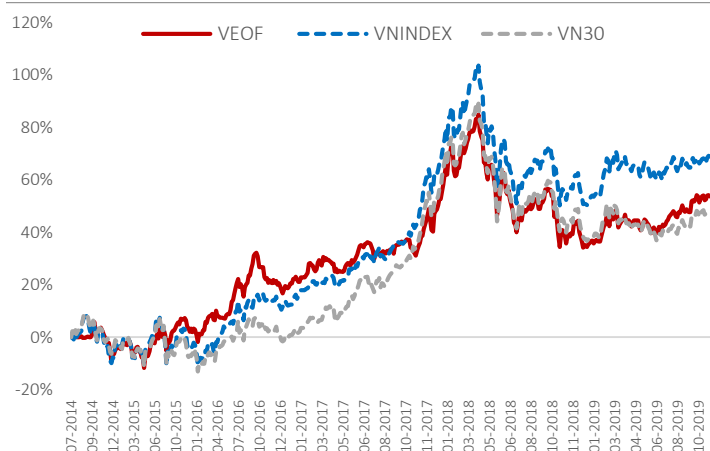


# VinaWealth Equity Opportunity Fund (VEOF)

## VEOF NAV Growth since inception (Jul 2014 – Oct 2019)



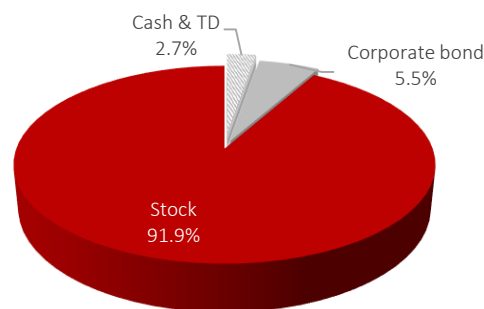
The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance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

## Snapshot

Structure	Open Ended Equity Fund
Investment risk	HIGH
Investment return	LOW AVERAGE HIGH
Fees	LOW AVERAGE HIGH

## Asset Allocation (As of 31 Oct 2019)

### % Total NAV



## Performance vs. Benchmark

(as of 31 Oct 2019)	VEOF	VN30	VNIndex	HNXIndex
Total Assets (VND bn)	461.1			
NAV/share (VND)	15,369	922.7	998.8	105.2
M-o-M	-0.3%	0.0%	0.2%	0.1%
Q-o-Q	4.3%	4.5%	0.7%	0.7%
Y-o-Y	10.3%	2.3%	9.2%	-0.2%
YTD 2019	13.6%	7.9%	11.9%	0.9%
2018	-11.4%	-12.4%	-9.3%	-10.8%
2017	26.7%	55.3%	48.0%	45.9%
Since inception (07/2014)	53.7%	48.1%	68.9%	34.7%

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

## Fund information

Inception	1 July 2014
Management fee	1.75% per annum
Subscription fee	0.0%
Redemption fee	<ul style="list-style-type: none"> <li>2.5% &lt; 12 months</li> <li>1.5% &gt;= 12 months</li> <li>0.75% &gt;= 24 months</li> </ul>
Minimum subscription	VND2,000,000/ ~USD90
Custodian and Supervisory Bank	Standard Chartered Bank Ltd. (Viet Nam)
Auditor	PwC Vietnam
Trading frequency	Twice a week, on Tuesday and Thursday
Performance benchmark	VN-Index

## Investment Approach

Maximize return in the short to medium-term (1-3 years) by focusing primarily on Vietnamese large and medium-cap stocks with medium-term growth potential and reasonable valuation.

Target to invest >90% into listed stocks on the Vietnamese stock exchanges.

