

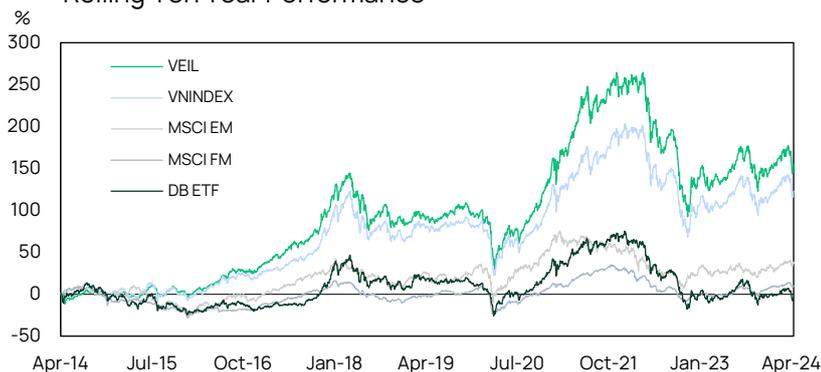


Tuan Le
Lead Portfolio Manager

At a Glance

- April was a volatile month as FX pressures continued to dominate the market, the Fed showed no signs of cutting, and another domestic political resignation added to the market's negative sentiment.
- VEIL's performance followed the VNI's drop of 7.8%, but the sell-off did not come as a surprise. We took this opportunity to carry out rebalancing activities, topping up good companies at reasonable prices.

Rolling Ten Year Performance



Performance

All reporting on this page is in total return US dollar terms from the last business day in Vietnam unless otherwise stated

	Net Assets	NAV/share	Disc/Prem	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
VEIL NAV (USD)	\$1,743.5mn	N/A	N/A	-7.9	0.3	1.6	8.4	-14.0	32.3	152.4
VNI (Reference Index)	N/A	N/A	N/A	-7.8	0.3	2.8	8.5	-7.1	23.1	120.8
Price (USD)	\$1,743.5mn*	\$8.81	N/A	-2.7%	0.1	2.5%	8.8	-17.3	28.2	N/A
Price (GBP)	£1,399.1mn*	£7.07	-17.4%	-1.4%	2.3	4.9%	9.8	-8.8	31.2	N/A

*Market cap

Fund Commentary

During April's sell-off we rotated the portfolio into high-conviction names at favourable valuations. Specifically, we topped up on retail players MWG and FPT retail (FRT). A new addition to VEIL in March, FRT continued to outperform the market in April, gaining 1.0% MoM as Q1 results showed a solid turnaround in NPAT of \$1.6mn vs a \$200k loss in 1Q23, partly due to pharmacy chain Long Chau. Core to our investment case, Long Chau reported Q1 NPAT growth of 68% YoY due to adding 90 new stores YoY, increasing the total to nearly 1,600. We believe both companies will exhibit excellent growth in 2024 as the gradual recovery of domestic consumption and retail confidence comes into effect.

First quarter earnings have been solid across our top holdings. Steel producer HPG's net revenue was \$1.2bn (+16.0% YoY) and NPAT was up 6x at \$116mn (from a low base). This was driven by hot rolled coil (HRC) exports tripling, accounting for 40% of consolidated sales vs 15% in 1Q23. HPG cleared all its high-cost input materials, with cheaper input costs likely meaning better earnings prospects. Weak Q1 domestic sales improved in April, with a 4M24 increase of 31.6% YoY from higher demand in infrastructure and residential construction, a positive sign for HPG and our holdings in real estate and banks.

We view April's challenges as short-term issues that should find a natural equilibrium over the coming year. We believe that, while recognising there may be more volatility in the near term, the major factors driving it are repudiated by the strong earnings results of our holdings.

