

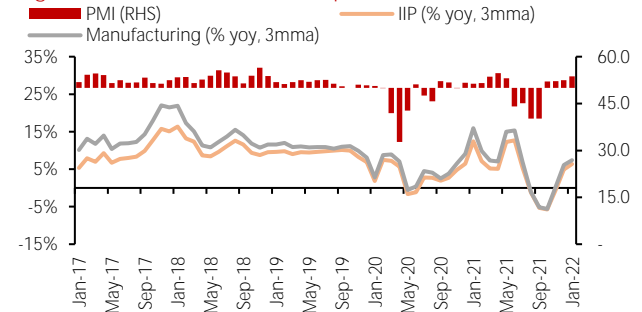
**Macroeconomy commentary:**

- In the US, inflation hit a high of 7% YoY in December, the highest level since June 1982. In the EU, annual inflation was 5%, up 4.9% from November. In Asia, China's inflation was significantly lower in December with an increase of 1.5%. In ASEAN, inflation in the region fell to 2.5% in December from 2.9% in November, easing price pressure in Thailand, Vietnam, the Philippines, and Malaysia outweighed higher inflation in Indonesia. Food items are becoming more and more expensive due to ongoing supply chain problems. Other factors contributing to the rise in food prices are higher oil prices and companies passing on higher transportation costs into consumer prices. Global food prices are at their highest level since 1975. The Food Price Index rose 23.1% in November from a year earlier.
- Vietnam's industrial production increased by 2.4% YoY (but decreased by 3.1% month-on-month) in January 2022. This is lower than December's 8.7% growth. On the other hand, Vietnam's PMI rose 1.2 points to 53.7 in January 2022, marking the highest level since April 2021. Inflation continued to increase higher in January at 1.9% YoY, higher than the 1.8% increase in the previous month. On a monthly basis, Vietnam's inflation increased by 0.2% in January, after falling by 0.2% in December. Oil prices continued to increase strongly in January with an increase of more than 20% compared to the beginning of the year. Higher oil prices would negatively affect domestic consumer demand and raise inflation, which could erode the economic recovery.
- After a severe lockdown to control the Covid-19 epidemic, Vietnam's economy recovered with a moderate GDP growth rate of 5.2% year-on-year in the fourth quarter of 2021, better than the growth rate of 4.6% year-on-year in the fourth quarter of 2020 but still below the pre-pandemic 6.8% growth in the fourth quarter of 2011-19. The stimulus package is about 347 trillion VND (~4.1% of GDP, ~15.3 billion USD), including key support package such as reducing value added tax (VAT) from 10% to 8% (49.4 trillion dong, ~2.1 billion USD), an interest compensation package for businesses (40 trillion dong, ~1.7 billion USD), and about 135 trillion dong (~5.9 billion USD) for infrastructure investment.

**Market commentary: Correction before Tet**

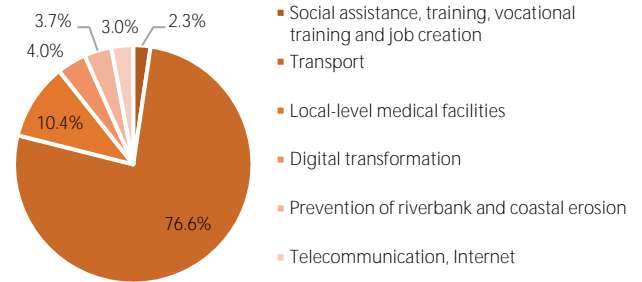
- VN-Index slightly decreased this month due to investors' cautious sentiment ahead of the Tet holiday, reflecting flat liquidity compared to December 2021. This is not too surprising considering the market movements in 2020 and 2021. At the end of this month, VN-Index dropped 2.0% and closed at 1,478.96 points.
- Foreigners remained as net buyers in January with a net buying value of 2.1 trillion dong via order-matching transaction on HOSE, mainly focusing on VHM (1,302 billion dong), STB (585 billion dong), CTG (578 billion dong) and DXG (399 billion dong). The selling force focused on NVL (-707 billion dong), CII (-678 billion dong).
- Foreign ETFs' money flow result was positive when FTSE recorded a net inflow of USD 0.9 million. Fubon ETF had a strong net withdrawal of \$73.7 million. The result was negative for domestic ETFs as both FUEVFVND and E1VFVN30 saw net withdrawals of USD 2.4 million and USD 15.3 million, respectively.
- Financials was the only gainers with 3.6% MoM return. Utilities was flat MoM. The losses from other sectors varied from -0.9% (Energy) to -14.1% (Industrials). The recovery of

