

This newsletter is solely for information which is periodically issued by RongViet Securities Corporation for existing and potential investors of funds under management of Eastspring Investments Fund Management Limited Liability Company (EIFMC). **July NEWSLETTER 2023** Data as of June 30th, 2023

Macroeconomy commentary:

- In June, the hawkish sentiment in monetary policy management signaled a peak in the near future based on economic data. In the US, inflation continued to drop sharply, the FED stopped raising interest rates after 10 consecutive increases helping S&P500 had strongest monthly move YTD. However, the FED then gave a hint that they did not rule out the possibility of two more rate hikes in the year to stabilize the expectations of the economy. In Europe, despite facing recession results in 1Q2023, central banks including (ECB, BoA, Norway, Switzerland) continued to raise interest rates to maintain pressure on high inflation, which is on a downward trend. Commitment to ultra-loose monetary policy, while other major central banks hinted at tightening, combining with attractive valuation helped Japanese stock market keep climbing up for the second month in a row. Whereas Chinese stocks soared after PBOC reduced the medium-term lending facility rate, it retreated later on, admitting concerns over a lack of stimulus measures and a weaker than expected economic outlook.
- In the first half of 2023, Vietnam's economy faced sluggish growth amidst challenging circumstances. However, there were notable positive developments to consider. The manufacturing sector performed better than expected, contributing to a higher-than-estimated economic growth of 4.14% YoY in Q2. Additionally, the construction sector experienced significant improvement, while wholesale and retail services maintained a solid growth rate of 9.0%. Retail sales of goods and services also saw a notable increase of 10.9% in 1H2023. Furthermore, interest rates declined, inflation remained stable, and there were positive signs of recovery in gross fixed capital formation. Despite these positive aspects, the second half of the year poses challenges, as industrial production, and retail sales show signs of decline. There is also a risk of dong devaluation due to widening interest rate differentials and external factors. However, there is optimism for improved growth in the second half of 2023, supported by factors such as increased business and consumer confidence, accelerated public investment, and a favorable low base in Q4/2022. Overall, Vietnam's economy navigates both positive and challenging dynamics, with expectations for a stronger performance in the coming months.

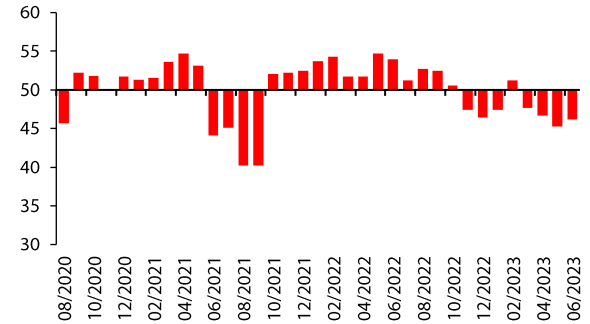
June market recap:

- In June, VN Index gained by 4.19% and closed at 1,120.18. Breakdowns further, the VNDMID (5.63%) and VN30 (5.33%) took lead in lifting the VN Index, while momentum of VNSMALL slowed down with a gain of 2.03% compared to the previous month.
- Foreign investors net sold modestly with an amount of VND 364 billion (USD 15.29 million). and made their YTD net position fall below selling zone to -VND 308 billion (USD 12.94 million).
- Redemption pressure from both local and foreign ETFs still outweighed the creating baskets of shares as the net flow through ETFs channel was -USD 5.6 million.
- Among the GICS-based sectors, there were nine sectors that had positive returns, in which 5/10 sector outperformed VN Index. Material (+16.53%) was the top leader of the month, while Utilities (-1.78%) was the laggard, contributing the most to the loss of VN Index.

