

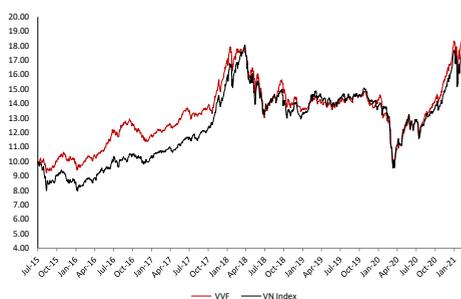
VVF is an actively managed UCITS-compliant fund that invests in equities and equity-related securities of companies that are based in Vietnam, with an objective to deliver long-term capital growth, through bottom up stock picking and disciplined risk management.

Performance summary

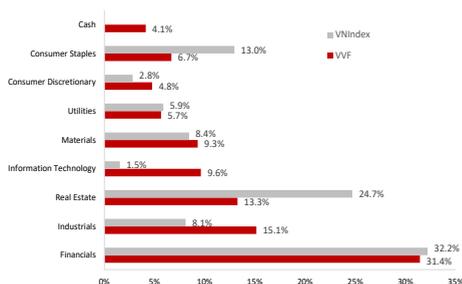
	Fund ¹	VNIndex
February 2021 (month-on-month)	11.2%	10.7%
Year-to-date	8.4%	6.2%
Annualised return since inception	11.4%	10.3%
Accumulated return since inception	83.6%	73.3%
Sharpe ratio (annualised since inception)	0.42	0.37
Annualised standard deviation	21.1%	22.4%
Tracking error	7.7%	

¹Fund information calculated from Class A shares

Performance Chart



Sector Allocation



Top holdings

Ticker	Market Cap (USDm)	Sector	% of NAV	2021F PE	Div Yield
FPT	2,595	Information Technology	9.6%	14.1	2.6%
HPG	6,564	Materials	9.3%	8.3	1.1%
VCB	15,822	Financials	8.0%	14.9	0.8%
MBB	3,362	Financials	7.9%	7.5	0.0%
VHM	14,519	Real Estate	4.7%	9.7	1.0%
CTG	6,025	Financials	4.6%	8.0	0.0%
NLG	433	Real Estate	4.3%	7.9	2.8%
PNJ	839	Consumer Discretionary	3.9%	15.1	1.2%
HCM	386	Financials	3.3%	14.3	4.8%
SCS	288	Industrials	3.2%	12.4	6.1%
VVF Port.				11.9	2.0%
VNIndex				14.9	1.4%

Source: VinaCapital's estimates, Bloomberg

Manager's monthly commentary

Vietnam's stock market staged a strong comeback in February, increasing 10.7% in the month. Although the VN-Index saw a sharp correction on news of a new Covid-19 outbreak early in the month, market sentiment reversed course post-Lunar New Year holiday, as the government had effectively vanquished the threat of Covid-19 for the third time, coupled with announcements about the fast-tracking of vaccination imports and more green shoots of economic recovery.

Average daily trading value reached USD725 million in February, a whopping 279% y-o-y increase. Retail investors continued to be the overwhelmingly dominant factor commanding the market, while foreign investors were net sellers to the tune of USD61 million, the fifth consecutive net sell month.

The fund's class A NAV per share increased 11.2% in the month, outperforming the VN-Index. Long-time top holding FPT Corporation (FPT) was the top positive contributor to the fund's return, gaining 21.5% in February. 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. The company continues to evolve from an IT outsourcing vendor into a technology innovator and valued partner on a global scale.

Hoa Phat Group (HPG, +16.5%), the fund's second largest holding, also performed well. We expect HPG will continue to expand at a double-digit rate in 2021, benefiting from infrastructure spending as well as a recovery in the real estate sector. Additionally, a new hot-rolled coil product should also contribute to top- and bottom-line growth this year.

At a sector level, banking (+14.6%) contributed the most to the index's gain as well as to the fund's performance, as bank earnings are forecast to improve on the expectation that bad debts will be more benign than feared once the economy recovers. Of note, the fund's holdings in Military Bank (MBB, +17.9%) and VietinBank (CTG, +22%) were among the top five contributors to the performance in February as well as year-to-date.

