

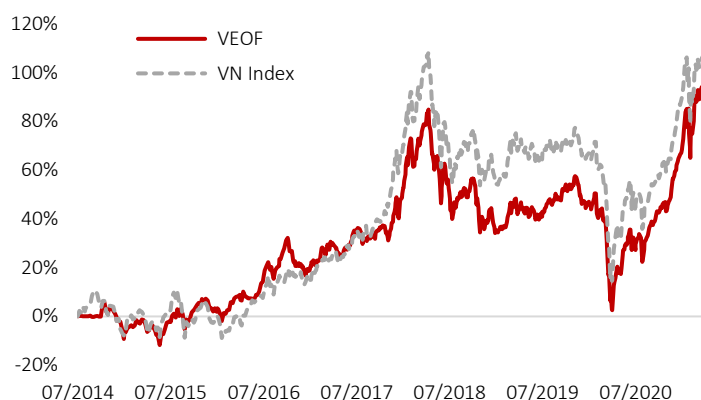
## VEOF Investment approach

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

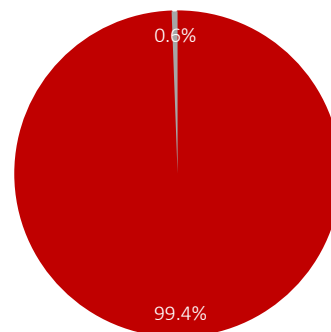
	VEOF	VN Index
Total AUM (VND billion)	293.5	
NAV/Share	19,054.7	
March 2021 return (%)	0.5	2.0
YTD 2021 return (%)	12.2	7.9
2020 return (%)	16.1	14.9
Since inception return (%)	90.5	106.1
Annualized return since inception (%)	10.0	11.3

(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



■ Stock ■ Cash & TD

## 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

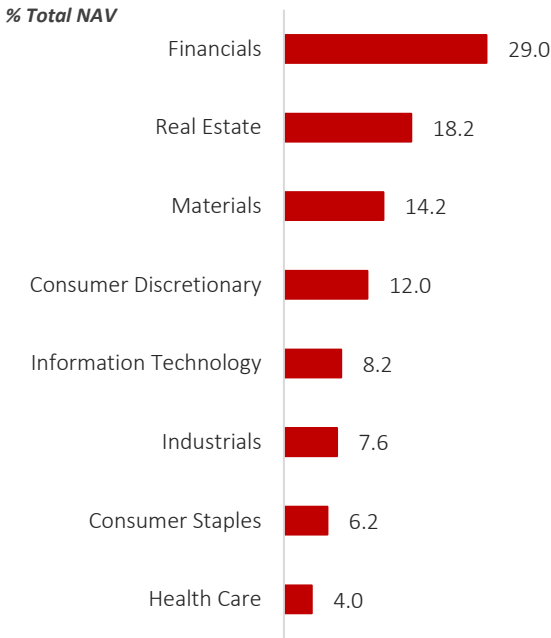
## Portfolio statistics

	VEOF	VN INDEX
Trailing P/E (x) (*)	14.6	18.5
Trailing P/B (x) (*)	2.5	2.5
Trailing ROE (%) (*)	17.1	13.6
Dividend yield (%) (*)	1.5	1.3
EPS growth 2021 (%)	24.9	24.4
Portfolio turnover (%)	64.8	-
Sharpe ratio	0.29	0.30
No. of stocks	28	397

(\*) Trailing 12 months data

Source: Bloomberg, VinaCapital's forecast

**Sector allocation**



**Top 10 holdings**

Stock	Sector	% NAV
HPG	Materials	8.4
VCB	Financials	8.4
FPT	Information Technology	8.2
MWG	Consumer Discretionary	7.8
CTG	Financials	5.2
VPB	Financials	4.9
TCB	Financials	4.8
VHM	Real Estate	4.7
MBB	Financials	3.5
VRE	Real Estate	3.4

**Comments from fund manager**

**MARKET COMMENTARY**

After surging 10.6% in February 2021, the VN Index traded in a narrow band between 1,160 and 1,200 in March. The 1,200 point-level continued to pose strong resistance, while foreign investors continued net-selling, and market participants wondered whether margin lending might be tightened, and if interest rates could climb.

Nevertheless, it was not all bad news in March. In contrast, **the VN Index advanced during the last three days of the month to gain 2.0% mom, closing at 1,191 points. Year-to-date, the VN Index has increased 7.9%.**

Vingroup (VIC) was the market leader during the month. The largest stock in terms of market cap climbed 8.2% mom, contributing over one-third of the index's increase. The financial sector also outperformed, rising 3.3% mom on average thanks to the anticipation of positive business results in both Q1 and 2021.

**Concerns about heavy selling pressure by foreign investors have been somewhat alleviated** thanks to a new ETF from Taiwan, the Fubon FTSE Vietnam ETF. The fund raised nearly VND4.3t during its IPO in March and expects to increase the amount to over VND8.0t by year-end.

**Vietnam's economy recorded positive macro figures in Q1.** Q1 GDP grew 4.5% yoy (Q1 2020: 3.7% yoy), driven by a 9.5% increase in manufacturing and an approximately 4.5% increase in domestic consumption. Notably, the Purchasing Managers' Index (PMI) rose to 53.6, the highest level since December 2018, and Q1 imports increased by 26.3% (mainly production materials and machinery), both of which indicate that the manufacturing sector will continue to expand in the months ahead.

**FUND COMMENTARY**

VEOF's net asset value per share increased by 0.5% in March. **On a year-to-date basis, VEOF has gained 12.2%, outperforming the VN Index by 4.3%.**

**Most companies in the top-10 holdings of VEOF are expected to deliver outstanding earnings growth in both Q1 and 2021.** HPG, now the largest holding in the portfolio, set 2021 net profit guidance of VND18t, a 34% yoy increase. In Q1 2021, the company sold 856k tons of construction steel, a 17% yoy increase, and 665k tons of hot-rolled coil. HRC was not produced in Q1 last year.

With the swift economic recovery from the impact of COVID-19, the banking sector is also expected to deliver superior business results this year. CTG, MBB and VCB estimated their Q1 pretax profit would reach VND7.0-8.0t, VND4.6t and VND7.0t, a 135-169%, 108% and 34% yoy increase, respectively. TCB set a 2021 pretax profit target of VND19.8t, equating to 25% yoy growth.

**We expect the stock market to continue trending upward** thanks to positive macro-economy indicators, new capital inflows from foreign investors, and most importantly, the fact that many listed companies have guided high earnings growth of over 20% in both Q1 and 2021 targets.

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