

Macroeconomy commentary:

- US Stock market sees signs of recovery compared to last month. After the fluctuations in the 10-yr US Treasuries and other major Bond markets, FED starts to dial back bond purchases in November 2021.
- Vietnam’s economic performance has improved since the Covid-19 measures lifted in the beginning of Oct 2021, showing a momentum for recovery. High-frequency data has pointed to a gradual recovery, the manufacturing sector rose by 6.9% MoM. PMI has also seen a strong rebound to 52.1 in Oct, up from the low of 40.2 in Aug and Sep. Likewise, retail sales, while still in the contraction zone, the contraction in Oct has narrowed compared to Sep, declining by -19.5% YoY vs. a decline of -28.4% in Oct.
- So far this year, Vietnam has approved a total of VND 202 trillion (~USD 8.8bn and 2.6% of GDP) of fiscal measures to combat the negative effects of Covid-19. According to Vietnam Social Insurance, as of 01 Nov, 8.34 million workers received assistance from the unemployment insurance fund (UI fund) with over VND 19.8 trillion being disbursed. Collectively, we estimate more than VND 114 trillion (~1.5% GDP) has been disbursed to help the economy combat Covid-19. Regarding to monetary policy, according to the SBV, 16 banks reduced a total of VND 12.2 trillion in interest rates for borrowers affected by the pandemic, equivalent to 59.4% of their commitments during the period of 15 Jul to 30 Sep. In general, the scale of support policies of Vietnam remains modest compared to other countries in the ASEAN region.

Market commentary: New highs

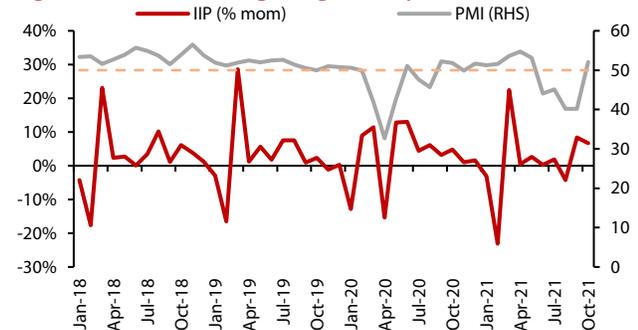
- VN Index ended up +7.6% to close at 1,444.27, which aligned with other indices movement such as SET (1.11%), S&P 500 (6.91%).
- VN30 liquidity improved (+4% MoM), which accounted for 39% of the VN Index liquidity (lower than last month). Similarly, VNMid experienced quite flat liquidity performance with 1% MoM upward movement. Once again, VN Small continuously attracted money flows with liquidity growth of 8% MoM.
- Foreigners remained as net sellers in October with net selling value of VND 6.5 trillion (or USD 290 Mn) via order-matching transaction on HOSE. The selling force of foreign investors continuously focused on HPG (VND -2,177 Bn or USD -95 Mn) and NLG (VND -1,229 Bn or USD -53 Mn).
- Foreign ETFs money flows result was negative as FTSE and VNM ETF recorded net outflows of USD 57.4 Mn and USD 1.0 Mn, respectively. Similarly, Fubon ETF experienced net outflows of USD 6.8 Mn. The mixed outcome happened with domestic ETFs money flows. FUEFVND recorded net outflows of USD 47.6 Mn while E1VFN30 experienced net added value of USD 7.6 Mn.
- Utilities and Industrials were the top two sectors with 16.2% and 15.4% MoM returns, respectively. Real estate also went up 12.1% MoM. Returns from other sectors varied from 1.1% to 11.5%. The banking sector recovered well, supporting the performance of the ENF Fund. However, the Fund’s monthly return (+3.8% MoM) is still lower than VNIndex (+7.6% MoM) due to significant contribution of mid-cap stocks to the index such as DIG (+64% MoM), HDC (+45% MoM), NLG (+38% MoM), and surge of leading Utilities stocks such as GAS (+28% MoM). We expect the money flow to favor large caps soon after the release of 3Q2021 results, which are projected to be impacted heavily by

Figure 1: US G-Bond yields gap (%/year)



