

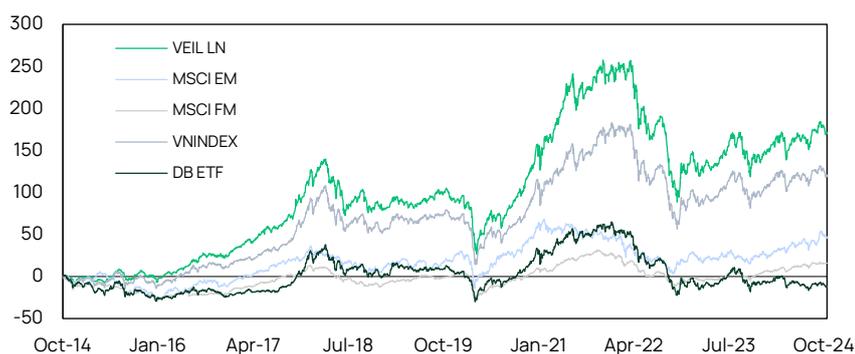


Tuan Le
Lead Portfolio Manager

At a Glance

- VEIL's NAV declined by 4.8% in October, slightly outperforming the Vietnam Index by 0.2%.
- The financial sector led Q3 earnings, contributing over 50% of profits and reinforcing our high-conviction positions in the sector.
- The Fund is considering several private placement opportunities and potential IPOs anticipated for 2025.

% Rolling Ten Year Performance



Performance (%)

All reporting on this page is in total return US dollar terms to 30 October due to Singapore public holidays

	Net Assets / Market Cap	NAV/share	Disc/Prem	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
VEIL NAV (USD)	\$1,796.8mn	\$9.56	N/A	10.3	-4.8	2.8	24.2	-21.7	35.4	170.8
VNI (Reference Index)	N/A	N/A	N/A	8.6	-5.0	1.0	21.3	-17.5	25.7	119.6
VEIL Share Price (USD)	\$1,419.0mn*	\$7.52	-21.1	6.3	-5.1	2.9	20.0	-25.6	20.2	N/A
VEIL Share Price (GBP)	£1,090.1mn*	£5.80	-21.1	4.1	-2.2	1.6	12.0	-21.6	19.6	N/A

*Market capitalisation

Fund Commentary

Earnings growth has been a key focus for us in 2024 after two consecutive years of negative growth. We positioned VEIL to capture the anticipated turnaround, and our outlook has been validated by a strong first half, with EPS growth of 16.0% in our Top-80 coverage universe. The 19.0% growth reported in 3Q24 continues to support our full-year forecast of 16-18% - a solid recovery that strengthens our high-conviction positions. The primary contributors to this earnings momentum have been the banking, IT, metals, and retail sectors, which make up over 70% of VEIL's portfolio. We have maintained an overweight stance in these sectors, anticipating they will drive further performance as economic growth gains traction.

We have taken proactive steps to enhance the portfolio through selective participation in capital market opportunities. VEIL completed three accelerated book-build transactions, taking advantage of favourable valuations to strengthen our positions. We also participated in three private placements, allowing existing investees to raise capital for their next growth phases, thereby positioning us to benefit from their expansion. Currently, we are assessing five additional placements and evaluating several promising IPOs anticipated in 2025, leveraging VEIL's unique advantage of reputation and scale which allow it to undertake large-scale transactions to capture illiquid but long term alpha.

That said, Vietnam does not operate in isolation; Trump 2.0 is likely to introduce some volatility to the market. However, our analysis suggests a potentially strong position for Vietnam. Once the short-term volatility subsides, we believe Vietnam's strong track record of adapting to external conditions, coupled with its internal commitment to supporting and fostering growth, will provide a solid foundation for the market to perform well.

Stock in Focus: Kinh Bac City (KBC)

Established in 2002, KBC is one of Vietnam's leading industrial park developers, with its main operations in Northern Vietnam and additional sites in Central and Southern regions. The company holds an industrial park land bank of over 5,000 ha, with over 1,000 hectares still leasable. Its parks host some of Vietnam's largest FDI players, including LG, Qualcomm, Canon, and more recently Apple vendors including Goertek, Luxshare, and Foxconn. In addition, KBC manages a substantial residential land bank of over 1,000 ha in tier-2 cities surrounding its industrial zones.

