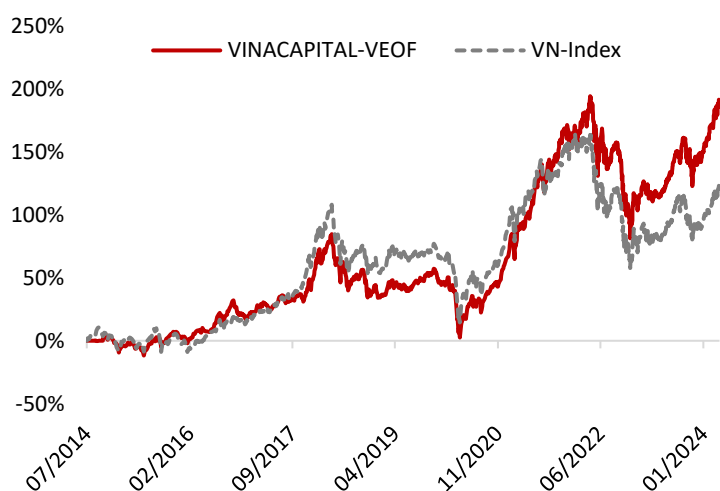


VINACAPITAL-VEOF Investment approach

The fund applies active investment strategy and bottom-up stock selection, concentrates on high-conviction stocks through a deep dive research and analysis.

The fund mainly invests in large and mid-cap stocks which are industry leaders or differentiate in competitive advantages, have growth potential and are being undervalued.

NAV growth since inception



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your fund units. Current performance may be higher or lower than the performance data quoted.

Fund performance

	VINACAPITAL-VEOF	VN-Index
Total AUM (VND billion)	864.8	
NAV/Share (VND)	29,106.3	
Mar 2024 return (%)	3.9	2.5
YTD 2024 return (%)	16.3	13.6
3-year annualized return (%)	15.2	2.5
Annualized return since inception (%)	11.6	8.5
Cumulative return since inception (%)	191.1	122.1

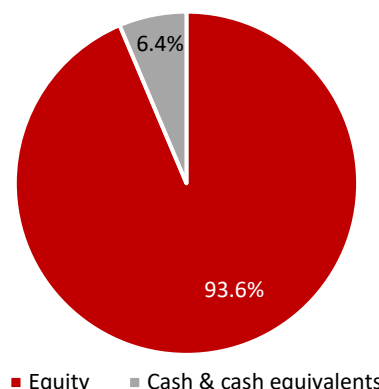
(The NAV is net of management fee and administrative expenses)

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Investment allocation

% Total NAV



Fund information

Inception	07/01/2014
Management fee	1.75% per annum
Subscription fee	0.0%
Redemption fee	2.0% < 12 months
	1.5% >= 12 months
	0.5% >= 24 months
PIT	0.1%
Custodian and Supervisory Bank	Standard Chartered Bank Ltd. (Viet Nam)
Auditor	PwC Vietnam
Trading frequency	Daily, from Monday to Friday
Benchmark	VN-Index

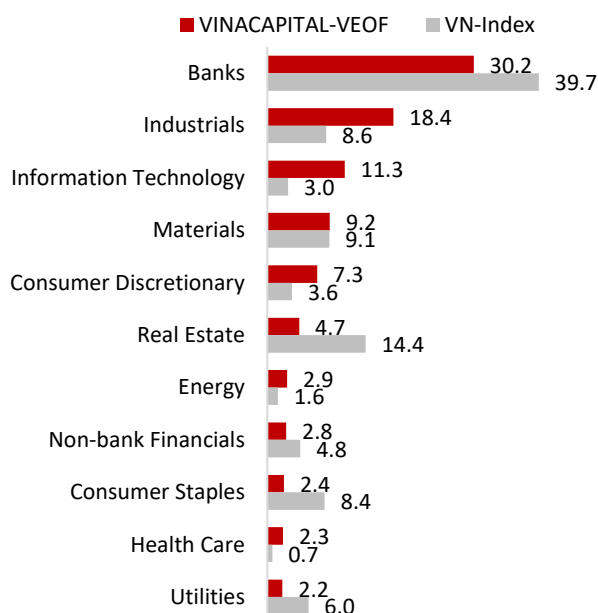
Portfolio statistics

	VINACAPITAL-VEOF	VN-Index
2024 P/E (x)	11.1	12.1
2024 P/B (x)	2.4	1.7
2024 ROE (%)	21.4	13.8
Dividend yield (%)	2.3	2.8
Portfolio turnover (%)	57.0	-
Sharpe ratio	0.4	0.2
No. of equities	27	419

Source: Bloomberg, VinaCapital's forecast

Sector allocation

% Total NAV



Top holdings

Equity	Sector	% NAV
FPT	Information Technology	11.3
MBB	Banks	7.7
VCB	Banks	7.5
ACB	Banks	6.3
CTG	Banks	4.9
IDC	Industrials	4.0
STB	Banks	3.8
PNJ	Consumer Discretionary	3.7
GMD	Industrials	3.7
MWG	Consumer Discretionary	3.6

