

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.

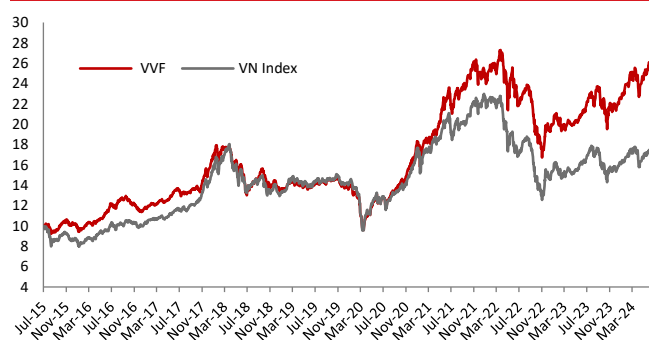
PERFORMANCE SUMMARY

	Fund ¹	VN-Index
June 2024 (m-o-m)	-0.3%	-1.3%
YTD	12.5%	5.1%
3-year annualized	2.3%	-7.2%
5-year annualized	12.2%	3.7%
Annualized since inception ²	10.7%	5.9%
Accumulated since inception ²	148.9%	67.1%
Sharpe ratio (annualized since inception ²)	43.0%	21.7%
Standard deviation (annualized since inception ²)	20.7%	22.1%
Tracking error	7.7%	

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

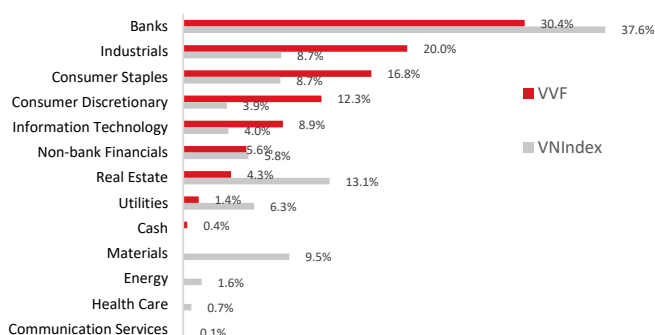
2. Class A inception date: 14 July 2015

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	1,013	Industrials	9.8%	19.5	13.7%
MWG	3,586	Consumer Discretionary	9.1%	26.3	12.5%
FPT	7,490	Information Technology	8.9%	24.2	25.0%
QNS	687	Consumer Staples	6.6%	7.8	23.3%
STB	2,134	Banks	5.5%	6.1	16.8%
TCB	6,465	Banks	4.8%	7.4	15.0%
MBB	4,630	Banks	4.7%	5.0	20.5%
VHC	618	Consumer Staples	4.7%	13.4	12.3%
ACB	4,178	Banks	4.5%	5.9	21.5%
NLG	626	Real Estate	4.3%	26.7	6.1%
VVF Port.				11.0	22.0%
VN-Index				11.5	13.6%

Source: Bloomberg, VinaCapital's estimates

MONTHLY COMMENTARY

MANAGER'S COMMENTARY

The VN-Index dipped by 1.3% in USD terms in June 2024, following a 3.8% rise in May. The VN-Index reached 1,300 points on 12 June – the second attempt in 2024 to surpass this strong resistance level – but could not sustain that gain, largely due to significant selloffs in some ETFs in the second half the month. The market showed a divergence in June, with the IT sector maintaining strong upward momentum, increasing by 10.2%. Some other sectors also saw modest gains, including Insurance (+2.6%), Utilities (+0.7%) and Industrials (+0.7%), while Brokers (-6.5%), Real Estate (-3.4%) and Energy (-2.9%) are among sectors that experienced significant declines.

The fund's NAV declined slightly by 0.3% (in USD terms) in June but outperformed the market by +1.0% and extending our YTD outperformance to +7.4%. Our alpha for the month was driven by our sector allocation and stock picks in the Information Technology and Banking sectors. A notable performer in the IT sector, FPT, saw a solid rally of 12.2% MoM. Despite the Banking sector experiencing a 1.8% decline in June, our stock picks in this sector showed modest gain, with STB and MBB increasing by 3.4% and 2.1%, respectively, MoM.