While 2024 was not without its challenges, the company has been focusing on expanding its industrial land bank. KBC is in the final stages of obtaining the investment license and its related support for the approximately 700 ha project of Trang Due 3 in northern Hai Phong. Together with its upcoming land bank in Hung Yen and Long An, Trang Due 3 will be the key growth drivers for its industrial zone development in the coming years.

To prepare for these new investments, KBC is in the process of issuing up to 50 million new shares via private placement, which the company expects to complete early next year. With these developments, KBC is positioned for solid growth over the next 2-3 years as it prepares for an accelerated expansion phase. We forecast an increase in net revenue and NPAT from \$112mn and \$27mn in 2024 to 178mn and 62mn in 2025, respectively, representing an EPS growth of 135% in 2025.

Top Ten Holdings (59.1% of AUM)

Company	Ticker	Sector	VEIL (%)	VNI (%)	CH (%)
Mobile World	MWG	Consumer Disc.	8.8	1.9	-5.9
FPT Corporation	FPT	IT	8.1	3.9	-1.9
VP Bank	VPB	Financials (Banks)	8.0	3.1	-2.1
Vietcombank	VCB	Financials (Banks)	7.0	9.9	-3.2
Asia Com. Bank	ACB	Financials (Banks)	6.0	2.2	-5.3
Hoa Phat Group	HPG	Materials	5.3	3.3	-0.5
Techcombank	TCB	Financials (Banks)	5.1	3.3	-3.7
Vinhomes	VHM	Real Estate	3.8	3.5	-6.6
Vietinbank	CTG	Financials (Banks)	3.6	3.6	-8.7
Duc Giang Chem.	DGC	Materials	3.5	0.8	-6.3

Sector Breakdown



Monthly Contribution



Weathering typhoons and tariffs; Vietnam's scenarios and strategies under Trump 2.0



Hung Nguyen, CFA
Senior Economist

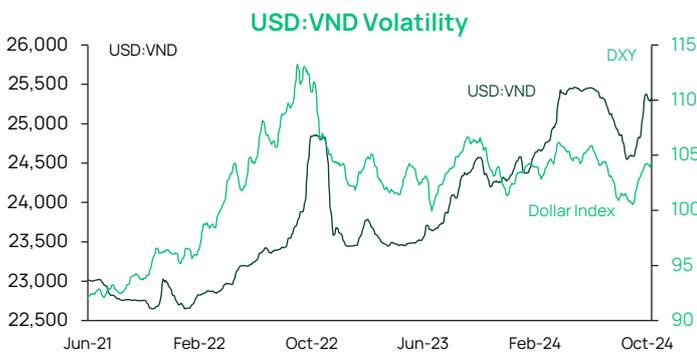
Macroeconomics:

- ▶ PMI improved to 51.2 in October from 47.3 in September, indicating economic recovery post-Typhoon Yagi.
- ▶ The Vietnamese dong depreciated by 2.9%, the most significant decline in two years, amidst global currency shifts ahead of Trump 2.0.
- ▶ Potential exchange rate volatility may limit the scope for further monetary easing, emphasising the need for enhanced fiscal policy implementation.

Stock Market:

- ▶ Foreign outflows from the VNI persisted, totalling \$388.8mn in October and \$3.0bn YTD, ahead of the non-prefunding circular implemented in early November.
- ▶ The VNI declined 4.5% in October and 9.2% YTD in TR\$ terms, driven by foreign selling, domestic profit-taking, and a strengthening DXY.
- ▶ 3Q24 net profit for our Top-80 universe was 19.0% YoY, in line with our full-year 2024 target of 16-18%.

CHARTS OF THE MONTH



Monthly Insights

Vietnam's economic indicators recovered well following September's Typhoon Yagi. PMI rebounded to 51.2 from 47.3 in September and the trade sector showed positive activity; exports reached approximately \$35.6bn, +10.1% YoY, and imports rose to \$33.6bn, +13.8% YoY. Trade activity is also expected to increase in the coming months, influenced by the year-end holiday season and potential stockpiling efforts by manufacturing companies. Consequently, Vietnam's total trade could reach \$780bn in 2024, up 15.5% YoY, with the trade surplus potentially reaching \$25bn.

