

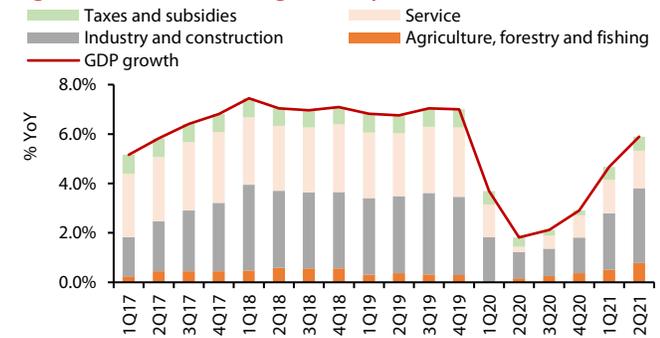
**Macroeconomy commentary:**

- Since its bottom during the GFC in the first quarter of 2009, the Nasdaq Index has gone up almost 1,000% (967%), as of June 29. Nobody in their right mind could have expected such a run back in 2000. Since its 1972 debut, the Nasdaq has had five years of gains greater than 40%. In 2019 the Index went up 35% and 44% in 2020. 2021 is unlikely to be a year like that with the Index so far up 12%, and in our opinion stagnating until year-end.
- Vietnam's GDP expanded by 6.6% YoY in 2Q21, which fell short of the government's forecast in May 2021 of 6.9%. The acceleration in 2Q21 was mainly boosted by a low base in the same period of last year and the resilience of the manufacturing sector. Looking forward, Vietnam's economic outlook remains centered on COVID-19 developments. In sum, the economic recovery would be slower and more uneven than our previous forecast (6.5%) due to the fourth wave of the COVID-19 outbreak. If the outbreak is controlled in July, GDP growth is expected to be around 5.9% in 3Q and 6.5% in 4Q21, full-year GDP growth is estimated at 6.0%. If the situation worsens than expected, Vietnam's GDP will likely expand at 5.6% for the whole of 2021.
- According to the GSO, Vietnam's annual inflation rate averaged at 1.5% YoY in June 2021. The annual core inflation rate came in at just 0.9% YoY in June from 0.8% in May 2021. The inflation was mainly attributed to higher petrol and construction materials prices. Despite risks of inflation pressure attributed to the limited room of the domestic petrol price stabilization fund, we keep our forecast for the headline inflation in 2021 at 3.5% due to the resurgence of domestic Covid-19 cases.

**Market commentary: New highs**

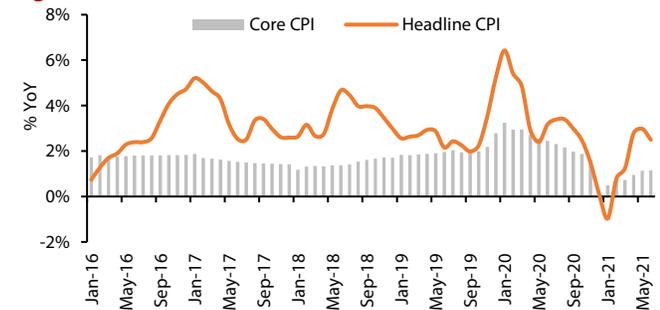
- The VN Index edged up 6.06% MoM to finish at 1,408.55. VN Index outperformed other indices such as SET (-0.36%), KOSPI (2.58%), S&P 500 (2.09%).
- The average liquidity in HOSE via matching orders was VND 22.2 trillion (or USD 961 Mn, +8.3% MoM). The VN30 liquidity stayed flat, which accounted for 56% of the VN Index liquidity (lower than last month).
- In June, foreign investors remained as net seller on HOSE. In terms of matching-order transactions, they reduced their selling value with a total net value of VND 6.1 trillion (or USD 264 Mn, -45% MoM). Local institutional investors came back as net sellers with net selling value of nearly VND -3,252 billion (or USD -141 Mn)
- Foreign ETFs recorded sell position in general as FTSE Vietnam ETF experienced net outflow value of USD 1 Mn while KIM was inactive. VNM ETF was inactive while Fubon ETF went through a net outflow of USD 6.5 Mn. Domestic ETFs also had mixed outcomes. E1VFN30 recorded net added value of USD 37.7 Mn while FUEVFVND experienced net out flows of USD 14.9 Mn.
- Real estate and Utilities were top two sectors with 9.0% and 8.6% MoM returns, respectively. The Real estate sector was driven by some key market players, while the Consumer discretionary also went up 6.3% MoM. On the flip side, Materials and Consumer staples sectors limited further upside of VN Index when recorded modest returns of 1% and 2%, respectively. The ENF fund slightly underperformed in June (+4.77% compared to + 6.06% of the index), due to the polarization in the performance of banking stocks. We think that when taking the rally of stock price on

