

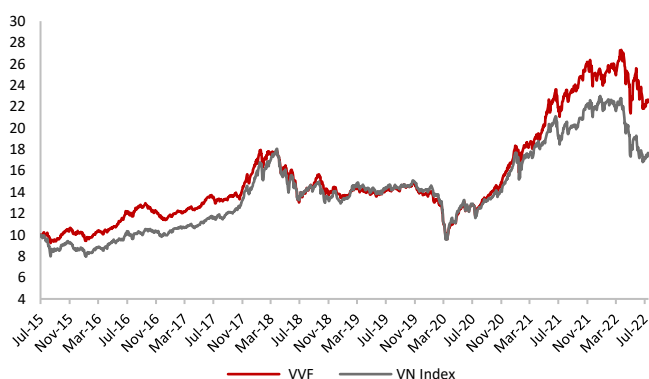
VVF is an actively managed UCITS-compliant fund that invests in equities and equity-related securities of companies that are based in Vietnam, with an objective to deliver long-term capital growth, through bottom up stock picking and disciplined risk management.

PERFORMANCE SUMMARY

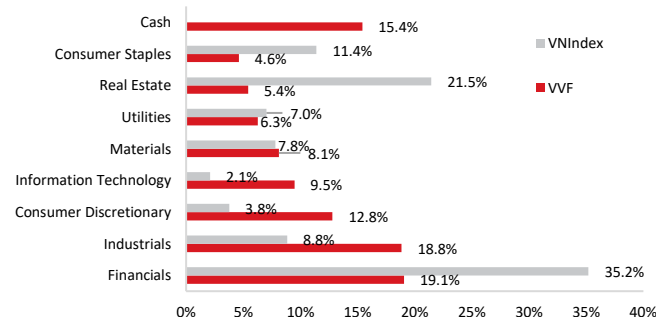
	Fund*	VN-Index
July 2022 (m-o-m)	-3.6%	0.5%
YTD	-11.1%	-21.3%
3-year annualized	16.7%	6.6%
5-year annualized	11.1%	8.4%
Annualized since inception	12.2%	8.4%
Accumulated since inception	125.2%	76.5%
Sharpe ratio (annualized since inception)	0.49	0.32
Annualized standard deviation	20.3%	21.5%
Tracking error	8.2%	

* 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	3,921	Information Technology	9.5%	17.3	23.1%
MWG	3,822	Consumer Discretionary	6.3%	15.7	24.6%
GMD	645	Industrials	6.0%	15.3	13.5%
MBB	4,149	Financials	4.8%	5.6	24.5%
DGC	1,419	Materials	4.0%	4.7	72.1%
PNJ	1,183	Consumer Discretionary	3.7%	14.6	27.5%
VCB	15,134	Financials	3.7%	12.3	23.1%
GAS	8,808	Utilities	3.6%	14.9	24.6%
REE	1,144	Industrials	3.5%	10.7	14.2%
TCB	5,696	Financials	3.3%	6.0	21.4%
VVF Port.				10.0	24.6%
VN-Index				11.5	18.5%

Source: Bloomberg, VinaCapital's estimates

MANAGER'S MONTHLY COMMENTARY

In a reversal from previous months, the VN Index slightly rebounded by 0.5% m-o-m in July, driven by Financials (+5.2%), Industrials (+5.8%) and Consumer Staples (+4%) to close the month at 1,206. On a year-to-date (YTD) basis, the VN Index has declined 21.3% in USD terms. Trading turnover dropped to a 20-month low, with average daily trading value (ADTV) for the three bourses combined plummeting 21.5% m-o-m to USD602 million. The market's rebound signalled that it had partly priced in investor angst around rising inflation, rising interest rates, and the prospects of a global recession. Meanwhile, investors are closely watching Q2 earnings results and updated forward outlooks to see how elevated inflation and a recession are impacting businesses' abilities to generate profits.

The Fund's Class A NAV per share declined 3.6% in the month. This was due to the price correction in consumer discretionary holdings such as PNJ (-12%) and MWG (-15%) on investor concern about softening demand as well as the fact that some top holdings like FPT (-3%), GMD (-4%) and REE (-13%) took breathers despite their good Q2 results after holding up well in previous months. On year-to-date basis, the Fund was down 11.1%, outperforming the local benchmark VN-Index, which declined 21.3% in the same period.

