

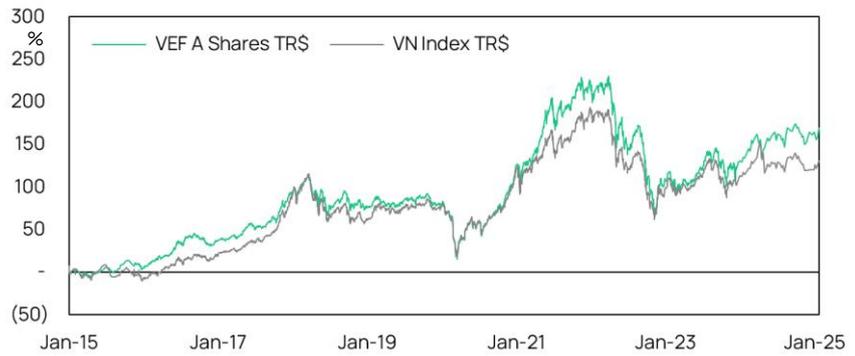


**Quynh Le**  
Lead Portfolio Manager

### At a Glance

- VEF started 2025 positively with a gain of 1.7% (TRS), slightly ahead of the reference index the VNI
- We made very few changes to the portfolio holdings during the shortened holiday month, instead focusing on analysing earnings results and portfolio analysis.
- We believe the government's infrastructure drive will shape our stock picks over the next 12 months and will be monitoring market and policy conditions closely.

### Rolling Ten Year Performance



### Performance (%)

All reporting on this page is in total return US dollar terms from the last business day in Vietnam (24 Jan 2025) unless otherwise stated

	Net Assets	NAV/Share	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
VEF A (USD)	\$234.92mn	\$33.37	1.7	1.7	3.3	14.6	-13.7	57.0	169.5
VEF B (EUR)	€63.54mn	€1,816.86	1.6	1.6	7.4	20.0	-6.1	70.4	N/A
VNI (Reference Index)	N/A	N/A	1.5	1.5	1.7	7.7	-18.7	35.7	131.7

Past performance cannot be relied upon as a guide to future performance

### Fund Commentary

The Fund started 2025 on a positive note, with minimal changes to the portfolio during the shortened trading month due to the Tet holiday. As market activity slowed, we seized the opportunity to re-evaluate the portfolio. This allowed for a thorough analysis of 4Q24 earnings results and the government's targets and directives for 2025, ensuring our investment approach remains aligned with evolving market conditions and policy.

We maintain our strong conviction in banks as they will continue to play a pivotal role in achieving the higher economic growth targets for 2026-2030. 2024 bank earnings were positive and aligned with our expectations, with aggregate PBT of the 14 key listed banks we closely monitor growing by 23.1% in 4Q24 and 17.6% in FY24. Credit growth stood at 18.0%, surpassing the SBV's sector-wide figure of 15.1%. NIM remained resilient at 3.4%, while NPLs remain under control at 1.7%. With valuation undemanding with PB of 1.5x on an ROE of 17.9%, and supportive government policies expected to drive the ambitious 2025 growth targets, we anticipate solid bank earnings to continue.

Increased infrastructure spending is a key theme for 2025. Vietnam aims to complete 3,000 km of expressways by 2025, with 1,188 km set to be operational this year. Additionally, aviation projects are accelerating, including the Long Thanh airport and expansions at both HCMC and Hanoi airports. This extensive infrastructure development should boost the consumption of materials like cement, stone, asphalt, and steel. Selecting stocks involved in public projects can be challenging due to typically limited profits; however, we are identifying indirect beneficiaries. The anticipated rise in household income could enhance the performance of leading retail names, and the energy sector also offers potential; the government's ambitious growth targets will require significant investments in power supply infrastructure, presenting further opportunities.