**Figure 1: Vietnam's GDP growth by sector**



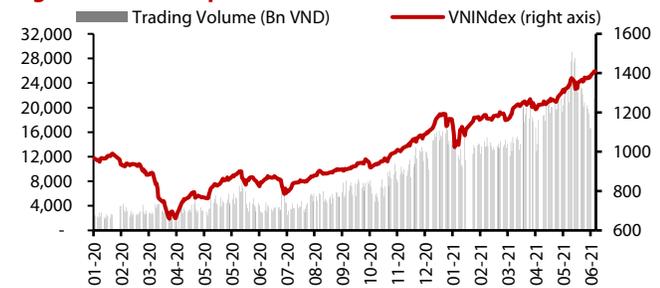
Source: GSO, Rong Viet Securities

**Figure 2: Headline CPI vs. Core CPI**



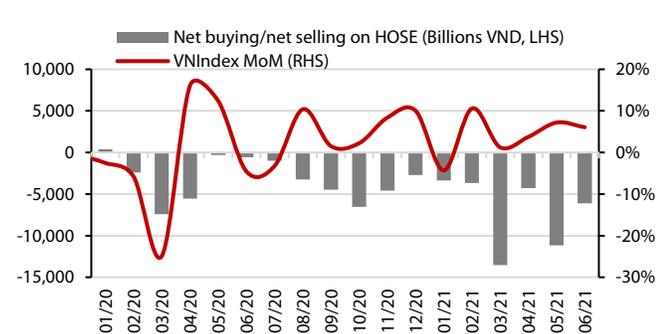
Source: GSO, Rong Viet Securities

**Figure 3: VNIndex performance since 2020**



Source: Fiiipro, Rong Viet Securities

**Figure 4: Net buying/selling on HOSE via matching-order transaction versus VNIndex MoM**



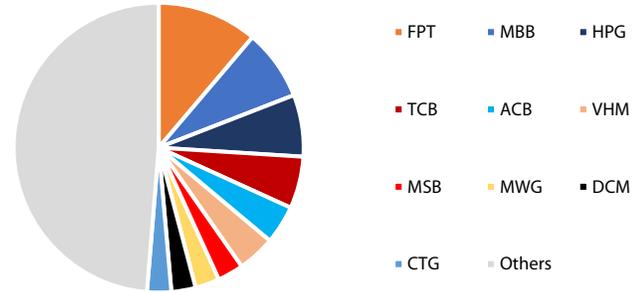
Source: Fiiipro, Rong Viet Securities

a year-to-date basis into consideration, the correction at several stocks is understandable and necessary. We expect the private banks to announce robust results in July, which will drive the ENF Fund's performance as the Fund has large exposure to the private banks.