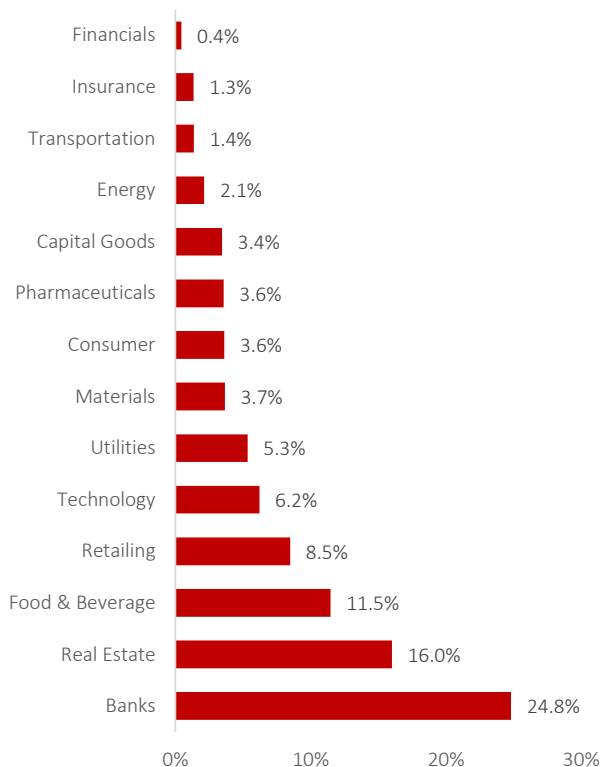
Invest up to 10% into OTC securities that will be listed/registered within 12 months.

Opportunistic investments into fixed income instruments.

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## Sector Allocation (% NAV)



## Top 10 Holdings

	Sector	% NAV
VCB	Banks	10.1
VHM	Real Estate	7.9
MWG	Retailing	6.6
FPT	Technology	6.2
MBB	Banks	4.9
VNM	Food & Beverage	4.7
GAS	Utilities	4.3
SAB	Food & Beverage	4.0
TCB	Banks	3.6
PNJ	Consumer	3.5

## Portfolio Valuation

	VEOF	VN30	VNINDEX
P/E (x)	12.5	13.4	16.4
P/B (x)	2.8	2.2	2.4
ROE (%)	15.7	17.1	14.9
Dividend yield (%)	2.2	1.4	1.9
EPS growth 2019 (%)	18.5	n.a	11.2
Portfolio turnover (%)	33.1	-	-
Sharpe ratio	1.1	0.5	0.8
No. of stocks	35	30	379

Source: Bloomberg

## Comments on market and fund performance

The VN Index went almost sideways in October 2019, closing at 998.8 on 31 October, a 0.2% month-on-month (mom) increase.

- Despite the positive performance of global stock markets (S&P 500 +2.1%, CSI 300 +1.9%, MSCI Emerging Market Index +4.2% mom), the VN Index traded in a narrow range of 980-1,000 in October, but finally closed at the higher end.
- Stock performance was mixed. Banks (VCB, BID, CTG) and airlines (VJC, HVN) were the index leaders, while some consumer stocks (MSN, SAB), real estate (VIC, NVL) and GAS were laggards.
- Trading activities remained low in October. The average daily trading value on the three bourses declined by 2.4% to USD202 million. Foreign investors net-sold USD69 million in October, having net-sold for three consecutive months.

**3Q19 earnings results exceeded expectations.** Listed companies recorded an average 3Q net profit growth of 19% year-on-year (yoy). We expect positive profit growth to support the performance of the stock market going forward.

- Banks recorded 3Q average net profit growth of 44% yoy, led by VCB (+72%), VPB (+64%), MBB (+27%). Consumer companies also posted high 3Q profit growth, such as MWG (+32%), SAB (+42%), PNJ (+17%). VHM recorded 3Q profit growth of 42% thanks to block sales in several projects in Hanoi and Ho Chi Minh City.
- On the contrary, the oil and gas sector posted a 18% yoy decline in 3Q net profit, mostly due to declining oil prices. HPG saw 3Q net profit declining 27% yoy due to sluggish steel consumption.

**VEOF's NAV per share declined by 0.3% in October. The fund has gained 13.6% year-to-date (ytd), outperforming the VN Index by 1.7%.**

- Stocks in VEOF's portfolio recorded mixed performances in October. VCB, the largest holding, advanced by 6.8% mom thanks to outstanding 3Q net profit growth (+72% yoy). PNJ recorded better-than-expected 3Q profit (+17% yoy) and gained 3.6% mom.
- By contrast, GAS declined 2.6% mom following a drop in crude oil prices. MSN dropped 5.5% mom as its animal feed business was impacted by African swine fever and profits of the mineral business were reduced by declining tungsten prices.
- VEOF has maintained a high growth portfolio while its valuation is lower than market average. 2019 EPS growth of VEOF's portfolio is estimated at 18.5%, compared with 11.2% of the VN Index, while its P/E is only 12.5x vs. 16.4x of the VN Index.

## Important information

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