**Figure 1: Vietnam's Industrial production and PMI**



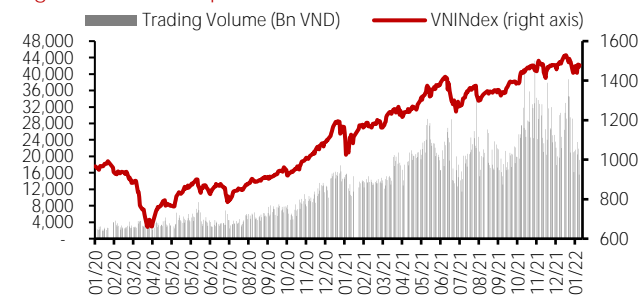
Source: GSO, Rong Viet Securities

**Figure 2: The structure of infrastructure investment package**



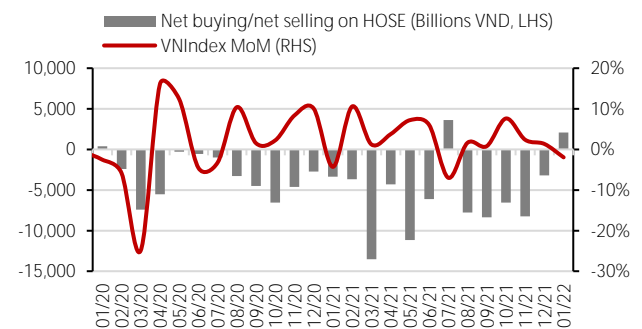
Source: National Assembly, Rong Viet Securities

**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**



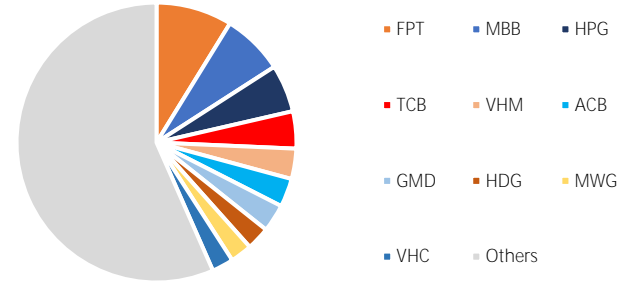
Source: Fiiipro, Rong Viet Securities

the banking sector was a supportive factor to the ENF Fund, but the extensive fall of other sectors explains the underperformance of the ENF Fund compared to VN-Index. We expect the market to be less volatile in the coming months and the banking stocks to maintain the rally and become the leader. These will help the Fund to regain its momentum.

**Construction steel industry: Opportunities are coming, but manufacturers' gross margins can diverge**

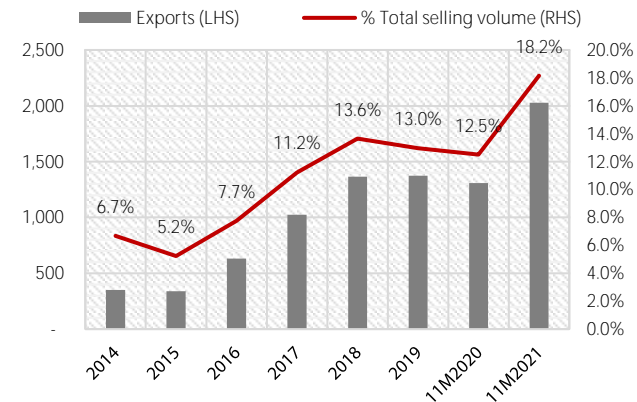
- Domestic consumption can grow in 2022 owing to public investments and the re-opening of the economy. According to the medium-term public investment plan for the 2021-2025 period approved by the National Assembly, total public investment plan capital for the period 2021-2025 reached 2.87 million billion, we expect construction steel producers will benefit from this trend. Besides, civil construction activities are likely to recover in 2022, boosting the demand. Domestic construction steel consumption is forecasted to grow by 8.5% YoY in 2022 after decreasing in the last two years. Export volume grew by roughly 55% in 11M2021 to reach 2.0 million tons. Exports' portion in total selling volume also increased fast from 12.5% in 11M2020 to roughly 18.2% in 11M2021. The gross profit margin of construction steel companies may vary as iron ore prices fell sharply while scrap steel prices were flat.

