

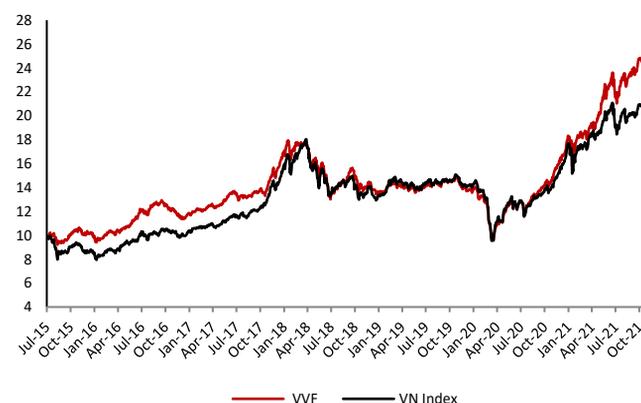
VVF is an actively managed UCITS-compliant fund that invests in equities and equity-related securities of companies that are based in Vietnam, with an objective to deliver long-term capital growth, through bottom up stock picking and disciplined risk management.

PERFORMANCE SUMMARY

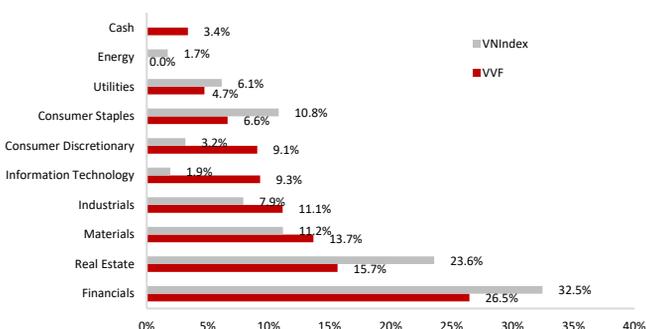
	Fund*	VN-Index
October 2021 (m-o-m)	6.5%	7.7%
YTD	49.8%	32.8%
3-year annualized	22.5%	18.6%
Annualised since inception	15.9%	13.1%
Accumulated since inception	153.7%	116.8%
Sharpe ratio (annualized since inception)	0.62	0.50
Annualized standard deviation	20.9%	21.9%
Tracking error	7.9%	

* Fund information calculated from Class A shares

PERFORMANCE CHART



SECTOR ALLOCATION



TOP HOLDINGS

Ticker	Market Cap (USDmn)	Sector	% of NAV	2021F PE	2021F ROE
HPG	11,226	Materials	9.5%	7.4	45.9%
FPT	3,865	Information Technology	9.3%	20.4	25.4%
MBB	4,733	Financials	7.4%	9.7	20.8%
MWG	4,117	Consumer Discretionary	6.1%	22.4	24.5%
TCB	7,963	Financials	5.7%	10.6	20.8%
NLG	880	Real Estate	4.7%	15.7	21.1%
KBC	1,218	Real Estate	4.4%	23.1	11.8%
DGC	1,149	Materials	4.2%	14.5	38.8%
QNS	814	Consumer Staples	4.0%	14.0	19.6%
VHM	16,364	Real Estate	3.9%	10.8	34.2%
VVF Port.				15.5	24.4%
VN-Index				16.8	20.8%

Source: Bloomberg, VinaCapital's estimates

MANAGER'S MONTHLY COMMENTARY

Vietnam's stock market surged 7.7% in October, the second largest monthly gain of 2021. The VN-Index broke the psychological resistance level of 1,400 points and finished the month at an all-time high of 1,444 points. Year-to-date 2021, the VN-Index is up 32.8% in USD terms. Positive sentiment was spurred by the gradual reopening of economic activity in Ho Chi Minh City and other southern provinces/cities as well as expectations that the Government will implement a substantial stimulus program. Real Estate (+11.6%), Utilities (+22.6%) and Industrials (+15.7%) were top performing sectors in the month. Market liquidity edged up in October, as average daily trading value for the combined three bourses increased 3.5% m-o-m to USD1.2 billion. Their average daily liquidity for 10M 2021 reached USD1.1 billion, which is 3.8x higher than the amount recorded in the same period last year.

The Fund's Class A NAV per share grew 6.5% in October, bringing its year-to-date return to 49.8%, outperforming the local benchmark, the VN-Index, by 17 percentage points. Top contributors to the Fund's performance in the month included Hoa Phat Group (HPG, +8%) and our real estate holdings, namely Nam Long Group (NLG, +38%), Kinh Bac City Development (KBC, +11.9%), and Vinhomes (VHM, +9.2%).