FPT – 5M2023 Results Update

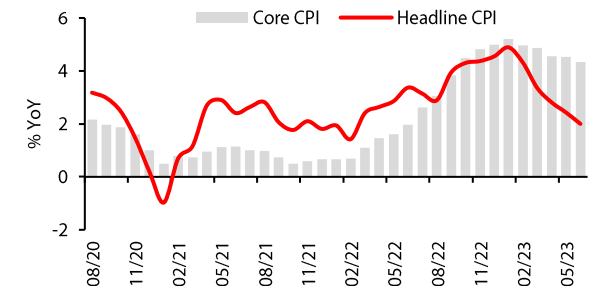
- Regarding the global IT service segment, revenue grew by +32% YoY, accompanied by a +29% YoY increase in PBT. The demand for digital transformation in Japan remained strong, resulting in a +41% YoY market growth

Figure 1: Vietnam PMI



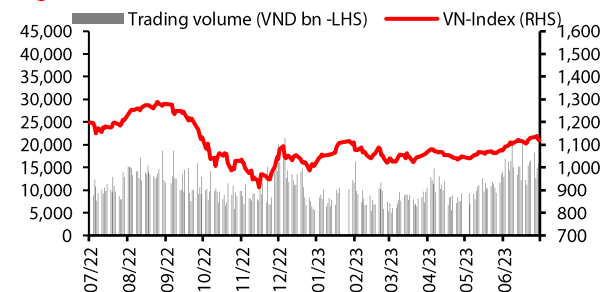
Source: Bloomberg, RongViet Securities

Figure 2: Vietnam CPI



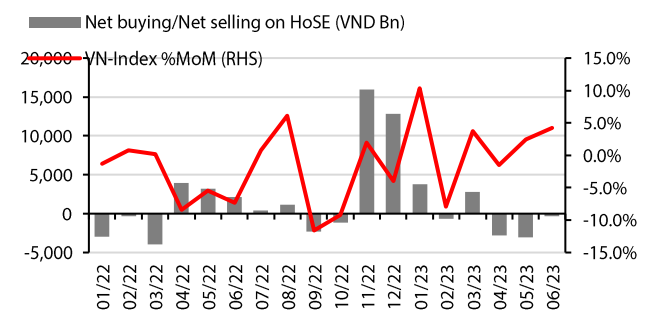
Source: Bloomberg, RongViet Securities

Figure 3: VN-Index's chart



Source: Bloomberg, RongViet Securities

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

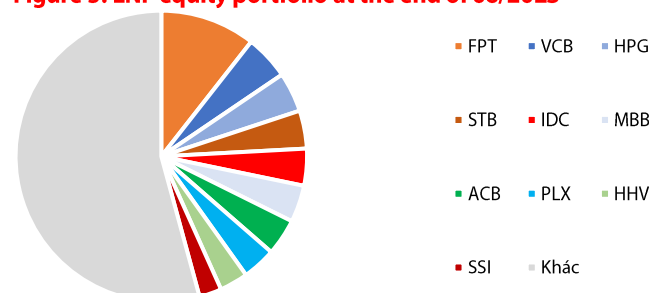


Source: Fiinpro, RongViet Securities

in 5M-2023. The Japanese and APAC markets performed well (+50% YoY), offsetting slower growth in the US market (+15% YoY). DX revenue grew by 38% YoY, representing 42% of software outsourcing revenue.

