VIETNAM EQUITY (UCITS) FUND (VEF)

DRAGON CAPITAL

March 2025

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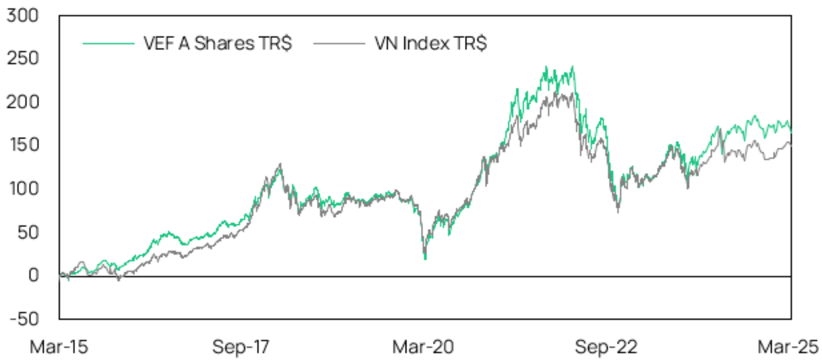
Portfolio Manager

At a Glance

- VEF declined 2.7% in March, trailing the 0.9% increase from the Vietnam Index.
- Profit-taking in tech and retail stocks weighed on performance amid rising volatility ahead of US tariff developments.
- We are holding approximately 10% cash to manage near-term volatility and stand ready to redeploy into oversold opportunities with strong fundamentals.

Ten Year NAV Performance



Performance (%)

All reporting on this page is in total return US dollar terms to 28 March due to Singapore public holidays

	Net Assets	NAV/Share	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
VEF A (USD)	$210.09mn	$31.72	-3.3	-2.7	-3.3	-1.9	-19.9	122.0	165.5
VEF B (EUR)	€61.40mn	€1,664.69	-6.9	-6.1	-6.9	-1.7	-16.0	132.1	N/A
VNI (Reference Index)	N/A	N/A	3.7	0.9	3.7	1.2	-17.1	98.9	149.4

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

Fund Commentary

The Fund declined 2.7% in March, with relative underperformance against the Vietnam Index exacerbated by the sharp rally in Vingroup stocks, which we were hesitant to enter due to concerns around the intensive capital demands of their EV, energy, and infrastructure initiatives. When "Liberation Day" arrived, we had built a 10.3% cash position to embrace the volatility, manage fund flows, and maintain flexibility in an uncertain environment. This positions us to take advantage of sharp market dislocations, particularly where peak-to-trough drawdowns approach 20%. Staying true to our strategy of “growth at a reasonable price”, we are focused on selectively redeploying into oversold names with sound fundamentals or those likely to benefit from potential government support measures.

March’s decline was largely driven by profit-taking in retail and IT names following their strong 2024 gains. PNJ fell 12.8% MoM, despite 2024 revenue growth of 14.1% YoY and continued market share gains, as earnings growth of 7.2% fell short of the broader market’s 20% average. Soft 2025 guidance further dampened sentiment. FRT experienced similar pressure following a strong year in both stock and business performance, the latter of which recorded $1.5bn in 2024 revenue (+25.9% YoY) and a return to profitability. Its Long Chau pharmacy chain remains a core growth driver, with revenue up approximately 58% YoY and store count reaching 1,943 (+446 YoY), while maintaining average monthly sales per store of $45,000. We expect these dynamics to carry over to 2025. FPT, Vietnam’s leading IT firm, declined due to weak global tech sentiment rather than company fundamentals; 2025 earnings growth of 20% is still projected at a more reasonable valuation of 20x P/E, down from a peak of 30x.

Banks and brokerages contributed positively for a third consecutive month, reinforcing our high conviction in these sectors. Credit growth remains strong across the sector and valuations are compelling, especially as policy remains supportive and balance sheet health is broadly intact. Our elevated cash position allows us the flexibility to respond to volatility, prioritising companies with resilient earnings profiles and sustainable growth.

Stock in Focus: Techcombank (TCB)

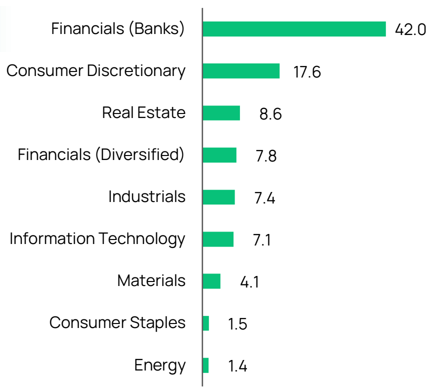
Vietnam Technological and Commercial Joint Stock Bank (TCB), one of Vietnam’s largest private banks, has built a strong reputation for innovation, efficiency, and sustainable growth. Known for its leadership in digital banking and strength in real estate lending, mortgages, and asset management, the bank focuses on serving wealthy individuals, SMEs, and large corporates through a customer-centric, data-driven approach. TCB consistently sets industry benchmarks for profitability and operational performance. In 2024, TCB delivered solid results with PBT up 20% YoY, supported by a 17% increase in total operating income (TOI), credit growth of 22%, and a 20bps improvement in net interest margin (NIM) to 4.2%. Asset quality also improved, with the NPL ratio falling to 1.1% in 4Q24 from 1.3% in 3Q24. Ongoing digitalisation has further strengthened cost efficiency, with the cost-to-income ratio (CIR) improving slightly to 32.7% in 4Q24 from 33.1%.