October also marked the start of Q3 earnings season. Despite decelerating earnings growth, Q3 earnings have fared better-than-expected. HOSE-listed companies reported a 20% y-o-y increase in quarterly earnings, which is quite encouraging given the severe impact of the lockdowns implemented to control the COVID-19 outbreak. The Materials sector posted one of its strongest quarterly results in recent years with 138% y-o-y earnings growth, driven by steel companies. Of note, HPG, the largest steel maker in Vietnam, reported Q32021 results with revenue of USD1.7 billion (+56% y-o-y) and net profit of USD455 million (+173% y-o-y). We attribute these strong earnings to resilient sales volume — especially for hot rolled coil (HRC) — coupled with favorable selling prices of construction steel and HRC. For 9M 2021, HPG recorded USD4.6 billion (+63% y-o-y) in revenue and USD1.2 billion (+207% y-o-y) in net profit. We reiterate our strong conviction in the company as a leader in the steel industry, its cost competitiveness, and its healthy financial position.

For Real Estate, Vinhomes was the bright spot, posting 84% y-o-y earnings growth thanks to stronger bulk sales and on-schedule deliveries. Although retail pre-sales softened in 9M 2021 due to the outbreak, we expect to see a recovery in coming quarters along with new launches of three mega projects — Dream City, Wonder Park, and Co Loa.

One dominant theme within the Fund's portfolio was digitalization, which spans across multiple sectors. Social distancing and limitations on mobility caused by COVID-19 have accelerated the rise of the digital economy. Companies at the forefront of digitalization like software and IT solution providers, or more traditional businesses like retailing or banks that are using technology to transform their operations and better serve customers, have proven to be resilient through the difficult period and delivered better-than-expected performance.

Of note, the Banking sector posted net profit growth of 18% y-o-y in Q3, beating consensus with its resiliency despite slower momentum. Although margins were hurt due to interest waivers, asset quality held up well due to balanced loan portfolios and prudent provisioning in past quarters. Among Vietnamese banks, TCB and MBB delivered the biggest surprises, with 40% and 28% y-o-y growth respectively, well ahead of the sector average, while being prudent with bad debt provisioning as loan loss coverage ratio stayed at 184% and 233%. Their focus on the mass and upper mass segments and robust digital platforms have been helpful in keeping their operations uninterrupted during lockdowns. Better still, Covid accelerated customer acquisition at TCB and MBB, with 37% and 60% y-o-y growth respectively, which provides abundant room for growth going forward.

FPT posted strong quarterly earnings growth of 21% y-o-y, as its software business continued to expand both overseas and domestically, driven by increasing need for digital transformation by businesses. Meanwhile, MWG's results beat the consensus forecast as net profit decreased 17.3% y-o-y, faring better than expected thanks to sales initiatives across its three retail platforms (mobile phone, electronics, and grocery) as well as cost-cutting efforts. We believe digitalization will provide a long runway for growth for the above-mentioned holdings.

By the end of October 2021, the VN Index was trading at a 2021F and 2022F P/E of 16.8x and 13.6x, while 2022F EPS growth is forecast to reach 23% y-o-y, according to Bloomberg consensus. We are optimistic that we will see the continued reopening of the domestic economy, with activity and growth rebounding into 2022, barring any unforeseen circumstances. The Fund recently added positions in economically cyclical businesses that are expected to benefit from the recovery. Looking ahead, we remain bullish on equities in secular growth industries, and we are laser focused on uncovering and owning high quality stocks that we believe can maintain or improve their pricing power and brand equity, thereby enhancing their profitability.

MACRO COMMENTARY

On 1 October, Vietnam's public health officials significantly eased COVID lockdown measures across the country, especially in Ho Chi Minh City, which was the epicentre of the country's Delta variant outbreak. The number of daily new COVID cases in Vietnam fell from a peak of over 17,000 per day at the end of August to circa 7,000 per day by the end of September and continued to drop to circa 5,000 per day by the end of October.

The easing of COVID restrictions drove a surge of personal mobility and economic activity. The Google Workplace Mobility Index for Vietnam was around -50% (versus pre-COVID levels) at the end of September but by the end of October, we estimate that mobility recovered back to the same level as in early-July.

