-y, while billet sales came to 170,000 tons from zero in the same period last year. The strong sales were supported by the government's acceleration of infrastructure spending as a way to drive economic recovery. Accumulated 9M20, construction steel sales rose 26.3% y-o-y, with growth mostly coming from the southern market, which has doubled in volume over the first nine months of 2020 compared to the same period last year. Furthermore, HPG's Dzung Quat No. 3 blast furnace came into operation in August and will provide hot rolled coil (HRC) products to the market from the end of September. HPG remained our top pick in the materials segment due to its market leader position (32% market share as of September 2020) and cost competitiveness. We believe that the government's commitment to continue public investment projects will directly benefit infrastructure-related names like HPG.

VSC (+11%) is the port operator in Haiphong, a major trading hub in northern Vietnam. VSC has shown signs of turning a corner on margins after a shake-up in its board of directors this year, with the addition of three new board members representing new major financial shareholders. VSC's throughput volumes and competitiveness are also improving, as throughput volume in July and August declined only 6.7% y-o-y versus a drop of 21.1% y-o-y in Q2. The company has added four new shipping lines at its ports in the third quarter this year, allowing its port schedule to achieve optimal capacity. The company is cash rich and expects to pay off its debt by the end of this year, while being traded at 3.5x EV/EBITDA 2020. VSC recently announced the first tranche of a cash dividend for 2020 at USD0.06 per share, equivalent to a dividend yield of 4.2%. Looking ahead, a proposal from the Ministry of Transportation to increase the minimum handling fee by 10% from 2021 would help strengthen the company's outlook, with forecasted profit growth of 20% in 2021 and an attractive valuation of 2.9x EV/EBITDA 2021.

VNM (+10%) announced its preliminary Q32020 results, with revenue advancing 8.8% y-o-y to USD668 million and NPAT stepping up 16% y-o-y to USD133 million. For the period of 9M2020, revenue and net earnings grew 7% to reach USD1.9 billion and USD385 million, respectively. The good performance in Q3 2020 was allegedly due to net margin expansion resulting from favorable input material prices and lower advertising expenses.

We expect some continued choppiness in Vietnam's stock market, given global equity market uncertainties, particularly with the US heading towards election day. But we think any volatility is an opportunity for us to acquire stakes in strong-fundamental companies, especially as we begin to reposition for a recovery theme next year.

Macroeconomic Commentary

The General Statistics Office (GSO) reported that Vietnam's GDP growth plunged from 7% y-o-y in 9M19 to 2.1% y-o-y in 9M20. However, the country's quarterly GDP growth rate bounced from 0.4% y-o-y growth in Q2 to 2.6% in Q3 versus the 1.5% consensus expectation. Q3's growth came despite the modest "social distancing" measures the Government put in place for about three weeks in July in response to the "second wave" of COVID-19 outbreak centred on Danang.

Vietnam's manufacturing sector accounted for nearly half of the country's 2.1% GDP growth in the first nine months of the year, while the biggest drag on Vietnam's economic growth during that period came from a 71% y-o-y drop in international tourist arrivals, which reduced the country's GDP growth rate by about 4%pts.

The country's PMI leapt from 45.7 in August to 52.5 in September, driven by the largest surge in new orders all year. The relatively robust performance of Vietnam's manufacturing sector, which grew by 4.6%

y-o-y in 9M20, is being driven by solid demand for "stay at home" products such as laptop computers and furniture that are made in Vietnam and exported to the US. American consumers' purchases of a wide variety of these products are now well above pre-COVID levels.

Consequently, Vietnam's exports to the US surged 23% y-o-y in 9M20 to USD55 billion, with electronics exports surging 26% y-o-y to USD32 billion. In contrast, exports of garments and footwear fell by 11% y-o-y to USD34 billion, resulting in Vietnam's total exports growing by just 4% y-o-y to USD203 billion. That said, imports fell slightly because manufacturing firms depleted their inventories of production inputs.