Although February was a short month of 15 trading days due to the Lunar New Year holiday, it was nevertheless quite a busy month for the fund. During the month, we exited a position in utility and recycled the proceeds to increase the weight in the real estate and banking sectors. The fund's existing holdings are expected to deliver 2021 EPS growth of 37% (compared to the market's expected EPS growth of 20%), and a 2021 P/E of 11.9x (compared to a market P/E of 14.9x).

The recovery phase for Vietnam's economy is now well underway and we continue to be optimistic about the prospects for strong economic growth for 2021. We have been encouraged by the quick approval of several COVID-19 vaccines, which we believe will help set the stage for a return to more normal levels of economic activity this year. However, the rise in global commodity prices and the tick up of bond yields in the US could cause near-term volatility in the equity market. We are constantly screening for new investment ideas, notably companies with sustainable competitive advantages, strong market positions, and pricing power that will enable them to maintain their profitability even if higher inflation returns as economic growth accelerates.

28 February 2021

Macroeconomic Commentary

Vietnam's economic growth was surprisingly resilient in 2M21, despite a COVID outbreak that emerged on January 28th. Nearly 900 new COVID cases were reported, centred around the northern Hai Duong province, but about 70 cases were identified in HCMC and Hanoi combined, and no new COVID deaths were attributed to this outbreak. By the first week of March, the outbreak was fully contained and most of the modest social distancing measures enacted in HCMC, Hanoi, and other affected areas were lifted by the Government.

Real retail sales growth increased from 5.4% y-o-y in 2M20 to 5.5% in 2M21, and manufacturing output growth increased from 7.4% y-o-y to 10.4% y-o-y, clear evidence that the country's Government has mastered containing COVID outbreaks without overly constraining the economy. We continue to expect Vietnam GDP growth to rebound from 2.9% in 2020 to 6.5% in 2021, driven by a rebound in personal consumption growth from around 0% y-o-y in 2020, to 8-9% in 2021, and manufacturing output growth from 5.8% y-o-y in 2020 to 11-12% in 2021.

Further to that last point, the strength in Vietnam's manufacturing output was also reflected in an increase in Vietnam's PMI survey from 51.3 in January to 51.6 in February, in contrast to a drop in the ASEAN-wide PMI from 51.4 to 49.7. The on-going strength in Vietnam's manufacturing sector continues to be driven by the demand for "stay at home" goods in the US and other developed countries.

Macroeconomic indicators

	2020	Feb-21	2M2021	YOY
GDP growth ¹	2.9			
Inflation ² (%)	3.2			0.7
FDI commitments (USDbn)	21.0	3.1	4.9	-13.1%
FDI disbursements (USDbn)	20.0	1	2.5	2.0%
Imports (USDbn)	262.4	20.7	47.1	25.5%
Exports (USDbn)	281.5	20.2	48.7	23.7%
Trade surplus/(deficit)(USDbn)	19.1	-0.5	1.6	
Exchange rate ³ (USD/VND)	23,131	23,130		0.0%

Sources: GSO, Vietnam Customs, SBI, MPI 1. Annualized rate, updated quarterly 2. Inflation: Monthly year-on-year change; Annual is 12-month average change in CPI per GSO 3. BBE- State Bank of VN Avg. USD/VND Interbank 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% ³	15% ³	15% ³	15% ³	None	None
Bloomberg	FOVCPVA LX	FOVIEBU LX	FOVIECE LX	FOVIEDE LX	FOVIEUE 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)	54930036R1U7LK7K6767
Trading Period	Daily Subscriptions/Redemptions
Fund Size	USD47.8m
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
Swiss paying agent	NPB Neue Privat Bank AG, Limmatquai 1/am Bellevue, P.O. Box, CH-8022 Zurich, Switzerland

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In January, US retail sales surged by over 5% month-on-month, after having declined for three months in a row, a result of the COVID stimulus relief that was distributed to US households at the end of December. Sales of electronics and furniture surged at near record-high growth rates of 12-15% m-o-m in January.

