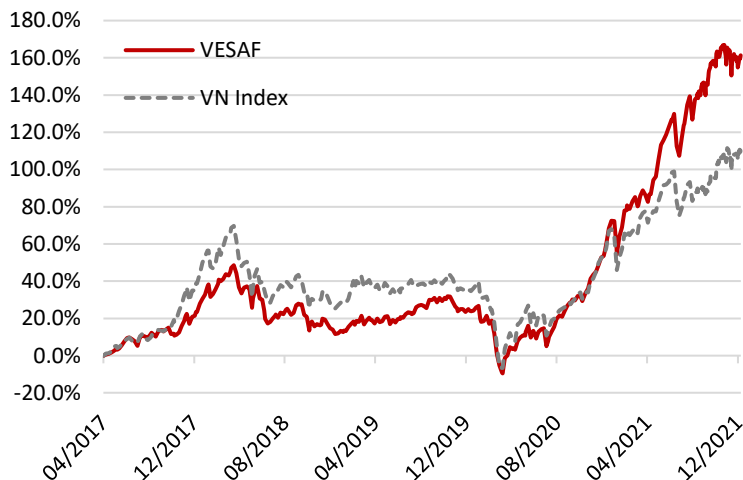


# Vietnam Equity Special Access Fund (VESAF)

## 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

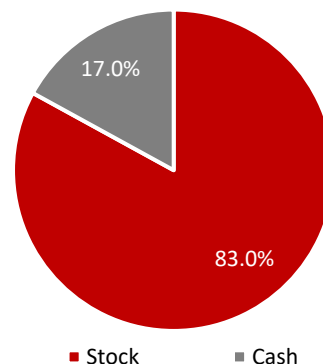
	VESAF	VN-Index
Total AUM (VND billion)	919.3	
NAV/Share (VND)	26,128	
Dec 2021 return (%)	(0.7)	1.3
YTD 2021 return (%)	67.0	35.7
3-year annualized return (%)	31.8	18.8
Annualized return since inception (%)	22.7	17.3
Cumulative return since inception (%)	161.3	111.2

(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"> <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)	14.3	17.5
Trailing P/B (x)	2.5	2.8
Trailing ROE (%)	17.1	16.1
Dividend yield (%)	1.4	1.1
Portfolio turnover 12M (%)	42.3	-
Sharpe ratio	0.94	0.62
No. of stocks	29	404

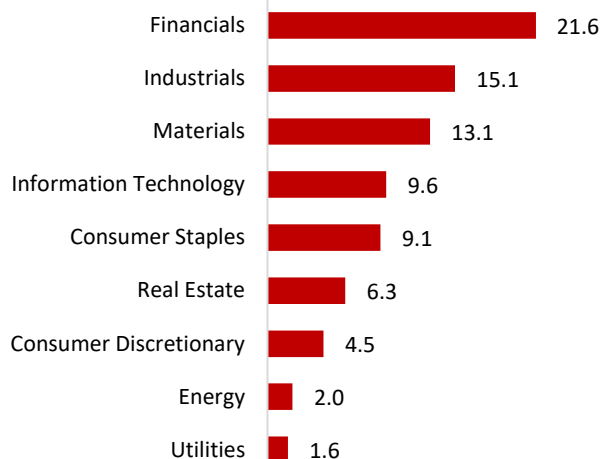
\* Trailing 12 months data

Source: Bloomberg, VinaCapital's forecast

# Vietnam Equity Special Access Fund (VESAF)

## Sector allocation

### % Total NAV



## Top holdings

Stock	Sector	% NAV
FPT	Information Technology	9.6
MBB	Financials	7.7
QNS	Consumer Staples	5.3
SZC	Industrials	4.9
MWG	Consumer Discretionary	4.5
VPB	Financials	4.2
HPG	Materials	4.1
PLC	Materials	3.7
KDH	Real Estate	3.4
TCB	Financials	3.0

## Comments from fund manager

### MARKET COMMENTARY

The VN Index gained 1.3% in December 2021, closing the year at 1,498.3, which is very near its all-time high of 1,500.8 recorded in November 2021. For the full-year 2021, the VN Index advanced by 35.7%, the highest return among ASEAN emerging markets and one of the world's best-performing stock markets.

