

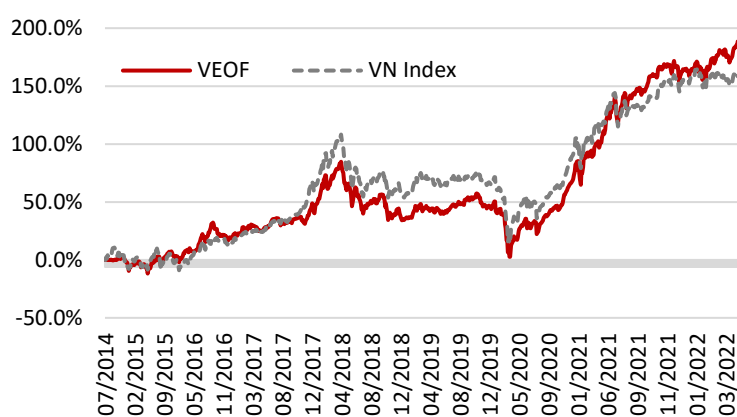
VEOF

Investment approach

The fund applies active investment strategy and bottom-up stock selection, concentrates on high-conviction stocks through a deep dive research and analysis.

The fund mainly invests in large and mid-cap stocks which are industry leaders or differentiate in competitive advantages, have growth potential and are being undervalued.

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 fund units. Current performance may be higher or lower than the performance data quoted.

Fund performance

	VEOF VN-Index	
Total AUM (VND billion)	821.5	
NAV/Share (VND)	28,855.3	
Mar 2022 return (%)	3.3	0.1
YTD 2022 return (%)	8.6	(0.4)
3-year annualized return (%)	26.1	15.0
Annualized return since inception (%)	14.7	13.0
Cumulative return since inception (%)	188.6	158.1

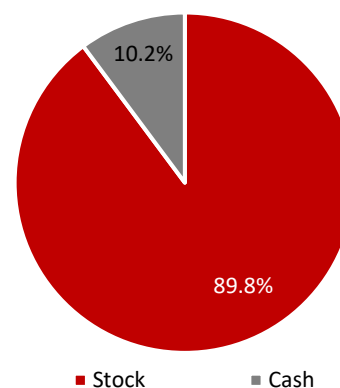
(The NAV is net of management fee and administrative expenses)

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Investment allocation

% Total NAV



Fund information

Inception	1/7/2014
Management fee	1.75% per annum
Subscription fee	0.0%
Redemption fee	2.0% < 12 months
	1.5% >= 12 months
	0.5% >= 24 months
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

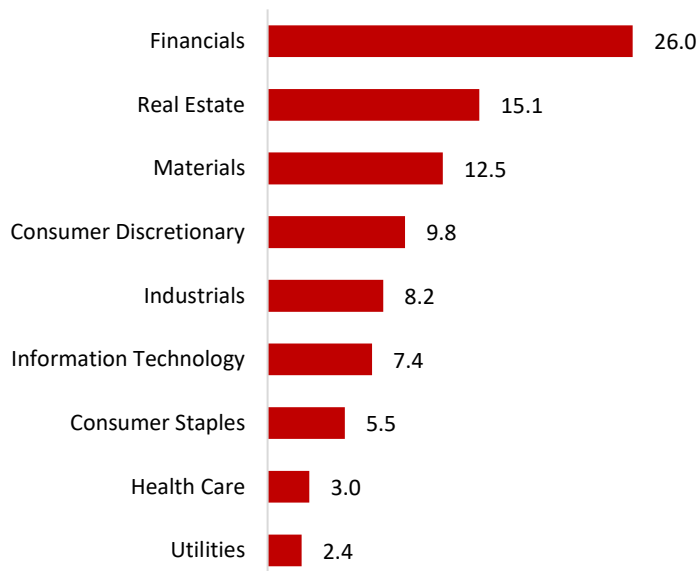
	VEOF	VN-Index
Trailing P/E (x) (*)	15.5	17.3
Trailing P/B (x) (*)	3.3	2.6
Trailing ROE (%) (*)	21.4	15.3
Dividend yield (%) (*)	1.2	1.1
Portfolio turnover (%)	27.0	0.0
Shape ratio	0.5	0.4
No. of stocks	38	409