Stock in Focus: Mobile World Group (MWG)

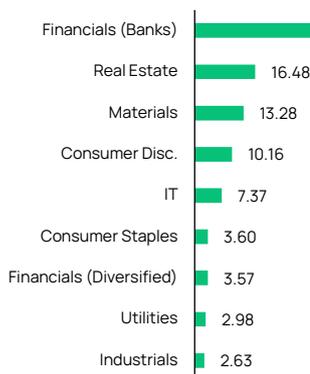
With a market cap of \$3.5bn, Mobile World Group is a leading player in consumer electronics (ICT/CE) and e-commerce, aligning with our investment theme of sector recovery and a growing middle class. Established in 2004, the company has become one of the country's top retailers, with its grocery chain Bach Hoa Xanh (BHX), founded in 2015, a key driver of future growth.

BHX has been aggressively restructuring over the last 18 months to prioritise profitable revenue growth, closing loss-making stores and focusing on a better quality product mix. This has driven a large increase in traffic and store revenue, gaining market share and positioning it as the number one grocery operator. BHX made significant progress with total sales up 43.6% YoY, driven by a higher mix of fresh products. After streamlining operations and improving cost management, it can now return to store expansion, and we believe will end the year profitable. BHX's transformation was further emphasised by the successful completion of a 5% private placement to CDH Investments, which we estimate values the chain at \$1.5bn. MWG's ICT/CE segment's gross profit margin improved from 17% to nearly 20% QoQ, with sales outperforming its competitors. This was reflected in MWG's strong Q1 revenue of \$1.2bn (+16.2% YoY) and net profit of \$35mn, up from \$1mn in 1Q23 and far exceeding market expectations. We believe MWG is well-placed to potentially surpass its 2024 guidance, increasing our full-year net profit estimates to \$125mn, a substantial turnaround from just \$7mn in 2023.

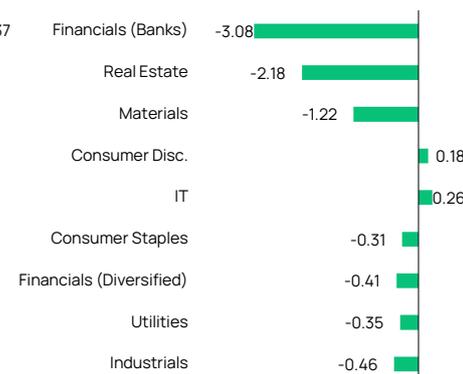
Top Ten Holdings (61.1% of AUM)

Company	Ticker	Sector	VEIL (%)	VNI (%)	CH (%)
Hoa Phat Group	HPG	Materials	9.1	3.4	-8.1
VP Bank	VPB	Financials (Banks)	8.5	3.0	-8.1
Asia Com. Bank	ACB	Financials (Banks)	8.2	2.1	-7.8
FPT Corporation	FPT	IT	7.4	3.2	3.5
Vietcombank	VCB	Financials (Banks)	7.0	10.4	-6.0
Mobile World	MWG	Consumer Disc.	6.1	1.6	5.1
Techcombank	TCB	Financials (Banks)	4.7	3.3	-4.1
MB Bank	MBB	Financials (Banks)	3.6	2.4	-14.3
Vinhomes	VHM	Real Estate	3.2	3.6	-6.8
SSI Corporation	SSI	Financials (Divs'd)	3.1	1.1	-10.5

Sector Breakdown



Monthly Contribution



Q1 results suggest recovery, but currency pressures and short-term volatility warrant continued caution



Dr. Tuan Le Anh
Chief Investment Officer

Macroeconomics:

- ▶ Total 4M24 import-export turnover rose by 15.2% YoY with an estimated YTD trade balance of \$8.4bn
- ▶ Tourism is undoubtedly recovering: overseas visitors totalled 6.2 million YTD, +68.3% YoY and +3.9% compared to pre-pandemic levels of FY 2019
- ▶ Public investment in 4M24 climbed modestly by 5.5% YoY with signs of a slowdown in March and April

