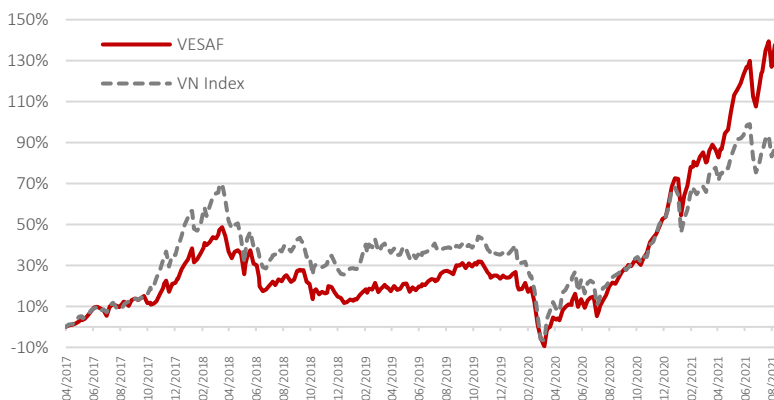


## VESAF

## 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

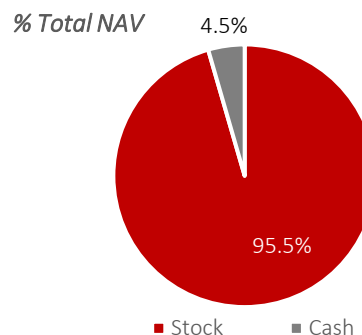
## VESAF VN Index

Total AUM (VND billion)	558.2	
NAV/Share (VND)	24,646.32	
Sep 2021 return (%)	3.7	0.8
YTD 2021 return (%)	57.6	21.6
3-year annualized return (%)	24.4	9.7
Annualized return since inception (%)	22.5	15.4
Cumulative return since inception (%)	146.5	89.2

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

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## 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"> <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	Daily, From Monday to Friday

## Portfolio statistics

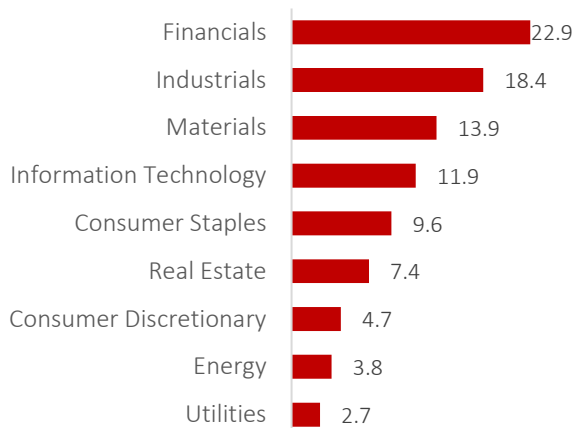
	VESAF	VN Index
Trailing P/E (x)	15.4	16.3
Trailing P/B (x)	2.9	2.6
Trailing ROE (%)	21.4	16.1
Dividend yield (%)	1.9	1.3
EPS growth 2021 (%)	42.1	20.0
Portfolio turnover 12M (%)	59.6	
Sharpe ratio	0.90	0.53
No. of stocks	27	401

(Trailing 12 months data)

Source: Bloomberg, VinaCapital's forecast

## Sector Allocation

## % Total NAV



## Top 10 holdings

Stock	Sector	% NAV
FPT	Information Technology	11.9
HPG	Materials	7.8
MBB	Financials	7.4
MWG	Consumer Discretionary	4.7
KDH	Real Estate	4.6
FMC	Consumer Staples	4.3
PLC	Materials	4.2
QNS	Consumer Staples	3.9
ASP	Energy	3.8
TCB	Financials	3.7

## Comments from fund manager

## MARKET COMMENTARY

The VN Index increased slightly by 0.8% in September, during a period when most provinces and cities in Vietnam applied the strictest of social-distancing regulations. As an economic re-opening was imminently expected, consumer discretionary was the best-performing sector during the month, with a m-o-m gain of 10.3% driven by retailers MWG and PNJ. The utilities and energy sectors also outperformed, rising 6.6% and 6.2% m-o-m, respectively, thanks to the rally in crude oil and gas prices. On the contrary, the real estate sector declined 2.8% m-o-m due to the negative performance of large caps VHM and VIC. Small-cap stocks maintained their outperformance as the VN Small Cap Index advanced by 6.5% over the last month. Average daily trading value declined by 7.9% m-o-m but remained high at VND26.5 trillion across the combined three bourses.

The negative impact of the COVID-19 outbreak was reflected in Q3 macro data. Vietnam's Q3 GDP shrank by 6.17% y-o-y as the industry and construction sectors dropped 5.02% y-o-y and the service sector slumped 9.28% in the same period. The economic contraction in Q3 has dragged the 9M21 GDP growth to 1.42%. In September alone, industrial production and retail sales dropped by 5.5% and 28.4% y-o-y but increased by 5.0% and 6.5% m-o-m respectively, indicating a recovery in parts of the country that started to control the outbreak.

At the beginning of October, most provinces in Vietnam have eased the social-distancing regulations. Factories are no longer required to apply the "three-on-site" regulation, while retail stores have been permitted to open. As of 5 Oct 2021, 37% of the Vietnamese population has received at least one dose of a vaccine, of which 12% have received two doses, a significant increase from 15% and 3% at the end of August. The vaccination rate was much higher in the economic hub of Ho Chi Minh City, with 70% of adult population having received full vaccinations. We believe the trough of the economy has passed, and look forward to a strong recovery in 2022, which should prompt the stock market to move in a more positive direction.

## FUND COMMENTARY

The fund maintained its strong performance in September, with a monthly return of 3.7%. Although the VN Index traded in a narrow range with most of the large caps underperforming, flows still came into selective smaller caps, particularly stocks in energy, public spending theme, and export-oriented sectors. HPG and MWG were the two large caps contributing to the fund's returns in September. HPG surprised investors with strong export volumes, which offset the decline in domestic sales of construction steel during the lockdown in August. MWG reported better-than-expected earnings in August, mostly from high grocery sales and cost reduction initiatives.

The best-performing holding in the fund's portfolio, however, was ASP, the largest LPG retailer with nearly 10% market share after the acquisition of several small retail brands in recent years. The stock returned 94% in September mainly due to the rally in gas prices, which we believe has little impact on the company's profitability. On the other hand, the company's long-term outlook, given its expansion, restructuring process and digitalization, remains the focal point since our disbursement. The company is on the right track to achieve its target of growing revenue and earnings by 10 times in the next 5 years.

We believe the portfolio is well-positioned to benefit from both the recovery in 2022 and the long-term story of Vietnam's economy.

## Important information

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