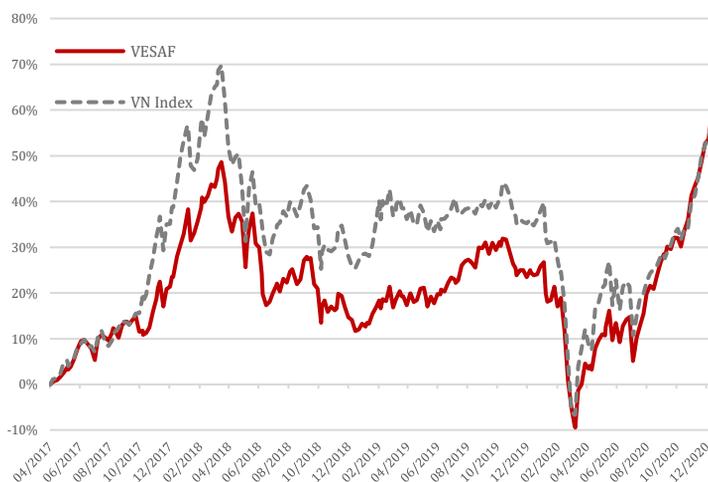


VESAF Investment approach

Invest in all equity opportunities unencumbered by foreign restriction or size. The strategy of the fund is to take meaningful stakes in companies with a robust franchise that we believe can benefit from the domestic growth of the country.

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 shares. Current performance may be higher or lower than the performance data quoted.

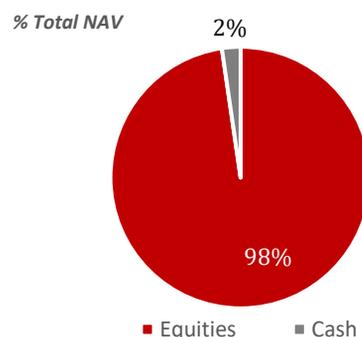
Fund Performance

	VESAF	VNINDEX
Total AUM (VND billion)	336.8	
NAV/Share (VND)	15,643	
December 2020 (%)	9.0	10.0
YTD return (%)	25.6	14.9
2019 return (%)	9.2	7.7
Since inception return (%)	56.4	55.6
Annualized return since inception (%)	12.9	12.7

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

Investor Relations: irwm@vinacapital.com
Tel: +84 28 38 27 85 35

Investment Allocation



Fund information

Inception	18 April 2017
Management fee	1.75% per annum
Subscription fee	0.0%
Redemption fee	<ul style="list-style-type: none"> • 2.0% < 12 months • 1.5% >= 12 months • 0.5% >= 24 months
Minimum subscription	VND2,000,000/ ~USD90
Custodian and Supervisory Bank	Standard Chartered Bank Ltd. (Viet Nam)
Auditor	PwC Vietnam
Trading frequency	Once a week, on Tuesday

Portfolio statistics

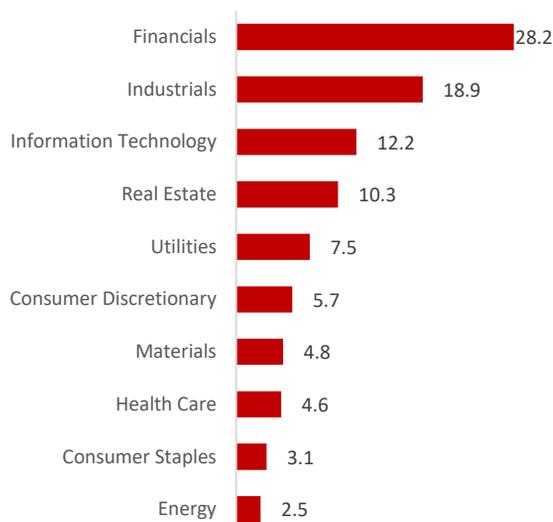
	VESAF	VNINDEX
Trailing P/E (x)	13.8	18.4
Trailing P/B (x)	2.2	2.4
Trailing ROE (%)	18.4	13.0
Dividend yield (%)	2.3	1.5
EPS growth 2020 (%)	7.8	-5.7
Portfolio turnover (%)	61.0	-
Sharpe ratio	0.4	0.4
No. of stocks	30	392

(Trailing 12 months data)

Source: Bloomberg, VinaCapital's forecast

Sector allocation

% Total NAV



Top 10 holdings

Stock	Sector	% NAV
FPT	Information Technology	12.2
MBB	Financials	7.0
ACB	Financials	5.8
MWG	Consumer Discretionary	5.7
REE	Industrials	5.1
KDH	Real Estate	4.9
GMD	Industrials	4.4
SCS	Industrials	4.1
TCB	Financials	3.8
HPG	Materials	3.6

Comments from fund manager

MARKET COMMENTARY

VNIndex closed the turbulent year with a spectacular December, rising 10% and marking the fifth consecutive month of positive performance, ended the year at 1,104. Massive local flows helped propel the stock market to new heights, as the average daily trading value (ADTV) surged by 44% m-o-m to USD480 million, the highest level ever seen in history. The highest ADTV of USD580 million in December even surpassed the peak level in 2018 by 11%. Vietnam's December performance was far better than those of ASEAN EM (+5.6%), MSCI EM (+7.2%) and S&P 500 Index (+3.7%) in USD terms. Despite the threat of a new Covid-19 variant and the continued surge of daily confirmed cases globally, the acceleration of vaccine authorizations lifted investors' confidence that the year ahead will be less volatile.