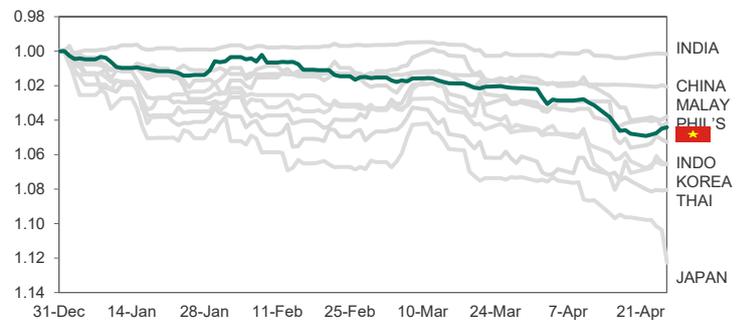
Stock Market:

- ▶ The VNI declined 7.8% due to FX volatility, policy rate hike speculation, and government personnel changes.
- ▶ It rebounded by month-end based on strong Q1 2024 results, with NPAT up 22.1% YoY for our top-80 universe, marking the most profitable quarter since Q1 2022.
- ▶ Market risk-reward profile improved on attractive valuations and margin lending reached healthy levels

CHART OF THE MONTH

- Asian currencies had the worst month since September 2023 after the negative impact of delayed Fed cuts and central banks' monetary policy direction diverged
- Gold arbitrage and crypto outflow were internal factors along with corporate repatriation season, large VND/USD yield disadvantages, and strong USD hoarding activities
- This resulted in the VND depreciating 2.2% in April and 4.4% YTD, prompting the SBV to take action by narrowing interest rate differences and intervening in the gold market

Asian Currencies Slide



Monthly Insights

April proved to be a challenging period for the VNI, unfolding against a backdrop of ongoing economic recovery juxtaposed with waning local sentiment amid a slew of negative news. The month began with indications that the Fed might maintain its rates longer than anticipated, exerting strong pressure on Asian currencies. In response, regional central banks have taken countermeasures; notably, the SBV increased the OMO rate by 25bps with the dong having depreciated by 4.4% YTD. Additionally, the resignation of the National Assembly Chairman left half of the top four positions unfilled, potentially hindering short-term policy implementation and weakening investor confidence. This sentiment was reflected in the VNI's 4.7% drop on 15 April, following rumours of the resignation which was confirmed on 26 April

Despite these challenges, the market downturn gradually subsided as investors shifted focus to more optimistic developments. As the VNI reached a low of 1,174 from its 2024 peak of 1,290, the risk-reward ratio became favourable, particularly in sectors such as IT, retail, industrial property, materials, and banking, where valuations became increasingly attractive. This renewed interest was supported by first-quarter results that exceeded expectations, showcasing consistent sales growth, improved gross margins, and reduced interest expenses. Last but not least, the rationale for bottom-fishing activities was strengthened by the restoration of healthier margin lending levels at brokers, compared to the elevated levels seen at the end of March.

Net profit growth for our Top-80 universe increased by an encouraging 22.1% YoY (15.4% on a non-float adjusted basis). The uplift was broad-based, with the most significant recoveries observed in materials (increasing 5x), transportation (3.5x), and retail (2x). These turnarounds were built into our expectations, which assumed an improved business environment, completed inventory clearance, and successful restructuring efforts.

The banking sector performance was in line with our expectations, with a 16% YoY profit increase. Although state-owned banks reported rather flat profit growth, private commercial banks achieved an average rise of 17%. In contrast, the real estate recovery is yet to be reflected in numbers, with a subdued performance primarily due to delays in product handover impacting revenue recognition. Average NPAT across residential property declined 66% YoY and industrial property by 53% YoY.

As the market seeks equilibrium, we expect some short-term volatility to persist. Nonetheless, we remain confident that the earnings rebound will serve as the primary catalyst for market growth. Early developments in May support this outlook as we observe a divergence in performance between companies reporting strong earnings and those delivering disappointing results.