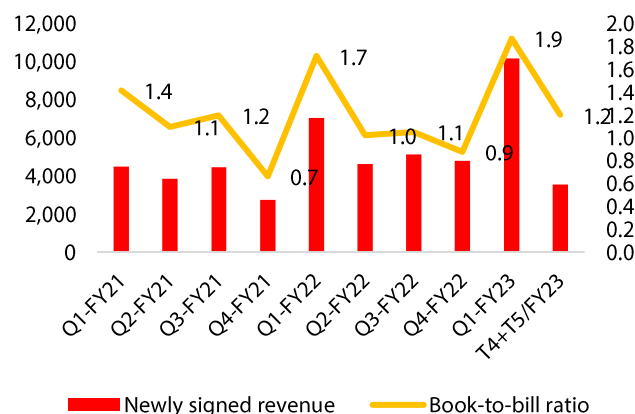
- Newly signed revenue experienced resilient growth of +35% YoY, indicating healthy demand for Global IT services. The book-to-bill ratio reached 1.5x in 5M 2023. The PBT margin for this segment was 16.2% in 5M-2023, slightly down by 30 bps YoY.
- Regarding the domestic IT service, The Telecom sector saw moderate revenue and profit growth of 10% YoY and 6% YoY, respectively. This is expected as the fixed broadband market nears saturation. Vietnam's FTTH fixed broadband and Internet penetration rates surpassed those of developing countries, reaching 77.1% and 78.59% respectively by June 2023.
- Pay TV and B2B Telecom services drove revenue growth with double-digit increases. Pay TV benefited from subscriptions and advertising, while leased lines and DC services supported the B2B Telecom segment.
- The EBT margin for 5M-2023 declined by 70 bps YoY to 19.5% due to high investment costs for acquiring broadcasting rights. However, the sector's EBT margin improved in the first two months of Q2-2023, reaching 20.2% compared to 19.1% in Q1-2023.

Figure 5: ENF equity portfolio at the end of 06/2023



Source: ENF, RongViet Securities

Figure 6: Book-to-bill ratio of Global IT services remains positive.



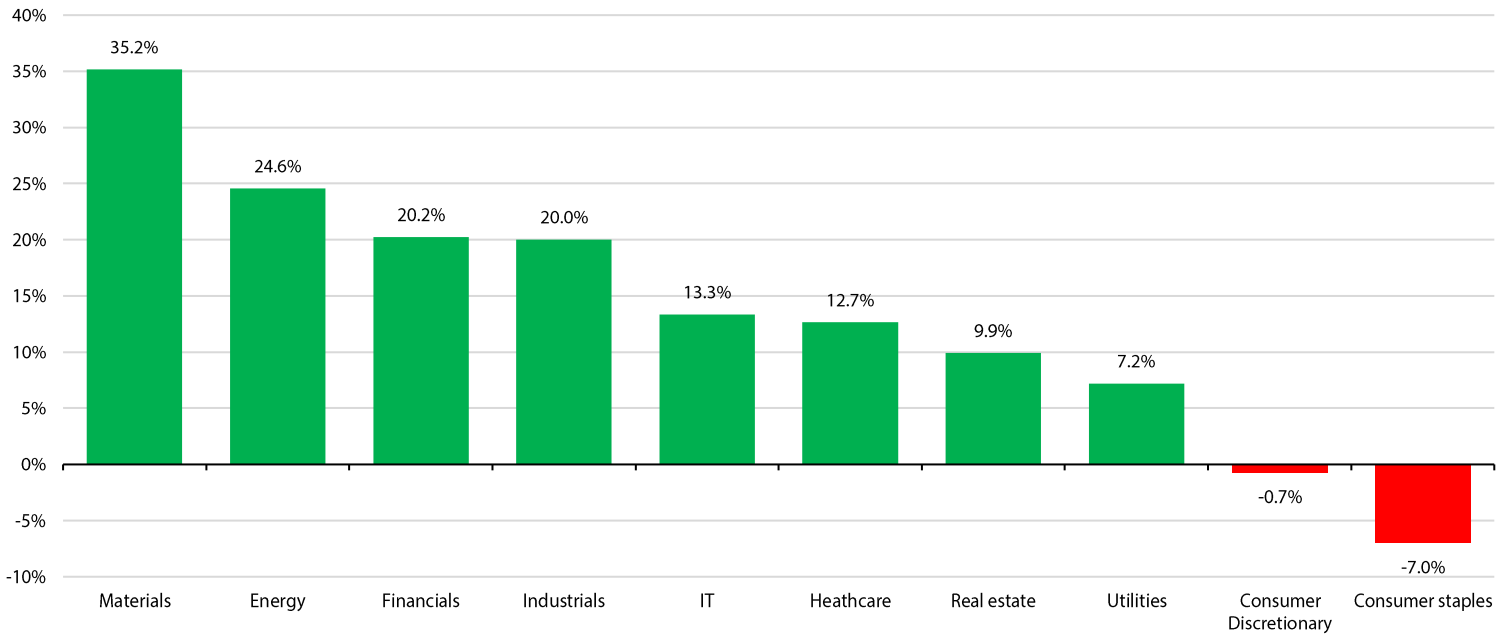
Source: FPT, RongViet Securities

Sector's valuation (at 6/30/2023)