The appreciation of the USD in October, driven by expectations of policy changes under a second Trump term, exerted additional pressure on emerging market currencies, which saw the VND depreciate 2.9%, its sharpest monthly decline in two years. Total USD deposits in Vietnam's banking system fell from approximately \$42bn in 2022 to \$39.5bn in 2024, corresponding to a drop from 12.1% of GDP to 8.6%. This reduction, alongside a drawdown of more than \$20bn from foreign reserves from a peak of \$110bn, has increased the VND's sensitivity to global dollar fluctuations. The impending maturity of a USD-denominated offshore government bond with a value of \$1.1bn, and a renewed preference among local businesses and citizens to hold USD, has added short-term pressure.

FDI flows into Vietnam remain consistently strong, indicating recent fluctuations in the exchange rate were partly driven by local speculative activities, which are expected to remain in the short term. To stabilise the market the State Bank of Vietnam (SBV) responded swiftly, issuing SBV-bills to keep interbank rates above 4.0% p.a. and manage the USD-VND differential, an effective strategy that has been used on several occasions to drain excess liquidity from the banking system. The central bank also committed to direct FX interventions from its reserves as required. Following these interventions, the VND's depreciation has eased, with the exchange rate currently trading around 25,300-25,400 VND per USD, close to the SBV's selling rate. We believe the exchange rate will likely experience continued volatility as global market and exchange rate dynamics unfold, indicating limited scope for further monetary easing and necessitating greater emphasis on fiscal policy implementation.

The potential for substantial global economic and financial market fluctuations under Trump 2.0 poses two scenarios for Vietnam. The first involves intensified US protectionist measures, potentially applying a broad spectrum of tariffs on US imports, which could reduce global merchandise trade volumes, impacting Vietnam's \$400bn of exports, of which nearly \$100bn go to the US. This scenario could reduce Vietnam's GDP growth by 0.9-1.1% to around 6.0% in 2025 and slow corporate earnings growth to mid-single digits from the current forecast of 16-18%. The second and more probable scenario involves selective tariffs on specific countries or products, which could ultimately benefit Vietnam through tariff differentials with China as foreign firms look to relocate supply chains to the region, helping to realise the 7.0% GDP growth target.

Overall, Vietnam's economic and trade outlook remains relatively positive, strengthened by a pro-growth leadership that could potentially bring more opportunities than risks. On the downside, the strengthening of the dollar could continue to drive foreign outflows from Vietnam's equity markets, which are already at \$3.0bn YTD. Nonetheless, Vietnam's Q3 earnings season closed on a high note, with our Top-80 universe achieving net profit increases of 19.0% YoY. These results underscore the resilience of Vietnam's equity market and support our growth expectations of 16-18% in 2025. With our Top-80 universe trading at a forward PE of 11.6x based on projected 2024 earnings, compared to the five-year historical average of 13.9x, the market appears well-supported by value-focused domestic investors, suggesting limited scope for further de-rating.

Key Indicators

Item	Unit	2019	2020	2021	2022E	2023E	2024F
GDP	\$bn	334.4	346.6	366.1	408.8	430.0	465.6
Real GDP Growth	%	7.4	2.9	2.6	8.0	5.1	6.8
Services Growth	%	7.3	2.5	1.2	10.0	6.9	7.5
Agriculture Growth	%	2.0	2.8	2.9	3.4	2.6	3.0
Ind'l and Const'n Growth	%	8.9	3.3	4.1	7.8	3.5	7.8
Retail Sales Growth	%	11.8	2.6	-3.8	10.2	8.3	6.4
Prices							
CPI (Average YoY)	%	2.8	3.2	1.8	3.2	3.3	4.0
Money, FX and Interest Rates							
Money Supply M2	%	14.8	14.5	8.9	6.2	12.5	12.7
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	25,500
External Sector							
Trade Balance	\$bn	10.8	19.9	3.3	12.4	28.0	25.1
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	4.4
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	86.0
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	30.1
Fiscal Balance (% GDP)	%	-2.6	-3.4	-4.0	-3.6	-4.0	-3.6

Key Stock Market Data

	HSX		HNX		UPCoM		Total	
	31-Oct-23	31-Oct-24	31-Oct-23	31-Oct-24	31-Oct-23	31-Oct-24	31-Oct-23	31-Oct-24
Market cap (\$m)	168,566	205,575	11,373	12,623	41,090	58,193	221,029	276,392
Number of stocks	394	394	330	312	860	881	1,584	1,587
Number of large cap stocks (> \$400m)	64	75	9	10	17	17	90	102
Stocks with no room for foreigners	62	65	94	94	227	266	383	425
Market cap of stocks with no room (\$m)	20,715	18,865	1,825	1,792	12,821	19,899	35,361	40,556
Share of Market Cap with No Room (%)	12.3	9.2	16.1	14.2	31.2	34.2	16.0	14.7