With the dominance of retail investors, the VN Mid Cap and VN Small Cap Index continued to outperform the market, increasing 7.4% and 7.5% m-o-m respectively, while the VN30 Index declined 0.1% m-o-m. December average daily trading value retreated to VND33.0 trillion from the record high of VND40.1 trillion in November. Foreign investors continued to sell, with the net-sell amount reaching VND4.7 trillion on the combined three bourses in December. In 2021, foreign investors net sold VND62.7 trillion on the Vietnamese stock market.

**Q4 macro data demonstrated clear economic improvement after the social distancing regulations were relaxed.** GDP grew 5.2% y-o-y from a 6.0% y-o-y contraction in Q3. In 2021, GDP growth reached 2.6%, slightly lower than the 2.9% growth in 2020. Most other figures were positive: 2021 exports and imports advanced by 19.0% and 26.5% y-o-y, respectively, resulting in a USD4.0 billion trade surplus. Industrial production grew 8.7% y-o-y in December and 4.8% y-o-y in 2021. Retail sales also edged up 1.1% y-o-y in December, but still declined 3.8% for the full-year due to several months of social distancing.

**2021 ended with better-than-expected returns for most stock investors. In 2022, we look forward to the economy's continued recovery and growth.** According to Bloomberg, listed companies on HOSE are forecast to record net profit growth of 26% in 2022, which will put the 2022 P/E of the VN Index at 13.9x, well below the 5-year average and ASEAN emerging markets. The National Assembly has been discussing a socioeconomic support package of VND347 trillion, which should boost economic growth in 2022-2023 and bring additional positive sentiment to the stock market.

### FUND COMMENTARY

VESAF declined 0.7% in December, with holdings in consumer staples such as QNS and FMC lagging. On the other hand, strong flows into the real estate sector continued to support the performance of both industrial and residential properties names. SZC (+15.5%), KBC (+17.2%), and KDH (+9.8%) were the top contributors to the fund in December.

For 2021, VESAF returned 67.0%, a strong outperformance versus the VN Index, which cements the fund's #1 position amongst Vietnam's 14 open-ended equity funds for the second year running.

Looking forward to 2022, our portfolio is constructed to benefit from strong exports and increasing FDI, and the resumption of international flights, all of which are expected as the country chooses to "live with covid". Over 25% of the current portfolio is comprised of holdings in industrial parks, logistics and utilities services that support trade activities. We also believe in the recovery of domestic consumption following the reopening of the economy, although it may be uneven. Therefore, the portfolio aims at investing in companies with the capability to gain market share post-Covid via their strong digital transformation initiatives to capture the change in consumption habits. Additionally, accelerated infrastructure spending will also support our holdings in materials and residential properties. The portfolio's EPS growth is forecasted at 40.5% for 2022, significantly higher than the expected growth of the market.

## Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	-0.52%	2.75%	1.73%	1.07%	-0.63%	0.44%	2.11%	3.82%	3.29%	-0.56%	-3.76%	-0.66%	9.20%
2020	-3.78%	-1.29%	-23.49%	14.96%	6.35%	-1.29%	-1.40%	12.84%	5.16%	1.18%	10.95%	9.01%	25.56%
2021	1.23%	12.46%	1.45%	3.40%	14.12%	6.25%	-1.21%	6.24%	3.67%	6.71%	0.01%	-0.66%	67.03%

### Important information

The information contained herein has been prepared by VinaCapital Fund Management Joint Stock Company (the "Company") and is subject to updating, completion, revision, further verification and amendment without notice.

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