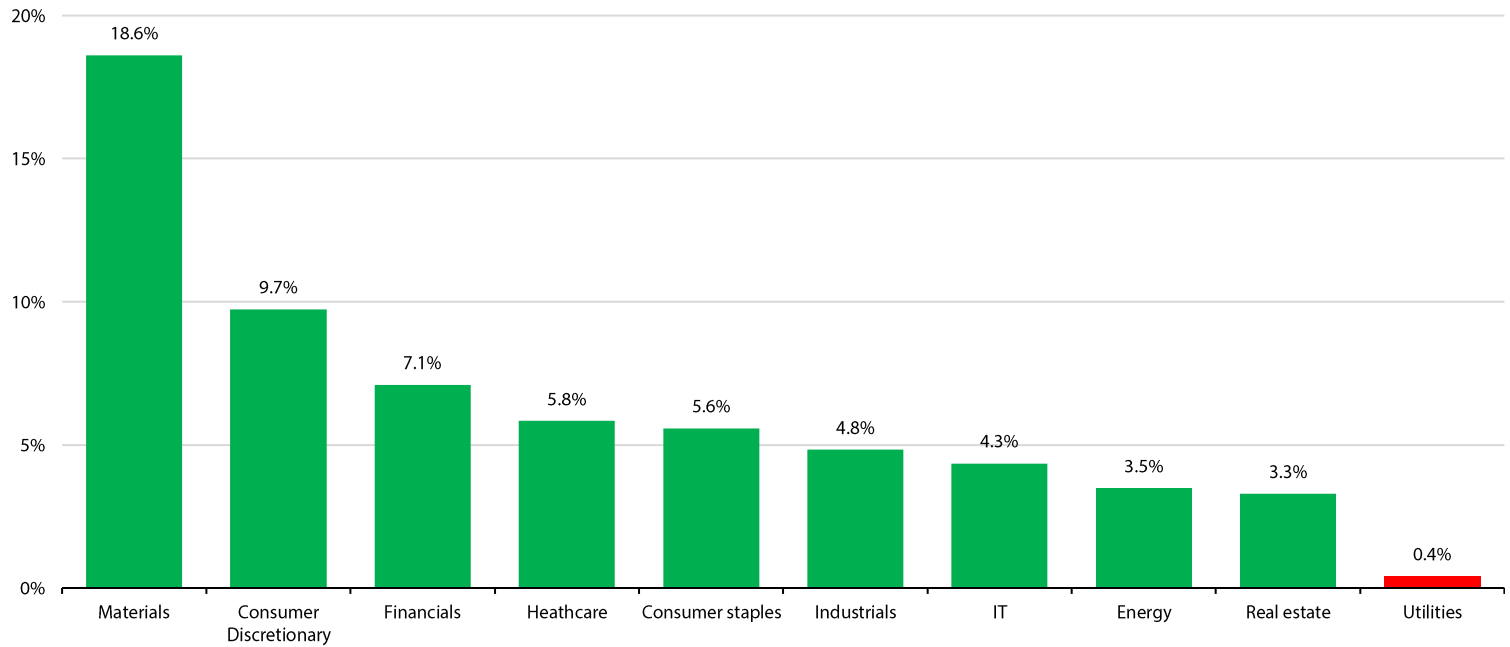
	%1M	%3M	%YTD	Basic P/E	P/B	ROE	ROA	Dividend yield (%)	PBT growth (YoY, %)	EPS growth (YoY, %)
Oil & Gas	0.90%	10.56%	-21.39%	8.39	1.22	13.93%	8.06%	4.76%	-15.83%	8.15%
Basic Materials	11.31%	20.33%	-34.79%	23.65	1.31	8.00%	5.81%	8.07%	-22.35%	24.56%
Industrials	2.63%	8.08%	-22.78%	15.56	1.71	14.38%	9.02%	5.91%	-215.49%	67.30%
Consumer Goods	2.60%	-0.79%	-23.62%	18.58	2.30	16.92%	10.37%	4.43%	-66.77%	40.35%
Health Care	9.96%	21.08%	-4.68%	14.03	1.71	18.33%	13.39%	4.09%	-16.45%	40.67%
Consumer Services	3.40%	7.46%	-28.78%	0.00	3.41	5.08%	0.78%	4.64%	146.02%	170.38%
Telecommunications	1.71%	10.96%	-25.37%	29.83	2.38	8.83%	2.76%	0.00%	-11.37%	-14.70%
Utilities	1.12%	0.49%	-3.32%	11.70	1.78	19.99%	12.70%	4.15%	44.60%	25.85%
Financials	1.96%	6.26%	-43.97%	16.48	1.55	11.37%	4.25%	3.80%	83.70%	28.15%
Banks	5.04%	5.40%	-8.64%	8.91	1.56	19.30%	1.72%	0.00%	459.32%	-3.53%
Technology	2.65%	9.19%	2.72%	18.03	3.08	24.10%	9.51%	3.53%	-1.75%	-6.88%