Key Indicators

Item	Unit	2019	2020	2021	2022E	2023E	2024F
GDP	\$bn	334.4	346.6	366.1	408.8	430.0	463.0
Real GDP Growth	%	7.4	2.9	2.6	8.0	5.1	6.0
Services Growth	%	7.3	2.5	1.2	10.0	6.9	8.0
Agriculture Growth	%	2.0	2.8	2.9	3.4	2.6	2.8
Ind'l and Const'n Growth	%	8.9	3.3	4.1	7.8	3.5	5.0
Retail Sales Growth	%	11.8	2.6	-3.8	10.2	8.3	8.5
Prices							
CPI (Average YoY)	%	2.8	3.2	1.8	3.2	3.3	4.0
Money, FX & Interest Rates							
Money Supply M2	%	14.8	14.5	8.9	6.2	10.0	11.5
Average Lending Rate	%	9.7	8.6	8.5	13.7	8.7	8.2
5-yr VGB	%	1.9	1.1	0.9	4.7	1.6	1.4
VND : \$	\$1	23,150	23,085	22,800	23,550	24,250	25,000
External Sector							
Trade Balance	\$bn	10.8	19.9	3.3	12.4	28.0	29.3
Current Account	\$bn	12.2	15.1	-7.8	-1.5	17.4	20.7
Current Account / GDP	%	3.6	4.3	-2.1	-0.4	4.0	4.5
FDI Registered	\$bn	36.0	28.5	38.5	27.7	36.6	38.0
FDI Disbursement	\$bn	20.4	20.0	19.8	22.4	23.2	24.2
FX Reserves	\$bn	80.0	98.0	106.5	85.0	89.0	100.0
Public Debt & Fiscal Balance							
External Debt	\$bn	122.8	130.1	138.8	141.2	138.0	140.3
Government	\$bn	47.7	49.0	47.9	48.8	44.4	44.5
Enterprises (incl. FDI)	\$bn	75.0	81.1	90.9	92.4	93.6	95.8
External Debt (% GDP)	%	36.7	37.5	37.9	34.5	32.1	30.3
Fiscal Balance (% GDP)	%	-2.6	-3.4	-4.0	-3.6	-4.0	-3.6

Key Stock Market Data

	HSX		HNX		UPCoM		Total	
	30-Apr-23	30-Apr-24	30-Apr-23	30-Apr-24	30-Apr-23	30-Apr-24	30-Apr-23	30-Apr-24
Market Cap (\$mn)	178,346	194,324	11,082	12,159	41,731	49,706	231,159	256,189
Number of Stocks	400	398	338	322	856	871	1,594	1,591
Number of Large Cap Stocks (>\$400mn)	62	72	6	9	16	16	84	97
Stocks with No Room for Foreigners	57	67	85	95	210	254	352	416
Market Cap of Stocks with No Room (\$mn)	24,938	30,295	2,199	1,781	10,526	18,047	37,662	50,123
Share of Market Cap with No Room (%)	14.0	15.6	19.8	14.6	25.2	36.3	16.3	19.6

