

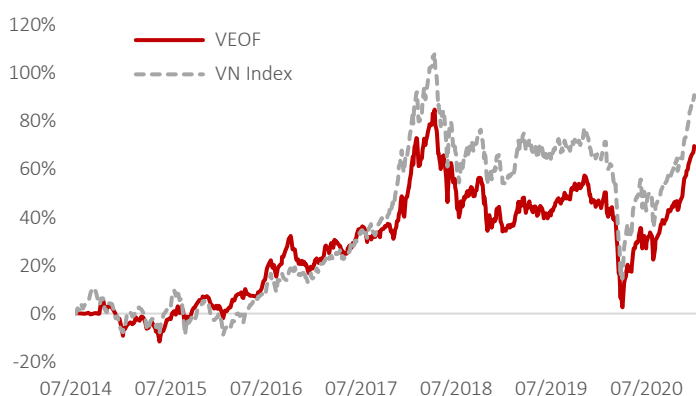
## VEOF Investment approach

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

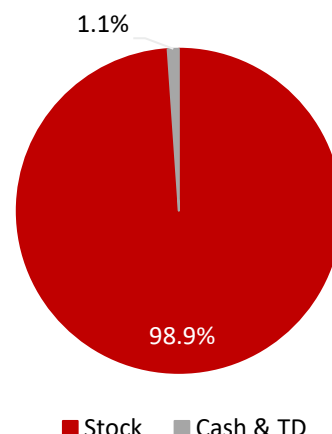
	VEOF	VN Index
Total AUM (VND billion)	315.1	
NAV/Share	16,958.3	
January 2021 return (%)	(0.1)	(4.3)
2020 return (%)	16.1	14.9
2019 return (%)	8.1	7.7
Since inception return (%)	69.6	82.8
Annualized return since inception (%)	8.3	9.6

(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

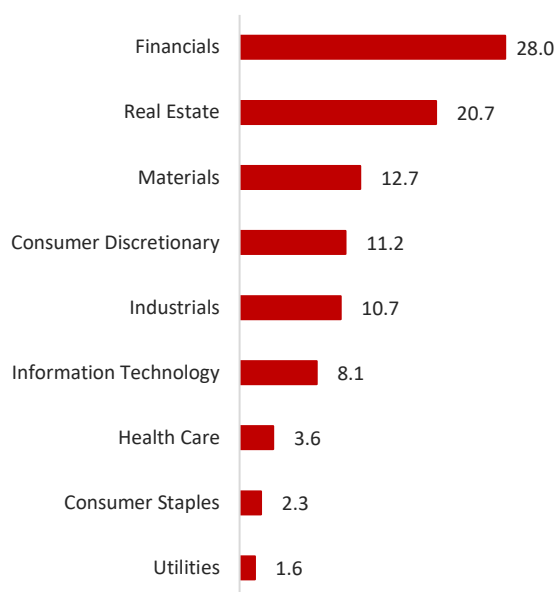
	VEOF	VN INDEX
Trailing P/E (x) (*)	13.2	16.3
Trailing P/B (x) (*)	2.2	2.2
Trailing ROE (%) (*)	16.7	13.7
Dividend yield (%) (*)	1.5	1.5
EPS growth 2021 (%)	18.5	20.2
Portfolio turnover (%)	51.3	-
Sharpe ratio	0.28	0.31
No. of stocks	32	397

(\*) Trailing 12 months data

Source: Bloomberg, VinaCapital's forecast

## Sector allocation

% Total NAV



## Top 10 holdings

Stock	Sector	% NAV
VCB	Financials	8.6
VHM	Real Estate	8.2
FPT	Information Technology	8.1
MWG	Consumer Discretionary	7.4
HPG	Materials	6.4
TCB	Financials	4.4
CTG	Financials	4.0
VPB	Financials	3.9
GMD	Industrials	3.2
VRE	Real Estate	3.1

## Comments from fund manager

## MARKET COMMENTARY

After ending 2020 at 1,104 points, the VN Index extended its rally to 1,194 points on 15 Jan 2021, just marginally below the all-time high of 1,204 points in April 2018. Nevertheless, profit-taking and margin reduction activities before the long Tet holidays, and more importantly, a new COVID-19 outbreak starting on 28 Jan prompted investors to switch to a risk-off mode. The VN Index closed the month at 1,057 points, a 4.3% month-on-month (mom) decline.

During this volatile period, market liquidity reached an all-time high, with the average daily trading value surging to VND20.4t on the combined three bourses, a 38% mom increase. Foreign investors continued to be net-sellers for the fourth month in a row, with net selling totaling VND1.7t in January, although they did buy on the dip on the days when the market fell.

The 4Q20 earnings results of listed companies were better-than-expected. HOSE-listed companies recorded a 29% year-on-year (yoy) growth in 4Q20 profit on average, while 2020 profit declined by just 2% yoy. The top contributors to the Q4 profit growth of the VN Index were VHM (VND11.5t, +79% yoy), VCB (VND5.7t, +29% yoy), and CTG (VND5.4t, +103% yoy), all of which are in the top-10 holdings of VEOF. In terms of sector contribution, the earnings beat was driven primarily by banks, led by higher-than-forecasted net interest margins among the private banks and lower-than-forecasted provision charges for the sector in aggregate.

## FUND COMMENTARY

Net asset value per share of VEOF only declined by 0.1% in January, significantly outperforming the VN Index by 4.2%.

Most top holdings in the VEOF portfolio posted upbeat 4Q20 earnings results, enabling the portfolio to outperform the benchmark.

- VHM (+4.5% mom): 4Q20 and FY2020 net profit increased 79% yoy and 28% yoy to VND11.5t and VND27.8t, respectively. The company expects double-digit growth on 2021 net profit.

- VCB (-5% mom): 4Q20 net profit grew 29% yoy and 42% qoq to reach VND5.7t thanks to a recovery in net interest income, a partial booking of banca upfront fee, and lower operating expenses.

- FPT (+6.1% mom): 4Q20 and 2020 net profit reached VND983b and VND3,538b, representing 30% and 13% yoy growth, respectively. The company announced profit growth guidance of 18% in 2021.

- MWG (+11.6% mom): Despite COVID-19's impact on the retail sector, 4Q20 business results showed a recovery trend with a 10% increase in net profit. FY2020 profit grew 2%, reaching VND3.9t.

We maintain our positive view regarding market direction in 2021 thanks to economic recovery, double-digit earnings growth of listed companies, and a low interest rate environment. We have taken the opportunity provided by January's market correction to further increase the equity holdings in the portfolio.

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