Source: Fiinpro, RongViet Securities

Bloomberg's sector performance - 2023



Bloomberg's sector performance - June 2023



Source: Bloomberg, RongViet Securities

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

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

Investment objective

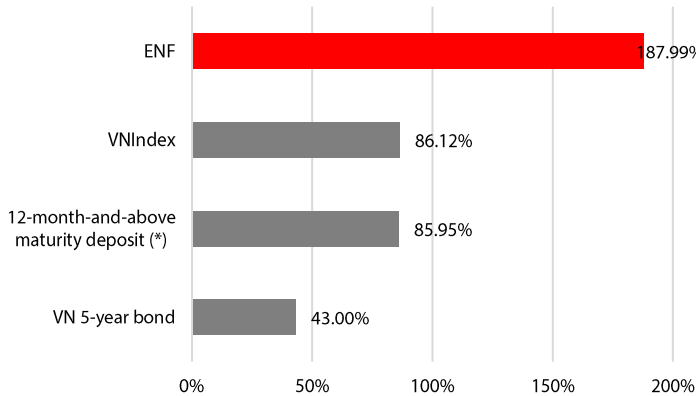
The objective of the Navigator Fund is to deliver capital appreciation through exposure to multiple asset classes, including equity, bond, and bank deposit. Actively navigate the market through dynamic asset allocation to provide participation in equity upside when stock markets are performing well,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

Fund details

Inception date	25 March 2014	Trading confirmation	Weekly Monday & Thursday (T+1)
Total NAV	VND 197.1 bn	Payment to investors	T+3
Trading frequency	Weekly Wednesday & Friday (T Day)	Min. Investment	VND 1,000,000
Cut off time	Before 10.30AM on Tuesday & Thursday	Supervisory Bank	HSBC (Vietnam) Ltd

Source: EIFMC

Cumulative performance of ENF vs other assets ()**



Source: EIFMC, RongViet Securities

Fund fees & charges

Subscription fee	Up to 3% (determined by the distributors)
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