### Stock in Focus: VP Bank (VPB)

Founded in 1993, VP Bank was among the first private commercial banks established following the Doi Moi reforms. Over the years, it has successfully played its role in mobilising and allocating resources to the economy, expanding financial access for individuals and businesses. Today, VPB is one of Vietnam's largest modern retail banks, serving over 30 million customers. VP Bank is also a pioneer in consumer finance with the establishment of FE Credit, which it now runs in collaboration with Sumitomo Mitsui Banking Corporation.

VPB's 2024 earnings rebounded with PBT rising 82.1% YoY with TOI increasing 25.1%, driven by strong credit growth of 18.6%, resilient NIM of 6.0%, and a surge in income from bad debt recovery. Asset quality improved with NPLs down from 4.8% in 3Q24 to 4.2% in 4Q24. Digitalisation continues to increase cost efficiency, reflected in CIR falling to 21.5% in 4Q24 from 27.1% in 4Q23. FE Credit, which had previously weighed down consolidated earnings due to losses, saw its loan book expand by 10.6% QoQ in 4Q24 – the first quarter of positive growth in two years – helping to ease its drag on overall earnings and boosting the bank's aggregate bottom line growth by far surpassing the sector average.

VPB's earnings momentum is expected to remain strong at 25-30%, supported by improving asset quality. With the anticipated real estate sector recovery, driven by regulatory easing and improved liquidity, we should see a notable reduction in potential bad debts as developers regain cash flow. As a result, we anticipate VPB's NPL ratio to decline further to 3.9%, alleviating provisioning pressure and making this a primary driver of earnings growth in 2025. The bank is currently trading at FY25 PB of 0.9x on 13% ROE, in comparison to its peers' average of 1.1x.

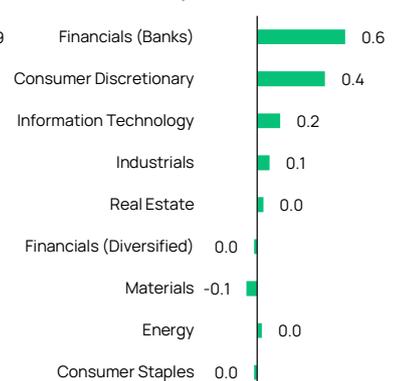
### Top Ten Holdings (59.3% of AUM)

Company	Ticker	Sector	VEF (%)	VNI (%)	CH (%)
FPT Corporation	FPT	Information Technology	9.2	4.3	2.2
FPT Retail	FRT	Consumer Discretionary	7.9	0.5	12.8
Mobile World	MWG	Consumer Discretionary	6.4	1.7	0.1
MB Bank	MBB	Financials (Banks)	6.3	2.6	4.3
Phu Nhuan Jewelry	PNJ	Consumer Discretionary	6.3	0.6	1.3
Sacombank	STB	Financials (Banks)	4.8	1.3	1.9
Vietinbank	CTG	Financials (Banks)	4.8	3.9	2.1
Asia Com. Bank	ACB	Financials (Banks)	4.7	2.1	-0.2
VP Bank	VPB	Financials (Banks)	4.6	2.8	0.0
Techcombank	TCB	Financials (Banks)	4.3	3.3	2.0

### Sector Breakdown



### Monthly Contribution



UCITS HAVE NO GUARANTEED RETURN AND PAST PERFORMANCE DOES NOT GUARANTEE FUTURE PERFORMANCE - PLEASE READ THE DISCLAIMERS ON THE LAST PAGE OF THIS REPORT