Figure 5: ENF equity portfolio at the end of 01/2022



Source: ENF, Rong Viet Securities

Figure 6: Construction steel export volume (thousand tons)



Source: VSA, Rong Viet Securities

**Sector's valuation (at 01/31/2022)**

|                    | %1M    | %3M    | %YTD   | Basic P/E | P/B | ROE     | ROA   | Dividend yield (%) | PBT growth (YoY, %) | EPS growth (YoY, %) |
|--------------------|--------|--------|--------|-----------|-----|---------|-------|--------------------|---------------------|---------------------|
| Oil & Gas          | 4.4%   | 2.0%   | 4.4%   | 17.4      | 2.0 | 13.0%   | 6.6%  | 4.0%               | 7.5%                | -32.0%              |
| Basic Materials    | -12.8% | -20.3% | -12.8% | 9.5       | 2.0 | 25.9%   | 13.0% | 2.6%               | -325.0%             | 210.3%              |
| Industrials        | -4.8%  | 1.9%   | -4.8%  | 22.8      | 2.5 | 11.3%   | 6.1%  | 3.1%               | -44.4%              | 60.7%               |
| Consumer Goods     | -6.3%  | -3.1%  | -6.3%  | 18.6      | 3.1 | 21.3%   | 11.6% | 2.5%               | -53.7%              | 30.2%               |
| Health Care        | -8.2%  | -3.0%  | -8.2%  | 18.2      | 2.0 | 14.1%   | 10.1% | 3.2%               | 50.6%               | 31.6%               |
| Consumer Services  | -4.5%  | -3.1%  | -4.5%  | n/a       | 4.1 | -120.2% | 1.9%  | 3.6%               | 13.1%               | 10.4%               |
| Telecommunications | -7.4%  | -20.7% | -7.4%  | 2,222.1   | 3.2 | 1.8%    | 0.2%  | 1.5%               | -37.1%              | 16.0%               |
| Utilities          | 5.1%   | -2.1%  | 5.1%   | 15.7      | 2.1 | 14.7%   | 10.0% | 3.8%               | -142.7%             | 140.9%              |
| Financials         | -6.1%  | 2.8%   | -6.1%  | 21.1      | 3.0 | 15.1%   | 6.4%  | 2.5%               | 68.9%               | 56.7%               |
| Banks              | 8.5%   | 16.9%  | 8.5%   | 14.1      | 2.4 | 18.4%   | 1.7%  | 0.0%               | 20.4%               | 12.3%               |
| Technology         | -6.1%  | -7.7%  | -6.1%  | 20.1      | 3.1 | 18.3%   | 7.7%  | 1.2%               | 82.2%               | 86.2%               |

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.

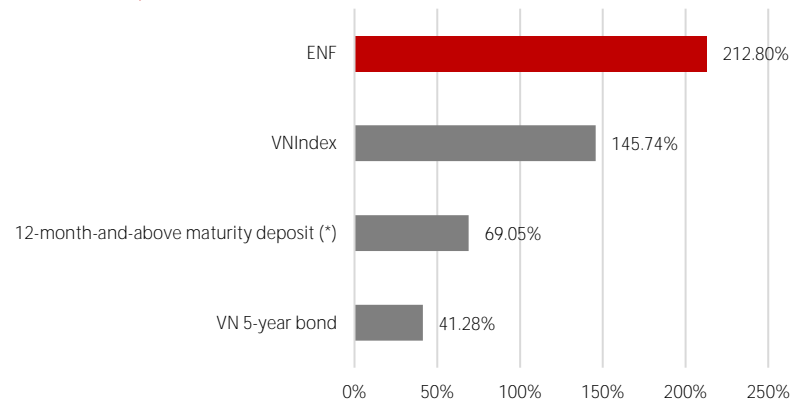
Actively navigate the market through dynamic asset allocation to provide participation in equity upside when stock markets are performing well, while having a softening effect when stock markets are not performing well.