**Industrial parks: Opportunities to attract FDI**

- Currently, the occupancy rate of industrial parks in the main provinces/cities is relatively high. In the next 2-3 years, the demand for industrial land may increase in Hai Phong and Vung Tau as these two provinces have big land banks and the occupancy rate is lower compared to other provinces that are closed to Hanoi and Ho Chi Minh city. Vietnam's leasing price has increased for years and it gets closer to other countries' leasing price, reducing Vietnam industrial parks' competitiveness. Thus, we think that leasing price may not increase much in the future and the optimal development way is to expand the land bank, instead of expecting a continuous increase in leasing price.
- In the next couple of years, companies owning big land bank in Hai Phong and Vung Tau may have chances to lease out their land quicker than expected with better leasing price. Meanwile, in the long term, expanding land bank is a sustainable way to develop instead of waiting for leasing price to increase over time.

**Figure 5: ENF equity portfolio at the end of 06/2021**



Source: ENF, Rong Viet Securities

**Figure 6: Vietnam disbursed FDI**



Source: Ministry of Planning and Investment, UNCTAD, Rong Viet Securities

**Sector's valuation (at 30/06/2021)**

	%1M	%3M	%YTD	Basic P/E	P/B	ROE	ROA	Dividend yield (%)	PBT growth (YoY, %)	EPS growth (YoY, %)
Oil & Gas	13.2%	11.1%	38.0%	28.1	1.9	8.3%	3.7%	5.7%	-43.3%	-2.9%
Basic Materials	6.0%	30.5%	41.4%	16.6	2.4	19.7%	9.4%	7.1%	47.5%	99.2%
Industrials	10.5%	6.5%	9.4%	19.9	2.1	10.6%	6.3%	3.6%	-33.8%	44.7%
Consumer Goods	3.7%	2.8%	3.9%	20.1	3.3	20.2%	12.6%	1.1%	-71.7%	36.5%
Health Care	4.7%	6.5%	10.9%	17.5	2.1	14.7%	10.5%	4.9%	88.6%	19.5%
Consumer Services	5.8%	-0.6%	12.9%	n/a	3.8	-17.8%	2.1%	1.3%	529.3%	121.9%
Telecommunications	7.0%	-9.8%	7.4%	198.6	3.6	3.6%	0.9%	7.9%	16.4%	21.3%
Utilities	6.6%	2.1%	5.3%	15.5	2.0	13.5%	9.3%	3.7%	-187.0%	53.3%
Financials	9.6%	17.8%	33.7%	21.7	3.1	16.3%	6.0%	5.5%	1165.9%	78.2%
Banks	3.2%	31.3%	47.2%	15.3	2.6	18.9%	1.7%	0.0%	217.7%	55.3%
Technology	4.6%	26.5%	61.0%	21.9	3.3	17.7%	8.3%	12.1%	-580.2%	2.4%

Source: Fiinpro, VDSC



Performance of funds under current management of Eastspring Investments Fund Management Limited Liability Company

**\*Mutual fund (Eastspring Investments Vietnam Navigator Fund ("ENF"))**

**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.

**Commentary**

In general, since inception until June 30th, 2021, the ENF Fund has performed better than some other investment channels such as savings deposit with 12-months-and-above maturity, five-year Vietnam Government bond, and stocks (VNIndex excluding dividends). The Fund also has lower maximum drawdown (-23.2%) and average drawdown (-7.5%) than those of the VNIndex (-45.3% and -12.2% respectively) in the same period. In 2020, the ENF Fund increased by 17.1%, higher than the rise of the stock market (14.9%). After 6M2021, the ENF fund maintained its momentum and rose 30.9%, while the stock market gained 27.6%. We expect the stock portfolio focusing on Banking and Real Estate - two main pillars of the economy, and growth sectors – Information Technology and Manufacturing, to help the Fund continue to outperform the stock market.