These products are now largely made in Vietnam, which helped propelled a circa 40% surge in Vietnam's exports to the US in 2M21, which in-turn drove a 23.7% y-o-y increase in Vietnam's total exports to USD48.7 billion in 2M21. Vietnam's exports of high-tech products such as consumer electronics and mobile phones grew by about 25% y-o-y for that period.

Despite that surge in exports, Vietnam's overall trade surplus actually fell from USD1.8 billion in 2M20, to USD1.6 billion in 2M21, according to Vietnam Customs. Counterintuitively, the dip in the trade surplus is actually a positive sign because imports soared by 25.5% y-o-y to USD47.1 billion, driven by the aggressive procurement of components and other production inputs that FDI firms require to manufacture the products they export.

Next, the trade surplus continued to support the value of the Vietnam Dong and the official USD-VND exchange rate was unchanged YTD. The absence of foreign tourists and overseas Vietnamese during the Tet holiday resulted in an unusual situation in which Vietnam's commercial banks had an over-abundance of US Dollars - for reasons that were discussed in January's report - but the informal market suffered from a modest shortage of USD, which is usually sourced from foreign tourists.

Consequently, the unofficial value of the VN Dong depreciated by 2% YTD at the end of February, resulting in a circa 2% divergence between the official and unofficial USD-VND exchange rates. We are not overly concerned about this difference and strongly believe that Vietnamese confidence in the VND remains high, but are closely monitoring the situation.

Finally, CPI inflation in Vietnam rebounded from a contraction of 1% y-o-y in January to a rise of 0.7% in February, driven by: 1) the removal of a temporary subsidy on retail electric prices (which was discussed in January's report), 2) seasonal factors in the run-up to the lunar new year holiday, which pushed food prices up nearly 2% month-on-month in February, and 3) the "base effects" that will have a major impact on Vietnam's inflation rate in April.

Further to that last point, we expect inflation in Vietnam to surge in April on account of oil prices that have increased by more than 30% in 2021, and because of the low base effects caused by weak economic activity at the height of the COVID outbreak in April 2020. However, these base effects will then ease as the year progresses, and we expect inflation in Vietnam (and in the rest of the world) will likely moderate in H2. We expect Vietnam's inflation rate will drop back to 2% by the end of 2021.

The current Sales Prospectus, the Key Investor Information Document (KIID), the Articles of Association as well as the semi-annual, annual reports of the Forum One - VCG Partners Vietnam Fund ("the Fund") are the sole binding basis for the purchase of Fund shares. These documents can be obtained in English and free of charge from the Investment Manager's website (<https://www.vina-capital.com/vcg-partners-vietnam-fund.pdf>) and the Management Company's website (<http://www.edmond-de-rothschild.eu/>). This document is prepared by VinaCapital Fund Management Joint Stock Company ("VinaCapital") for the information of shareholders in the Fund and other eligible recipients, on the basis of information obtained from sources VinaCapital considered to be reliable, but VinaCapital does not make any representation or warranty, express or implied, as to its accuracy, completeness, timeliness or correctness. The information contained in this document is for background purposes only and is subject to updating, revision and amendment, and no liability whatsoever is accepted by VinaCapital or any other person, in relation thereto. Please refer to the Fund's prospectus for more information on the Fund and its risks. This document is neither a prospectus nor an offer or invitation to apply for shares and neither this document nor anything contained herein shall form the basis of any contract of commitment whatsoever. Past performance is not necessarily guidance to the future. The value of shares in the Fund and the income derived therefrom may go down as well as up. You are advised to exercise caution and relation to this document. If you are in any doubt about this document or any information contained in this document, you should obtain independent professional advice. The information contained in this document is strictly confidential and is intended only for the use of the individual or entity to which VinaCapital has provided the report. No part of this report may be reproduced or distributed without the prior consent of VinaCapital.