

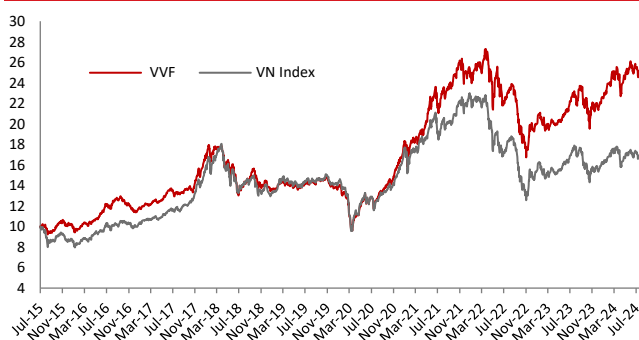
VVF is an actively managed UCITS-compliant fund that invests in equities and equity-related securities of companies that are based in Vietnam, with an objective to deliver long-term capital growth, through bottom-up stock picking and disciplined risk management. This UCITS is a product pursuant to Article 8 SFDR.

## PERFORMANCE SUMMARY

	Fund <sup>1</sup>	VN-Index
July 2024 (m-o-m)	1.1%	1.3%
YTD	13.7%	6.5%
3-year annualized	3.9%	-4.6%
5-year annualized	12.1%	3.0%
Annualized since inception <sup>2</sup>	10.7%	6.0%
Accumulated since inception <sup>2</sup>	151.6%	69.3%
Sharpe ratio (annualized since inception <sup>2</sup> )	0.43	0.22
Standard deviation (annualized since inception <sup>2</sup> )	20.6%	22.0%
Tracking error	7.7%	

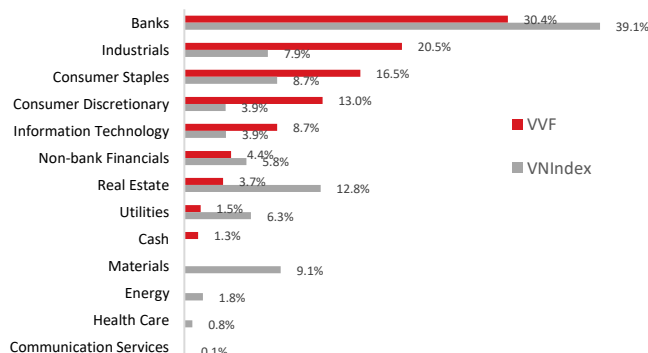
1. Fund information calculated from Class A shares, on a net basis
2. Class A inception date: 14 July 2015

## 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	983	Industrials	9.5%	17.8	14.7%
MWG	3,689	Consumer Discretionary	9.4%	26.9	12.5%
FPT	7,429	Information Technology	8.7%	23.9	25.0%
QNS	689	Consumer Staples	6.8%	6.5	23.3%
MBB	5,122	Banks	5.3%	5.6	20.5%
VNM	5,919	Consumer Staples	4.9%	15.3	30.8%
VHC	632	Consumer Staples	4.8%	12.5	13.8%
ACB	4,338	Banks	4.8%	6.1	21.3%
TCB	6,479	Banks	4.7%	7.3	15.2%
CTG	6,797	Banks	4.6%	7.6	15.8%
VVF Port.				11.0	22.3%
VN-Index				11.8	13.5%

Source: Bloomberg, VinaCapital's estimates

## MONTHLY COMMENTARY

### MANAGER'S COMMENTARY

Throughout July, the Vietnam stock market experienced fluctuations but concluded on a positive note. After a 1.3% decline in June, the VNI rallied by 4.0% in the first ten days of July, buoyed by positive economic data for June and the first half of 2024. However, the VNI retreated by 4.6% over the subsequent two weeks due to several factors. The failed attempt to surpass the 1,300 level once again triggered profit-taking activities. Additionally, declines in global equity markets, with the Nasdaq down 2.3% and the Nikkei 225 down 4.8% during the same period, contributed to the retreat. Despite these setbacks, the VNI managed to recover towards the end of the month, closing at 1,251.5 on 31 July, marking a 1.3% MoM increase.