Top 25 Companies by Market Cap

No	Company	30-Apr Price (VND)	Price YTD (%)	Mkt Cap (\$m)	Wt in VNI (%)	PER			PBV			Yield		
						2022 (x)	2023 (x)	2024F (x)	2022 (x)	2023 (x)	2024F (x)	2022 (%)	2023 (%)	2024F (%)
1	Vietcombank	91,200	13.6	20,117	10.40	14.4	15.6	16.0	2.8	2.7	2.5	0.9	-	-
2	BIDV	49,200	13.4	11,069	5.70	14.1	15.2	14.2	2.0	2.1	2.0	0.2	0.1	-
3	Airports Corporation VN	83,400	26.4	7,165	-	32.8	22.1	22.1	4.2	2.9	3.0	-	-	-
4	Vinhomes	40,800	-5.6	7,012	3.60	7.2	5.6	5.7	1.4	1.0	0.9	4.5	-	-
5	Vietinbank	32,800	21.0	6,951	3.60	9.2	8.5	8.5	1.2	1.2	1.2	2.9	-	-
6	Vingroup	44,450	-0.3	6,708	3.50	23.4	79.1	914.6	1.9	1.5	1.4	1.7	-	-
7	PV Gas	73,500	-2.6	6,662	3.40	12.9	15.3	16.6	3.1	2.7	2.5	3.0	4.1	4.1
8	Hoa Phat Group	28,400	1.6	6,518	3.40	12.6	24.3	13.8	1.1	1.6	1.5	2.2	-	1.4
9	Techcombank	46,600	46.5	6,478	3.30	4.7	6.4	7.5	0.8	0.9	1.1	0.1	-	3.2
10	FPT	123,200	28.2	6,175	3.20	17.0	20.7	22.2	3.9	4.9	5.2	2.6	2.4	2.5
11	VP Bank	18,550	-3.4	5,808	3.00	6.3	15.3	10.4	1.2	1.1	1.0	-	5.2	2.9
12	Vinamilk	65,000	-2.6	5,361	2.80	19.9	17.6	16.3	5.1	4.4	4.2	5.1	5.8	5.9
13	Military Bank	22,250	19.3	4,643	2.40	4.5	4.8	5.4	1.0	1.0	1.0	-	2.3	-
14	ACB	26,850	12.3	4,116	2.10	5.3	5.9	5.7	1.2	1.3	1.2	-	3.6	1.8
15	Masan Consumer	140,000	60.6	3,964	-	9.3	8.8	12.9	2.3	2.4	3.0	0.2	0.4	-
16	Masan Group	67,200	0.3	3,795	2.00	37.1	229.0	70.8	5.1	3.6	3.5	1.0	0.3	0.3
17	Mobile World	54,900	28.3	3,168	1.60	15.2	373.3	25.0	2.6	2.7	3.1	1.2	1.2	0.9
18	Sabeco	54,400	-11.6	2,754	1.40	20.1	19.6	18.5	4.5	3.3	3.0	2.3	4.2	6.4
19	HD Bank	23,600	16.3	2,713	1.40	4.9	5.8	5.7	1.0	1.3	1.2	-	4.3	-
20	Vietjet Air	104,000	-3.7	2,223	1.10	neg	253.7	39.8	4.0	3.8	3.2	-	-	-
21	Binh Son Refining	18,100	-2.7	2,215	-	2.7	6.7	9.8	0.8	1.0	0.9	3.3	3.8	5.5
22	Becamex IDC	52,400	-16.7	2,140	1.10	48.8	26.9	32.0	4.9	3.5	2.8	0.9	1.3	1.3
23	VIB	21,100	14.0	2,113	1.10	4.3	5.6	5.7	1.1	1.2	1.1	-	6.4	-
24	LienViet Post Bank	20,900	32.7	2,110	1.10	5.0	7.2	10.7	0.9	1.2	1.5	-	-	-
25	Sacombank	28,200	0.9	2,098	1.10	8.4	6.8	6.0	1.1	1.2	1.0	-	-	-

Fund	Bloomberg	ISIN	LEI	SEDOL	CUSIP	Listed
VEIL	VEIL LN	KYG9361H1092	213800SYT3T4AGEVW864	BD9X204	G9361H109	London (Main Market)
VEF-A	VIETNAM ID	IE00BD5HPH84		N/A	N/A	N/A
VEF-B	VIETEUR ID	IE00BV8WVB25	254900EVTJZ4VAUG4M43	N/A	N/A	N/A
VEF-C	VIETGBP ID	IE000LEKRJK0		N/A	N/A	N/A

Price Providers	Funds	Bloomberg	Reuters	Contact
Jefferies International	VEIL	JCEF	n/a	Michele White / Trevor Hunt +44 207 898 7127 invcos@jefferies.com
SEI Investments	VEF	-	-	Transfer Agency Department TADublin@seic.com

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