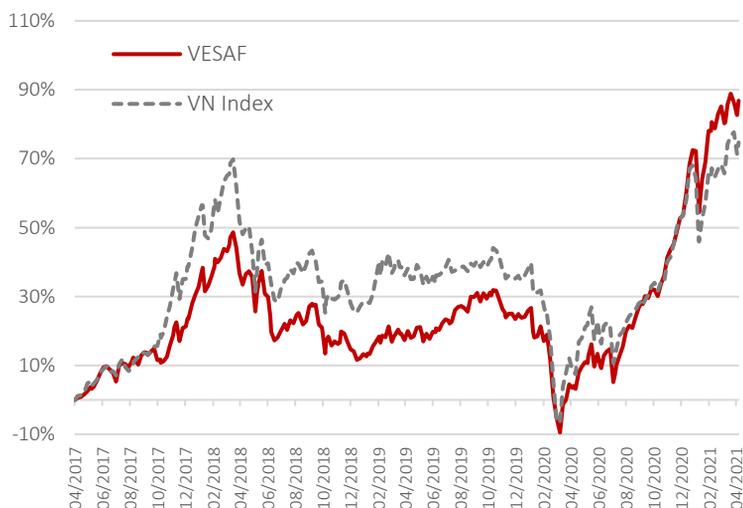


VESAF Investment approach

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

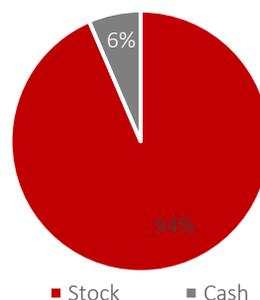
	VESAF	VN Index
Total AUM (VND billion)	413.5	
NAV/Share (VND)	18,680.9	
April 2021 (%)	3.4	4.0
YTD return (%)	19.4	12.3
2020 return (%)	25.6	14.9
Since inception return (%)	86.8	74.7
Annualized return since inception (%)	16.8	14.9

(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)	12.2	17.7
Trailing P/B (x)	2.2	2.5
Trailing ROE (%)	19.3	14.5
Dividend yield (%)	2.0	1.3
EPS growth 2021 (%)	55.5	27.2
Portfolio turnover 12M (%)	52.5	
Sharpe ratio	0.59	0.46
No. of stocks	27	391

(Trailing 12 months data)

Source: Bloomberg, VinaCapital's forecast

Comments from fund manager

MARKET COMMENTARY

The VN Index continued to advance in April 2021 and reached an all-time high level, closing the month at 1,239.4, a 4.0% m-o-m increase. On a year-to-date basis, the market has gained 12.3%, far exceeding the performance of ASEAN EM peers, which declined 2.9%.

The stock market's performance was mainly driven by the strong performance of real estate and materials sectors, as well as the moderate return of banking stocks, while the consumer staples sector was left behind. Real estate leaders Vingroup (VIC) and Novaland (NVL) contributed almost 50% of the Index's return, while Hoa Phat Group (HPG, materials) continued to shine, increasing 24.1% on the back of its stellar Q1 earnings growth (+205% y-o-y. VP Bank (VPB) stood out in the banking sector, returning 31.0% as the bank successfully divested 49% of its stake in consumer finance arm FE Credit.

The trading system capacity of HoSE improved significantly in April, with ADTV on the combined three bourses increasing 14.2% m-o-m. Foreign investors turned to a net-buy of VND273 billion during the month, mainly thanks to the aggressive disbursement of the newly established Fubon FTSE Vietnam ETF.

As of 5 May 2021, 283 companies on HoSE representing 96% of the market's capitalization, have announced Q1 21 earnings growth of 74% y-o-y. Materials companies led the y-o-y earnings growth with 244%, followed by the banks (+76% y-o-y) and real estate companies (+27% y-o-y). The exceptionally strong Q1 earnings figures were in line with the V-shape recovery of Vietnam's economy, and we expect even higher earnings growth for Q2 from a low base last year when the Covid impact was most severe.

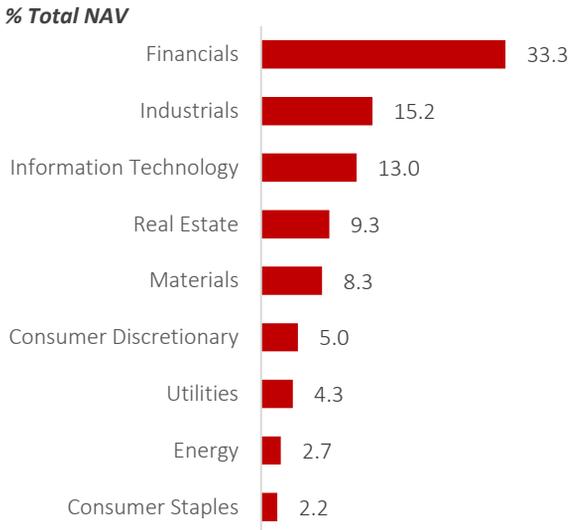
We believe the negative impact of the recent fourth wave of Covid that first appeared at the end of April (with community transmission in several provinces) will not be an obstacle to the stock market, given the Vietnamese government's good track record in containing the spread. Therefore, we maintain our positive view on growth stocks in the months ahead, and believe the stock market's valuation remains attractive with a forward 2021 P/E of 15.0x, an 11% discount to regional markets.

FUND COMMENTARY

The fund returned 3.4% in April and 19.4% year-to-date. During the month, we continued to increase exposure to financials and materials, given our positive view on their strong earnings outlook. As mentioned in earlier reports, we expect these sectors will mostly benefit from both the recovery in domestic consumption and the government's infrastructure spending. VPB (banks) and HPG (materials) were the major contributors to the portfolio in April.

Some of the small-cap names in the portfolio faced profit-taking pressures from local investors during the month, as shown in the underperformance of VN Mid and Small-cap Indexes compared to the large-cap stocks. We took the opportunity to accumulate good names with strong earnings outlooks at more attractive valuations during the correction, mainly stocks in the industrials and logistics sectors. We aim to have a more concentrated portfolio after exiting smaller names with muted upside. The portfolio looks very attractive at a 2021 P/E of 9.9x and EPS growth of 55.5%.

Sector allocation



Top 10 holdings

Stock	Sector	% NAV
FPT	Information Technology	13.0
MBB	Financials	9.1
ACB	Financials	5.9
HPG	Materials	5.8
MWG	Consumer Discretionary	5.0
KDH	Real Estate	4.8
VPB	Financials	4.7
TCB	Financials	4.1
REE	Industrials	3.8
GMD	Industrials	3.8

Important information

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