

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. This UCITS is a product pursuant to Article 8 SFDR.

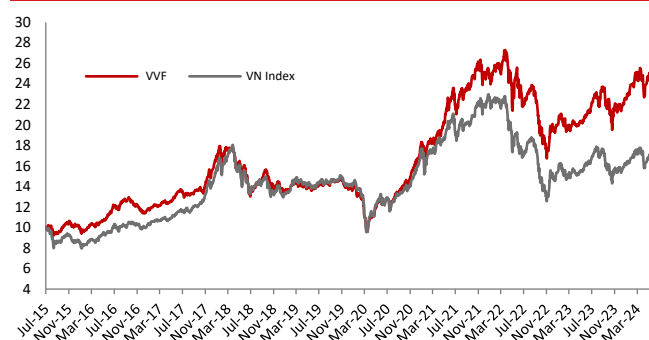
## PERFORMANCE SUMMARY

	Fund <sup>1</sup>	VN-Index
May 2024 (m-o-m)	4.6%	3.8%
YTD	12.8%	6.5%
3-year annualized	4.4%	-4.9%
5-year annualized	12.6%	3.9%
Annualized since inception <sup>2</sup>	10.8%	6.1%
Accumulated since inception <sup>2</sup>	149.6%	69.3%
Sharpe ratio (annualized since inception <sup>2</sup> )	0.43	0.23
Standard deviation (annualized since inception <sup>2</sup> )	20.8%	22.2%
Tracking error	7.8%	

1. Fund information calculated from Class A shares, on a net basis

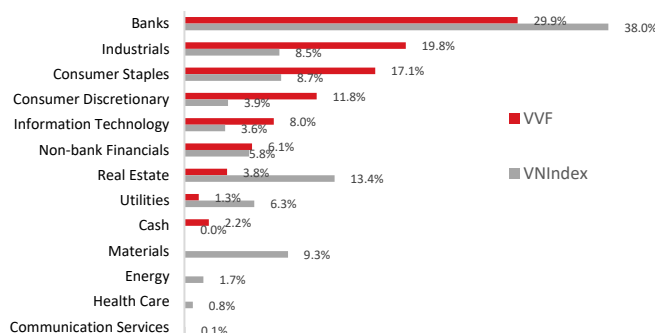
2. Class A inception date: 14 July 2015

## PERFORMANCE CHART



Past performance is not necessarily guidance to the future.

## SECTOR ALLOCATION



## TOP HOLDINGS

Ticker	Market Cap (USDmn)	Sector	% of NAV	2024F PE	2024F ROE
GMD	1,022	Industrials	9.7%	20.1	16.2%
MWG	3,653	Consumer Discretionary	8.9%	26.8	12.5%
FPT	6,715	Information Technology	8.0%	21.7	26.3%
QNS	697	Consumer Staples	6.6%	7.9	23.3%
STB	2,062	Banks	5.4%	5.9	16.8%
VHC	652	Consumer Staples	4.9%	14.1	12.0%
TCB	6,503	Banks	4.8%	7.5	15.0%
ACB	4,325	Banks	4.5%	6.1	21.5%
MBB	4,517	Banks	4.3%	4.9	20.5%
IDC	827	Industrials	4.3%	11.6	32.3%
VVF Port.				11.0	17.6%
VN-Index				11.3	14.3%

Source: Bloomberg, VinaCapital's estimates

## MONTHLY COMMENTARY

### MANAGER'S COMMENTARY

After the VN-Index's sudden decline in April 2024, it recovered well in May, up 3.8% MoM and 6.5% YTD (in USD terms). The strong recovery was seen across all sectors, most notably Industrials (+11.5% MoM), Information technology (+10.3% MoM), Consumer Discretionary (+10.0%), and Utilities (+9.1% MoM). Liquidity stayed at a high level, reaching USD855mn in average daily trading value on HOSE in May 2024, compared to USD864mn YTD and USD637mn for full-year 2023. The VN-Index reached 1,261.7 at the end of May, which was close to a two-year high.

The fund generated a strong 4.6% return (in USD terms) in May, outperforming the market by 0.7% and increasing our YTD outperformance to 6.3%. Our alpha for the month was driven by our sector allocation and stock picks in the Real Estate and Consumer Discretionary sectors. While the Real Estate sector had been underweighted in our portfolio, it was our biggest alpha generator of the month. Nam Long JSC, our sole pick for this sector, witnessed a MoM increase of 16.9%. Within the Consumer Discretionary portion of the portfolio, Mobile World JSC (MWG) experienced a 15.3% MoM gain due to further improvement of its grocery business, the Bach Hoa Xanh chain.