**Fund details**

<b>Supervisor Bank</b>	HSBC (Vietnam) Ltd.	<b>Max. Investment</b>	No limit
<b>Total NAV</b>	VND 208.2 billion	<b>Min. Balance</b>	100 units
<b>Min. Initial Investment</b>	VND 2,000,000	<b>Min. Redemption</b>	100 units
<b>Min. Subsequent Investment</b>	VND 1,000,000	<b>Fund dealing frequency</b>	Weekly

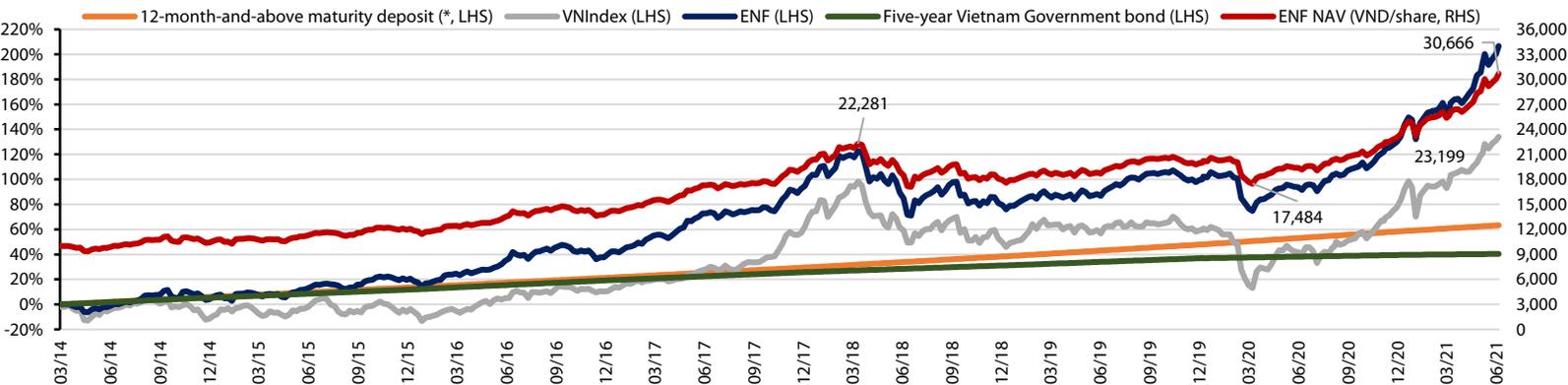
Source: EIFMC

**Cumulative return of ENF and other assets (%) (\*\*)**

	Since ENF inception	ENF	VNIndex	VN 5-year bond	12-month-and-above maturity deposit (*)
<b>Cumulative return</b>		206.66%	134.04%	40.35%	63.27%
<b>Annual return</b>		16.66%	12.41%	4.77%	6.97%

Source: EIFMC, Rong Viet Securities

**Cumulative performance of ENF vs other assets (\*\*)**



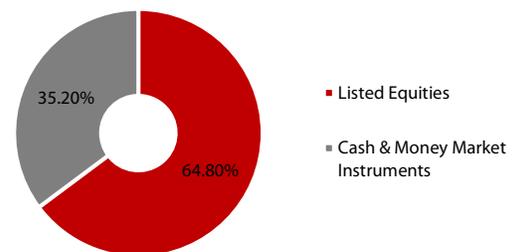
Source: EIFMC, Rong Viet Securities

**Fund fees & charges**

<b>Subscription fee</b>	Up to 3%
<b>Annual management fee</b>	1.5% per annum of total NAV
<b>Custodian, Supervisory, Transfer Agent &amp; other fees</b>	Up to 0.25% per annum of total NAV

Source: EIFMC

**Asset Allocation**



Source: EIFMC

(\*) Calculating data before March 2021 uses average 12-month-and-above maturity deposit rate from weekly SBV announcement. From March 2021, data is calculated by averaging 12-month, 18-month, 24-month and 36-month maturity deposit rates quoted by 10 largest banks in terms of deposit market share in 2020, namely BIDV, Agribank, Vietinbank, Vietcombank, SCB, MB Bank, Sacombank, ACB, Techcombank and SHB. (\*\*\*) Past performance is not necessarily a guide to the future or likely performance of any particular fund, nor EIFMC. An investment in securities investment funds is subject to investment risks, including the possible loss of the principal amount invested. Potential investors may wish to seek advice from a financial adviser before purchasing any fund unit.

