

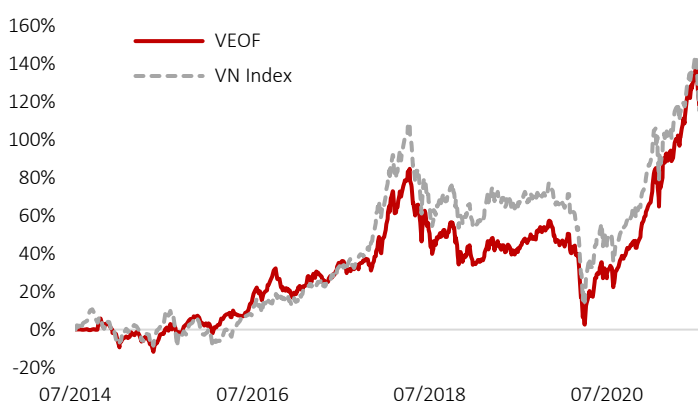
## VEOF Investment approach

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

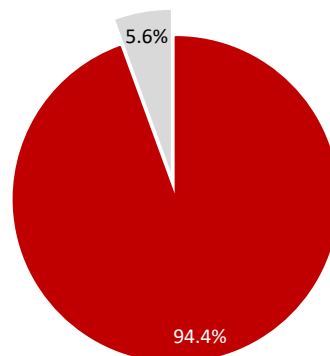
	VEOF	VN Index
Total AUM (VND billion)	435.0	
NAV/Share	24,648.4	
Sep 2021 return (%)	3.2	0.8
YTD 2021 return (%)	45.2	21.6
3-year annualized return (%)	16.3	9.7
Annualized return since inception (%)	13.2	12.3
Cumulative return since inception (%)	146.5	132.2

(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	Daily, from Monday to Friday
Benchmark	VN Index

## Portfolio statistics

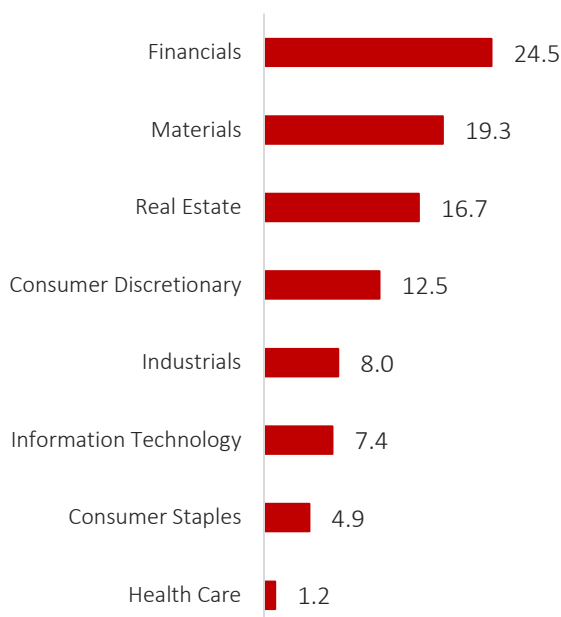
	VEOF	VN Index
Trailing P/E (x) (*)	14.7	16.3
Trailing P/B (x) (*)	2.7	2.6
Trailing ROE (%) (*)	18.3	16.1
Dividend yield (%) (*)	1.3	1.3
EPS growth 2021 (%)	34.3	20.0
Portfolio turnover (%)	72.3	-
Sharpe ratio	0.45	0.36
No. of stocks	31	401

(\*) Trailing 12 months data

Source: Bloomberg, VinaCapital's forecast

## Sector allocation

## % Total NAV



## Top 10 holdings

Stock	Sector	% NAV
HPG	Materials	8.7
FPT	Information Technology	7.4
MWG	Consumer Discretionary	7.2
VHM	Real Estate	6.7
TCB	Financials	5.1
VPB	Financials	4.7
DGC	Materials	4.2
VCB	Financials	3.9
MBB	Financials	3.4
VRE	Real Estate	3.4

## Comments from fund manager

## MARKET COMMENTARY

The VN Index increased slightly by 0.8% in September, during a period when most provinces and cities in Vietnam applied the strictest social-distancing regulations ever. On a year-to-date (ytd) basis, the VN Index has gained 21.6%.

The adverse impact of the COVID-19 outbreak was shown in Q3 macro data. Vietnam's Q3 GDP shrank by 6.17% year-on-year (yoy) as the industry and construction sector dropped 5.02% yoy and the service sector slumped 9.28% yoy. The economic contraction in Q3 has dragged 9M21 GDP growth to 1.42%. In September alone, industrial production and retail sales dropped by 5.5% and 28.4% yoy but increased by 5.0% and 6.5% month-on-month (mom), respectively, indicating a recovery as some areas in the country have been able to control the outbreak.

Returning to the stock market, as an economic re-opening was imminently expected, Consumer Discretionary was the best-performing sector in September, gaining 10.3% mom, driven by retailers MWG and PNJ. The Utilities and Energy sector also outperformed, rising 6.6% and 6.2% mom, respectively, thanks to the rally in crude oil and gas prices. On the contrary, the Real Estate sector declined 2.8% mom due to the negative performances of VHM and VIC. Small-cap stocks continued outperforming as the VN Small Cap Index advanced by 6.5% mom.

Average daily trading value declined by 7.9% mom but remained high at VND26.5t across the combined three bourses. Foreign investors net sold VND8.4t in September, increasing the ytd foreign outflows to VND40.3t.

## FUND COMMENTARY

VEOF's NAV per share increased by 3.2% in September, outperforming the VN Index by 2.4%. On a ytd basis, the fund has gained 45.2%, while the VN Index has increased 21.6%.

Among the fund's top holdings, DGC was the best performer, increasing 27.9% mom. The company benefits from the surging demand in phosphorus products, which are inputs for manufacturing semiconductors and fertilizers. DGC is expected to deliver stellar earnings results in 2H 2021.

MWG advanced by 15.1% mom. The company's mobile phone and consumer electronics stores have started re-opening, and thus we expect to see a strong sales recovery in Q4.

HPG rose 7.3% mom. Steel sales volume remained positive during the lockdown period. The company sold 2m tons of steel in 3Q, a 9% yoy increase, bringing 9M21 sales volume to 6.3m tons, representing growth of 43% yoy.

Most banking stocks did not deliver high returns in September as the market was concerned about rising bad debt due to the pandemic. Nevertheless, once businesses resume operations and generate cash flow, the risk of non-performing loans should be alleviated.

At the beginning of October, most provinces in Vietnam started easing social-distancing regulations. Factories are no longer required to apply the "three-on-site" regulation (work – eat – sleep), while retail stores have been permitted to open. As of 5 Oct 2021, 37% of the Vietnamese population has received at least one dose of a vaccine, of which 12% has received two doses, a significant increase from 15% and 3% at the end of August, respectively. We believe the trough of economy has passed and look forward to a strong recovery in Q4 2021 and 2022, which should prompt the stock market to continue to move in a positive direction.

## Important information

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