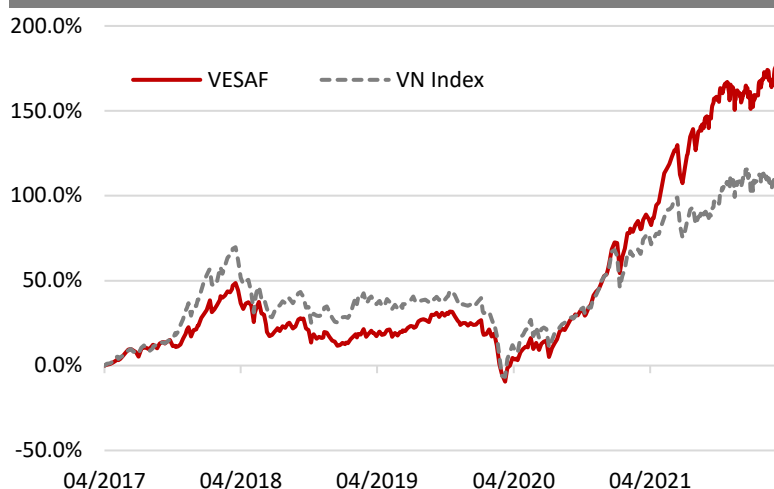


VESAF Investment approach

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 fund units. Current performance may be higher or lower than the performance data quoted.

Fund performance

	VESAF	VN-Index
Total AUM (VND billion)	1,157.1	
NAV/Share (VND)	28,232.1	
Mar 2022 return (%)	3.9	0.1
YTD 2022 return (%)	8.1	(0.4)
3-year annualized return (%)	33.5	15.0
Annualized return since inception (%)	23.4	16.3
Cumulative return since inception (%)	182.3	110.3

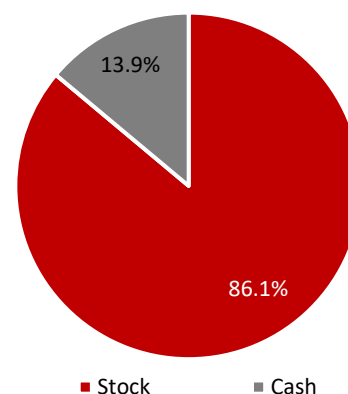
(The NAV is net of management fee and administrative expenses)

Investor Relations: irwm@vinacapital.com

Tel: +84 28 38 27 85 35

Investment allocation

% Total NAV



Fund information

Inception	18/04/2017
Management fee	1.75% per annum
Subscription fee	0.0%
Redemption fee	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. (Vietnam)
Auditor	PwC Vietnam
Trading frequency	Daily, From Monday to Friday
Benchmark	VN-Index

Portfolio statistics

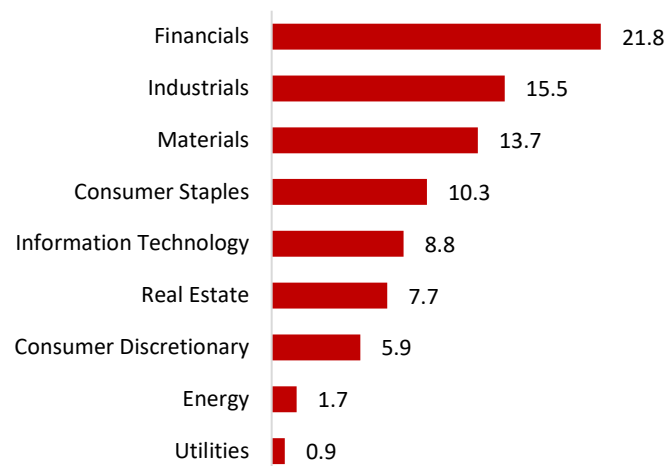
	VESAF	VN-Index
Trailing P/E (x) (*)	16.0	17.3
Trailing P/B (x) (*)	3.1	2.6
Trailing ROE (%) (*)	19.9	15.3
Dividend yield (%) (*)	1.6	1.1
Portfolio turnover 12M (%)	35.9	0.0
Sharpe ratio	0.9	0.6
No. of stocks	32	409

* Trailing 12-month data

Source: Bloomberg, VinaCapital's forecast

Sector allocation

% Total NAV



Top holdings

Stock	Sector	% NAV
MBB	Financials	10.5
FPT	Information Technology	8.8
MWG	Consumer Discretionary	5.9
QNS	Consumer Staples	5.0
KDH	Real Estate	4.6
VPB	Financials	4.0
PLC	Materials	3.7
SZC	Industrials	3.4
FMC	Consumer Staples	3.1
KBC	Real Estate	3.0

Comments from fund manager

MARKET COMMENTARY

March started with a great deal of caution from investors, prompted by the Russia – Ukraine conflict, rising inflation, and the Fed’s rate hike. From its close of 1,490.1 at the end of February, the VN Index fell to 1,446.3 on 14 March, but then recovered to 1,492.2 at the end of March, a 0.1% m-o-m increase. Investors placed more emphasis on economic recovery and earnings growth, while stock prices mostly reflected the negative information. On a YTD basis, the VN Index’s return remained at -0.4%.

