

# 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 25<sup>th</sup>, 2014).

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

## Key information

Fund size (billion)	245.4
Unit Net Asset Value	35,996
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.

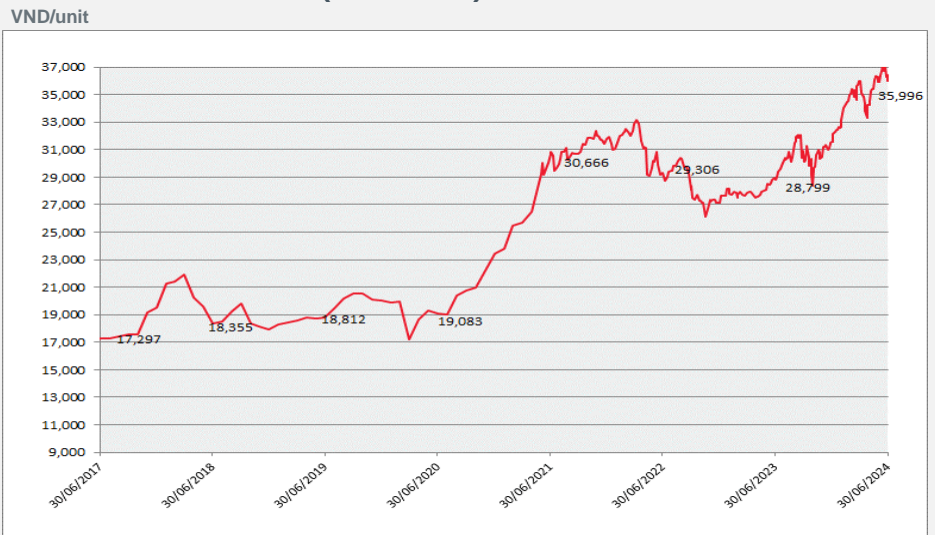
## Performance accumulated return (%)

	1 month	3 months	YTD	1 year	3 years	Since Inception
Net return	0.3%	0.2%	14.1%	25.0%	17.4%	260.0%

## 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%

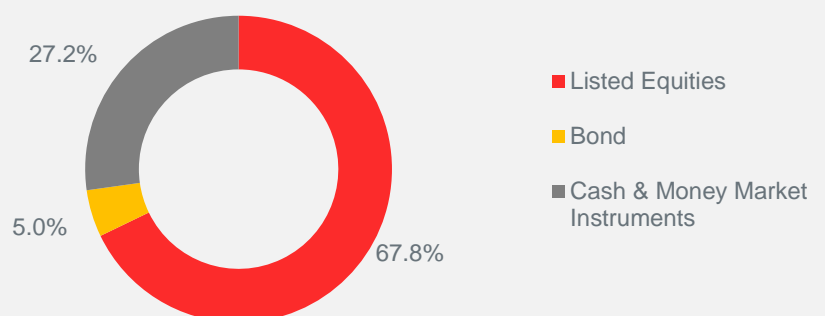
## Performance chart (unit NAV)



## Top 5 holdings

FPT Corporation	FPT	11.7%
Vietinbank	CTG	7.5%
Military Bank	MBB	5.0%
Asia Commercial JS Bank	ACB	4.6%
Hoa Phat Group	HPG	4.3%

## Asset allocation (%)



## Market update

### Macroeconomics:

#### Inflation Pressures Persist

Inflation rose by 4.3% YoY in June 2024. Key drivers include rising pork prices due to supply shortages, higher state fees like education and healthcare services. Unfavorable weather and geopolitical conflicts have added to some commodities prices like oil. However, the extension of the 2% VAT cut and a forecasted stable in global oil prices may support inflation in the coming months.

#### Retail Sales Boosted by Tourism and Policy Measures

Retail sales grew by 9.1% YoY in June 2024, contributing to an 8.6% YoY increase for the first half of 2024. The recovery in retail sales is particularly driven by goods, accommodation, catering, and tourism services, thanks to a significant influx of international visitors to Vietnam. The extension of a 2% VAT cut and the statutory base rate hike in public sector salaries have also bolstered retail sales, reflecting the positive impact of government policies on consumer demand.

#### Manufacturing Sector Shows Strong Performance

Manufacturing PMI reached 54.7 in June 2024, continuing strong growth in new orders and the highest level since March 2011. Output posted the steepest increase in over 5.5 years, and employment growth recovered for the first time in three months. Additionally, the Manufacturing IIP grew by 10.9% YoY in June 2024 - the second highest monthly growth since August 2022, reflecting further production improvements across various subsectors, including rubber & plastic products, furniture, chemicals, and electrical equipment.

#### Trade and FDI Disbursement Hit Record Highs

Vietnam trade rebounded to USD 2.1 billion surplus in June after trade deficits in previous month. Export growth surged by 14.5% YoY in the first half of 2024, driven by PCs, electronic items, phones, spare parts, machinery, equipment, textiles, and garments. Import growth also increased by 17% YoY, primarily from PCs, electronic items, and fabrics. Disbursed FDI reached USD 2.6 billion, marking a 9.3% YoY increase while continuing to hit high record month since 2012. This growth is attributed to Vietnam's fundamental advantages, diversification of investment from China, and recent diplomatic upgrades with key partners.

### Stock Market

VN-Index down -1.3% MoM in June, closing at 1,245.3. Despite an initial rally that saw the VNI reach the highest closing level since 2022 in mid of June, the index retreated due to profit-taking, strong foreign net selling, pressure on the USD/VND exchange rate, and higher short-term interest rates. However, VNI still posted a 10.2% increase in the first half of 2024, outperforming peer markets such as Philippines, Indonesia, and Thailand. As of the end of June, the VNI's trailing twelve months P/E was 15.4x, which is competitive compared to regional peers given the potential positive macroeconomics and ongoing government policies.

#### Trading Turnover rising streak and Continuing Foreign outflow

Although it was down 19.5% YTD, trading turnover continued to rise for the second consecutive month. The average daily trading value (ADTV) of VNI went robust to USD909.8 million (+6.5% MoM). ADTV first half performance surged 1.8x compared to last year first half, reaching USD966.5 million. Foreign investors recorded net outflows for the fifth straight month in June, with a total net outflow of USD 652.0 million on the HSX and USD657.8 million on the three bourses combined. Overall, H1 2024 was about the foreign outflow USD2.1 billion, in contrast of net inflow from first half last year, suffering the same situation with regional market such as Thailand, Philippines and Indonesia.

#### Technology Leads, Financial Services Lags

Sector performance was mostly negative in June, driven by top laggards from Financial services (-6.5%), Real estate (-3.2%), Energy (-2.8%), and Banks (-1.6%). Conversely, only 2 sectors are significant gainers in this month, such as IT sector with 10.5% increase, driven mainly by FPT (+12.2%); Communication services followed with a 5.1% gain.

Source: GSO, FiiiproX, Bloomberg

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