

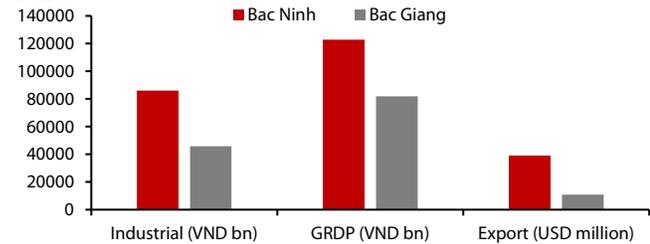
**Macroeconomy commentary:**

- It seems like the 1.50 EURUSD is a long way behind. Back in 2009, the Euro was seen as a next to a nothing currency. Pundits and skeptics of the new European currency were numerous, including Nobel Economics Laureate Milton Friedman. However, the Euro is still around, because the US dollar is not what it used to be. The US dollar has not gone anywhere even though US stocks are at record high. Maybe long US hedge funds have arbitrated their long US \$ positions into Euro and Asian currencies.
- There are early signs of the pandemic's impact on manufacturing activities in Bac Giang and Bac Ninh. Among the two provinces most affected by the latest outbreak, Bac Giang is home to 13 Samsung suppliers and Apple's partners, while Samsung has significant operations in Bac Ninh. In May 2021, the suspension of operations in four industrial zones has caused Bac Giang's industrial production to fall -40.9% MoM and -33.3% YoY. As Samsung's complex remained its normal operation, Bac Ninh's industrial production only fell -2.2% MoM, but still rose +31.7% YoY.
- According to GSO, Vietnam's industrial production continued to expand in May 2021 with an increase of +1.6% MoM and +11.6% YoY despite of the complicated development of the pandemic across the country. Vietnam's exports were estimated at US\$26bn in May 2021, down -2.1% MoM but increased +35.6% YoY. It can be seen that export activities have not affected by the latest outbreak yet, but the prolonged interruption will inevitably impact Vietnam's export activities, in our view.
- Due to the low base in the same period of last year, industrial production grew +9.9% YoY in 5M2021 vs. +1.0% YoY in 5M2020. According to IHS Markit, Vietnam's manufacturing activities continued to expand in May 2021 but at a slower pace than previous months. Because of negative impact of the outbreak on labor force and strict prevention measures, enterprises may find it difficult to resume their operations quickly. In our view, the latest outbreak will continue to impede growth in the manufacturing sector during Jun 2021.

**Market commentary: New highs**

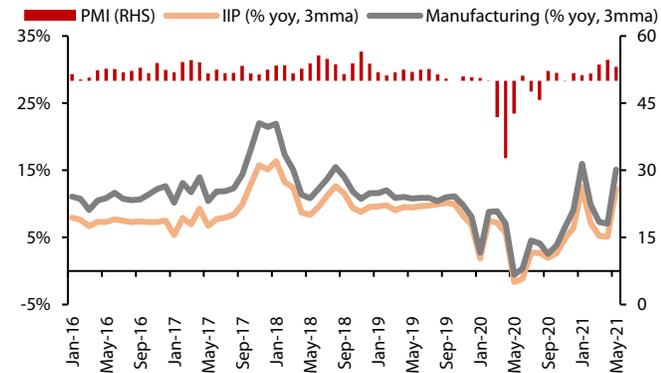
- The VN Index edged up +7.15% MoM to finish at 1328.05, outperforming other indices such as the SET (+0.66%), KOSPI (+1.78%), S&P 500 (+0.55%).
- The average liquidity in HOSE via matching orders was VND 20.5 trillion (+22.2% MoM). The VN30 accounted for 61% of that, recorded a strong surge of 33.2% MoM.
- In May, foreign investors remained as net seller on HOSE. In terms of matching-order transactions, total net value increased to VND 11.2 trillion (+160% MoM), mainly at VN30 stocks (accounting for 92% of the VN Index net selling value). Local institutional investors became net buyers with net purchased value of nearly VND 525 billion after four months as net sellers. Proprietary traders were also net buyers of VND 484 billion.
- Foreign ETFs recorded mixed outcomes as FTSE Vietnam ETF and KIM ETF experienced net outflow value of USD 39.4 Mn and USD 14.0 Mn, respectively. VNM ETF was inactive while Fubon ETF went through a net inflow of USD 0.3 Mn. Domestic ETFs also had mixed outcomes. E1VFN30 recorded net outflow of USD 6.4 Mn while FUEVFVND experienced net added value of USD 2.0 Mn.
- Financials and IT were top two sectors with +24.5% and +20.1% MoM returns, respectively. The Financials sector was driven by banking and securities stocks while

**Figure 1: Economic indicators of Bac Ninh and Bac Giang in 2020**



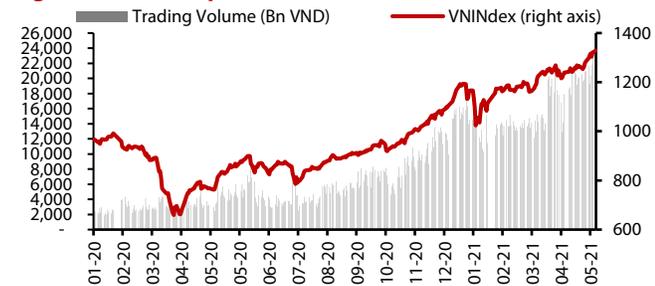
Source: GSO, Rong Viet Securities, Industrial, GRDP: at 2010 constant price