Vietnam's economy and stock market both posted impressive performances in 2020. 2020 GDP grew by 2.9% and was among the world's highest despite Covid-19 challenges, with a strong recovery of 4.5% in the last quarter. The Government's successful containment of the pandemic enabled a strong V-shape recovery in domestic consumption (retail sales growth was back to high level of 8% in the last quarter from a fall of 4.6% in Q2 and 4.5% growth in Q3). Exports rose 6.5%, supported by large exports to the US market (+24.5% y-o-y) and technology products (+24.4% y-o-y).

Vietnam's stock market returned 15.2% in 2020, significantly outperforming Malaysia (+4.2%), Philippines (-3.3%), Indonesia (-5.9%) and Thailand (-8.3%) in USD terms. Local retail investors (including many new ones) were the major contributors to the stock market's strong rebound from a low level in March. The number of new account openings were double the last 4-year average level. The three policy rate cuts totaling 150-200bps in 2020 made bank deposits less appealing while "cheap money" was continuously poured into equity investment. On the other hand, foreign investors net sold USD653 million, though net inflows into the FOL Diamond ETF were recorded at USD185 million.

Small and mid-cap stocks, more in favor with local retail investors, outperformed large-caps, with an average return of 37% in 2020. Financials, materials, industrial real estates and technology were among the top performing sectors, driven by positive earnings results while being well-positioned for the economic recovery. Non-state commercial banks and securities companies posted outstanding returns when compared to the State-owned banks. Materials companies benefited from the Government's spending on infrastructure projects, which accelerated in 2020 and will continue for years to come. Technology companies with resilient business performances during the economic slowdown reported strong growth in newly signed contracts for the next year. Finally, industrial parks have been benefiting from production relocation to Vietnam.

We maintain an optimistic view of Vietnam's stock market for 2021 based on fundamental factors including economic resiliency, greater earnings certainty, and attractive valuations. We estimate market earnings growth of 28.8% for 2021 based on 2020's low base of -5.7%, making Vietnam's 2021 P/E valuation of 14.0 much more attractive than the ASEAN EM average of 17.6. Additionally, we expect the return of foreign investors, supported by (i) US dollar weakness due to large stimulus packages of developed countries and (ii) the significantly larger position of Vietnam at 30.6% in the MSCI Frontier Markets Index (from 18.5% in October).

FUND COMMENTARY

The NAV per share of VESAF increased 9.0% in December which was attributable to the financial stocks, especially non-state commercial banks with attractive valuation such as TCB (+30.7%), MBB (+13.0%) and newly added stocks VPB (+13.4%) and VCI (+28.3%). Besides, holdings in real estate and industrials continued to yield good returns, including KBC (+53.9%), KDH (+9.5%), IDC (+22.8%) and GMD (+17.3%).

For full year 2020, VESAF increased 25.6%, outperforming the VNIndex by 10.7 percentage point, thanks to selective investment in small and mid-cap stocks that accounted for more than 60% of the portfolio. These companies posted resilient business performance during a volatile year, with the potential of delivering high earnings growth following the economic recovery and were trading at attractive valuations. Top contributors to VESAF for the whole year 2020 include FPT (+21.6%), REE (+42.2%), BWE (+48.6%), GMD (+46.0%) and PC1 (+52.9%). Besides, holdings in selective banks ACB (+60.8%), MBB (+26.5%) and VIB (+84.1%) also highly contributed to the portfolio.

We maintain the investment strategy in financials, logistics, materials and real estate in 2021. VESAF's portfolio has 2021 P/E valuation of 10.3 and EPS growth of 20%.

Important information

The information contained herein has been prepared by VinaCapital Fund Management Joint Stock Company (the "Company") and is subject to updating, completion, revision, further verification and amendment without notice.

The information contained herein has not been approved by any listing authority or any investment regulator. The information does not constitute or form part of any offer for sale or solicitation of any offer to buy or subscribe for any securities nor shall they or any part of them form the basis of or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever. Forward-looking information is based on the estimates and opinions of the Company's at the time the statements are made. The Company assumes no obligation to confirm or update forward-looking statements should circumstances or management's estimates or opinions change.

No undertaking, representation, warranty or other assurance, express or implied, is made or given by or on behalf of the Company or any of its directors, officers, partners, employees, agents or advisers or any other person as to the accuracy or completeness of the information or opinions contained herein and no responsibility or liability is accepted by any of them for any such information or opinions or for any errors, omissions, misstatements, negligence or otherwise for any other communication written or otherwise.

The information herein may not be reproduced, re-distributed or passed to any other person or published in whole or in part for any purpose. By accepting receipt of this document, you agree to be bound by the limitations and restrictions set out above.

Neither these pages nor any copy of them may be taken or transmitted into or distributed in any jurisdiction where the distribution of such material would be prohibited under the jurisdiction's applicable securities laws. Any failure to comply with this restriction may constitute a violation of national securities laws.