

Eastspring Investments Vietnam ESG Equity Fund (EVESG)



A Prudential plc company

Eastspring Investments Vietnam ESG Equity Fund (“EVESG”) is a Mutual Fund licensed by Vietnam State Securities Commission under license No. 187/GCN-UBCK (November 13rd, 2024).

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

Key information

Fund size (billion)	1,436.6
Unit Net Asset Value	10,266
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	EIFMC: 0% Other DPs: Determined by distributors (Max 5%)
Redemption fee	Holding period: <18mth: 1.5% ≥18mth: 0%
Annual management fee	1.3% per annum total NAV

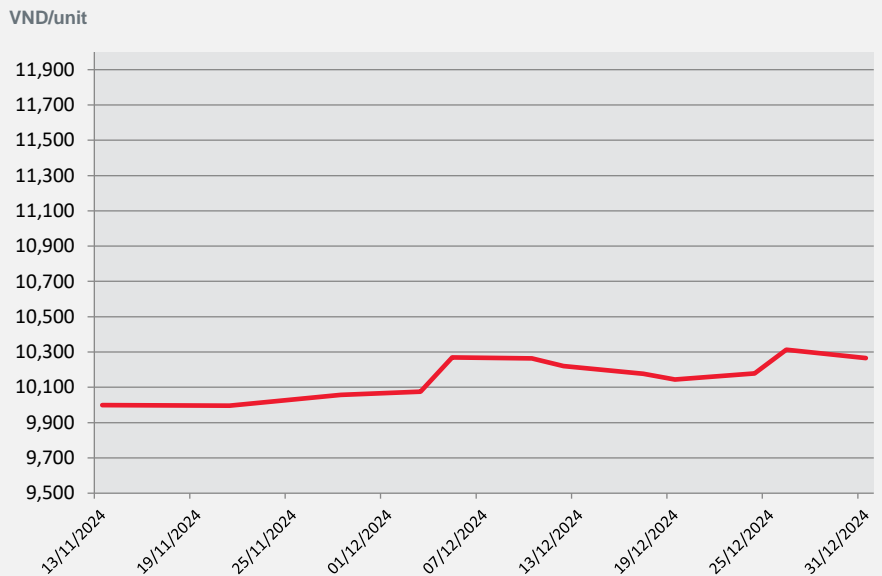
Investment objective

- ▶ EVESG's investment objective is to provide long-term optimal returns to investors through a diverse portfolio with sustainable growth prospects, suitable business models, and efforts to improve issues related to the Environment, Society and Corporate Governance (abbreviated as ESG).
- ▶ Each company in the portfolio will be reviewed on the ESG scorecard in accordance with the Fund Management Company's investment procedure.

Performance accumulated return (%)

	1 month	3 months	YTD	1 year	3 years	Since Inception
Net return	1.8%	N/A	N/A	N/A	N/A	2.7%

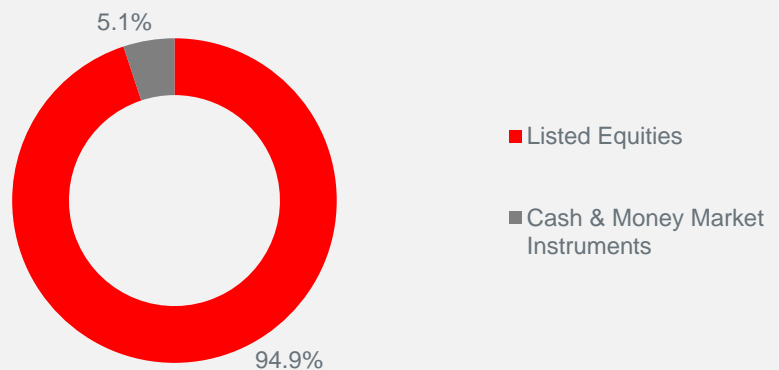
Performance chart (unit NAV)



Top 5 holdings

Vietcombank	VCB	8.7%
Asia Commercial JS Bank	ACB	8.1%
Vietinbank	CTG	7.6%
FPT Corporation	FPT	7.6%
Hoa Phat Group	HPG	6.8%

Asset allocation (%)



Market update

Macroeconomics

Positive Vietnam Macro Outlook in 2025

Vietnam's economic outlook for 2025 is optimistic, with the government targeting an ambitious GDP growth rate of 8%, driven by stronger public investments and supportive measures to boost local sectors and consumer demand. Public investment, which rose by 3.3% in 2024, is expected to continue its upward trajectory, providing a solid foundation for economic expansion. Foreign Direct Investment (FDI) is projected to remain a key driver of economic growth, while the establishment of the Investment Support Fund aims to attract investment in high-tech industries and support industrial park developers, enhancing Vietnam's attractiveness as an investment destination. Despite challenges in the global trade environment amid rising trade protectionism, Vietnam's export outlook remains good. Given exports and FDI outlook as well as the central bank effective measures, the downward pressure in VND due to strong USD will be manageable. Inflationary pressures are likely to persist, but it is likely inflation will remain below the target of 4-4.5% for 2025. Overall, Vietnam's economic outlook remains positive, with strong growth prospects and inflation under control.

GDP Growth Exceeds Expectations, Inflation Below the government's Target

Vietnam's GDP growth in the fourth quarter (Q4) of 2024 reached an impressive 7.55% year-on-year, bringing the full-year 2024 GDP growth to 7.09%. This performance surpassed the National Assembly's target of 6.5%. Among the three main sectors, industry & construction recorded the highest growth at 8.35% YoY in Q4 2024 and 8.24% YoY in 2024.