* Trailing 12-month data

Source: Bloomberg, VinaCapital's forecast

Sector allocation

% Total NAV



Top holdings

Stock	Sector	% NAV
FPT	Information Technology	7.4
MWG	Consumer Discretionary	7.0
MBB	Financials	6.3
TCB	Financials	5.0
VCB	Financials	4.3
VHM	Real Estate	3.8
HPG	Materials	3.7
CTG	Financials	3.5
PET	Industrials	3.4
DGC	Materials	3.4

Comments from fund manager

MARKET COMMENTARY

March started with a great deal of caution from investors, prompted by the Russia – Ukraine conflict, rising inflation, and Fed rate hikes. From a close of 1,490.1 at the end of February, the VN Index fell to 1,446.3 on 14 March, although it then recovered to 1,492.2 at the end of March, a 0.1% m-o-m increase, as investors placed more emphasis on economic recovery and earnings growth, while stock prices mostly reflected negative factors. On a YTD basis, the VN Index’s return remained at -0.4%.

Global stock markets also performed better in March. The MSCI World Index and S&P 500 increased 1.9% and 3.6% in March, although their YTD returns were -5.7% and -4.9%, respectively.

Market liquidity also reflected investors’ more positive sentiment. Average daily trading value increased 18% MoM from USD1.21 billion in February to USD1.42 billion in March. Foreign investors continued to be net-sellers for the eighth month in a row, with the net-selling amount on the combined three bourses reaching USD159 million in March.

Q1 economic data showed a recovery, although most growth rates remained lower than their pre-COVID levels. Q1 GDP growth reached 5.03% (higher than 4.72% in Q1 2021, but lower than 6.85% in Q1 2019). Notably, there were significant improvements in March data. The Industrial Production Index and nominal retail sales grew 8.5% and 9.4% y-o-y in March, bringing Q1 growth to 6.4% and 4.4% y-o-y, respectively. The Purchasing Managers’ Index (PMI) declined from 54.3 in February to 51.7 in March. While the above-50 level remained an indicator for manufacturing expansion, the companies surveyed raised concerns about rising input costs due to escalating commodity prices.

FUND COMMENTARY AND INVESTMENT OUTLOOK

VEOF’s NAV per share increased 3.3% in March, outperforming the VN Index by 3.2%. On a YTD basis, VEOF has gained 8.6%, while the VN Index declined 0.4%.

The two largest holdings of VEOF, FPT and MWG, strongly outperformed in March. FPT advanced by 14.7% m-o-m. At its annual general meeting on 7 April, FPT estimated its Q1 pre-tax profit could grow by 26-28% y-o-y. The company said it sees substantial growth opportunities in both the domestic and global IT markets in the years ahead and noted that it is able to compete on a global scale against top IT companies from India and China.

MWG rose 7.2% m-o-m. The company has guided that it aims for a net profit of VND6,350b in 2022, 30% y-o-y growth. It is planning a bonus share issuance at a ratio of 1:1 in 2022. More importantly, MWG will seek shareholder approval at its coming annual general meeting to offer a 20% stake of Bach Hoa Xanh Trading JSC to strategic investors. We believe that this will increase the value of the whole group.

Another notable stock in VEOF’s portfolio is DGC, which surged 39.8% in March. Management estimated Q1 net profit at VND1,500b (414% YoY growth) while guiding for 2022 net profit of VND3,500b (39% YoY growth).

While Q1 GDP growth was slightly lower than expected, we have observed a clear trend of economic improvement since Q4 last year. From April, further recovery can be expected as international flights resumed on 15 March, enabling travelers to arrive in Vietnam without the need for quarantine. COVID-19 is no longer a significant concern as fatalities have dramatically declined to less than 1/10 compared to the peak in Q3 last year. Equity investors may remain concerned about Fed rate hikes and inflation, although we believe the investment prospects from economic recovery and growth outweigh the risks.

In addition, the Government is determined to make the stock market more transparent and ensure equality among investors by strictly penalizing violations of stock market and other applicable regulations. These decisive actions will strengthen long-term investor confidence and help ensure the continued development of Vietnam’s stock market.

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	-2.8%	-2.3%	-26.2%	15.1%	10.3%	-2.4%	-2.1%	10.9%	3.2%	0.4%	10.1%	7.7%	16.1%
2021	-0.1%	11.8%	0.5%	5.6%	11.6%	5.1%	-1.8%	3.0%	3.2%	8.3%	-0.1%	-0.3%	56.5%
2022	0.0%	5.1%	3.3%										8.6%

Important information

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