Comments from fund manager

STOCK MARKET UPDATE

The VN-Index advanced by 2.5% in March and has risen for five months in a row. With expectations for economic recovery and a low-interest-rate environment, this is the first time since 2017 that the stock market has recorded five consecutive months of growth. Since the year's start, the VN-Index has soared by 13.6%, one of the highest growth rates among Asian stock markets in the first quarter, trailing only Japan. During March, the State Securities Commission sought opinions on proposed amendments to certain regulations in Circular 120/2020/TT-BTC, which aims to allow foreign investors to purchase securities without the pre-funding requirement. This adjustment addresses a significant bottleneck, and if implemented, could facilitate the upgrade of Vietnam's stock market to emerging market status by FTSE Russell.

The stock market experienced corrections at several points in March, alternating with the upward trend due to exchange rate pressure (the USD/VND exchange rate increased by 2.2% in the first quarter) and the issuance of T-bills by the State Bank to absorb excess liquidity in the banking system. Additionally, a hacking incident at VN Direct Securities also affected investor sentiment.

Market liquidity rose sharply, with an average daily trading value of USD 1.2 billion across the combined three bourses, the highest level in the past two years. However, foreign investors continued to strongly net sell during the month, with net selling value reaching USD 456 million, bringing the total net selling value since the beginning of the year to USD 467 million.

Macroeconomic data for the first quarter indicated that the economy has bottomed out and is on the path to recovery, albeit at a relatively slow pace. Q1 GDP growth reached 5.7% YoY, the highest Q1 growth rate in the past five years. Import and export figures were positive, with exports and imports increasing by 17.0% YoY and 13.9% YoY in Q1, respectively, reaching USD 93.1 billion and USD 85 billion. Nevertheless, industrial production and retail sales showed only moderate growth, with the manufacturing index increasing by only 5.9% YoY in Q1, while retail sales increased by 5.1% YoY in real terms. The Purchasing Managers' Index (PMI) dropped to 49.9 in March due to a slight decrease in new orders after being above 50 in the first two months of the year, although manufacturers are increasingly optimistic that the sector will rebound in the coming months. This optimism aligns with the results of a General Statistics Office's survey, which found that 45.4% of businesses in the manufacturing sector expect improvements in Q2 2024 compared to Q1 (an improvement compared with only 22.1% businesses saw Q1 2024 being better than Q4 2023), while only 18% predict more difficulties (35% saw Q1 2024 being worse than Q4 2023).

FUND UPDATE AND INVESTMENT OUTLOOK

The NAV per share of VINACAPITAL-VEOF increased by 3.9% in March, outperforming the VN-Index by 1.4%. Since the beginning of the year, VINACAPITAL-VEOF has advanced by 16.3%, compared to the 13.6% growth of the VN-Index.

The fund divested from two of its top holdings in March: BID and CTR. These two stocks had outperformed the VN-Index over a long period and had reached our target prices and expected returns.

After the outperformance in the first two months of the year, the momentum of the banking stocks slowed down in March, which is a normal occurrence in the stock market. In their annual plans, most banks announced that they expect their profits to grow for the year 2024; for the banks in VINACAPITAL-VEOF's portfolio, we expect them to exceed their profit targets. The valuation of the banking sector remains lower than the 10-year average, and most banks have passed the most difficult stage regarding bad debts.

FPT, the largest stock in the fund's portfolio, increased by 6.9% in March. The company continues to post positive business results and is the largest listed company in Vietnam involved with the global trends of digitalization and artificial intelligence (AI). In the first two months of the year, FPT's net profit grew by 23% YoY, reaching VND 1.1 trillion. The company has set a target for 2024 pre-tax profit to grow by 18% YoY, reaching VND 10.9 trillion.

In March, VINACAPITAL-VEOF's holdings in the consumer sector (MWG, PNJ) and the construction, real estate, and construction materials sectors (DPG, KDH, DXG, PLC) outperformed the market. Regarding the consumer sector, we expect domestic consumption growth to accelerate in the second half of 2024, following the recovery of the manufacturing and export sectors. The business activities of enterprises in the real estate and construction industry should be supported by low interest rates, policies to alleviate difficulties for real estate businesses, and increased investment in infrastructure.

Despite March's market fluctuations and expected ongoing volatility due to various short-term variables, we continue to be optimistic regarding the stock market's long-term prospects. The domestic economy's recovery trajectory, current reasonable valuations, prospects for the stock market's upgrade, and reduced exchange rate pressures anticipated in the second half of 2024 should all contribute to the market's long-term growth.

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	0.0%	5.1%	3.3%	-6.0%	-4.1%	-4.7%	-1.3%	5.2%	-10.1%	-10.2%	0.8%	-0.1%	-21.2%
2023	7.8%	-5.3%	1.2%	-0.2%	3.0%	4.2%	8.2%	2.1%	-3.1%	-9.9%	8.5%	3.4%	19.5%
2024	4.1%	7.5%	3.9%										16.3%

Important information

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