## Key Indicators

Item	Unit	2020	2021	2022	2023	2024F	2025F
GDP	\$bn	346.6	366.1	408.8	430.0	476.3	502.1
Real GDP Growth	%	2.9	2.6	8.0	5.1	7.1	6.8
Services Growth	%	2.5	1.2	10.0	6.9	7.4	8.2
Agriculture Growth	%	2.8	2.9	3.4	2.6	3.3	2.8
Ind'l and Const'n Growth	%	3.3	4.1	7.8	3.5	8.3	7.5
Retail Sales Growth	%	2.6	-3.8	10.2	8.3	6.4	7.2
<b>Prices</b>							
CPI (Average YoY)	%	3.2	1.8	3.2	3.3	3.6	4.0
<b>Money, FX and Interest Rates</b>							
Money Supply M2	%	14.5	8.9	6.2	12.5	12.7	13.0
Average Lending Rate	%	8.6	8.5	13.7	8.7	8.2	8.7
5-yr VGB	%	1.1	0.9	4.7	1.6	1.4	1.7
VND : \$	\$1	23,085	22,800	23,550	24,250	25,300	25,800
<b>External Sector</b>							
Trade Balance	\$bn	19.9	3.3	12.4	28.0	24.4	30.2
Current Account	\$bn	15.1	-7.8	-1.5	17.4	20.7	22.4
Current Account / GDP	%	4.3	-2.1	-0.4	4.0	4.4	4.5
FDI Registered	\$bn	28.5	38.5	27.7	36.6	35.0	38.0
FDI Disbursement	\$bn	20.0	19.8	22.4	23.2	25.4	25.0
FX Reserves	\$bn	98.0	106.5	85.0	89.0	80.0	90.0
<b>Public Debt Fiscal Balance</b>							
External Debt	\$bn	130.1	138.8	141.2	138.0	140.3	151.0
Government	\$bn	49.0	47.9	48.8	44.4	44.5	47.8
Enterprises (incl. FDI)	\$bn	81.1	90.9	92.4	93.6	95.8	103.2
External Debt (% GDP)	%	37.5	37.9	34.5	30.3	30.3	30.1
Fiscal Balance (% GDP)	%	-3.9	-4.0	-4.0	-3.6	-3.6	-3.8

All forecasts are Dragon Capital estimates

## Key Stock Market Data

	HSX		HNX		UPCoM		Total	
	31-Jan-24	31-Jan-25	31-Jan-24	31-Jan-25	31-Jan-24	31-Jan-25	31-Jan-24	31-Jan-25
Market cap (\$m)	192,772	210,147	12,590	13,997	45,776	61,974	251,139	286,119
Number of stocks	396	393	322	309	868	887	1,586	1,589
Number of large cap stocks (> \$400m)	72	77	10	11	18	17	100	105
Stocks with no room for foreigners	66	65	94	92	249	269	409	426
Market cap of stocks with no room (\$m)	27,627	27,728	1,866	2,744	14,070	25,398	43,563	55,870
Share of Market Cap with No Room (%)	14.3	13.2	14.8	19.6	30.7	41.0	17.3	19.5