Top 25 Companies by Market Cap

No	Company	31-Oct Price (VND)	Price YTD (%)	Mkt Cap (\$m)	Wt in VNI (%)	PER			PBV			Yield		
						2023 (x)	2024E (x)	2025E (x)	2023 (x)	2024E (x)	2025E (x)	2023 (%)	2024E (%)	2025E (%)
1	Vietcombank	93,600	16.6	20,686	10.10	15.6	17.1	15.5	2.7	2.6	2.2	-	-	-
2	BIDV	47,750	10.0	10,763	5.20	15.2	15.2	13.2	2.1	2.0	1.7	0.1	-	-
3	Airports Corporation VN	118,000	78.8	10,158	-	22.1	31.9	26.3	2.9	4.2	3.5	-	-	-
4	FPT Corporation	135,900	63.7	7,905	3.80	20.6	28.4	23.7	4.9	6.7	5.8	2.4	2.0	2.3
5	Vietinbank	35,700	31.7	7,581	3.70	8.5	9.3	7.4	1.2	1.3	1.1	-	-	-
6	Vinhomes	41,500	-3.9	7,146	3.50	5.6	6.4	6.2	1.0	0.9	0.8	-	-	-
7	Hoa Phat Group	26,900	5.9	6,804	3.30	24.3	13.9	11.0	1.6	1.5	1.4	-	1.3	1.7
8	Techcombank	23,900	55.0	6,658	3.20	6.2	7.6	6.4	0.8	1.1	1.0	-	3.2	3.3
9	PV Gas	70,500	2.6	6,531	3.20	14.2	16.3	16.8	2.5	2.4	2.3	4.1	4.2	4.2
10	VP Bank	20,450	12.2	6,416	3.10	14.5	10.7	9.1	1.1	1.1	1.0	5.2	2.9	3.4
11	Vingroup	41,550	-6.8	6,282	3.10	79.1	541.0	559.2	1.5	1.3	1.3	-	-	-
12	Masan Consumer	209,700	167.0	6,009	-	7.9	18.8	16.8	2.2	4.4	3.5	0.4	-	-
13	Vinamilk	66,100	2.5	5,463	2.70	17.0	15.9	15.3	4.3	4.3	4.1	5.8	5.9	5.9
14	MB Bank	25,050	37.3	5,256	2.60	4.7	6.1	5.0	1.0	1.2	1.0	2.3	-	-
15	Asia Commercial Bank	25,400	26.5	4,486	2.20	5.7	6.7	5.9	1.3	1.3	1.1	3.6	1.6	1.8
16	Masan Group	76,600	14.3	4,357	2.10	229.0	51.0	27.7	3.6	3.8	3.4	0.3	0.2	0.2
17	Mobile World	66,500	56.6	3,844	1.90	370.4	23.8	17.6	2.7	3.5	3.1	1.2	0.8	1.6
18	LienViet Post Bank	32,950	109.2	3,332	1.60	7.2	10.6	9.4	1.2	2.0	1.7	-	-	-
19	HD Bank	26,900	38.0	3,098	1.50	5.6	6.0	5.0	1.3	1.4	1.1	4.3	-	-
20	Sabeco	55,200	-7.2	2,800	1.40	18.9	16.7	15.9	3.2	3.0	3.0	4.2	6.3	6.3
21	Becamex IDC	67,100	6.7	2,746	1.30	26.5	28.7	27.0	3.5	3.4	3.3	1.3	-	-
22	Sacombank	35,200	25.9	2,624	1.30	6.8	7.5	6.2	1.2	1.2	1.0	-	-	-
23	Binh Son Refining	21,200	17.3	2,599	-	6.5	57.3	27.7	1.0	1.2	1.2	3.8	3.4	3.4
24	VEAM Corp	45,300	31.7	2,380	-	7.4	9.4	9.1	1.8	2.4	2.4	12.3	11.1	10.3
25	Vietjet Air	105,000	-2.8	2,249	1.10	253.7	26.2	21.3	3.8	3.3	2.9	-	-	-

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

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

VEF
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