Inflation in December 2024 stood at 2.94% year-on-year, contributing to the average inflation rate of 3.63% for 2024 - well below the government's target of 4.0 - 4.5%. Key inflation drivers in the year were contributed by higher costs for housing and construction materials, as well as food and foodstuffs.

Robust Trade Performance, The Outlook Appears Challenging

In December 2024, Vietnam's exports increased by 12.8% year-on-year, while imports rose by 19.2% year-on-year, translating to annual 2024 exports growth of 14.3% and imports growth of 16.7%. The growth in exports was driven by strong performances in computers, electrical products, machinery, textiles, and garments. On the import side, significant growth was seen in computers, electrical products, motor vehicles, and plastics. The trade surplus narrowed to USD 0.5 billion in December, bringing the total trade surplus for 2024 to USD 24.8 billion.

The manufacturing index of industrial production (IIP) grew by 9.0% year-on-year in December 2024. However, the manufacturing Purchasing Managers' Index (PMI) for December was 49.8, indicating a contraction. The outlook appears challenging as firms may reduce employment and stock purchases due to a decline in new export orders.

Stock Market

The promising outlook for Vietnam's stock market in 2025

In December 2024, the VN-Index closed at 1,266.80 points, marking a 1.30% month-on-month (MoM) increase and a notable 12.10% year-to-date (YTD) gain. In December 2024, the index had a sluggish start, however, it rebounded strongly with a 2.2% increase on December 5th, driven by robust buying from investors. Despite the positive momentum in early December, several factors limited further gains in the month, including a lack of supportive information, the Fed signaling fewer rate cuts in 2025, and the State Bank of Vietnam (SBV) selling USD to stabilize the exchange rate. Market liquidity improved slightly, with the average daily trading value (ADTV) increasing by 1.50% MoM to USD 574.2 million. Foreign investors continued their net selling trend, with a net outflow of USD 109.4 million in December 2024, bringing the total net outflow for the year to USD 3.7 billion. The VN-Index's trailing P/E ratio stood at 14.8x as of the end of 2024, which was relatively lower than regional markets.

The outlook for Vietnam's stock market in 2025 is promising, driven by supportive economic policies and relatively attractive valuation compared to regional markets. The market drivers for 2025 will include the acceleration of public investment, with a focus on enhancing both hard and soft infrastructure, as well as the recovery of the property sector. However, investors may exercise caution ahead of Trump's presidency and declining trade activities. Despite potential short-term volatility, the overall market outlook remains positive, supported by strong economic fundamentals and sector-specific growth drivers.

Sector Performance

In December 2024, the Insurance and Technology sectors were the top performers. The Insurance sector saw an impressive 8.00% monthly return, led by significant gains in PVI (+23.2%) and PTI (+13.9%). The Technology sector followed with a 6.10% increase, driven by strong performances from SAM (+17.9%), SGT (+14.2%), and FPT (+6.4%). Conversely, the Oil & Gas sector was the worst performer, declining by 4.30%, followed by Utilities with a slight decrease of 0.10%.

Source: GSO, FiiiproX, Bloomberg

Disclaimer

This document is solely for information and may not be published, circulated, reproduced or distributed in whole or part to any other person without the written consent of Eastspring Investments Fund Management Limited Liability Company (Eastspring Vietnam). Whilst we have taken all reasonable care to ensure that the information contained in this presentation is not untrue or misleading at the time of publication, we cannot guarantee its accuracy or completeness. Any opinion or estimate contained in this presentation is subject to change without notice.

Eastspring Vietnam and its related and affiliated corporations together with their respective directors and officers may have or may take positions in the securities mentioned in any fund document and may also perform or seek to perform broking and other investment services for the corporations whose securities are mentioned in any fund document as well as other parties.

This information is not an offer or solicitation of an offer for the purchase of investment units in the Eastspring Investments Vietnam Navigator Fund (ENF). A prospectus in relation to the Fund is available and may be obtained through Eastspring Vietnam or any of its appointed distributors. All applications for units in the ENF must be made on the manner described in the prospectus. Units in the ENF are not available to US persons. Potential investors should read the prospectus before deciding whether to subscribe for or purchase units in the ENF.

Investments in mutual fund are not deposits or other obligations of or guaranteed or insured by the Fund Manager or any of its related corporations. An investment in units of the ENF is subject to investment risks, including the possible loss of the principal amount invested. Past performance is not necessarily a guide to the future or likely performance of the ENF. The value of the units in the ENF and any income accruing to the units, if any, may fall or rise. The graphs or charts presented are included for illustrative purposes only. Any prediction, projection or forecast on the economy, securities markets or the economic trends of the markets targeted by the ENF are not necessarily indicative of the future or likely performance of the ENF. The information contained herein does not have any regard to the specific investment objective(s), financial situation or the particular needs of any person. Potential investors may wish to seek advice from a financial adviser before purchasing units in the ENF.

Eastspring Vietnam is an ultimately wholly owned subsidiary of Prudential plc of the United Kingdom. Eastspring Vietnam and Prudential plc are not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America or with the Prudential Assurance Company, a subsidiary of M&G plc, a company incorporated in the United Kingdom.

Eastspring Investments Fund Management Limited Liability Company
(Eastspring Vietnam)

Saigon Trade Center
23F, 37 Ton Duc Thang, District 1, Ho Chi Minh City, Vietnam

Tel: (84-28) 3910 2848

Fax: (84-28) 3910 2145

Email: cs.vn@eastspring.com

Website: www.eastspring.com/vn