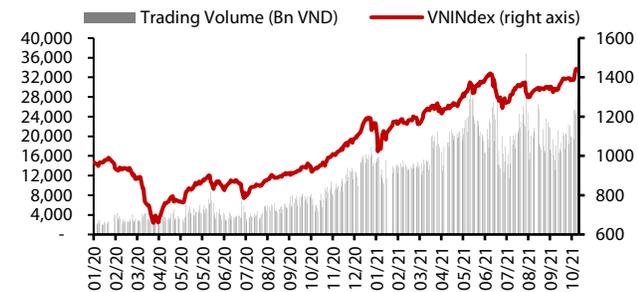
Source: Bloomberg, Rong Viet Securities

Figure 2: Manufacturing has gradually rebounded



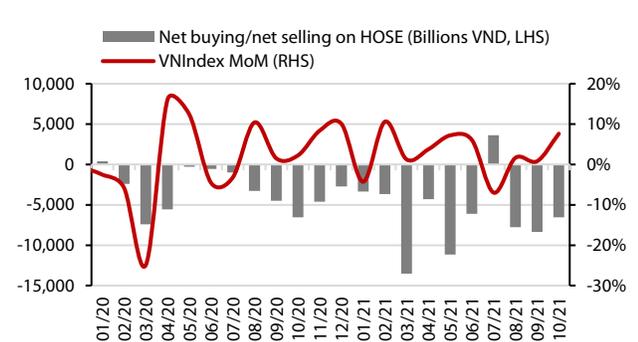
Source: GSO, IHS Markit, Rong Viet Securities

Figure 3: VNIndex performance since 2020



Source: Fiinpro, Rong Viet Securities

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



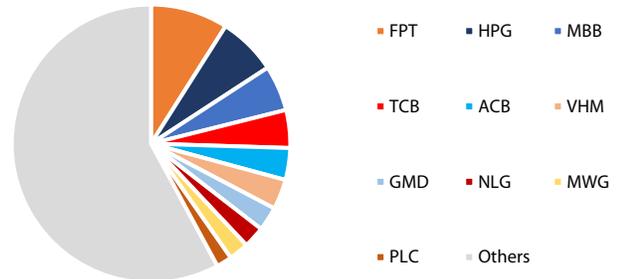
Source: Fiinpro, Rong Viet Securities

Covid-19. By holding a majority of selective and quality large banks and leaders in the Technology and Industrials sectors, we look forward to the Fund outperforming the index in the remaining period of 2021.

Dairy industry: The rural market to lead the growth from FY2022

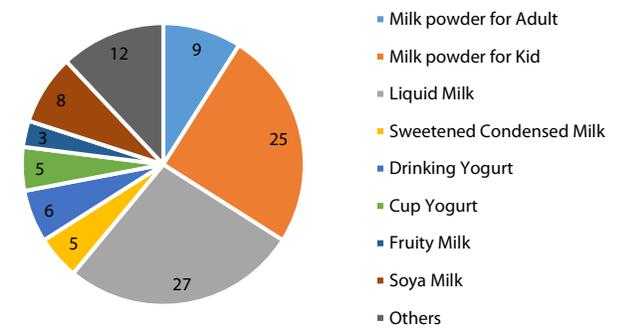
- Spending on FMCG products was challenged in 3Q-FY21 as Southern Vietnam suffered the most severe Covid-19 wave. This led to a surge in demand for essential products, including packaged food and dairy products. Shippers stopped working and the military was put in charge of transporting essential goods from minimarkets to households. This reduced significantly customer traffic at minimarkets and limited peoples' choices.
- Per Kanta Worldpanel, spending value of dairy products grew 13% and 14% in the urban and rural areas, respectively, which we attribute to the change in consumer spending behavior amid social distancing. Product lines with high value growth and low penetration will lead the growth. Consumer's nutrition basket has been stable in terms of categories number. In which, liquid milk and milk powder for kid accounts for 27% and 25% of total spending value in the rural, respectively. However, these product lines show saturation phase when recording 3-year CAGR value growth of 0% and 6% with penetration rate of 73% and 22%, respectively. On the contrary, drinking yogurt & fruity milk showed 3-year CAGR value growth of 19% and the penetration rate of 43% while these products lines are still attribute to less than 10% of total spending value in the rural.

Figure 5: ENF equity portfolio at the end of 10/2021



Source: ENF, Rong Viet Securities

Figure 6: Nutrition value share by categories (%)



Source: Kanta Worldpanel, Rong Viet Securities

Sector's valuation (at 10/31/2021)