**Figure 2: Performance of manufacturing activities (% YoY)**



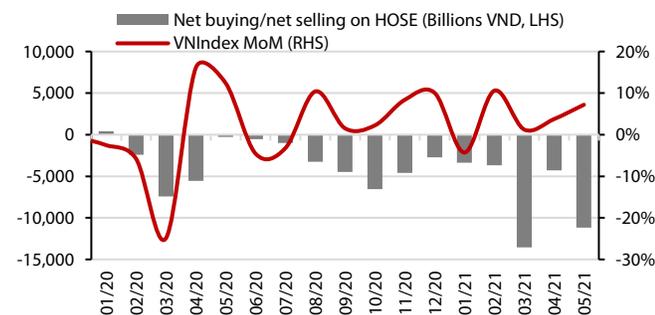
Source: GSO, Rong Viet Securities

**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**



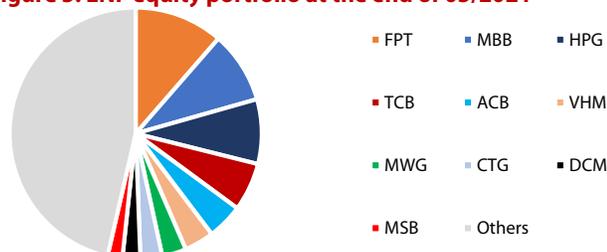
Source: Fiiipro, Rong Viet Securities

FPT (+21%) uplifted the IT sector. Materials also went up +19.5% MoM backed by HSG (+40%), HPG (+28%). The ENF fund maintained a significant portion of equity portfolio in those leading sectors. Particularly, the fund maintained FPT and HPG among its top five equity holdings. Besides, increasing number of banking stocks with the appearance of MSB (+27%) in top 10 equity holdings will help the ENF Fund gain more benefits from this rising sector with robust earnings growth. We expect the private banks to continue beating the expectation in the following months as resilient credit expansion and widened NIM will drive profit, thus, maintaining the momentum of the ENF Fund's active return.

### Banking sector: Private banks are expected to maintain strong credit growth in 2Q2021

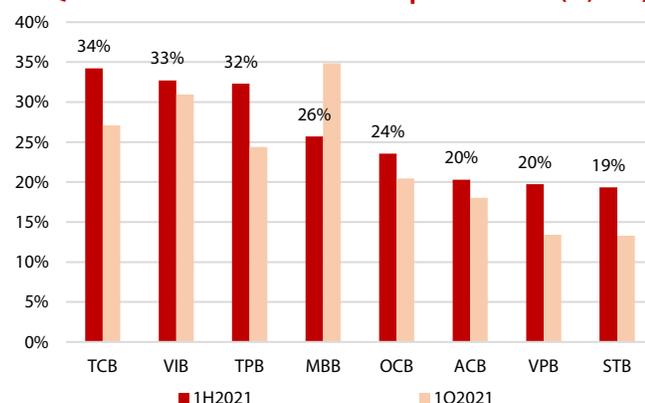
- Several private banks were reported to reach the credit quota shortly after the end of 1Q2021. We think the growth is attributed to a resilient economic recovery and favorable real estate market.
- Given the strong growth at private banks in 5M2021 and moderate credit expansion of the economy (+4.67% YTD), the laggards were expected to be state-owned banks. We expect the capacity to enhance LDR to be the constraint.
- Based on the timing of the result coming out last year, we expect a lift in quota in the upcoming quarter. We project that private banks will achieve robust credit growth in 2Q2021, due to hitting credit ceiling long before the end of quarter.

**Figure 5: ENF equity portfolio at the end of 05/2021**



Source: ENF, Rong Viet Securities

**Figure 6: Credit growth in 1Q21 and expected credit growth in 2Q21 based on credit limit of some private banks (% YoY)**



Source: Rong Viet Securities

### Sector's valuation (at 31/05/2021)

	%1M	%3M	%YTD	Basic P/E	P/B	ROE	ROA	Dividend yield (%)	PBT growth (YoY, %)	EPS growth (YoY, %)
Oil & Gas	10.6%	7.5%	21.9%	25.0	1.7	8.7%	3.8%	4.7%	-43.3%	-2.9%
Basic Materials	14.8%	26.6%	33.4%	15.6	2.3	20.4%	9.6%	7.2%	47.1%	98.6%
Industrials	-0.8%	-1.7%	-1.0%	18.0	1.9	10.8%	6.3%	6.9%	-32.2%	43.6%
Consumer Goods	1.1%	-0.7%	0.1%	19.7	3.2	20.5%	12.6%	6.5%	-54.2%	37.5%
Health Care	3.4%	5.6%	6.0%	16.8	2.0	14.9%	10.6%	5.6%	88.6%	19.7%
Consumer Services	-4.2%	-1.6%	6.7%	n/a	3.6	-17.7%	2.1%	1.4%	529.7%	120.7%
Telecommunications	-1.6%	-14.0%	0.4%	185.6	3.4	3.1%	0.7%	7.5%	16.4%	23.5%
Utilities	0.6%	-4.2%	-1.2%	14.4	1.8	13.5%	9.3%	4.3%	-186.1%	52.2%
Financials	0.5%	9.8%	22.0%	19.9	2.9	15.8%	5.8%	4.7%	1178.9%	81.3%
Banks	20.1%	34.6%	42.6%	14.8	2.5	18.7%	1.7%	0.0%	217.7%	57.7%
Technology	17.8%	23.7%	54.0%	21.1	3.2	17.8%	8.3%	12.6%	-576.8%	3.9%