The net result of Vietnam's 4% export growth and 0.8% import reduction was a surge in the country's trade surplus from 4% of GDP in 9M19 to over 8% in 9M20 (or from USD7 billion to USD17 billion, according to the GSO), including an estimated USD3.5 billion trade surplus in the month of September.

The surge in Vietnam's trade surplus supported the unofficial value of the VN Dong, which was nearly unchanged during the month of September at around 23,200 VND to 1 USD. However, Vietnam's trade surplus with the US also surged from USD34 billion in 9M19 to USD44 billion in 9M20, which prompted the US government to initiate an investigation into Vietnam's trading practices. Vietnam now has the fourth-largest trade surplus with the US in the world.

Next, the flow of money into Vietnam via the country's trade surplus was augmented by resilient FDI inflows of USD14 billion in 9M20 (down 3% y-o-y), which left Vietnam's banking system overwhelmed with liquidity. Furthermore, the weak demand for loans has resulted in a decline in credit growth from 9% YTD in 9M19 to 6% in 9M20, which exacerbated the situation. Short-term interbank interest rates remained around 0% during the month of September, and the yield on 10-year Vietnam Government Bonds remained well below 3%.

The persistent low level of market interest rates, coupled with a modest drop in inflation from 3.2% y-o-y in August to 3% in September prompted the State Bank of Vietnam (SBV) to cut policy interest rates by 50 basis points, although the SBV remained "behind the curve" as Vietnam's policy interest rate, which is effectively now 2.5%, is still well above the market level of interest rates in the country.

Macroeconomic indicators

	2019	Sept-20	2020YTD	Y-O-Y
GDP growth ¹	7.0%			2.1%
Inflation (%)	5.2%			3.0%
FDI commitments (USDbn) ²	20.6	0.9	15.5	-1.8%
FDI disbursements (USDbn)	20.3	2.4	13.8	-3.2%
Imports (USDbn)	253.4	24.0	185.9	-0.8%
Exports (USDbn)	264.3	27.5	202.9	4.2%
Trade surplus/(deficit) (USDbn)	10.9	3.5	17.0	
Exchange rate (USD/VND) ³	23,175	23,225		0.2%

Sources: GSO, Vietnam Customs, SBV, VCB, MPI [1. Annualized rate, updated quarterly] 2. Excluding capital contribution] 3. Unofficial rate - mid rate

Key terms

	Class A ¹	Class B	Class C	Class D	Class E	Class F ²	Class G
Currency	USD	USD	EUR	EUR	USD	GBP	JPY
Min. Investment	500,000	5,000	500,000	5,000	500,000	3,000,000	10,000,000
Management fee	1.25%	2.00%	1.25%	2.00%	1.25%	1.25%	2.00%
Performance fee	None	15% ²	15% ²	15% ²	15% ²	None	None
Bloomberg	FOVCPVA LX	FOVIEBU LX	FOVIECE LX	FOVIEDE LX	FOVIEEU LX	-	FOVCPVG LX
ISIN	LU1163030197	LU1163027052	LU1214542463	LU1214545136	LU1286782559	LU1286782716	LU1286783011

¹ Class A Shares are restricted to former shareholders of VNI.

² 15% of the outperformance of the NAV per Share over the Adjusted Reference NAV as described in Section IX of the Forum One-VCG Partners Vietnam Fund Prospectus.

³ UK investors should note that Class F Shares will comply with the restrictions on the payment of commissions or rebates as a result of the UK Financial Conduct Authority's Retail Distribution Review (RDR).

Fund information

Launch date	14 July 2015
Legal Entity Identifier (LEI)	5493003GR1U7LK7K6767
Trading Period	Daily Subscriptions/Redemptions
Fund Size	USD35.7m
Incorporation	Luxembourg
Registered	UK, The Netherlands, Germany, Singapore, Austria, Switzerland, Sweden
Management company	Edmond de Rothschild Asset Management (Luxembourg)
Investment manager	VinaCapital Fund Management JSC
Depository Bank	Edmond de Rothschild (Europe)
Auditor	PwC Societe Cooperative Luxembourg
Swiss representative	First Independent Fund Services Ltd, Klausstrasse 33, CH-8008 Zurich, Switzerland
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