2025 earnings momentum is expected to remain strong, with profit growth forecast at 18%. TCB, with the highest exposure to real estate, is also the Fund’s proxy play for the property sector recovery, driven by regulatory easing and improved liquidity. This is expected to further support lending growth and asset quality. TCB plans to IPO its brokerage subsidiary, TCBS, at an implied valuation of 3.5x P/B. TCBS is the most profitable in the sector, with leading positions in wealth management and bond underwriting. TCB trades at 1.0x FY25 P/B on a 16% ROE, representing a significant discount to its 5-year average of 1.3x, offering upside potential as the bank continues to benefit from economic recovery and sector tailwinds.

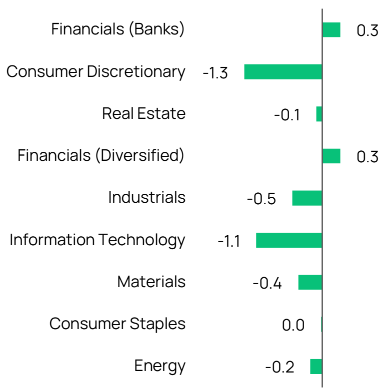
Top Ten Holdings (56.9% of AUM)

Company	Ticker	Sector	VEF (%)	VNI (%)	CH (%)
MB Bank	MBB	Financials (Banks)	7.8	2.7	3.8
FPT Corporation	FPT	Information Technology	7.1	3.3	-11.7
FPT Retail	FRT	Consumer Discretionary	6.4	0.4	-7.7
Mobile World	MWG	Consumer Discretionary	5.8	1.6	2.5
Phu Nhuan Jewelry	PNJ	Consumer Discretionary	5.4	0.5	-12.8
Techcombank	TCB	Financials (Banks)	5.1	3.5	5.5
Sacombank	STB	Financials (Banks)	4.9	1.3	-0.1
Vietinbank	CTG	Financials (Banks)	4.9	4.0	-0.4
Asia Com. Bank	ACB	Financials (Banks)	4.8	2.1	-0.3
BIDV Bank	BID	Financials (Banks)	4.8	5.0	-4.6

Sector Breakdown



Monthly Contribution



Key Indicators

Item	Unit	2020	2021	2022	2023	2024E	2025F
GDP	$bn	346.6	366.1	408.8	430.0	476.3	529.5
Real GDP Growth	%	2.9	2.6	8.0	5.1	7.1	8.0
Services Growth	%	2.5	1.2	10.0	6.9	7.4	8.9
Agriculture Growth	%	2.8	2.9	3.4	2.6	3.3	5.5
Ind'l and Const'n Growth	%	3.3	4.1	7.8	3.5	8.3	8.7
Retail Sales Growth	%	2.6	-3.8	10.2	8.3	9.0	9.4
Prices							
CPI (Average YoY)	%	3.2	1.8	3.2	3.3	3.6	4.2
Money, FX and Interest Rates							
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	25,450	26,500
External Sector							
Trade Balance	$bn	19.9	3.3	12.4	28.0	24.4	23.1
Current Account	$bn	15.1	-7.8	-1.5	17.4	20.7	19.3
Current Account / GDP	%	4.3	-2.1	-0.4	4.0	4.4	3.6
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	28.0
FX Reserves	$bn	98.0	106.5	85.0	89.0	80.0	80.0
Public Debt Fiscal Balance							
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	-4.2

All forecasts are Dragon Capital estimates

Key Stock Market Data

	HSX		HNX		UPCoM		Total	
	31-Mar-24	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24	31-Mar-25
Market cap ($m)	210,814	213,555	13,227	14,725	48,976	57,969	273,016	286,249
Number of stocks	398	392	322	310	870	887	1,590	1,589
Number of large cap stocks (> $400m)	75	77	11	11	17	17	103	105
Stocks with no room for foreigners	67	62	94	97	253	276	414	435
Market cap of stocks with no room ($m)	33,251	23,891	1,900	3,009	15,830	22,750	50,981	49,650
Share of Market Cap with No Room (%)	15.8	11.2	14.4	20.4	32.3	39.2	18.7	17.3

