

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

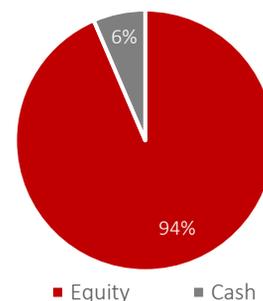
	VESAF	VN Index
Total AUM (VND billion)	380.5	
NAV/Share (VND)	17,808.4	
February 2021 (%)	12.5	10.6
YTD return (%)	13.8	5.9
2020 return (%)	25.6	14.9
Since inception return (%)	78.1	64.7
Annualized return since inception (%)	16.2	13.8

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

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Investment Allocation

% Total NAV



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

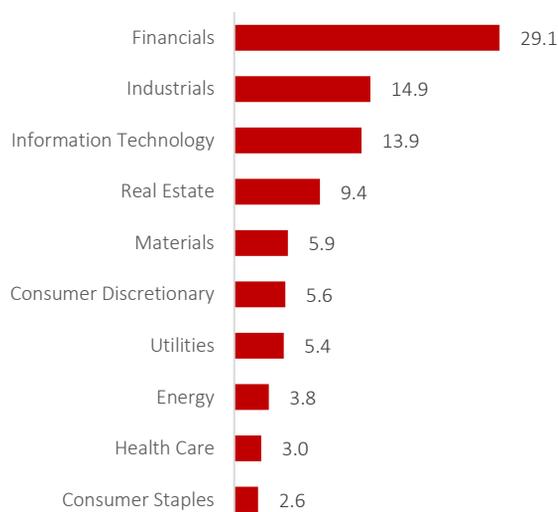
	VESAF	VN Index
Trailing P/E (x)	15.9	18.0
Trailing P/B (x)	2.3	2.4
Trailing ROE (%)	18.0	13.7
Dividend yield (%)	2.1	1.4
EPS growth 2021 (%)	31.7	19
Portfolio turnover 12M (%)	56.4	
Sharpe ratio	0.58	0.43
No. of stocks	27	399

(Trailing 12 months data)

Source: Bloomberg, VinaCapital's forecast

Sector allocation

% Total NAV



Top 10 holdings

Stock	Sector	% NAV
FPT	Information Technology	13.9
MBB	Financials	7.8
ACB	Financials	6.1
MWG	Consumer Discretionary	5.6
KDH	Real Estate	4.7
REE	Industrials	4.4
TCB	Financials	4.2
HPG	Materials	4.1
GMD	Industrials	4.0
SCS	Industrials	3.7

Comments from fund manager

MARKET COMMENTARY

After declining 4.3% in January 2021 due to profit-taking activities prior to the Tet holidays and the resurgence of COVID-19 in several provinces, the VN Index gained 10.6% in February, closing the month at 1,168.5 points.

Similar to the previous COVID-19 outbreaks, the stock market rebounded right after the adoption of stricter social distancing measures. In addition, the first small shipment of a COVID-19 vaccine arrived in Ho Chi Minh City on February 24, with the Ministry of Health announcing that it plans to acquire 150 million vaccine doses in 2021, sufficient for 75% Vietnam's population. Such information further boosted investor confidence in the prospects of the economic recovery.

In the first two months of 2021, Vietnam's economic data continued to show resilience, albeit the resurgence of COVID-19 impaired the growth to some extent. Real retail sales in 2M21 grew 5.5% y-o-y (2M20: 5.4% y-o-y), while industrial production advanced by 7.4% y-o-y (2M20: 6.2% y-o-y). The Purchasing Managers' Index (PMI) reached 51.6 in February, indicating an expansion of manufacturing activities in the months ahead. Notably, exports and imports were strong, rising 23.2% and 25.9% y-o-y, respectively in 2M21, according to GSO data.

Global stock markets also moved up in February, with the S&P 500, Euro Stoxx 50, and MSCI AC Asia Pacific Index advancing by 2.6%, 1.6% and 1.3% m-o-m, respectively. Nevertheless, these markets weakened towards the end of the month due to concerns about rising US treasury yields and inflation. In Vietnam, foreign investors continued to be net-sellers for the fifth month in a row, with net-selling totaling VND1.4 trillion in February.

Although the 1,200-level remains a point of resistance for the VN Index and some investors are starting to be concerned about rising interest rates and inflation, our view regarding the stock market remains positive as the economic recovery and earnings growth of listed companies in 2021 can more than offset the impact of any upward movements of interest rates and inflation.

FUND COMMENTARY

VESAF's portfolio continued its outperformance against the VN Index, with a 12.5% return in February. The largest holding, FPT, continued to be the top contributor to the fund's return, increasing 21.5% and extending its January rally, when the market corrected sharply. We believe FPT will maintain its positive momentum given the double-digit growth of its software outsourcing and telecom businesses resulting from continued global digital transformation initiatives, as well as its ability to increase contract size via aggressive overseas expansion.

Full-FOL banking stocks in VESAF's portfolio returned an average of 24.3% as their valuations turned to attractive levels after the market correction in January, while the economic recovery is expected to enhance earnings visibility of bank groups in general. Top gainers also included holdings with meaningful exposure to hydro and renewable power businesses, such as PC1 (+22.1%) and REE (+11.2%) as well as oil and gas company PVS (+35.5%), which benefited from the recent surge in global oil prices.

We maintain our exposure to the financials, industrial and technology sectors, while targeting to increase the weight in materials and real estate. VESAF's existing holdings are expected to deliver 2021 EPS growth of 31.7% (compared to the market's EPS growth of 19%), and a 2021 P/E of 10.5x (compared to a market P/E of 14.9x).

Important information

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