**Fund details**

|                            |                     |                        |           |
|----------------------------|---------------------|------------------------|-----------|
| Supervisor Bank            | HSBC (Vietnam) Ltd. | Max. Investment        | No limit  |
| Total NAV                  | VND 213.9 billion   | Min. Balance           | 100 units |
| Min. Initial Investment    | VND 2,000,000       | Min. Redemption        | 100 units |
| Min. Subsequent Investment | VND 1,000,000       | Fund dealing frequency | Weekly    |

Source: EIFMC

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



Source: EIFMC, Rong Viet Securities

**Fund fees & charges**

|   |                                    |
|---|------------------------------------|
| Subscription fee                                    | Up to 3%                           |
| Annual management fee                               | 1.5% per annum of total NAV        |
| Custodian, Supervisory, Transfer Agent & other fees | Up to 0.25% per annum of total NAV |

Source: EIFMC

**Commentary**

Since inception until January 31<sup>st</sup> 2022, 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 (-7.2%) than those of the VNIndex (-45.3% and -11.8% respectively) in the same period. In 2021, the ENF Fund increased by 35.8%, slightly higher than the rise of the stock market (35.7%). After 1M2022, the ENF fund lost its momentum and fell -1.7%, while the stock market was down by -1.3%. We expect the stock portfolio focusing on Banking and Real Estate - two main pillars of the economy, and growth sectors – IT and Manufacturing, to help the Fund maintain its long-term outperformance of the stock market.

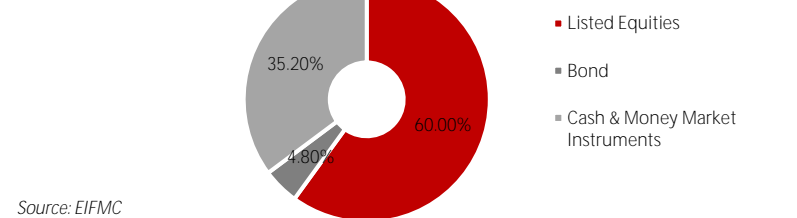
**Cumulative return of ENF and other assets (%) (\*\*)**

| Since ENF inception | ENF     | VNIndex | VN 5-year bond | 12-month-and-above maturity deposit (*) |
|---------------------|---------|---------|----------------|---|
| Cumulative return   | 212.80% | 145.74% | 41.28%         | 69.05%                                  |
| Annual return       | 15.61%  | 12.12%  | 4.49%          | 6.91%                                   |

Source: EIFMC, Rong Viet Securities



**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/<br>Assets | PRUlink<br>Vietnam<br>Equity Fund | PRUlink<br>Growth Fund | PRUlink<br>Balance<br>Fund | PRUlink<br>Stable Fund | PRUlink<br>Bond Fund | PRUlink<br>Presever<br>Fund | 3-month<br>maturity deposit<br>interest | 12-month-and-<br>above maturity<br>deposit interest | Five-year<br>Vietnam<br>government<br>bond return | VNIndex |
|-----------------|-----------------------------------|------------------------|----------------------------|------------------------|----------------------|-----------------------------|---|---|---|---------|
| 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%  |
| 2021            | 40.22%                            | 28.62%                 | 20.78%                     | 13.22%                 | 2.75%                | 4.18%                       | 3.39%                                   | 6.18%   | 1.17%   | 34.61%  |
| 1M2022          | -0.97%                            | -0.56%                 | -0.27%                     | 0.04%                  | 0.51%                | 0.30%                       | 0.28%                                   | 0.44%   | 0.07%   | -1.02%  |

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 2021 and 1M2022 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 2017 to 2021, cumulative net returns of all funds have increased sharply, in a range of 26.4% and 154.6%. Of which PRUlink Vietnam Equity Fund had the highest growth with accumulated net return of 154.6%, followed by the PRUlink Growth Fund with cumulative net return of 123.7%.
- The PRUlink Bond Fund recorded the best results after 1M2022 with 0.51%, followed by the PRUlink Preserver Fund (0.30%) and PRUlink Stable Fund (0.04%). The PRUlink Vietnam Equity Fund (-0.97%) slightly outperformed the Vietnamese stock market (VNIndex, -1.02%).

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