	%1M	%3M	%YTD	Basic P/E	P/B	ROE	ROA	Dividend yield (%)	PBT growth (YoY, %)	EPS growth (YoY, %)
Oil & Gas	14.2%	20.5%	49.6%	18.3	2.0	12.8%	6.2%	4.2%	-3.8%	-4.4%
Basic Materials	11.5%	29.2%	72.4%	14.2	2.6	24.1%	11.8%	2.6%	12.4%	30.5%
Industrials	9.3%	25.9%	34.1%	21.9	2.6	11.5%	6.4%	2.5%	-72.2%	60.1%
Consumer Goods	4.4%	10.9%	16.4%	22.7	3.5	18.6%	11.1%	1.4%	-27.3%	38.6%
Health Care	2.3%	12.3%	21.3%	18.3	2.4	14.8%	10.6%	3.9%	59.0%	23.8%
Consumer Services	8.4%	24.0%	40.0%	n/a	5.0	-63.1%	0.9%	1.6%	103.7%	100.7%
Telecommunications	10.2%	22.8%	24.4%	95.8	4.1	4.9%	1.5%	1.3%	228.1%	16.7%
Utilities	14.5%	29.3%	33.2%	18.1	2.4	14.7%	9.6%	4.4%	-147.2%	3.4%
Financials	12.0%	15.7%	42.4%	19.4	3.1	17.4%	7.2%	3.6%	-6.1%	116.0%
Banks	3.2%	-0.2%	32.0%	12.4	2.1	19.1%	1.8%	0.0%	-11.3%	2.4%
Technology	7.6%	12.7%	91.8%	24.0	3.9	17.3%	7.6%	1.1%	49.2%	2.3%

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

Since inception until October 31st 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 (-7.3%) than those of the VNIndex (-45.3% and -11.9% 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 10M2021, the ENF fund maintained its momentum and rose 36.0%, while the stock market gained 30.8%. 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 continue to outperform the stock market.

Fund details

Supervisor Bank	HSBC (Vietnam) Ltd.	Max. Investment	No limit
Total NAV	VND 217.0 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

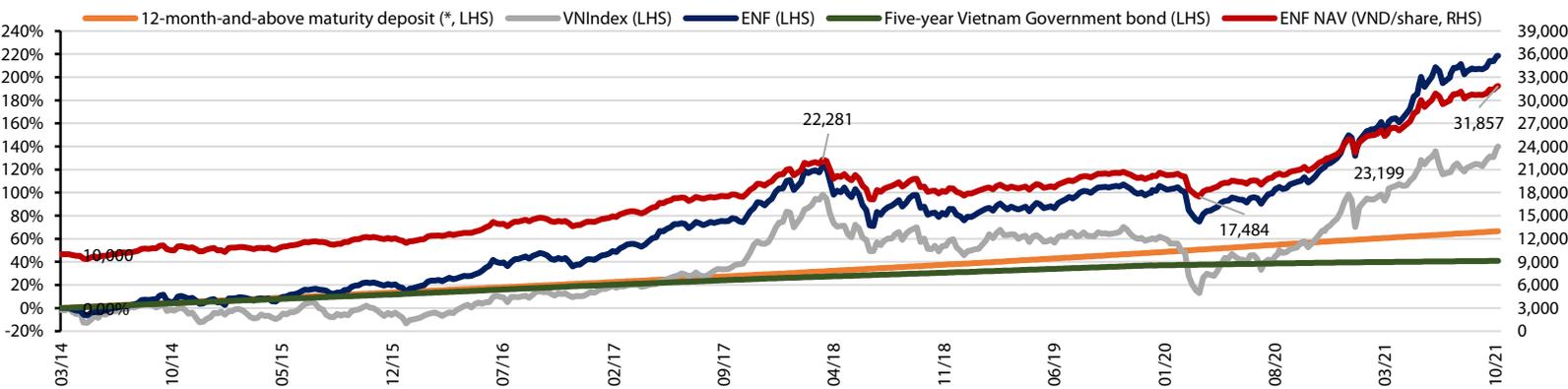
Source: EIFMC

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

	Since ENF inception	ENF	VNIndex	VN 5-year bond	12-month-and-above maturity deposit (*)
Cumulative return		218.57%	139.97%	40.90%	66.58%
Annual return		16.45%	12.19%	4.61%	6.94%

Source: EIFMC, Rong Viet Securities

Cumulative performance of ENF vs other assets ()**



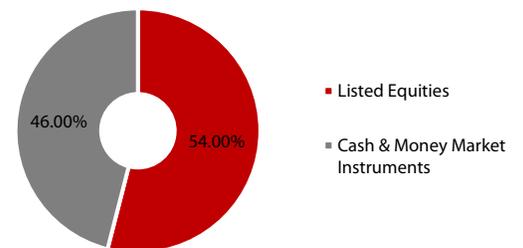
Source: EIFMC, Rong Viet Securities

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

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%
10M2021	37.90%	27.00%	19.62%	12.49%	2.59%	3.32%	2.81%	5.11%	0.96%	30.27%

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 10M2021 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 10M2021 with 37.90%, followed by the PRUlink Growth Fund (27.00%) and PRUlink Balance Fund (19.62%). The PRUlink Vietnam Equity Fund (37.90%) also had better performance than the Vietnamese stock market (VNIndex, 30.27%).

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