On 7 June 2024, BlackRock announced that its iShares Frontier and Select EM ETF, which includes Vietnamese stocks (comprising 28% of its USD425mn assets), would cease trading on 31 March 2025. Following this announcement, the fund aggressively sold off stocks and steadily reduced its Vietnamese stock holdings, especially during the period 11-18 June. This action by the iShares Frontier ETF worsened the already heavy withdrawal of foreign capital year-to-date, and negatively affected overall market sentiment.

Trading was robust across the three stock exchanges in June, with the average daily trading value (ADTV) hitting USD1,036mn, marking increases of 5.2% MoM and 22.8% YoY. The Ho Chi Minh Stock Exchange (HOSE) recorded an ADTV of USD910mn, up 6.5% MoM and 25.9% YoY. The Unlisted Public Company Market (UPCOM) continued to attract retail flow in June with liquidity up by 20.0% MoM and 61.8% YoY to reach USD63mn.

Foreign investors continued their net selling across the three exchanges, offloading USD658mn worth of stocks in June, following net sales of USD747mn in May. In 1H2024, the net sales by foreign entities amounted to USD2.1bn, a stark contrast to the USD85mn net inflow recorded in the same period last year.

Foreign outflows and opportunity in stocks with foreign-ownership limits ("FOLs")

Foreign investors have been aggressively offloading Vietnamese stock since the latter part of 2023 and increased their selling intensity in 1H24, totaling USD1.0bn in 2H23 and USD2.1bn in 1H24 on HOSE. This can be explained partly by emerging market outflows, which were observed across other regional countries, as well as profit-taking, given the rally in the Vietnamese market over the past year. The foreign outflows in 1H24 reached the net-sell record high of USD2.5bn set in 2021. Despite the high volume of shares sold, total foreign holding as a percentage of total market capitalization declined only slightly from 22.2% to 21.3% in the last six months, thanks to the share price appreciation of stocks that foreign investors hold, which are generally seen as having better fundamentals.

We believe it is a futile exercise to attempt to guess how foreign investors will act in the coming months and we do not have any prediction as to when their selling will stop. That said, the indiscriminate selling by some foreign investors has presented long-term investors like us an interesting opportunity: the ability to buy shares in companies that normally have their foreign ownership at the statutory limits (FOLs). To recap, FOLs are applied on companies operating in restricted sectors, varying from 30% (in banking, aviation) to 49% (retail, port operation, and others). Companies with full foreign room are normally well-run companies in which foreign investors have purchased up to the limit. New foreign investors have to pay premiums (maximum 7% on trading band limit) to acquire shares from existing foreign investors. Statistically, the number of companies that have market capitalizations of more than USD300mn with near or full FOLs (less than 1%) decreased from twelve at end-2023 (eight of which are banks) to eight at end June 2024 (six of which are banks). Of those names that have higher foreign room, besides the banks, there are several names that we like, including FPT and GMD, which are the fund's top holdings. What is not captured in the statistics are the higher frequency and the lower premium of foreign blocks offered daily by the brokers. It is more advantageous for foreign investors to build up positions in good companies amid heavy foreign selling. Our near-term priority is to accumulate stocks of solid companies with foreign room available at reasonable prices, adding to our positions in the Banking, Consumer, and Transportation sectors.