Vietnam's stock market has done well year to date despite domestic challenges such as slow growth of consumption demand and lacklustre real estate market, as well as continued foreign outflows. We believe investors have recognized that despite those challenges, listed companies have recovered from a low base in 2023 and delivered good financial results year to date, leading to higher stock prices. Our investment strategy does not focus on timing the market but rather on buying companies that can generate sustainable earnings growth over the long-term. At the end of May 2024, our portfolio's valuation remained reasonable at 11.0x PER on forecasted 2024 earnings growth of 20.3%. Following our discussions with the management of our portfolio companies after the announcement of 1Q24 earnings and during the annual shareholders' meeting season in April and May, we believe our companies are on track to deliver solid results for the year.

### Port sector update

In 2023, Vietnam's exports contracted for the first time after over a decade of consistent export growth. This year, per General Statistics Office, export and import activities experienced a strong rebound, recording 15.2% and 18.2% yoy growth for 5M2024, respectively. The strong growth is in line with what we observe from the throughput volume data across the ports nationwide. In total, volume growth - shown by the container throughput volume - through Vietnam's major port hubs, increased to 8.9mn TEU\* in 5M24, up +22% yoy. Of the three major port hubs - north (mainly in Haiphong), south (mainly in Ho Chi Minh City), and deep-sea ports in the south (in Cai Mep - Ba Ria area) - volumes reached 2.1mn TEU (+26% yoy), 3.7mn TEU (+13%), and 2.9mn TEU (+37%), respectively. Given the strong demand for port facilities and relatively low cost for container handling, the government has recently introduced a new floor for container handling tariff since Feb 2024, with fees at river ports increasing from 38 to 42 USD/TEU, and those at deep-sea ports increasing from 46 to 51 USD/TEU. Note that the fees had stayed at their previous levels for the last five years to support the exporters/importers in the country. Consequently, port operators are expected to benefit from both the volume and price increases in 2024.

Our portfolio will benefit indirectly from this trend via our top holding Gemadept (GMD) - which is the largest private port operator in the country. GMD's port network across the country has seen significant growth. In the North, GMD's port volume increased by +16% yoy to 491k TEU in 5M24, while in the South, the volume through the Gemalink deep-sea port nearly doubled to 639k TEU in 5M24. The company has already planned for expansion in the coming years, with capacity likely to double by 2026, with container throughput capacity expected to reach 1.8mn TEU/year in the North (river port) and 3mn TEU/year in the South (deep-sea port). The good performance of the stock price YTD was largely a reflection of good financial results achieved in 1Q24, as the company recorded revenue and NPAT growth of 12% and 177%, respectively. Bottom line growth was faster than top line growth due to operational leverage and capital gain from divestment of an asset. Investors may expect even better results in the later quarters of the year, due to seasonality factor in the second half of the year and the positive effect of new tariff kicking-in since end of Feb 2024.

(\* TEU: twenty-foot equivalent unit, a measure of volume in units of twenty-foot long containers)

## MACRO INDICATORS

	2023	May 2024	YTD 2024	y-o-y
GDP growth <sup>1</sup> (%)	5.1			
Inflation <sup>2</sup> (%)	3.3	4.4	4.0	
FDI commitments <sup>3</sup> (USDbn)	28.1	1.7	10.0	32.9%
FDI disbursements (USDbn)	23.2	2.0	8.3	7.8%
Imports (USDbn)	326.4	33.8	148.8	18.2%
Exports (USDbn)	354.7	32.8	156.8	15.2%
Trade surplus/(deficit) (USDbn)	28.3	(1.0)	8.0	
Exchange rate (USD/VND) <sup>4</sup>	24,265	25,450		

Sources: GSO, Vietnam Customs, SBV, MPI, Bloomberg

1. Latest quarterly GDP performance | 2. Inflation: year-on-year change | 3. Excluding Share Cap Contribution  
4. BBG-USDVND Spot Exchange Rate

## VVF FUND INFORMATION

Fund Launch Date	14 July 2015
Legal Entity Identifier (LEI)	5493003GR1U7LK7K6767
Trading Period	Daily Subscriptions/Redemptions
Fund Size	USD92.4m
Incorporation	Luxembourg
SFDR Classification	Article 8
Registered	UK, The Netherlands, Germany, Singapore, Austria, Switzerland, Sweden, France
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
Fund Platform Availability	Allfunds, Clearstream, Fundsettle, MFEX, Attrax, FIL Fondsbank (FFB)

