

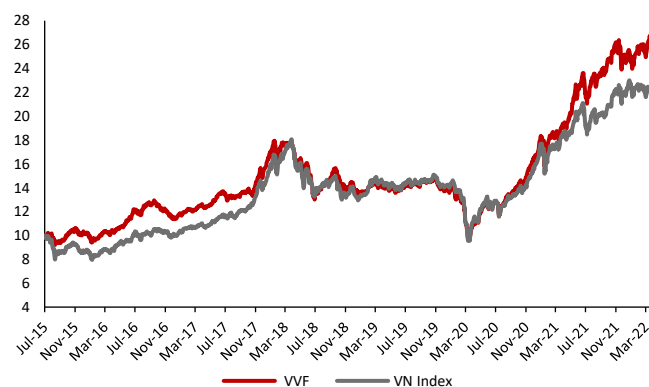
VVF is an actively managed UCITS-compliant fund that invests in equities and equity-related securities of companies that are based in Vietnam, with an objective to deliver long-term capital growth, through bottom up stock picking and disciplined risk management.

PERFORMANCE SUMMARY

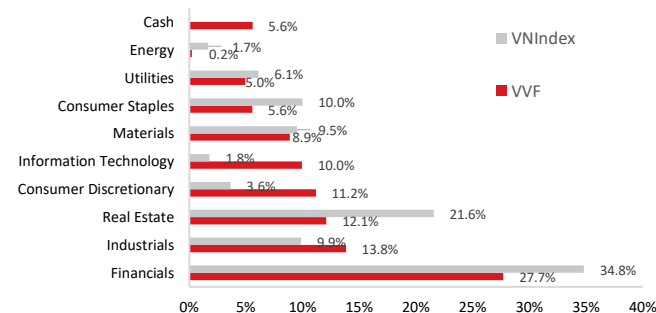
	Fund*	VN-Index
March 2022 (m-o-m)	3.7%	0.1%
YTD	5.6%	-0.5%
3-year annualized	23.6%	15.6%
Annualized since inception	15.8%	12.7%
Accumulated since inception	167.4%	123.1%
Sharpe ratio (annualized since inception)	0.64	0.50
Annualized standard deviation	20.3%	21.3%
Tracking error	8.0%	

* Fund information calculated from Class A shares

PERFORMANCE CHART



SECTOR ALLOCATION



TOP HOLDINGS

Ticker	Market Cap (USDmn)	Sector	% of NAV	2022F PE	2022F ROE
FPT	4,253	Information Technology	10.0%	18.4	23.1%
MBB	5,452	Financials	8.4%	7.2	24.3%
MWG	4,674	Consumer Discretionary	6.9%	15.9	28.5%
TCB	7,619	Financials	5.5%	7.7	21.6%
DGC	1,708	Materials	4.8%	9.8	48.7%
HPG	8,835	Materials	4.1%	5.2	35.3%
GMD	771	Industrials	3.6%	21.6	11.3%
KBC	1,339	Real Estate	3.6%	6.7	24.8%
STB	2,617	Financials	3.6%	13.2	12.4%
NLG	946	Real Estate	3.5%	16.8	9.1%
VVF Port.				10.8	23.3%
VN-Index				14.2	19.4%

Source: Bloomberg, VinaCapital's estimates

MANAGER'S MONTHLY COMMENTARY

After an exceptional 2021, the first quarter of 2022 was quite volatile for Vietnam's stock market, weighed by global events such as the Russia – Ukraine conflict and the US Fed's rate hike to combat higher inflation. The VN-Index, the local benchmark, inched up 0.1% in March, posting a YTD return of a slight negative 0.5%. Liquidity improved during the month, increasing 18% m-o-m from USD1.21 billion in February to USD1.42 billion in March. The Fund's class A NAV per share increased 3.7% in March, bringing its Q1 return to 5.6%, outperforming the VN-Index.

March also kickstarted the earnings and annual shareholder meeting (AGM) season—the multi-week period when public companies report their quarterly results and full year guidance. As Vietnamese corporations unveil their quarterly results, investors will search for signs of recovery or how businesses are coping with higher costs. So far, several companies in the portfolio have provided some colour on Q1 earnings, setting the positive tone for this year outlook.