## Top 25 Companies by Market Cap

No	Company	31-Jan Price (VND)	Price YTD (%)	Mkt Cap (\$m)	Wt in VNI (%)	PER			PBV			Yield		
						2023 (x)	2024 (x)	2025E (x)	2023 (x)	2024 (x)	2025E (x)	2023 (%)	2024 (%)	2025E (%)
1	Vietcombank	92,600	1.5	20,633	9.80	15.6	17.3	16.1	2.7	2.6	2.3	-	-	-
2	BIDV	40,000	6.5	10,999	5.20	15.2	13.8	13.5	2.1	1.9	1.8	0.1	-	-
3	Airports Corporation VN	121,500	-3.5	10,545	-	22.1	29.4	27.3	2.9	4.6	3.6	-	-	-
4	FPT	153,400	0.6	8,996	4.30	20.4	31.3	25.9	4.8	7.5	6.4	2.4	1.5	2.3
5	Vietinbank	38,000	0.5	8,135	3.90	8.5	8.9	7.5	1.2	1.4	1.2	-	-	-
6	Techcombank	24,750	0.4	6,971	3.30	6.2	8.4	6.8	0.8	1.2	1.0	-	3.0	3.0
7	Hoa Phat Group	26,550	-0.4	6,770	3.20	24.3	14.1	10.7	1.6	1.5	1.4	-	1.3	1.7
8	Vinhomes	39,500	-1.3	6,468	3.10	5.6	5.2	5.4	1.0	0.8	0.7	-	0.4	-
9	PV Gas	67,900	-0.3	6,341	3.00	14.2	15.7	16.2	2.5	2.4	2.3	4.1	4.3	4.3
10	Masan Consumer	216,700	-15.0	6,260	-	7.6	23.7	18.2	2.1	17.3	3.7	0.4	12.4	-
11	Vingroup	40,400	-0.4	6,158	2.90	79.1	13.2	29.8	1.5	1.1	1.2	-	0.4	-
12	VP Bank	18,900	-1.6	5,978	2.80	14.5	9.7	8.3	1.1	1.1	0.9	5.2	5.2	3.6
13	Military Bank	22,400	2.6	5,449	2.60	4.7	6.1	5.4	1.0	1.2	1.0	2.3	-	-
14	Vinamilk	62,200	-1.9	5,182	2.50	16.9	14.1	12.9	4.2	4.1	3.9	5.8	6.2	6.2
15	ACB	25,350	-1.7	4,514	2.10	5.7	7.0	6.1	1.3	1.4	1.1	3.6	3.4	1.7
16	LienViet Post Bank	35,850	14.7	4,269	2.00	7.2	9.6	9.8	1.2	2.2	2.0	-	-	-
17	Masan Group	68,000	-2.9	3,899	1.90	229.0	50.4	27.1	3.6	3.3	3.1	0.3	1.7	0.3
18	Mobile World	60,100	-1.5	3,502	1.70	370.4	24.0	16.5	2.7	3.2	2.8	1.2	0.8	1.8
19	HD Bank	22,650	-11.2	3,156	1.50	5.6	6.9	5.1	1.3	1.6	1.1	4.3	-	-
20	Becamex IDC	69,300	-2.3	2,859	1.40	26.5	34.8	28.4	3.5	3.8	3.3	1.3	1.4	-
21	Sacombank	37,000	0.3	2,781	1.30	6.8	6.9	6.0	1.2	1.3	1.1	-	-	-
22	Sabeco	53,800	-3.1	2,751	1.30	18.3	16.8	15.5	3.0	3.1	2.9	4.2	6.5	6.5
23	Binh Son Refining	20,300	-11.0	2,509	1.20	6.5	113.0	36.5	1.0	1.3	1.1	3.8	3.1	3.5
24	VIB	20,650	4.8	2,453	1.20	5.6	8.4	7.3	1.2	1.4	1.3	6.4	5.4	-
25	Vietnam Airlines	26,850	-6.3	2,370	1.10	neg	9.6	11.6	neg	neg	neg	1.1	-	-

All forecasts are Dragon Capital estimates

Fund	Bloomberg	ISIN	LEI	SEDOL	CUSIP	Listed
VEF-A	VIETNAM ID	IE00BD5HPH84		-	-	-
VEF-B	VIETEUR ID	IE00BV8WVB25	254900EVTJZ4VAUG4M43	-	-	-
VEF-C	VIETGBP ID	IE000LEKRJK0		-	-	-

Price Providers	Funds	Bloomberg	Contact
SEI Investments	VEF	-	Transfer Agency Department <a href="mailto:TADublin@seic.com">TADublin@seic.com</a>

VEF
Subscription & Withdrawals    Daily
The Fund has appointed <b>SEI Investments – Global Fund Services Limited</b> as its fund administrator and transfer agent, and <b>SEI Investments – Depository and Custodial Services (Ireland) Limited</b> as its depository. A range of third-party fund platforms also include VEF in their product offerings, including Clearstream ( <a href="http://www.clearstream.com">www.clearstream.com</a> ), Fundsettle ( <a href="http://www.euroclear.com">www.euroclear.com</a> ), Banco Inversis ( <a href="http://www.inversis.com">www.inversis.com</a> ), IFSAM ( <a href="http://www.ifsam.lu">www.ifsam.lu</a> ), Pareto Securities ( <a href="http://www.paretosec.com">www.paretosec.com</a> ), Attrax ( <a href="http://www.attrax.lu">www.attrax.lu</a> ), MFEX ( <a href="http://www.mfex.com">www.mfex.com</a> ), and Allfunds ( <a href="http://www.allfunds.com">www.allfunds.com</a> ).

