

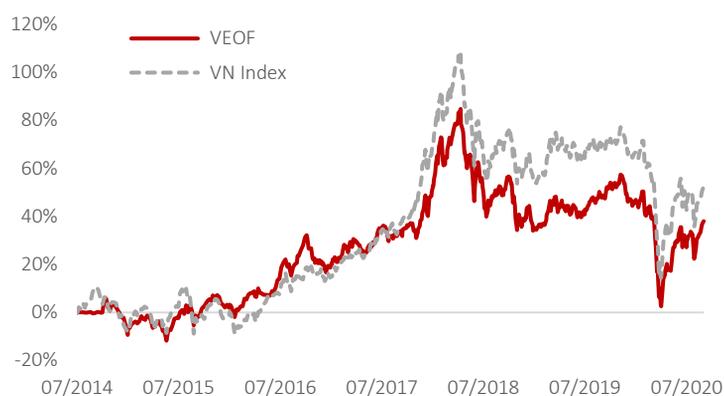
## VEOF Investment approach

Maximize return in the medium to long-term by focusing on Vietnamese large and medium-cap stocks with 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.

## 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 shares. Current performance may be higher or lower than the performance data quoted.

## Performance vs. Benchmark

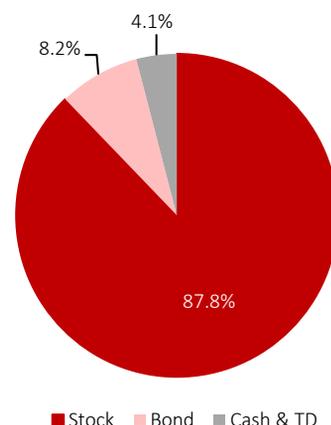
	VEOF	VN Index
Total AUM (VND billion)	314.5	
NAV/Share (VND)	13,806.8	
August 2020 (%)	10.9	10.4
YTD return (%)	(5.6)	(8.3)
2019 return (%)	8.1	7.7
Since inception return (%)	38.1	52.5
Annualized return since inception (%)	5.4	7.1

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

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## Investment Allocation

% Total NAV



## 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>• 2.0% &lt; 12 months</li> <li>• 1.5% &gt;= 12 months</li> <li>• 0.5% &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
Benchmark	VN Index

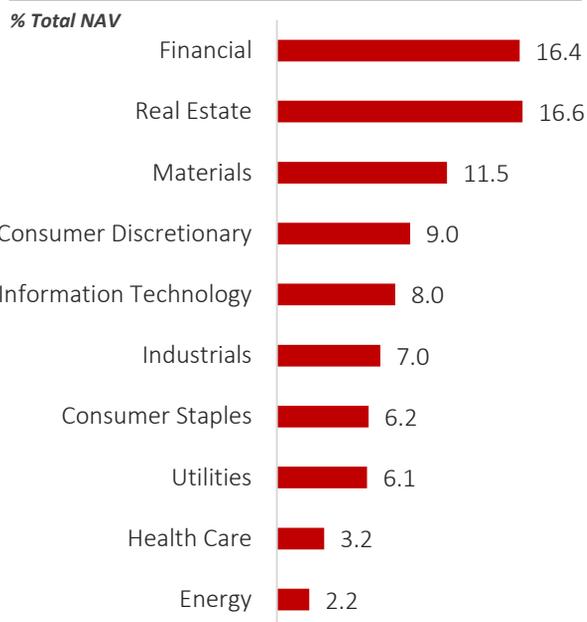
## Portfolio statistics

	VEOF	VN INDEX
Trailing P/E (x)	11.3	14.7
Trailing P/B (x)	1.7	2.0
Trailing ROE (%)	15.5	13.3
Dividend yield (%)	2.1	2.0
EPS growth 2020 (%)	3.5	(14.6)
Portfolio turnover (%)	31.6	-
Sharpe ratio	0.03	0.09
No. of stocks	37	381

(Trailing 12 months data)

Source: Bloomberg, VinaCapital's forecast

**Sector allocation**



**Comments from fund manager**

**MARKET COMMENTARY**

The VN Index advanced by 10.4% in August, rebounding from the 3.2% decline in July due to the emergence of new COVID-19 cases. The second wave of COVID-19, which raised the number of cases in Vietnam from 412 on 23 July to 1,044 on 31 August, did not cause investors much concern. Unlike during the first wave, offices, retail stores and restaurants were not closed in most cities. In fact, the outbreak was controlled after a few weeks. The average number of daily new cases during the last week of August was only three.

The rally of Vietnam’s stock market was also supported by positive movements of global stock markets. The MSCI World Index increased 6.2% in August, while the S&P 500 broke its historical high to close at 3,500 on 31 Aug, a 7% mom (month-on-month) increase.

While local investors have been eager to enter the market, foreign investors continued to net-sell USD148m on the combined three bourses in August. On a year-to-date basis, foreigners have sold USD963m, excluding the one-off USD650m purchase of VHM in June.

**FUND COMMENTARY**

VEOF’s NAV per share advanced by 10.9% in August, outperforming the VN Index by 0.5%.

Among the fund’s top-10 holdings, 7 out of 10 stocks outperformed the VN Index in August. Of note, MWG, FPT and HPG advanced by 25.4%, 13.6% and 13.1% mom, respectively.

MWG and FPT are full-room stocks and trade at a high premium among foreign investors. In August, MWG and FPT were supported by the news about CTBC Vietnam Equity Fund, a newly established Taiwanese fund that will invest USD160m into Vietnam’s stock market. One of the securities which CTBC will purchase is the VN Diamond ETF, which focuses on full-room stocks. In addition, both companies reported encouraging July business results amid the COVID-19 outbreak. July net profit of MWG increased by 12% yoy (year-on-year), reaching VND326bn, while that of FPT grew 9% yoy, reaching VND296bn.

HPG also posted high growth in steel sales volume. The steelmaker sold 2.1m tons of construction steel in 8M20, growing 20% yoy, and 1.2m tons of billet, compared with a negligible volume in 8M19.

In our opinion, the stock market will continue to be supported by low interest rates, progress in COVID-19 vaccine production, and economic recovery in the last quarter of the year. Nevertheless, the fact that the US stock market has reached an all-time high may create certain risks in global stock markets.

**Top 10 holdings**

Stock	Sector	% NAV
<b>VCB</b>	Financial	9.1
<b>FPT</b>	Information Technology	8.0
<b>VHM</b>	Real Estate	7.5
<b>MWG</b>	Consumer Discretionary	6.7
<b>HPG</b>	Materials	4.7
<b>VNM</b>	Consumer Staples	4.6
<b>CTG</b>	Financial	3.6
<b>GAS</b>	Utilities	3.3
<b>ACB</b>	Financial	2.8
<b>VRE</b>	Real Estate	2.8

**Important information**

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