FPT Corporation (FPT), the fund's largest holding, was among the top contributors to its performance in March, rising 14.6%. The company recently held its AGM during which a dividend scheme was approved and bottom-line guidance of 20% earnings growth was announced. We note that FPT has a recent track record of exceeding its profit guidance. FPT will pay the second tranche of the 2021 cash dividend of USD0.04 per share and a 20% share dividend in Q2 2022. In addition to increasing contracts signed with global customers for software solutions, FPT sees huge growth opportunities from domestic IT spending as both the Government and corporations accelerate digital transformation (DX). Per FPT's management, DX is one of the top priorities of the Government's spending at both central and provincial levels. In 2021, FPT worked with 40 provinces and municipalities and signed strategic contracts with 14. Furthermore, FPT is seeing huge demand from corporations such as Masan (MSN), Sovico (a private conglomerate), Dat Xanh Group (DXG). FPT has been active in investing in the necessary skill sets and recruits to build in-house products based on cloud and AI as well as new trends like blockchain and metaverse technologies to prepare for future growth. For Q1 2022, the company disclosed positive preliminary results in which revenue advanced 26% yoy and PBT soared 26%-28% yoy, mainly driven by FPT's three core segments of Software Outsourcing, Education, and Telecom Services.

Duc Giang Chemicals (DGC)'s share price rallied 39.7% in the month on upbeat Q1 earnings of USD65 million (+414% yoy, +7% qoq), which were announced at its AGM. The company is targeting full year revenue and earnings growth of 27% and 39% respectively, which are quite conservative given the company's track record of exceeding guidance. DGC is negotiating with some M&A targets in yellow phosphorus (P4) that also own sizeable phosphate rock mines and rock processing plants.

MWG's share price increased 7.1% in March as the company released 2022 AGM documents that target revenue of USD6 billion (+14% yoy) and NPAT of USD276 million (+30% yoy). This guidance implies improving net margin to 4.5% in 2022 from 4.0% in 2021 from (1) operating leverage obtained from market share gains from store expansion in mobile phones and electronics and (2) the grocery chain's continued improvement of profitability. Additionally, the company guides for a FY2021 cash dividend of USD 0.04 per share - equivalent to a dividend yield of 0.7% - and a FY2021 stock dividend at a ratio of 1:1, which implies that every current share will receive an additional share. MWG also revealed a plan for private placement of their grocery chain-Bach Hoa Xanh at up to 20% of share capital, which is expected to be conducted in 2022-2023.

At its recent AGM, ACB, a commercial bank in the portfolio which focuses on retail lending, disclosed strong Q1 2022 PBT of USD182 million (+35% yoy, fulfilling 28% of the year's guidance), driven by stronger net interest income and solid fee income from bancassurance. Asset quality improved with a lower NPL ratio of 0.74%, a stable loan loss coverage ratio of over 200%, and a decline in Covid-impacted loans (including related loans) by 12% YTD. The bank set a 25% yoy net profit growth target for 2022, 10% credit growth, and a NPL ratio under 2%.

On March 29, the chairman of FLC Group, which is listed on HOSE under ticker FLC, was arrested for alleged stock market manipulations. We believe this strong action by top authorities will help to develop a healthier stock market and boost investors' confidence. Despite recent volatility as seen in the first two weeks of April, we remained calm and focused on identifying credible long-term investment themes. We see stock selection becoming more important as companies navigate higher inflation and disruption with varying degrees of agility and chances of success. We maintain our positive view on Vietnam's stock market and would take market volatility as opportunities to accumulate quality businesses with good corporate governance, strong business models and durable cost advantages.

MACRO COMMENTARY

Vietnam's GDP growth nudged up from 4.5% yoy in Q1 last year to 5.0% in Q1 2022 while inflation increased from 1.4% yoy in February to 2.4% in March driven by the recent surge in global oil prices. The COVID Omicron variant hit Vietnam in March, postponing the country's nascent economic recovery due to a fairly large number of people were unable to go to work and/or were unable to consume products and services normally (recall that household consumption accounts for about two-thirds of Vietnam's GDP).

