

Eastspring Investments Vietnam Navigator Fund (ENF)



A Prudential plc company

Eastspring Investments Vietnam Navigator Fund (the “Navigator Fund” or “ENF”) is a Mutual Fund licensed by Vietnam State Securities Commission under license No. 09/GCN-UBCK (March 25th, 2014).

Fund Manager: Eastspring Investments Fund Management Limited Liability Company (“Eastspring Vietnam”)

Key information

Fund size (billion)	233.1
Unit Net Asset Value	34,245
Fund base currency	VND
Dealing frequency	Twice a week (Wed and Fri)
Supervisory Bank	Standard Chartered Bank (Vietnam) Ltd.
Min. Investment	100,000
Max Investment	No limit

(Date of NAV: End of month)

Fee & Charge

Subscription fee	Determined by distributors (Max 3%)
Redemption fee	0%
Annual management fee	1.5% per annum total NAV

Investment objective

- Objective of the Navigator Fund is to deliver capital appreciation through exposure to multiple asset classes, including equity, bond, and bank deposit.
- Actively navigate the market through dynamic asset allocation to provide participation in equity upside when stock markets are performing well, while having a softening effect when stock markets are not performing well.

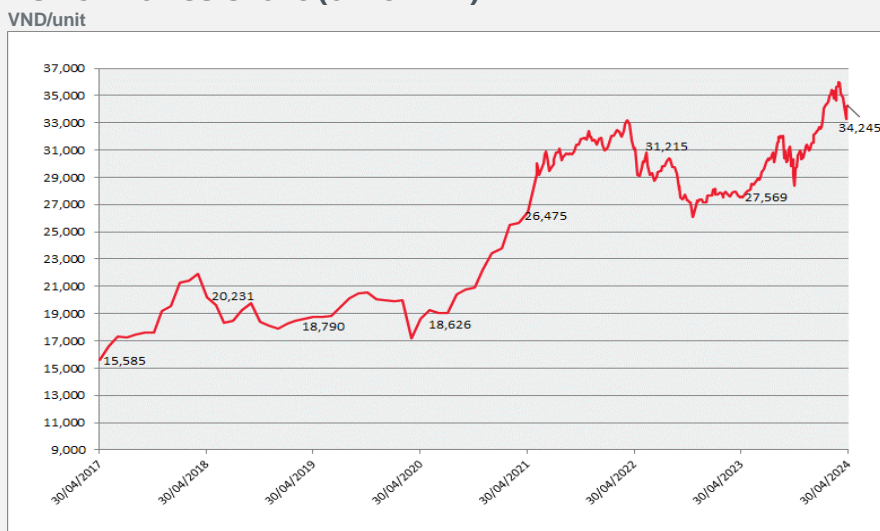
Performance accumulated return (%)

	1 month	3 months	YTD	1 year	3 years	Since Inception
Net return	-4.7%	4.8%	8.5%	24.2%	29.3%	242.5%

Calendar year returns (%)

Year	2019	2020	2021	2022	2023
Net return	11.6%	17.1%	35.8%	-14.7%	16.3%
VNIndex	7.7%	14.9%	35.7%	-32.8%	12.2%

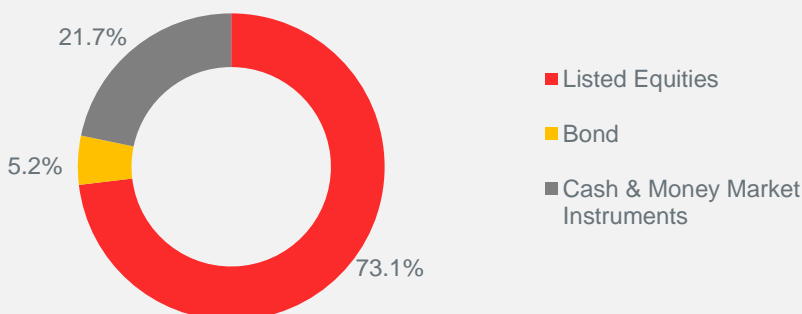
Performance chart (unit NAV)



Top 5 holdings

FPT Corporation	FPT	14.7%
Vietinbank	CTG	9.1%
Military Bank	MBB	9.0%
Asia Commercial JS Bank	ACB	4.7%
Techcombank	TCB	4.2%

Asset allocation (%)



Market update

Macroeconomics:

Inflation was higher driven by food and healthcare prices

Inflation rose to 4.4% yoy in April 2024, the highest since Feb 2023. Food and healthcare prices surged by 15.45% and 9.46% respectively, due to increased food prices, particularly pork prices; and increase in healthcare fees by the state. The VND depreciated by 4.2% against the USD in the first four months of 2024, adding to the inflationary. However, the average CPI was 3.93% yoy, and is still below the target of 4.5%.

Retail sales slowed but seems to be resilient on tourism and festive demand ahead

Retail sales grew by 9.0% yoy in April 2024, slightly lower than 9.2% in March 2024. Consumer spending was resilient despite higher inflation pressure and slowing growth recovery. Tourism and festive demand boosted retail sales, especially accommodation, catering, entertainment, and household appliances.

Manufacturing drives industrial production growth

The manufacturing PMI returned to expansion at 50.3 in April 2024, up from 49.9 in March 2024. Industrial production expanded by 6.3% yoy in April 2024, slightly higher than 6.2% in March 2024, supported by domestic and external demand. Manufacturing output rose by 7.5% and led the industrial production growth.

Trade surplus narrows as imports grow faster than exports

The trade surplus narrowed to 0.6 billion USD in April 2024, down from 2.9 billion USD in March 2024.

Exports reached 30.9 billion USD in April 2024, up by 10.6% yoy, lower than 16.5% in March 2024, but was still good. Electronics accounted for 30.4% of total exports and grew by 18.2% yoy. Other major export items were textiles, footwear, and machinery. The main export markets were the US, China, and the EU.

Imports reached 30.3 billion USD in April 2024, up by 19.9% yoy, higher than 18.4% in March 2024, reflecting strong domestic demand. The main import items were machinery, electronics, and petroleum. The main import sources were China, South Korea, and Japan.

FDI inflows remained strong

FDI inflows were 1.7 billion USD in April 2024, slightly lower than 1.8 billion USD in March 2024, but still high. The main FDI sectors were manufacturing, electricity, and real estate. The main FDI sources were Singapore, Japan, and South Korea.

Stock Market

VNIndex Falls by 5.8%, Underperforms Regional Peers

VN-Index declined by 5.8% in April 2024, ending the month at 1209.52 points. This was the largest monthly drop since October 2020. The index also gained 7.3% YTD.

Industries' investment performance compared to VNIndex is uneven, Consumer Services and Technology Lead

Seven out of eleven sectors posted positive monthly active returns (versus the VNIndex), while four sectors posted negative monthly active returns. The best-performing sectors were consumer discretionary (+7.4%), Information Technology (+10.7%), and health care (+3.9%), as these sectors benefited from the strong domestic consumption and the digital transformation. The worst-performing sectors were financial services (-6.1%), real estate (-3.2%), and basic materials (-2.1%).

Trading Value and P/E Ratio Decline

The average trading value of the VNIndex decreased by 19.0% month-on-month to USD 859 million in April 2024, after three months of increases. The trailing P/E ratio of the VNIndex decreased from 16.6x in March to 15.3x in April.

Despite the correction in April 2024, the Vietnam equity market still offers attractive opportunities for investors, as the market valuation is lower than the historical average, profit growth of businesses in the second half of 2024 is considered positive.

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