Q2 earnings season has concluded, with the aggregate net profit of listed companies on HOSE (the main exchange) advancing by 3.8% y-o-y in the second quarter and 17.3% y-o-y in 1H2022. The Banking sector recorded average y-o-y profit growth of 38% in the second quarter, driven by increasing net interest income and an easing of provision expenses. Within the sector, MBB, VCB and ACB (also our top holdings) were the leaders, posting 78%, 50% and 52% earnings growth, respectively.

The Consumer Discretionary sector saw a 20% increase in revenue while earnings advanced 13.6% y-o-y in the second quarter. Of note, PNJ's profit surged 65% y-o-y to USD15.7 million, beating our forecasts, on the back of better-than-expected retail revenue growth (more than 50% same-store-sales growth). PNJ's robust performance was underpinned by its market share gains from the unbranded jewelry segment. In contrast, MWG posted lacklustre results, with net profit slightly declining 7% in Q2 on 8% revenue growth, due to the company's accelerating a promotion campaign to clear inventory at its phones and consumer electronics chain, as well as the ongoing revamping of the grocery chain to increase efficiency. While this is a short-term set-back for MWG and we expect to see a rebound in Q3, we will closely monitor demand for the company's products and operational efficiency.

FPT recorded net profit growth of 25% in 2Q2022, driven by the technology sector, in which digital transformation posted growth of 64.6% y-o-y. Newly signed orders for Global IT Services were up by 40% y-o-y, ensuring growth visibility for the latter half of 2022. In a recent analyst meeting, management noted the company's price competitiveness (around 20% lower) in comparison with Indian IT vendors and an improvement in consulting capabilities will lead to FPT gaining a higher share of the global software outsourcing market. FPT recently announced that it will pay the second tranche of a cash dividend of USD0.42 per share, equivalent to a 1.2% dividend yield.

GMD released 2Q2022 results with revenue up 30% y-o-y to USD41.8 million and NPAT-MI doubling y-o-y to USD12.3 million. The upbeat profit growth in the quarter was mainly driven by the contribution from Gemalink, its newly operating deep seaport, as well as strong volume from other seaports and logistics segments. For 1H2022, Gemalink's handling volume was 600,000 TEUs, up 98% y-o-y, with a utilization rate reaching 80%.

REE is a holding company with three main business lines: power plants, mechanical & engineering installation (M&E) and office leasing. The company announced 2Q2022 results with revenue and NPAT-MI surging 24% y-o-y and 56% y-o-y to USD87 million and USD26 million, respectively, thanks to the strong performance from its hydropower plants. REE's 1H2022 reported NPAT-MI was USD56 million (+61% y-o-y), beating the consensus forecast.

In contrast, the earnings of Real Estate and Materials companies declined 40% and 34% respectively in the second quarter. The Real Estate sector's profit was dragged by Vinhomes (VHM), whose earnings declined nearly 95% y-o-y due to a lack of residential deliveries and the absence of bulk sales. The Materials sector, mostly driven by steel companies, saw profit decline 34% on the slump of steel prices and contracting margin.

We maintain our view that Vietnam's stock market is attractive for long-term investment at the 2022F P/E of 11.5x at the end of July. The most notable risk may be from a further downturn in the global economy, as seen in the first half of this year. Given that the path forward is likely to remain choppy, we continue to emphasize portfolio construction underpinned by high-quality, growing companies.

MACRO COMMENTARY

The sharp rebound in Vietnam's domestic economy continued to gather momentum in July. The year-on-year growth of Vietnam's retail sales (unadjusted for inflation) accelerated throughout 2022, starting from below 2% growth in 2M22 surging to 10% y-o-y growth in March, to nearly 30% y-o-y growth in June, and finally, to over 40% growth in July 2022.