The daily number of new COVID cases in Vietnam peaked at around 180,000 in mid-March, but fell to about 80,000 by the end of the month. While the country's hospital system was stretched, it was not overwhelmed, and the Government continued to ease COVID restrictions, including fully reopening to vaccinated international tourists from 15th March.

GDP growth was primarily driven by the industrial sector, which contributed about half of Vietnam's above-mentioned 5.0% GDP growth in Q1, although the country's manufacturing output decelerated from 9.5% growth in Q1 2021 to 7.8% in Q1 2022, primarily because the availability of workers was constrained due to COVID.

Those labour issues, coupled with higher input costs, prompted a drop in Vietnam's PMI from 54.3 in February to 51.7 in March. We also note that Restoration Hardware, a leading high-end US furniture company, mentioned difficulties fully ramping up production at their Vietnam factory during the company's Q1 earnings call at the end of March.

That said, despite the deceleration in manufacturing output growth, industrial output increased from 5.7% yoy in Q1 2021 to 6.4% in Q1 2022. This was driven by a surge in the growth of

electricity production (from 2.2% in Q1 2021 to 7.1% in Q1 2022) and an expansion in Vietnam's oil production volume, which increased along with global oil prices.

However, the surge in global oil prices drove nearly all the increase in Vietnam's inflation rate. The headline CPI rate was also boosted by an increase in food price inflation from -0.2% yoy in February to +1% in March, which primarily stems from a COVID-related phenomenon.

In short, the price of rice and other grains rose in early 2021 as countries aggressively replenished domestic inventories that were depleted during the first COVID wave, but prices subsequently plunged as 2021 progressed. The resulting "high base effect" led to a 20% yoy drop in Vietnamese rice prices in early 2022, but that year-on-year drop is set to fade as 2022 progresses. Consequently, Vietnamese rice prices fell by 19% yoy in February, by 13% in March, and are likely to be flat year-on-year within the next few months.

Next, Vietnam's exports grew by 13% in Q1 2021 to USD88.6 billion, according to the General Statistics Office (GSO), but import growth of 16% (to USD87.8 billion) resulted in Vietnam's trade surplus shrinking from USD2.8 billion in Q1 2021 to USD0.8 billion in Q1 2022.

In 2021, Vietnam's imports grew by 27% while exports grew 19%. This mismatch was caused by the fact that FDI companies (which account for about three-quarters of Vietnam's imports) aggressively imported inputs required to ramp-up production but were then unable to run their factories at full capacity because of COVID.

This year, we estimate that imports of components and other materials required to produce high-tech products are up about 40% yoy, which we regard as a positive leading indicator for the manufacturing sector. Furthermore, FDI disbursements grew 7.8% yoy in Q1 to USD4.4 billion, and over 90% of those incoming investments will be channelled into manufacturing or into electricity generation to power the country's industrial sector and households. We also view this as a positive leading indicator for Vietnam's manufacturing sector and believe that the continued flow of FDI into the country is one factor that is supporting the value of the VN Dong.

The USD-VND exchange rate appreciated by about 0.2% in the month of March and is now nearly flat YTD, despite a 2.4% YTD increase in the DXY index as of end-March and despite the on-going turmoil between Russia and Ukraine. Note that we published two reports during the month highlighting the limited impact of the Russia-Ukraine conflict on Vietnam (which can be found [here](#)), and on the limited impact of China's COVID lockdowns on Vietnam (which can be found [here](#)).

MACRO INDICATORS

	2021	Mar 2022	YTD 2022	YOY
GDP growth ¹ (%)	2.6			5.0%
Inflation ² (%)	1.8	2.4	1.9	
FDI commitments (USDbn)	24.3	3.1	7.3	-22.0%
FDI disbursements (USDbn)	19.7	1.7	4.4	7.8%
Imports (USDbn)	332.2	32.7	87.8	15.9%
Exports (USDbn)	336.3	34.1	88.6	12.9%
Trade surplus/(deficit) (USDbn)	4.1	1.4	0.8	
Exchange rate (USD/VND) ³	23,145	22,837		

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

KEY TERMS

	Class A ¹	Class B	Class C	Class D	Class E	Class F ²	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%
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 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	USD56.5m
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

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