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	-3.8%	-1.3%	-23.5%	15.0%	6.3%	-1.3%	-1.4%	12.8%	5.2%	1.2%	11.0%	9.0%	25.6%
2021	1.2%	12.5%	1.4%	3.4%	14.1%	6.3%	-1.2%	6.2%	3.7%	6.7%	0.0%	-0.7%	67.0%
2022	-0.8%	4.9%	3.9%										8.1%

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.

The information does not constitute or form part of any offer for sale or solicitation of any offer to buy or subscribe for any securities nor shall they or any part of them form the basis of or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever. Forward-looking information is based on the estimates and opinions of the Company’s at the time the statements are made, and is therefore, of no obligation to be updated or corrected to changing circumstances.

Comments from fund manager (cont)

Global stock markets also performed better in March. The MSCI World Index and S&P 500 increased 1.9% and 3.6% in March, however their YTD returns were -5.7% and -4.9%, respectively.

Market liquidity also reflected a more positive investor sentiment. The average daily trading value increased 18% m-o-m from USD1.2 billion in February to USD1.4 billion in March. Foreign investors continued to be net-sellers for the eighth month in a row, with the net-selling amount on the combined three bourses reaching USD159 million in March.

Q1 economic data showed a recovery, although most of growth rates remained lower than their pre-COVID levels. Q1 GDP growth reached 5.03% (higher than 4.72% in 1Q21 but lower than 6.85% in 1Q19). Notably, there were significant improvements in March data. The Industrial Production Index and nominal retail sales grew 8.5% and 9.4% y-o-y in March, bringing Q1 growth to 6.4% and 4.4% y-o-y, respectively. The Purchasing Managers’ Index (PMI) declined from 54.3 in February to 51.7 in March. The above-50 level continued to indicate manufacturing expansion, but the companies surveyed raised concerns about rising input costs due to escalating commodity prices.

While Q1 GDP growth was slightly lower than expected, we have observed a clear trend of economic improvements since Q4 last year. From April, further recovery can be expected as international flights resumed on 15 March and air travelers no longer have to quarantine upon arrival in Vietnam. COVID-19 is no longer people’s primary concern as the number of fatalities and hospitalizations has subsided significantly compared with the peak in Q3 last year. Equity investors may remain concerned about the Fed’s rate hike and inflation, but we believe the investment prospects from economic recovery and growth outweigh any risks.

In addition, the Government is determined to make the stock market more transparent and ensure equality among investors by strictly penalizing recent violations of stock market regulations. These decisive actions will strengthen investors’ confidence about the long-term development of Vietnam’s stock market.

FUND COMMENTARY

The fund returned 3.9% in March, extending its outperformance against the VN Index by 8.5% in the first quarter. Despite the volatile market conditions, our holdings delivered resilient performances. Notably, holdings in the FDI and export themes stood out well against the others and played a leading role in the fund’s performance as their earnings outlooks are expected to be among the best in 1H22. The selected stocks under this theme include DGC, FMC, GMD, DPR and VHC, which maintained robust returns in March and 1Q22. The fund currently has exposure of around 25% related to this theme.

FPT returned 14.7% in March and was one of the leading performers in 1Q22 among the FOL stock universe. We recently attended FPT’s AGM, where management reaffirmed their upbeat outlook for the coming years, driven by (i) the proliferation of new technology applications with mega trends in artificial intelligence and cloud-based services for digital transformation objectives, and (ii) FPT’s on-going enhancement in consulting and technology capabilities through an M&A strategy as well as its expanding education business segment. Apart from its 2021 acquisition of Base.vn, a cloud-based software company which was a perfect match for FPT’s strategy to build comprehensive digital transformation platforms for Vietnamese SMEs, the management will look for new M&A opportunities in global markets that may arise from the Russia - Ukraine conflict. Additionally, FPT AI Quy Nhon University plays an important role in developing FPT’s future labour force. The introduction of a new BOD member who had 30 years of experience at InfoSys, one of the global leading IT groups, will also support the enrichment of FPT’s capabilities. The company estimated preliminary pre-tax profit growth of 27% y-o-y for 1Q22.

QNS returned 12.2% in March after lagging in the first two months of the year. At its recent AGM, management forecast 1Q22 sales growth of 21% y-o-y in its soymilk segment, underpinned by the demand recovery and new products launched in the previous two years. Notably, the hike in soybean input prices was not expected to impact soymilk’s earnings in 2022 as the company has already secured 50% of the inputs it needs this year while it raised the selling price of soymilk products by 5% in February. Besides the positive earnings from the existing products, we look forward to QNS’s new growth opportunities in the coming years as management indicated their aim of introducing the first plant-based drinking yogurt in Vietnam later this year, followed by a plant-based meat product. While it is premature to assess these new products, such initiatives are necessary to supplement the company’s future growth given its current large market share in the soymilk business.