

Macroeconomy commentary:

- Stocks wobbled in September as yields on 10-yr US Treasuries and other major Bond markets shot to a three-month high. This was exacerbated by worries from a nasty fight over the fate of a massive US infrastructure spending bill, Europe’s cost-push inflationary pressures and the meltdown of heavily indebted Chinese property developer China Evergrande. Equity market volatility, as represented by the VIX, is rising while the macroeconomic backdrop softens for most major economies. While this does not necessarily mean equity markets will tank per se, it does mean that there is an increased chance of a correction.
- Vietnam’s GDP contracted by 6.2% yoy in 3Q21 (vs. +6.6% in 2Q21) as Covid-19 restrictions significantly hampered economic activities. The agriculture, forestry and fishery sectors registered a positive growth of 1.04% yoy in 3Q21 (vs. 4.01% in 2Q21), while the manufacturing industry contracted by 3.2% yoy in 3Q2. Among subsectors, the biggest contractions occurred in pharmaceutical production (-43.2% yoy), beverage (-27.2%) and transportation equipment (-23.1%). Wholesale and retail trade, accommodation-food services and transport-storage were the hardest-hit sectors.
- The latest support program has not included informal workers, who tended to be more hard-hit by the pandemic but accounted for more than 50% of Vietnam’s labor force. Therefore, we believe that the magnitude of the current social assistance program is unlikely to significantly mitigate the impact of Covid-19 lockdown measures. To support affected businesses, the government is considering an interest rate compensation package of VND 3 trillion, equivalent to a loan balance of about VND 100,000 bn. However, we think this support package is modest compared to the size of total credit (~1% of total outstanding loans) and unlikely to mitigate difficulties for affected businesses and recover domestic demand.

Market commentary: Sideways

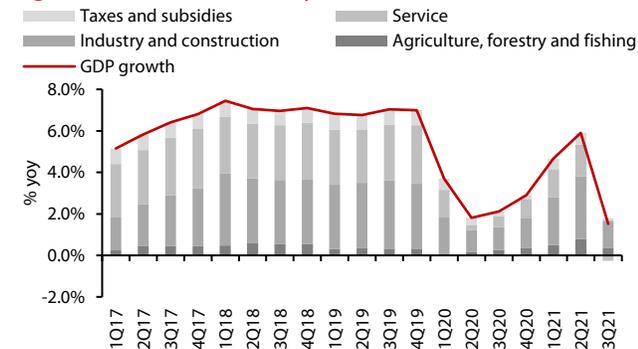
- VN Index ended up +0.56% to close at 1,339.21, outperformed other indices such as SET (-2.02%), S&P 500 (-4.76%).
- VN30 liquidity dropped (-26% MoM), which accounted for 40% of the VN Index liquidity (lower than last month), while VNMid experienced liquidity reduction of 9% MoM. VN Small continuously attracted money flows with liquidity growth of 16% MoM
- Foreigners remained as net sellers in September with net selling value of VND 8.4 trillion (or USD 365 Mn) via order-matching transaction on HOSE. Local institutional investors were net sellers of VND -597 billion (or USD -26 Mn). Meanwhile, Proprietary traders were net buyers of VND 1,418 billion (or USD 62 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. FUEVFVND recorded net outflows of USD 47.6 Mn while E1VFN30 experienced net added value of USD 7.6 Mn.
- Consumer discretionary and Energy were the top two sectors with 11.8% and 8.8% MoM returns, respectively. Materials also went up 5.8% MoM, while Healthcare and Real estate weigh on VN Index with negative return of -9% and -3% MoM, respectively. Returns from other sectors varied from 0.4% to 4.3%. As the ENF Fund holds the leader