Share price performance varied significantly across sectors. The Energy sector recorded the strongest monthly increase, rising by 8.1%, primarily driven by PLX, which surged by 13.2%. The Banking sector saw a 5.8% increase, led by BID (+11.0%) and MBB (+10.8%). In contrast, Industrials (-6.3%), Materials (-2.6%), IT (-1.2%), and Real Estate (-0.2%) sectors were the top laggards.

In Q2, the aggregated net profit of listed companies across the three bourses rose by 20.5% YoY, and 27.5% YoY if excluding Vingroup-related companies. At the sector level, only four out of eleven sectors experienced a YoY decline in Q2 profit, namely Real Estate, Utilities, Energy, and Healthcare. The remaining sectors all recorded profit growth, with Consumer Discretionary seeing a remarkable surge of 76.2%.

Throughout the month, trading activity tumbled across the three stock exchanges, with the average daily trading value (ADTV) decreasing to USD763mn, representing a 26.3% decline month-over-month (MoM) and a 15.2% drop year-over-year (YoY). Foreign investors continued their net selling trend for the sixth consecutive month, offloading USD 326 million worth of stocks, following June's net sales of USD658mn. Year-to-date, net sales by foreign investors reached USD2.4bn, in contrast to the USD4mn net inflow recorded during the same period last year.

In July, the fund experienced a 1.1% increase, slightly underperforming the VN-Index, primarily due to our overweight in IT and underweight in energy. Notably, MBB and MWG emerged as significant positive contributors, with monthly returns of 10.8% and 5.4%, respectively, surpassing the broader market's performance.

### Highlights on top portfolio holdings

#### Mobile World Corporation (MWG VN)

The first half of 2024 marked a remarkable turnaround for MWG, which achieved a profit of USD83mn during the period, a vast improvement from the modest profit of USD7mn it recorded for the entire year of 2023. The financial health of the two traditional businesses, phone and electronics retail, has improved significantly, generating a combined bottom line of USD78mn in 1H24, an escalation from only USD30mn in 1H23. This improvement is largely attributed to enhanced profit margins, achieved through a strategic product mix, a softer pricing war, the closure of underperforming stores, and optimization of staff costs. More importantly, the third pillar – grocery (BHX) – has also shown promising signs of recovery, reporting a considerably lower loss of USD4mn for 1H24, a significant improvement from the USD48mn loss for the full year of 2023. Notably, a small but encouraging profit of USD0.3mn was recorded in 2Q24. We expect BHX to become a profit centre in the last two quarters of the year. The grocery retail chain has demonstrated increased efficiency at its current scale, following an extensive restructuring program over the past nine years, leading to higher daily traffic and a modest reduction in logistics costs. After achieving break-even level, management started to roll out new store expansion plans for BHX, which will be exciting to watch. MWG, with a market cap of USD3.7bn at end-Jul 2024, is trading at a PER of 26.9x 2024E and 15.4x 2025E. The company has a very strong balance sheet, with a cash balance of USD1.2bn and net debt/equity of -0.3x. It has been running on negative working capital and has paid out a cash dividend annually since 2016.

#### Vietnam Dairy Products JSC (VNM VN)

VNM, a leading player in the dairy sector, has recently emerged as one of our top holdings. After a three-year period of tepid (or even negative) growth, the company came back strongly in 1H24, delivering net sales of USD1.2bn, +6% yoy. There was significant improvement from the non-domestic market, which accounts for ~20% of total sales and generated total sales of USD227mn in 1H24, +11% yoy. Export markets were the shining stars, with a 14% increase in revenue, totalling USD120mn, while overseas subsidiaries also performed well with sales of USD107mn, +8% YoY. The domestic market, which accounts for ~80% of total sales, has shown signs of recovery, with net sales of USD1.0bn, +3% yoy. Although the growth rate is still low, it was a noticeable turnaround after several years of decelerating growth and the momentum was maintained over the last three quarters. The revival of the domestic market could be attributed to both rising per capita income and the company's efforts. Higher per capita income is the result of the combination of a robust manufacturing sector, a surge in agricultural exports, and in the coming months, a salary hike in the public sector. Management has put great effort in rolling out new marketing strategies,