Marketing / Investor Relations	
Will Ross	<a href="mailto:willross@dragoncapital.com">willross@dragoncapital.com</a>
Rachel Hill	<a href="mailto:rachelhill@dragoncapital.com">rachelhill@dragoncapital.com</a>
Ailsa Cuthbert	<a href="mailto:ailsacuthbert@dragoncapital.com">ailsacuthbert@dragoncapital.com</a>
Kenji Hamada	<a href="mailto:kenjiamada@dragoncapital.com">kenjiamada@dragoncapital.com</a>
Steven Mantle	<a href="mailto:stevenmantle@dragoncapital.com">stevenmantle@dragoncapital.com</a>
Thanh Le	<a href="mailto:thanhle@dragoncapital.com">thanhle@dragoncapital.com</a>

This document has been prepared by Dragon Capital Management (HK) Limited for the general information of professional investors and other eligible recipients. It has been provided to you following your express request to receive such communications, and your confirmation of eligibility. If you wish to unsubscribe from future updates at any time, please email [unsubscribe@dragoncapital.com](mailto:unsubscribe@dragoncapital.com).

This document does not constitute or form part of, and should not be construed as, an offer to sell or issue, or the solicitation of an offer to purchase, subscribe to or acquire, securities of any entity, or any vehicle to be incorporated in connection with any possible transaction, or an inducement to enter into investment activity in any country, or in any other jurisdiction in which such offer, solicitation, inducement or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of such jurisdiction. No part of the document, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

No disclosure, reference or other information included in this document shall be considered as offering or solicitation of any product or service. Nothing in this document shall be construed as investment advice or a recommendation to acquire or invest in any securities or other instrument or financial product. Any investment performance and market information provided in this presentation, including information about any particular companies, are provided for illustrative purposes only and are not investment recommendations.

No person is promulgating or providing any financial or other advice to any person, and is not making and does not intend to make an offer or solicitation in relation to any product, whether referred to in this document or otherwise. Any person requiring investment advice should consult a suitably qualified professional adviser prior to taking any investment decision.

Past performance is not necessarily a guide to future performance. Certain statements included in this document are forward-looking and are therefore subject to risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied because they relate to future events. Consequently, the actual performance and results of the market or companies could differ materially from the expectations set out herein. Accordingly, no assurance can be given that any particular expectation will be met, and you are cautioned not to place undue reliance on forward-looking statements which speak only at their respective dates.

The information and opinions contained in this document (which includes information drawn from public sources) is subject to updating, and the accuracy, certainty or completeness of such information is not guaranteed. No representation or warranty, express or implied, is made, and no liability whatsoever is accepted by any other person, in relation thereto.

This document must not be distributed or otherwise made available to third parties without the consent of Dragon Capital, and then only to such recipients who have confirmed that distribution of such information is in compliance with the securities laws and regulations which apply to them.

**For Swiss Investors in VEF:** This is an advertising document. The representative for Vietnam Equity (UCITS) Fund (“VEF”) in Switzerland is Waystone Fund Services (Switzerland) SA, Av. Villamont 17, 1005 Lausanne, Switzerland, and the paying agent is Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich, Switzerland. The VEF prospectus, key information document (PRIIP-KID), the articles of incorporation as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.

**For Belgian investors in VEF:** This is an advertising document. This document is intended only for professional investors (A) that are “qualified investors” in the meaning of Article 2, (e) of the EU Regulation 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended from time to time or any successive legislation that may enter into force (each, a “Qualified Investor”), and (B) any such Qualified Investor shall act in its own name and for its own account and shall not act as intermediary, or otherwise sell or transfer, to any other investor, unless any such other investor would also qualify as a Qualified Investor.

**For Italian investors in VEF:** This is an advertising document (*materiale di marketing*). For professional investors only.

UCITS HAVE NO GUARANTEED RETURN AND PAST PERFORMANCE DOES NOT GUARANTEE FUTURE PERFORMANCE