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



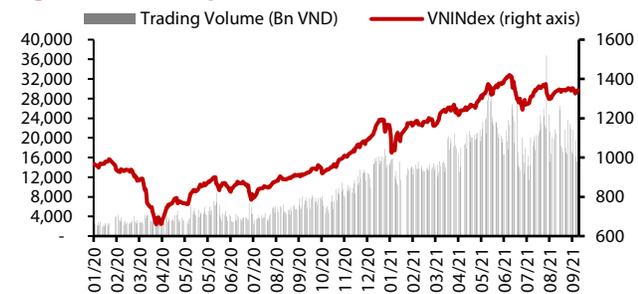
Source: Bloomberg, Rong Viet Securities

Figure 2: GDP breakdown by sector in 9M21



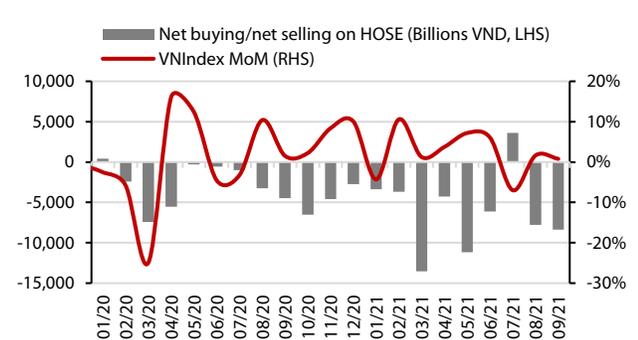
Source: GSO, Rong Viet Securities

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



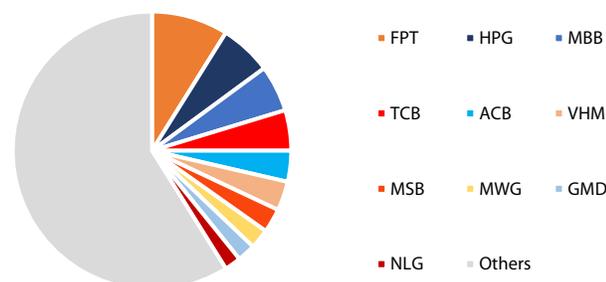
Source: Fiinpro, Rong Viet Securities

in Materials (HPG) and banking stocks stop falling sharply after factoring in the concern about bad debt and restructured loans, the performance in September of the ENF Fund was approximate to that of VN-Index. In the third quarter, the Fund had a better result (+0.0%) compared to the stock market (-4.7%). We maintain our expectation that banking stocks with resilient asset quality and solid balance sheet structure to sustain high NIM will recover in the end of the year, helping the Fund to continue the momentum.

Real estate industry: Awaiting for excitement in a post-Covid-19 period

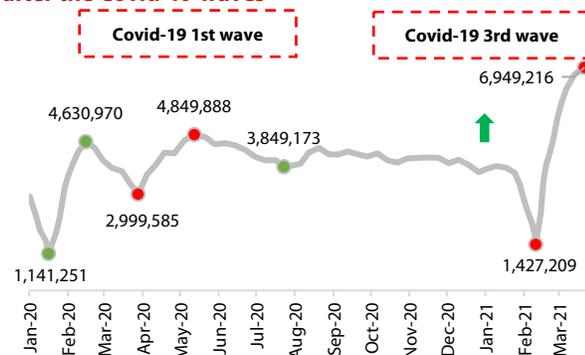
- All real estate segments were hit strongly by Covid-19 on both yearly and monthly basis. The number of posts about real estate products nationwide in August 2021 decreased by 58% MoM while level of interest was down 27% compared to July. The level of interest in August experiencing the strongest drop were apartments (-32% MoM) and private land (-29% MoM). Meanwhile, plummeting demand was obvious as the number of posts to sell dropped significantly for private house (-68% MoM) and private land (-53% MoM). Two key economic hubs, HCMC and Ha Noi witnessed a drop in interest level of -17% and -36% MoM. The price appreciated (+8-9% YoY) in the apartment segment regardless of the inactiveness of the market. Supply shortage is the main reason.
- Market previously recovered quickly in post-Covid period, but the timing is strongly dependent on vaccination progress. In order to bring the offline channel back to normal (e.g., organize the sale launching events as previously), social distancing must be lifted, with the prerequisite is that people are fully vaccinated with two doses. Therefore, the vaccination progress would be one of main factors to determine the reopening of offline sale activities.

Figure 5: ENF equity portfolio at the end of 09/2021



Source: ENF, Rong Viet Securities

Figure 6: Level of interest (measured by views) picked up after the Covid-19 waves



Source: Batdongsan.com, Rong Viet Securities

Sector's valuation (at 30/09/2021)

