

## 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

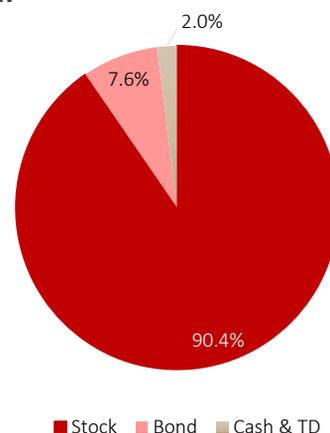
	VEOF	VN Index
Total AUM (VND billion)	326.6	
NAV/Share (VND)	15,757.8	
November 2020 (%)	10.1	8.4
YTD return (%)	7.7	4.4
2019 return (%)	8.1	7.7
Since inception return (%)	57.6	73.5
Annualized return since inception (%)	7.3	9.0

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

Investor Relations: [irwm@vinacapital.com](mailto:irwm@vinacapital.com)  
Tel: +84 28 38 27 85 35

## 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

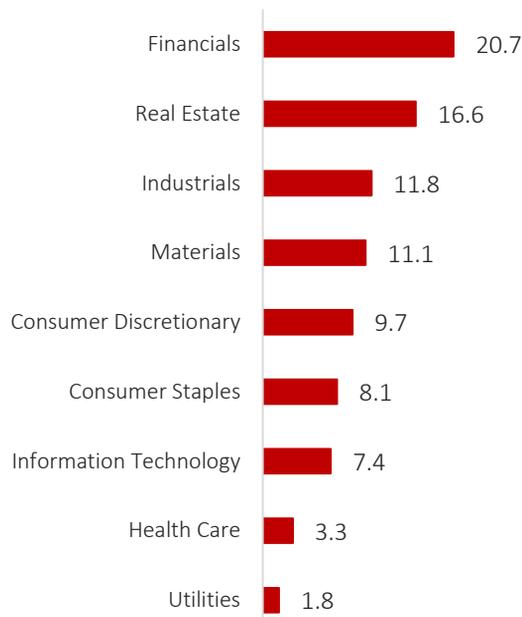
	VEOF	VN INDEX
Trailing P/E (x) (*)	13.1	16.3
Trailing P/B (x) (*)	1.7	2.1
Trailing ROE (%) (*)	13.3	12.9
Dividend yield (%) (*)	1.6	1.6
EPS growth 2020 (%)	3.5	(6.1)
Portfolio turnover (%)	59.3	-
Sharpe ratio	0.14	0.19
No. of stocks	37	388

(\*) Trailing 12 months data

Source: Bloomberg, VinaCapital's forecast

## Sector allocation

% Total NAV



## Top 10 holdings

Stock	Sector	% NAV
VCB	Financials	8.9
VHM	Real Estate	7.6
FPT	Information Technology	7.4
MWG	Consumer Discretionary	7.0
HPG	Materials	4.7
CTG	Financials	4.2
VNM	Consumer Staples	3.5
TCB	Financials	3.2
VRE	Real Estate	2.6
VHC	Consumer Staples	2.3

## Comments from fund manager

**MARKET COMMENTARY**

The VN Index advanced by 8.4% in November 2020, closing at 1,003 points by the end of the month. On a year-to-date (ytd) basis, the VN Index has erased all of the losses prompted by the COVID-19 outbreak, recording a 4.4% gain. Just 6-7 months ago, most investors thought such a positive outcome would be unachievable.

Global stock markets rallied after the US presidential election concluded and COVID-19 vaccine trials proved to be effective. A few countries, including the US and England, expect to distribute the first vaccines to the community before year-end. The MSCI World Index gained 12.7% in November.

Market sentiment was positive. Local investors opened 41,080 new securities accounts in November, a historical record and even higher than the 40,554 new accounts opened in March 2018. The average daily trading value across the combined three bourses hit an all-time high of VND10,026b in November. Foreign investors net-sold VND3,190b during the month, although they net-purchased VND254b in the last two weeks of November, which was an encouraging sign that the net sell trend may soon be reversed.

**FUND COMMENTARY**

VEOF's NAV per share advanced by 10.1% in November, outperforming the VN Index by 1.7%. VEOF has gained 7.7% ytd, outperforming the VN Index by 3.4%.

Banking stocks, which represented the largest weight in the VEOF portfolio, performed well in November. VCB, CTG and TCB increased by 12.1%, 15.5% and 12.9% month-on-month (mom), respectively. As the coronavirus has been mostly contained in Vietnam and most business activities have resumed, the ratio of restructured loans due to COVID-19 among listed banks was almost unchanged in Q3, which signaled a pause in new non-performing loan formation.

In addition, property and construction material stocks also performed well. HPG, VRE and VHM advanced by 16.2%, 11.5% and 8.7% mom, respectively. HPG's construction steel sales volume increased by 14% year-on-year (yoy) and 38% mom, reaching 344,000 tons. On a ytd basis, sales volume rose 24% yoy, reaching 3.08m tons. VRE, which owns and operates all Vincom shopping malls, expects to strongly recover once the coronavirus is contained. VHM is anticipating robust profit from the sales at Vinhomes projects in Q4.

We expect the stock market will continue to be supported by low interest rates (banks cut the deposit rate by an additional 0.2-0.3% in November), positive information about COVID-19 vaccines, and the on-going economic recovery. Nevertheless, the aggressive participation of retail investors could cause the stock market to become overheated at times.

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