Consequently, retail sales surged by 18% month-on-month (m-o-m) in October, manufacturing output rose by 6.7% m-o-m, and Vietnam's PMI leapt from 40.2 in September to 52.1 in October, despite a temporary labor shortage caused by factory workers in the greater HCMC area returning to their hometowns after lockdown measures were lifted. Some of those workers have already returned to their jobs, and we expect factories in Vietnam to resume operating at full capacity within the next three months.

MACRO INDICATORS

	2020	Oct 2021	YTD 2021	YOY
GDP growth ¹ (%)	2.9			1.42%
Inflation ² (%)	3.2	1.8	1.8	
FDI commitments (USDbn)	21.0	1.2	20.1	15.8%
FDI disbursements (USDbn)	20.0	1.9	15.2	-4.1%
Imports (USDbn)	262.4	26.2	269.4	28.2%
Exports (USDbn)	281.5	27.3	267.9	16.6%
Trade surplus/(deficit) (USDbn)	19.1	1.1	-1.5	
Exchange rate (USD/VND) ³	23,131	22,750		

Sources: GSO, Vietnam Customs, SBV, MPI | 1. Annualized rate, updated quarterly | 2. Inflation: Monthly year-on-year change; Annual is 12-month average change in CPI per GSO | 3. BBG-State Bank of VN Avg. USD/VND Interbank rate

Vietnam's manufacturing industry supported the country's economy throughout the pandemic due to the continued strong demand for made-in-Vietnam products, particularly from US consumers. Manufacturing output growth actually improved slightly from 4.2% y-o-y growth in 10M20 to 4.4% in 10M21, despite lockdown restrictions. Vietnam's exports to the US surged 22% y-o-y in 10M21, which in-turn drove 16.6% growth in Vietnam's total exports to USD267.9 billion during that period.

Nearly 30% of Vietnam's exports are sold in the US, making it Vietnam's largest export market. Vietnam's trade surplus with the US swelled by nearly 25% this year, from USD51 billion in 10M20 to USD63 billion in 10M21. However, Vietnam ran a USD1.5 billion overall trade deficit in 10M21, primarily due to FDI firms aggressively importing production inputs earlier in the year.

Specifically, Vietnam's total imports surged 28.2% y-o-y to USD269.4 billion as FDI firms had expected to significantly ramp-up production of a wide range of products that were slated to be sold to consumers in developed economies. Those plans were derailed by the outbreak, which helps explain why exports have not kept pace with imports this year. We expect Vietnam's trade balance to flip back to a surplus by the end of the year and note that Vietnam's exports increased 1% m-o-m in October while imports fell 2% m-o-m, resulting in Vietnam running a USD1.1 billion trade surplus for the month, a pattern that we expect to continue in the months ahead.

In addition to production disruptions, another consequence of the outbreak was the inability of foreign executives to easily travel to Vietnam to consummate previously planned FDI investments. Consequently, FDI disbursements fell 4.1% y-o-y in 10M21 to USD15.2 billion, although planned FDI investments (including new projects and expansion of existing projects) were up 15.8% y-o-y to USD20.1 billion.

Finally, inflation remained subdued in Vietnam despite the on-going global increase in energy prices. Specifically, CPI inflation fell from 2.1% y-o-y in September to 1.8% in October because a 7% m-o-m increase in retail petrol prices during the month was offset by a 9% m-o-m drop in pork prices (the weightings of pork and petrol in Vietnam's CPI are both around 3-4%).

KEY TERMS

	Class A ¹	Class B	Class C	Class D	Class E	Class F ³	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% ²	15% ²	15% ²	15% ²	None	None
Bloomberg	FOVCPVA LX	FOVIEBU LX	FOVIECE LX	FOVIEDE LX	FOVIEEU 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).

VVF FUND INFORMATION

Launch Date	14 July 2015
Legal Entity Identifier (LEI)	5493003GR1U7LK7K6767
Trading Period	Daily Subscriptions/Redemptions
Fund Size	USD57.3m
Incorporation	Luxembourg
Registered	UK, The Netherlands, Germany, Singapore, Austria, Switzerland, Sweden
Management Company	Edmond de Rothschild Asset Management (Luxembourg)
Fund 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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Disclaimer

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://wm.vinacapital.com/en/vcg-partners-vietnam-fund-vvf>) and the Management Company's website (<http://navcentre.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 in 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.