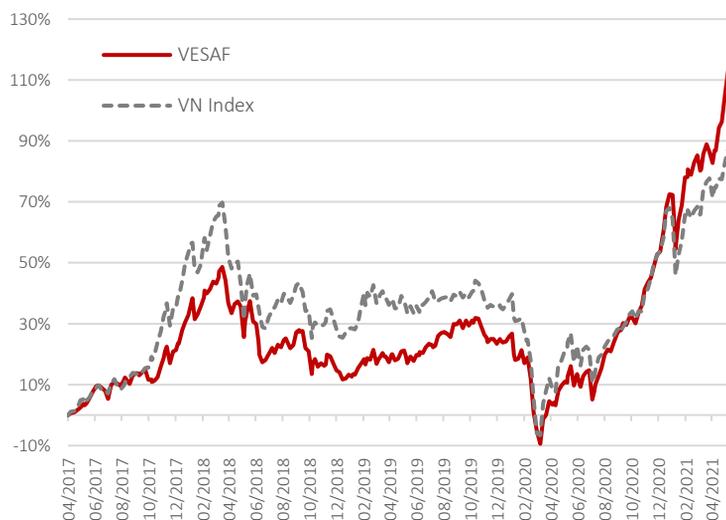


## VESAF Investment approach

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

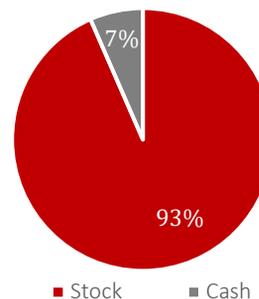
	VESAF	VN Index
Total AUM (VND billion)	472.1	
NAV/Share (VND)	21,319.05	
May 2021 (%)	14.1	7.2
YTD return (%)	36.3	20.3
2020 return (%)	25.6	14.9
Since inception return (%)	113.2	87.2
Annualized return since inception (%)	20.3	16.5

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

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Tel: +84 28 38 27 85 35

## 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"> <li>2.0% &lt; 12 months</li> <li>1.5% &gt;= 12 months</li> <li>0.5% &gt;= 24 months</li> </ul>
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

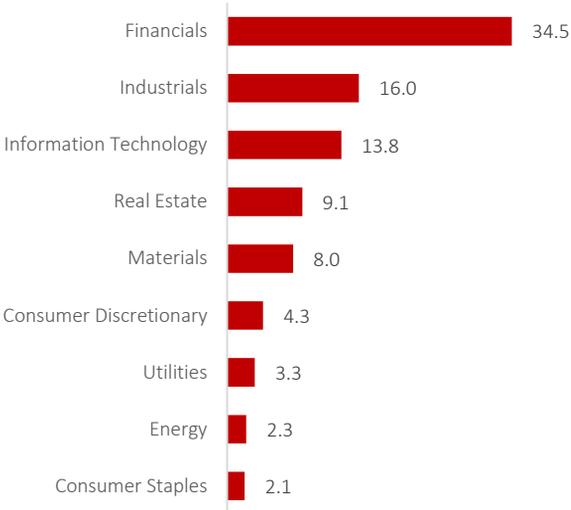
	VESAF	VN Index
Trailing P/E (x)	15.1	18.2
Trailing P/B (x)	2.8	2.7
Trailing ROE (%)	20.8	14.9
Dividend yield (%)	2.0	1.2
EPS growth 2021 (%)	42.7	28.6
Portfolio turnover 12M (%)	57.1	
Sharpe ratio	0.76	0.54
No. of stocks	25	386

(Trailing 12 months data)

Source: Bloomberg, VinaCapital's forecast

## Sector allocation

### % Total NAV



## Top 10 holdings

Stock	Sector	% NAV
FPT	Information Technology	13.8
MBB	Financials	10.6
HPG	Materials	5.4
VPB	Financials	5.1
TCB	Financials	4.8
KDH	Real Estate	4.7
MWG	Consumer Discretionary	4.3
CTG	Financials	4.2
ACB	Financials	3.7
REE	Industrials	3.7

## Comments from fund manager

### MARKET COMMENTARY

In contrast to the popular saying "sell in May", the VN Index closed the month at the all-time high level of 1,328.1, recording a 7.2% m-o-m return. On a YTD basis, Vietnam's market advanced 20.3%, far outperforming all ASEAN emerging markets.

The fourth wave of COVID-19, which started in late April, prompted several provinces across the country to implement social-distancing regulations. From 27 April to the end of May, 4,246 new COVID-19 cases were found in the community, nearly three times higher than the total number of cases in the previous three waves. Nevertheless, the severe situation did not impact investor sentiment. Local retail investors opened 113,543 new securities accounts in May, a historic high. The YTD number reached 479,857 accounts, 22% higher than the whole of 2020. Average daily trading value on the combined three bourses also surged to a record high of VND26.2 trillion in May.

Financials was among the best-performing sectors that contributed the most to the VN Index's gain. Banks and securities companies advanced 18.8% in May and 37.4% YTD on outstanding 1Q earnings as well as expected strong growth in the current quarter. The materials sector, mainly steel companies, increased 16.3% in May and 34.3% YTD, with a stellar earnings outlook driven by strong global and domestic demand. In contrast, real estate was the lagging sector during the month, declining 2.5% in May, in which the largest company, VinGroup (VIC), declined 10.3%.

The VN Index was trading at a reasonable 2021F P/E of 16.2x at the end of May, a 6% discount to the average 2021F P/E of ASEAN Emerging markets. While the bullish momentum may persist on the back of surging local inflows and positive investor sentiment on the expected positive Q2 earnings, some short-term volatility should be anticipated as the stock market can be somewhat overheated at times.

### FUND COMMENTARY

VESAF had an outstanding performance in May, doubling the return of VN Index. Our large weighting in the financial sector was rewarded, contributing half of the fund's return during the month. Notably, our picks were in selective high-quality banks (MBB +25.2%, TCB +30.9%, CTG +30.1%) and securities companies (VCI +28.0%), which had more reasonable valuations given their earnings prospects and efficiency. Other large holdings including FPT and HPG both delivered strong return.

Small and mid-cap holdings in logistics, property, and utilities started to catch up, delivering a return of 6% to 9% in May. We continued to accumulate these holdings during periods of market weakness.

### Important information

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