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 May 31st, 2021, the ENF Fund has performed better than some other investment channels such as savings deposit channel with 12-months-and-above maturity, five-year Vietnam Government bond, and stocks (VNIndex excluding dividends). In 2020, the ENF Fund increased by 17.1%, higher than the rise of the stock market (14.9%). After 5M2021, the ENF fund maintained its momentum and increased by 25.0%, while the stock market increased by 20.3%. We expect that with a stock portfolio focusing on Banking and Real Estate - two main pillars of the economy, as well as growth sectors - Information Technology and Manufacturing, the ENF Fund will continue to outperform the Vietnamese stock market.

**Fund details**

<b>Supervisor Bank</b>	HSBC (Vietnam) Ltd.	<b>Max. Investment</b>	No limit
<b>Total NAV</b>	VND 198.8 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

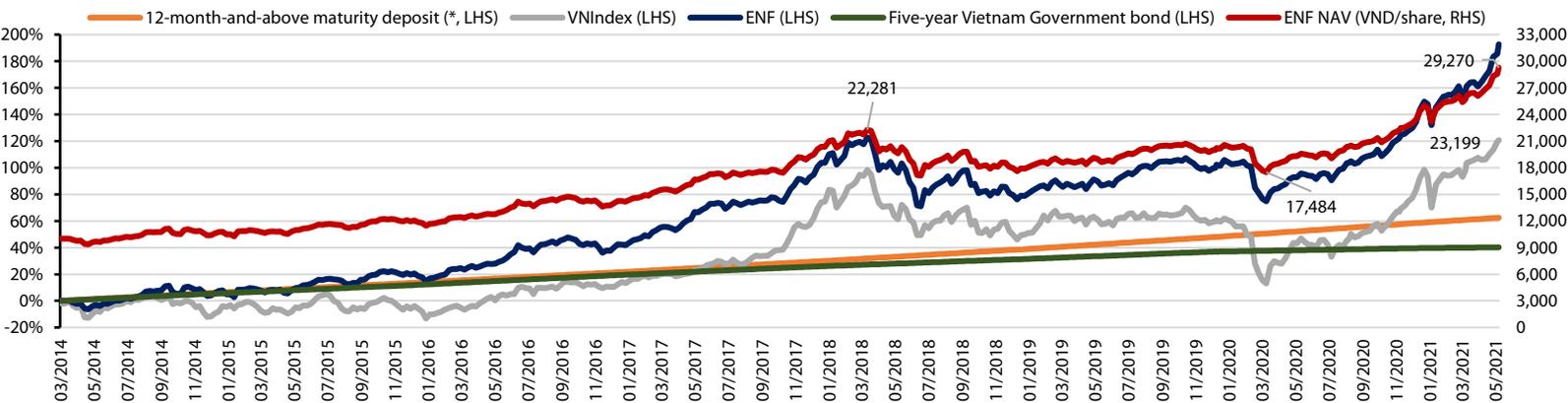
Source: EIFMC

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

	ENF	VNIndex	VN 5-year bond	12-month-and-above maturity deposit (*)
<b>Since ENF inception Cumulative return</b>	192.70%	120.66%	40.22%	62.47%
<b>Annual return</b>	16.11%	11.64%	4.81%	6.98%

Source: EIFMC, Rong Viet Securities

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



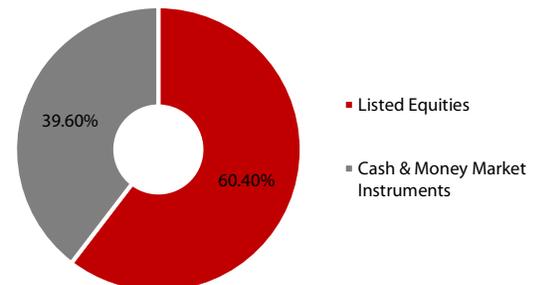
Source: EIFMC, Rong Viet Securities

**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%
5M2021	27.52%	19.41%	13.89%	8.49%	0.88%	1.71%	1.40%	2.56%	0.48%	20.31%

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 5M2021 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 5M2021 with 27.52%, followed by the PRUlink Growth Fund (19.41%) and PRUlink Balance Fund (13.89%). The PRUlink Vietnam Equity Fund (27.52%) also had better performance than the Vietnamese stock market (VNIndex, 20.31%).

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