## Performance of funds under current management of Eastspring Investments Fund Management Limited Liability Company

### 6 PRUlink Funds

6 PRUlink Funds are established from premium of unit-linked product policies provided by Prudential Vietnam, with an aim to maximize total income in the medium-to-long term for policyholders who are signed policies with Prudential Vietnam and does not apply to other individuals. These funds are designed for customers with low to high risk tolerance levels corresponding to investment strategy into assets with stable income (such as deposits ...) to high capital growth (such as stocks...).

#### Net return of PRUlink Funds (%)

Year/ Assets	PRUlink Vietnam Equity Fund	PRUlink Growth Fund	PRUlink Balance Fund	PRUlink Stable Fund	PRUlink Bond Fund	PRUlink Presever Fund	3-month maturity deposit interest	12-month-and- above maturity deposit interest	Five-year Vietnam government bond return	VNIndex
2016	13.83%	12.69%	11.63%	10.45%	8.73%	3.89%	4.76%	6.82%	6.63%	14.82%
2017	56.58%	42.01%	32.46%	23.29%	10.87%	4.00%	4.81%	6.80%	5.52%	48.03%
2018	-9.22%	-4.52%	-1.51%	1.39%	5.63%	4.74%	4.41%	6.90%	4.31%	-9.32%
2019	9.75%	10.56%	10.98%	11.41%	12.19%	5.50%	5.30%	6.93%	4.46%	7.67%
2020	16.38%	16.02%	14.69%	12.48%	9.01%	5.55%	4.48%	7.09%	1.92%	14.87%
6M2021	35.80%	25.08%	17.87%	10.89%	1.18%	1.99%	1.68%	3.04%	0.57%	27.35%

Source: EIFMC, Rong Viet Securities

Note:

- Return of our funds is calculated based on the date of reported NAV. There could be difference between this return and return calculated at the end of the month. The PRUlink Funds' net return after 6M2021 have not been audited and provided by EIFMC and Rong Viet Securities and may be adjusted at the end of the financial year. Past performance is not necessarily a guide to the future. Customers are entitled to investment results and bear corresponding risks and should refer the terms and conditions of the insurance products for further information.
- 3-month maturity deposit interest is average of monthly quoted interest rates from three listed State-owned banks at the time of roll over (not including Vietcombank during 2015 – 2017 due to lack of data), 12-month-and-above maturity deposit interest before March 2021 is average rate from weekly SBV announcement, 12-month-and-above maturity deposit interest after March 2021 is calculated by averaging 12-month, 18-month, 24-month and 36-month maturity deposit rates quoted by 10 largest banks in terms of deposit market share in 2020, namely BIDV, Agribank, Vietinbank, Vietcombank, SCB, MB Bank, Sacombank, ACB, Techcombank and SHB, and five-year Vietnam government bond return has been calculated by Rong Viet Securities after it randomly selects a Vietnam government bond with duration of (or closest to) 5 years.

#### Commentary

- Regarding the investment trust from Prudential, for the past 5-year period from 2016 to 2020, cumulative net returns of all funds have increased sharply, in a range of 26.0% and 106.7%. Of which PRUlink Vietnam Equity Fund had the highest growth with accumulated net return of 106.7%, followed by the PRUlink Growth Fund with cumulative net return of 96.0%.
- The PRUlink Vietnam Equity Fund recorded the best results after 6M2021 with 35.80%, followed by the PRUlink Growth Fund (25.08%) and PRUlink Balance Fund (17.87%). The PRUlink Vietnam Equity Fund (35.80%) also had better performance than the Vietnamese stock market (VNIndex, 27.35%).

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