

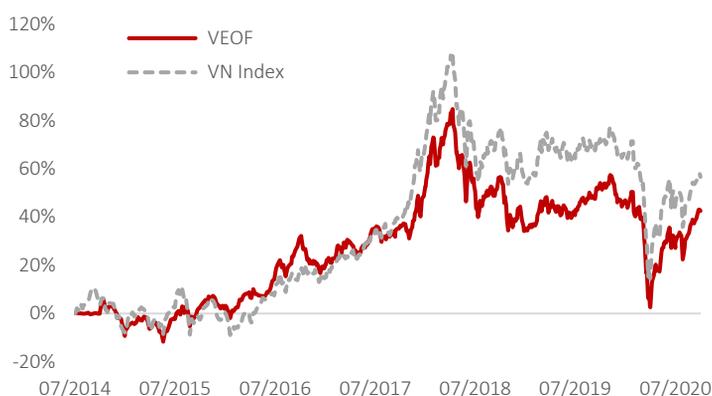
## VEOF Investment approach

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

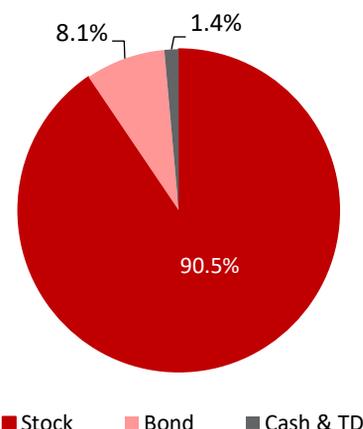
	VEOF	VN Index
Total AUM (VND billion)	312.1	
NAV/Share (VND)	14,253.4	
September 2020 (%)	3.2	2.7
YTD return (%)	(2.5)	(5.8)
2019 return (%)	8.1	7.7
Since inception return (%)	42.5	56.6
Annualized return since inception (%)	5.8	7.4

(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

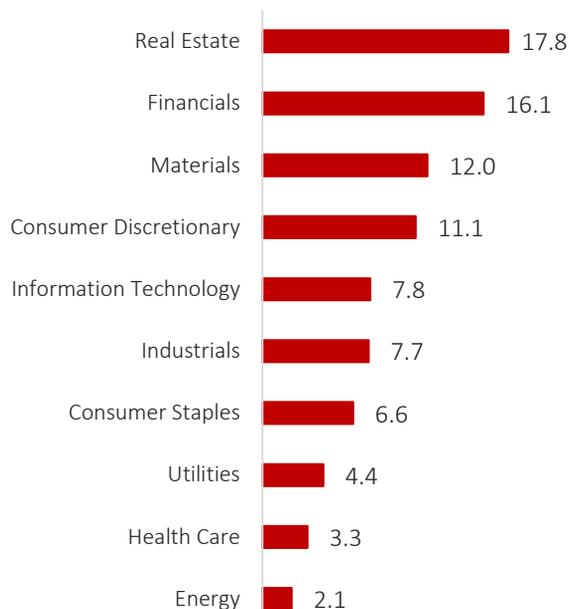
	VEOF	VN INDEX
Trailing P/E (x)	12.0	15.0
Trailing P/B (x)	1.8	2.0
Trailing ROE (%)	15.2	13.2
Dividend yield (%)	2.0	1.9
EPS growth 2020 (%)	3.5	(13.8)
Portfolio turnover (%)	52.8	-
Sharpe ratio	0.06	0.12
No. of stocks	36	383

(Trailing 12 months data)

Source: Bloomberg, VinaCapital's forecast

## Sector allocation

% Total NAV



## Top 10 holdings

Stock	Sector	% NAV
VCB	Financials	9.3
FPT	Information Technology	7.8
VHM	Real Estate	7.3
MWG	Consumer Discretionary	7.0
HPG	Materials	4.8
VNM	Consumer Staples	4.8
CTG	Financials	3.7
ACB	Financials	3.0
VRE	Real Estate	2.9
GAS	Utilities	2.8

## Comments from fund manager

**MARKET COMMENTARY**

Following the positive momentum from the previous month, the VN Index rose 2.7% in September 2020, closing at 905.2 points. Year-to-date (ytd), the Index is still down 5.8%. However, it has performed better than expectation given the impact of the COVID-19 outbreak on the economy and the business of listed companies.

Investors were enthusiastic to participate in the stock market. Average daily trading value on the combined three bourses reached VND7,861 billion in September, a 23% month-on-month (mom) increase. Foreign investors net-purchased VND1,608 billion in September after two consecutive months of net-selling. Nevertheless, foreigners' net-purchasing was concentrated on put-through transaction of three stocks: VHM (VND3,852 billion), PLX (VND731 billion), and CTG (VND687 billion).

The economy started recovering in Q3, especially in September. Vietnam's GDP growth reached 2.62% year-on-year (yoy) in Q3 (Q1: 3.68%, Q2: 0.39%) and 2.12% yoy in 9M20. The Index of Industrial Production (IIP) rose 3.8% yoy in September, lifting 9M growth to 2.4%. Total retail sales of goods and services also advanced by 4.9% yoy in September and 0.7% in 9M 2020.

The most notable bright spot of the economy this year has been public investment, which is the Government's key strategy to boost economic growth. Disbursement for public investment in 9M reached VND269 trillion, a 40% yoy growth, however that accounts for just 52% of the 2020 plan. As a result, we can expect a significantly higher amount to be disbursed in Q4.

**FUND COMMENTARY**

NAV per share of VEOF advanced by 3.2% in September, outperforming the VN Index by 0.5%. The fund has declined 2.5% ytd, compared with the 5.8% decline of the VN Index.

Most large holdings of VEOF recorded positive returns in September. Of note, MWG and HPG gained 11.7% and 7.5% mom, respectively.

MWG's business results beat expectations with August net profit increasing by 14% yoy and reaching VND326 billion. MWG's business showed strong recovery after being impacted by the outbreak in Q2.

HPG also reported upbeat September sales results, with construction steel sales volume surging by 82% yoy to reach 352,000 tons. The company sold 2.5m tons of construction steel ytd, a 26% yoy growth rate.

After a two-month strong rally (10.4% in August and 2.7% in September), the positive momentum of the stock market may slow down in the short term, amid the uncertainties from the US presidential election and the possibility of further economic stimulus. In our opinion, a market correction, if it happens, will be short-lived as the equity market will be supported by low interest rates and the economy has shown indicators of recovery from September.

**Important information**

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