## MACRO INDICATORS

	2023	July 2024	YTD 2024	y-o-y (%)
GDP growth <sup>1</sup> (%)	5.1		6.4	
Inflation <sup>2</sup> (%)	3.3	4.4	4.1	
FDI commitments <sup>3</sup> (USDbn)	28.1	2.2	15.7	30.1
FDI disbursements (USDbn)	23.2	1.7	12.6	8.4
Imports (USDbn)	326.4	33.8	212.9	18.5
Exports (USDbn)	354.7	35.9	227.0	15.7
Trade surplus/(deficit) (USDbn)	28.3	2.1	14.1	
Exchange rate (USD/VND) <sup>4</sup>	24,265	25,250		

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	USD87.6m
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 Availability	Allfunds, Clearstream, Fundsettle, MFEX, Attrax, FIL Fondsbank (FFB)

## CONTACT DETAILS

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## 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	FOVCPIU 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.

## MONTHLY COMMENTARY (cont’d)

including a fresh update to their product packaging, making it more visually appealing and user-friendly. Additionally, the company has ramped up its digital marketing efforts, leveraging social media platforms and online advertising to reach a broader audience.

VNM’s earnings for 1H24 stood at USD193mn, +20% yoy, which is much higher than top line growth, due to lower material costs and operational leverage of better sales. The company achieved a net profit of USD106mn in 2Q24 alone, reflecting a +21% yoy increase. This is the third consecutive quarter of double-digit earnings growth, an encouraging result after years of negative growth since 2020.

With a market cap of USD6bn, VNM is trading at a PER of 15.3x for 2024E and 14.5x for 2025E. Its quality of earnings has been excellent with consistently high operating cash flow. The company has a net cash balance of nearly USD650mn (~11% of market cap) as at the end 2Q24. It has maintained an average cash dividend payout of nearly 90% over the last three years and offers an appealing dividend yield of 6%.

## MACRO COMMENTARY

Vietnam’s manufacturing output growth continued to accelerate in July, with clear signals that the sector will continue to drive GDP growth into early-2025. Manufacturing output growth was consistent at about 6% yoy (on a year-to-date basis) at the start of the year and then accelerated to 7% in 5M24, 9% in 6M24, and 9.5% yoy in 7M24. Driving this manufacturing recovery has been a 24% yoy surge in exports to the US (versus a 21% drop in 7M23), which in-turn drove a 15.7% increase in the country’s total exports to USD227b. Vietnam’s ~16% export growth in 7M24 far outpaced the country’s ~10% factory output growth this year, which means production will necessarily need to pick-up in the months ahead.

Output growth at Vietnam’s factories reached near-record high levels in July, according to the S&P Global PMI survey, but that level of production was not sufficient to keep pace with demand. Consequently, inventories of finished products fell at a near-record pace in July. The growth of new orders also remained at near record-high levels in July (albeit dipping slightly from June), reinforcing our assertion that the ongoing strength in Vietnam’s manufacturing sector is set to continue for the rest of 2024.

Recent weak US economic data has prompted some concerns about the sustainability of Vietnam’s export and manufacturing-driven recovery, given it is Vietnam’s largest export market. In short, due to various factors occurring in the US, we believe Vietnam’s manufacturing sector will remain strong for the rest of 2024 before tapering off in early-2025, at which point we expect a recovery in the real estate sector to become the main driver of economic growth.

Two additional indicators of likely continued strength for the sector include: 1) FDI inflows grew by 8% yoy in 7M24 to USD12.6b (or 5%/GDP), and 2) imports grew by 18.5% in 7M24 (to USD213b) outpacing the 15.7% export growth mentioned above. The former is an important leading indicator because most FDI is directed towards manufacturing, while the latter stems from the fact that FDI factories are ramping up their purchases of imported production inputs.

The USD-VND exchange rate appreciated by 0.8% in July, reducing its year-to-date depreciation from a peak of ~5% YTD in late-May to ~4% depreciation at the end of July. The US Dollar/DXY Index fell by 1.6% in July, which supported the value of the Dong, as did Vietnam’s USD2b trade surplus in July. Vietnam’s trade surplus shrunk from 7%/GDP in 7M23 to 6% or USD14b in 7M24 because import growth has outpaced export growth this year. Inflation in Vietnam remained modest at 4.4% yoy in July (or 4.1% on average for 7M24).