Top 25 Companies by Market Cap

No	Company	31-Mar Price (VND)	Price YTD (%)	Mkt Cap ($m)	Wt in VNI (%)	PER 2023 (x)	PER 2024 (x)	PER 2025E (x)	PBV 2023 (x)	PBV 2024 (x)	PBV 2025E (x)	Yield 2023 (%)	Yield 2024 (%)	Yield 2025E (%)
1	Vietcombank	64,000	4.9	20,929	9.80	15.6	17.3	16.4	2.7	2.6	2.3	-	-	-
2	BIDV	38,750	3.2	10,648	4.99	15.2	13.5	13.0	2.1	1.9	1.7	0.1	-	-
3	Vietinbank	41,450	9.7	8,711	4.08	8.5	8.9	8.1	1.2	1.4	1.3	-	-	-
4	Vingroup	58,000	43.0	8,680	4.06	79.1	13.0	42.8	1.5	1.1	1.7	-	0.4	-
5	Airports Corporation VN	99,000	-21.4	8,435	-	22.1	29.1	21.0	2.9	4.6	3.0	-	-	-
6	Vinhomes	51,300	28.3	8,247	3.86	5.6	5.2	7.0	1.0	0.8	0.9	-	0.4	-
7	Techcombank	27,500	11.6	7,604	3.56	6.2	8.4	7.9	0.8	1.2	1.2	-	3.0	2.8
8	FPT Corporation	121,000	-20.7	6,966	3.26	20.4	31.3	20.4	4.8	7.5	5.0	2.4	1.5	3.1
9	Hoa Phat Group	26,750	0.4	6,696	3.14	24.3	14.2	10.8	1.6	1.5	1.3	-	-	2.0
10	PV Gas	66,800	-1.9	6,125	2.87	14.2	15.7	14.8	2.5	2.6	2.5	4.1	8.7	5.6
11	Masan Consumer	144,000	-19.7	5,926	-	7.6	23.7	18.1	2.1	17.3	8.6	0.4	12.4	3.7
12	VP Bank	19,000	-1.0	5,900	2.76	14.5	9.7	7.5	1.1	1.1	0.9	5.2	5.2	4.3
13	MB Bank	24,100	10.4	5,756	2.70	4.7	6.1	5.8	1.0	1.2	1.1	2.3	2.1	-
14	Vinamilk	60,600	-4.4	4,957	2.32	16.9	15.8	15.4	4.2	4.1	3.9	5.8	6.2	6.8
15	Asia Commercial Bank	26,000	0.8	4,545	2.13	5.7	7.0	6.2	1.3	1.4	1.2	3.6	3.4	1.8
16	LienViet Post Bank	33,250	6.4	3,887	1.82	7.2	9.6	9.0	1.2	2.2	1.8	-	-	-
17	Masan Group	66,800	-4.6	3,760	1.76	229.0	50.4	26.6	3.6	3.3	3.0	0.3	1.7	0.3
18	Mobile World Group	59,000	-3.3	3,375	1.58	370.4	24.0	16.1	2.7	3.2	2.7	1.2	0.8	1.9
19	Becamex IDC	74,800	5.5	3,030	1.42	26.5	33.6	20.9	3.5	3.7	4.5	1.3	1.4	-
20	HD Bank	22,100	-13.3	3,023	1.42	5.6	7.0	5.0	1.3	1.6	1.1	4.3	3.3	-
21	Sacombank	38,300	3.8	2,826	1.32	6.8	6.9	6.1	1.2	1.3	1.1	-	-	-
22	Vietnam Airlines	28,900	0.9	2,505	1.17	neg	8.4	10.5	neg	neg	14.6	1.1	0.4	-
23	Sabeco	48,900	-11.9	2,455	1.15	18.3	16.8	14.1	3.0	3.1	2.6	4.2	6.5	7.6
24	VIB	19,850	0.8	2,314	1.08	5.6	8.4	7.0	1.2	1.4	1.2	6.4	5.4	-
25	Binh Son Refining	18,950	-16.9	2,300	1.08	6.5	112.0	34.1	1.0	1.3	1.1	3.8	3.1	3.9

All forecasts are Dragon Capital estimates

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

Price Providers	Funds	Bloomberg	Contact
SEI Investments	VEF	-	Transfer Agency Department TADublin@seic.com

VEF	
Subscription & Withdrawals	Daily

The Fund has appointed **SEI Investments – Global Fund Services Limited** as its fund administrator and transfer agent, and **SEI Investments – Depositary and Custodial Services (Ireland) Limited** as its depositary. A range of third-party fund platforms also include VEF in their product offerings, including Clearstream (www.clearstream.com), Fundsettle (www.euroclear.com), Banco Inversis (www.inversis.com), IFSAM (www.ifsam.lu), Pareto Securities (www.paretosec.com), Attrax (www.attrax.lu), MFEX (www.mfex.com), and Allfunds (www.allfunds.com).

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