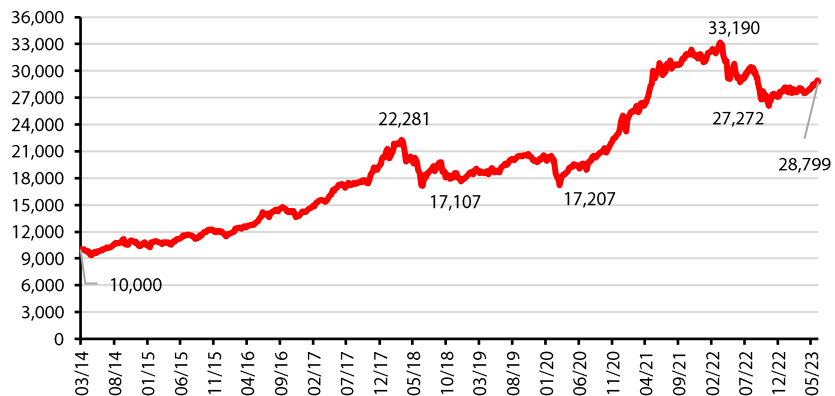
Commentary

Since inception until June 30th, 2023, 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 (VN-Index excluding dividends). The Fund also has lower maximum drawdown (-23.2%) and average drawdown (-8.7%) than the VN-Index (-45.3% and -13.5% respectively). In 2022, the ENF Fund decreased by 14.69%, significantly lower than stock market (32.8%). After 6M2023, the ENF fund increased by 6.12%, while the stock market increases by 11.23%. We expect the Fund's selective and diversified stock portfolio, including the top enterprises of technology, retail, industrial, and consumer sectors, to help the Fund continue to grow stably.

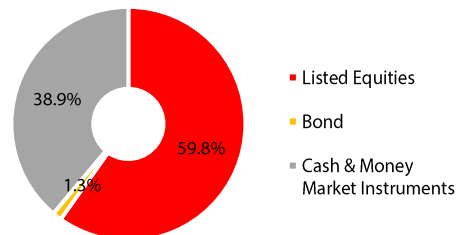
Cumulative return of ENF and other assets (%) ()**

Since ENF inception	ENF	VN-Index	VN 5-year bond	12-month-and-above maturity deposit (*)
Cumulative return	187.99%	86.12%	43.00%	85.95%
Annual return	12.09%	6.93%	3.93%	6.92%

Source: EIFMC, RongViet Securities



Asset Allocation



Source: EIFMC

(*) Calculating data before March 2021 uses an 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 Preserver Fund	3-month maturity deposit interest	12-month-and- above maturity deposit interest	Five-year Vietnam government bond return	VN-Index
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	39.96%	28.54%	20.81%	13.34%	2.98%	4.19%	3.39%	6.20%	1.17%	35.73%
2022	-23.77%	-17.58%	-13.29%	-8.93%	-1.99%	4.82%	3.73%	5.74%	0.86%	-32.78%
6M2023	8.67%	10.76%	12.18%	13.63%	15.85%	3.45%	2.72%	4.59%	2.34%	11.50%

Source: EIFMC, RongViet 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 6M2023 has not been audited and provided by EIFMC and RongViet 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 RongViet 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 2018 to 2022, cumulative net returns of all funds have increased sharply, in a range of 23.71% and 31.3%. Of which PRUlink Balance Fund had the highest growth with accumulated net return of 31.3%, followed by the PRUlink Stable Fund with cumulative net return of 31.16%.
- The PRUlink Vietnam Bond Fund recorded the best results after 6M2023 with 15.85%, followed by the PRUlink Stable Fund (13.63%) and PRUlink Balance Fund (12.18%). The PRUlink Vietnam Equity Fund (8.67%), PRUlink Preserver Fund (3.45%), PRUlink Growth Fund (10.76%) has a lower performance than Vietnamese stock market's performance (VN-Index, 11.5%) in the same period.

DISTRIBUTORS

SSI Securities Corporation

(SSI)

Tel: (84-28) 3824 2897

KIS Vietnam Securities Corporation

(KIS)

Tel: (84-28) 3914 8585

RongViet Securities Corporation

(VDSC)

Tel: (84-28) 6299 2006

Vietcombank Securities Company

Limited (VCBS)

Tel: (84-24) 3936 6426

VNDIRECT Securities Joint Stock

Company (VNDS)

Tel: (84-24) 3972 4568

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Tel: (84-24) 3935 2722

Viet Capital Securities Joint Stock

Company (VCSC)

Tel: (84-28) 3914 3588

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