MACRO INDICATORS

	2023	June 2024	YTD 2024	y-o-y
GDP growth ¹ (%)	5.1	6.9	6.4	
Inflation ² (%)	3.3	4.3	4.1	
FDI commitments ³ (USDbn)	28.1	3.5	13.5	43.2%
FDI disbursements (USDbn)	23.2	2.6	10.8	8.2%
Imports (USDbn)	326.4	30.2	178.9	17.3%
Exports (USDbn)	354.7	33.1	190.7	14.9%
Trade surplus/(deficit) (USDbn)	28.3	2.9	11.8	
Exchange rate (USD/VND) ⁴	24,265	25,455		

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	USD90.6m
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	Allfunds, Clearstream, Fundsettle, MFEX, Attrax, FIL
Availability	Fondsbank (FFB)

CONTACT DETAILS

VinaCapital
17th 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

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 ¹	5,000	500,000 ¹	5,000	10,000,000 ¹	5,000,000 ¹	10,000,000 ¹
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	FOVCPIU LX
ISIN	LU1163030197	LU1163027052	LU1214542463	LU1214545136	LU1286783011	LU2552457918	LU2560055225

¹ 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.

MONTHLY COMMENTARY (cont’d)

MACRO UPDATES

Vietnam’s GDP growth improved from 3.7% yoy in 1H23 to 6.4% in 1H24. This was driven almost entirely by the recovery of the country’s manufacturing sector from 0.4% yoy growth in 1H23 to 8.7% in 1H24 – which was in-turn driven by surging tech exports, especially to the US. However, real retail sales growth, excluding the impact of inflation, dropped from 8.8% in 1H23 to 5.7% in 1H24. Part of that plunge stems from the high base set in early 2023 when the flood of tourists returning to Vietnam drove a near 14% yoy surge in Vietnam’s 1Q23 retail sales.

Next, exports recovered from an 18% yoy drop in 1H23 to 15% growth in 1H24. Exports to the US, which is Vietnam’s largest export market, rose 24% yoy in 1H24 (versus a 22% yoy drop in 1H23) and exports of computers and electronics (Vietnam’s single-largest export item) surged by over 30% in H1 (exports of computers and electronics to the US were up over 50% yoy). The net result is that Vietnam achieved an USD11.8b (or ~6% of GDP) trade surplus in 1H24.

The two positive leading indicators are a jump in Vietnam’s Manufacturing PMI from 50.3 in May to 54.7 in June driven by a near record-high increase in the number of new orders last month, and the fact that Vietnam’s export growth (15% in H1) far outpaced the country’s manufacturing output growth (circa 9%) in H1. Another positive leading indicator for the manufacturing sector – albeit a longer-term one – is the fact that FDI inflows grew by 8% yoy to USD10.8b in H1, equivalent to about 5% of GDP; most of Vietnam’s FDI flows into projects that boost industrial production. Furthermore, in addition to disbursed FDI inflows, newly registered planned projects jumped by nearly 50% yoy to USD9.5b, ensuring a continued pipeline of new projects for years to come. All of that said, we are uncertain about the immediate outlook for Vietnam’s trade balance in the second half of this year. We mentioned above that the “new orders” component of Vietnam’s PMI survey reached a near record-high level in June. Consequently, FDI firms are ramping up their imports of inputs of production materials in response to surging orders, resulting in import growth outpacing export growth in H1 (15% export growth versus 17% import growth). We expect FDI firms imports of these materials will accelerate in H2 because firms’ inventories of production materials continued to drop last month. This is likely to lead to a modest trade deficit in the second half of the year, which in turn could exacerbate depreciation pressures on the VN Dong.

The value of the VN Dong depreciated by 4.9% YTD as of end-June driven in part by a 2.4% YTD increase in the value of the US Dollar/DXY Index. The USD-VND exchange rate was nearly unchanged in June because Vietnam’s trade surplus increased to over USD3b last month as well as the State Bank of Vietnam’s sale of around USD2b of its US Dollar FX reserves to the country’s commercial banks (i.e., the SBV sold USD and bought VN Dong). Further to that last point, the SBV is thought to have sold more than USD6bn of its FX reserves YTD, taking them well below three months’ worth of imports, which is usually considered the minimum safe threshold for a country’s FX reserves. This has prompted concerns about the possibility of further VN Dong depreciation in H2, though recent economic numbers in the US that suggest potential interest rate cuts in 2024 would reduce this pressure.