## CONTACT DETAILS

VinaCapital  
17<sup>th</sup> Floor, SunWah Tower  
115 Nguyen Hue Street  
District 1, Ho Chi Minh City, Vietnam  
office: +84 (0) 28 3821 9930  
email: ir@vinacapital.com  
[www.vinacapital.com](http://www.vinacapital.com)

## MONTHLY COMMENTARY (cont'd)

### MACRO UPDATES

Vietnam's export growth has significantly outpaced the growth of the country's manufacturing output throughout 2024, prompting us to note that factories will need to accelerate production to keep up with the growing demand for "Made in Vietnam" products. This observation is fundamental to our forecast that Vietnam's GDP growth will accelerate from 5.1% in 2023 to 6-6.5% in 2024.

Manufacturing output growth accelerated from 6.3% yoy in 4M24 to 7.3% in 5M24 (versus -2.5% in 5M23), but even with that acceleration, Vietnam's manufacturing output growth continued to lag far behind the 15% export growth (to USD156.8b) in 5M24. Consequently, inventories of finished products in Vietnam's factories continued to drop in May and FDI companies are ramping up purchases of production inputs to scale up production according to Vietnam's latest manufacturing PMI survey.

Most production inputs are imported, so Vietnam's import growth surged from 9% yoy in March to 19% yoy in April and 30% in May, shrinking the country's trade balance from a USD2.8b surplus in March to a USD1.1b surplus in April before turning to a USD1b trade deficit in May. According to the General Statistics Office, Vietnam's trade surplus shrank from USD10.2b in 5M23 to USD8b in 5M24.

May's trade deficit was the first in two years. That deficit, coupled with profit repatriation by FDI companies, helps explain why the USD-VND exchange rate depreciated 0.5% in May (and 4.9% YTD). That depreciation occurred despite the fact that the US Dollar/DXY Index fell 1.5% last month and the State Bank of Vietnam sold USD3.5b of its FX reserves to the country's commercial banks in May (and USD3.9b YTD) to defend the value of the VN Dong.

All of that said, we would like to reiterate that Vietnam's export recovery is driving the country's overall economic recovery this year. New export orders continued to grow in May, accelerating from April. The ongoing export recovery has helped drive up the share prices of leading logistics companies and industrial park developers by about 50% yoy. Logistics company share prices soared along with cargo volumes; air cargo volumes were up about 40% yoy in Q1, driven by computer and electronics exports.

Disbursed FDI grew 8% yoy to USD8.3b in 5M24. Planned FDI surged 33% yoy, to USD10b, driven by a 51% yoy surge to USD7.1b worth of New Projects – most of which are manufacturing projects.

In contrast to all of the positive points above, consumption growth slowed slightly in May. The growth of real retail sales (i.e., excluding the impact of inflation) dipped from 5.3% yoy in 4M24 to 5.2% in 5M24 despite the ongoing recovery of Chinese tourist arrivals to over 80% of pre-COVID levels in May. Note that overall tourist arrivals surpassed pre-COVID levels in 5M24.

Finally, CPI inflation remained at 4.4% yoy in May despite a circa 5% month-on-month drop in retail petrol prices; this was partly because of the "low base effect" stemming from the fact that inflation in Vietnam bottomed out at just 2% yoy in mid-2023.

## KEY TERMS

	Class A	Class B	Class C	Class D	Class G	Class H	Class I
Currency	USD	USD	EUR	EUR	JPY	USD	USD
Min. Investment	500,000 <sup>1</sup>	5,000	500,000 <sup>1</sup>	5,000	10,000,000 <sup>1</sup>	5,000,000 <sup>1</sup>	10,000,000 <sup>1</sup>
Management Fee	1.25%	2.00%	1.25%	2.00%	2.00%	1.25%	1.00%
Bloomberg	FOVCPVA LX	FOVIEBU LX	FOVIECE LX	FOVIEDE LX	FOVCPVG LX	FORMVIN LX	FOVCPUI LX
ISIN	LU1163030197	LU1163027052	LU1214542463	LU1214545136	LU1286783011	LU2552457918	LU2560055225

<sup>1</sup> The minimum initial subscription amount may be waived at the discretion of the Investment Manager.

## 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 – VinaCapital 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://vinacapital.com/investment-solutions/offshore-funds/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 there from 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.