The y-o-y surge in retail sales in July 2022 is partly attributable to the fact that COVID lockdowns were at their most stringent in July 2021. That said, we note that retail sales in Vietnam have also been growing steadily in m-o-m terms all year, including an increase of more than 2% m-o-m in July 2022, which is a clear indication of continued momentum in the recovery of the domestic economy.

This reinforces our previously stated forecast that Vietnam's GDP will grow by more than 10% y-o-y in 3Q22, and that the country's economy is set to grow by at least 7.5% this year. To be clear, the remarkably high level of GDP growth we expect for the current quarter is partly attributable to the fact that Vietnam's economy shrank by 6% in 3Q21, but as mentioned above, domestic consumption has been accelerating as 2022 progresses.

However, external demand for products made in Vietnam has been weakening as global economic growth slows. Vietnam's export growth slowed from 26% y-o-y growth in 7M21 to 16% growth in 7M22, although the slower demand for "made in Vietnam" products prompted an even larger drop in imports as factories required fewer production inputs.

Vietnam's import growth fell from 37% y-o-y growth in 7M21 to 14% growth in 7M22, resulting in Vietnam's trade balance improving from a USD3.3 billion trade deficit in 7M21 to a USD0.8 billion trade surplus in 7M22.

In addition, while weakening demand from consumers in the US and other developed countries weighed on Vietnam's export and manufacturing output growth, companies continue to set up new production facilities in Vietnam and/or relocate factories from China to Vietnam driven by geopolitical consideration; this is tempering the impact of the above-mentioned slowdown in global demand on Vietnam's manufacturing sector.

Specifically, disbursed FDI inflows were up over 10% y-o-y in 7M22 to USD11.6 billion, which is equivalent to nearly 6% of GDP, and Vietnam's trade surplus with the US expanded from USD45 billion in 7M21 to USD58 billion in 7M22, but over the same period, Vietnam's trade deficit with China widened by a comparable magnitude - from a USD35 billion to a USD42 billion deficit. We regard all of these as clear indications of companies relocating their factories from China to Vietnam.

Next, the notable improvement in Vietnam's trade balance, coupled with the above-mentioned high level of FDI inflows, as well as the fact that Vietnam's Government ran a circa 5% of GDP budget surplus in 7M22 all helped explain why the value of the VN Dong depreciated by just 2.4% YTD at the end of July 2022, despite an 11% YTD surge in the US Dollar/DXY index at that time.

Note that the Government's fiscal prudence puts Vietnam on track to lower the country's Government debt-to-GDP ratio to circa 40% by the end of 2022, which would make Vietnam one of the few countries in the world with such ratio well below 50%.

Finally, another factor which helps to explain the relative stability of Vietnam's currency is the fact that inflation in Vietnam is running considerably below its regional peers, and far below the level of inflation in the US. Specifically, inflation in Vietnam fell from 3.4% y-o-y in June to 3.1% in July driven by a circa 9% m-o-m drop in retail petrol prices in July. That said, Vietnam's food price inflation did pick up from circa 2% in June to 3% in July driven by an uptick in pork prices.

Vietnam's average CPI over the first seven months grew 2.5% y-o-y, and the State Bank of Vietnam (SBV) aims to keep this figure below 4% in 2022. We believe that the fact that Vietnam's average inflation rate is well below the SBV's target makes it unlikely that it will raise policy rates this year.

In conclusion, the sharp rebound in Vietnam's domestic economy continued to accelerate in July, but inflation remained under control, so we do not expect the SBV to hike interest rates this year, especially given the relative resilience of the VN Dong despite the surge in the value of the US Dollar.

MACRO INDICATORS

	2021	July 2022	YTD 2022	Y-o-Y
GDP growth ¹ (%)	2.6			
Inflation ² (%)	1.8	3.1		
FDI commitments (USDbn)	24.3	1.2	13.0	-11.6%
FDI disbursements (USDbn)	19.7	1.5	11.6	10.2%
Imports (USDbn)	332.2	30.3	215.6	13.6%
Exports (USDbn)	336.3	30.3	216.4	16.1%
Trade surplus/(deficit) (USDbn)	4.1	0.02	0.8	
Exchange rate (USD/VND) ³	22,796	23,343		

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-USDVND Spot Exchange 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	USD46.0m
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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