	%1M	%3M	%YTD	Basic P/E	P/B	ROE	ROA	Dividend yield (%)	PBT growth (YoY, %)	EPS growth (YoY, %)
Oil & Gas	7.5%	-5.1%	31.0%	16.5	1.7	12.7%	6.2%	4.2%	21.7%	19.2%
Basic Materials	4.9%	9.3%	54.5%	13.3	2.5	24.1%	11.6%	2.8%	-46.7%	47.6%
Industrials	2.0%	12.1%	22.7%	20.0	2.4	11.6%	6.7%	2.6%	-37.3%	58.0%
Consumer Goods	3.8%	7.4%	11.5%	21.0	3.4	19.8%	11.9%	1.4%	-29.3%	29.5%
Health Care	-9.7%	6.9%	18.6%	18.3	2.4	14.6%	10.3%	4.2%	80.2%	25.3%
Consumer Services	9.3%	14.4%	29.1%	n/a	4.6	-74.1%	0.9%	1.5%	103.6%	10.8%
Telecommunications	6.1%	5.1%	12.9%	89.8	3.7	5.7%	1.9%	1.3%	229.8%	14.9%
Utilities	6.3%	10.5%	16.4%	16.0	2.2	14.3%	9.4%	4.5%	-98.7%	12.3%
Financials	-1.5%	-4.9%	27.1%	18.2	2.9	17.4%	6.8%	4.5%	7.9%	121.3%
Banks	0.0%	-13.1%	27.9%	12.4	2.2	19.3%	1.8%	0.0%	24.2%	37.0%
Technology	3.1%	10.7%	78.3%	23.2	3.7	17.4%	7.8%	1.1%	124.4%	9.7%

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 September 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 (-7.3%) than those of the VNIndex (-45.3% and -12.0% 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 9M2021, the ENF fund maintained its momentum and rose 31.0%, while the stock market gained 21.6%. 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 209.0 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

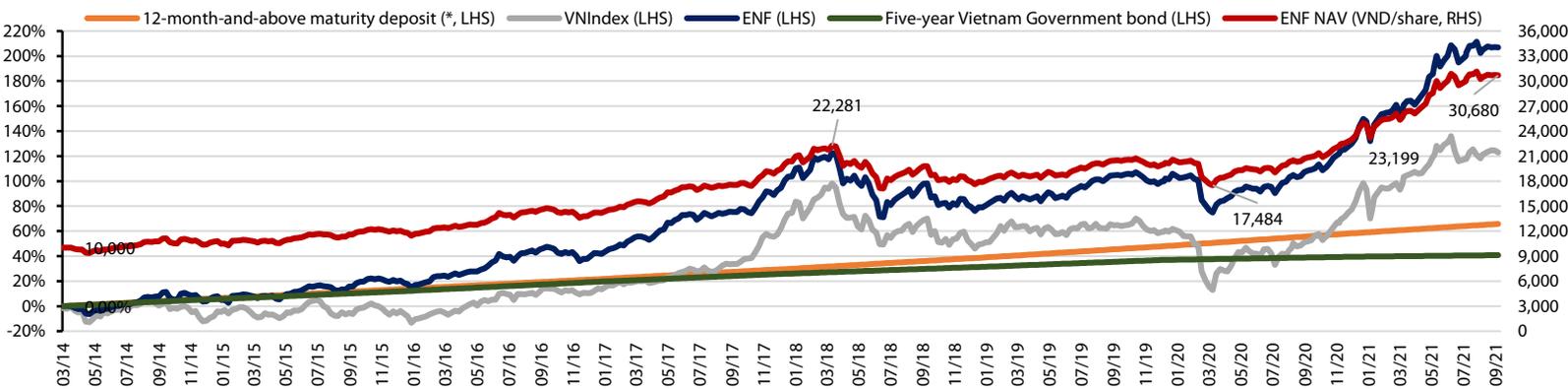
Source: EIFMC

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

	Since ENF inception	ENF	VNIndex	VN 5-year bond	12-month-and-above maturity deposit (*)
Cumulative return		206.80%	122.99%	40.76%	65.75%
Annual return		16.07%	11.25%	4.65%	6.95%

Source: EIFMC, Rong Viet Securities

Cumulative performance of ENF vs other assets ()**



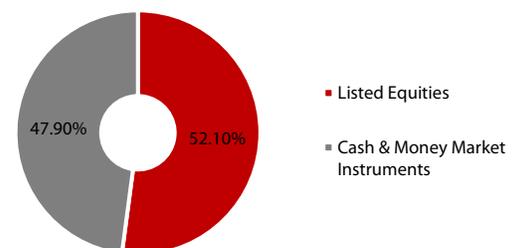
Source: EIFMC, Rong Viet Securities

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%
9M2021	33.43%	23.60%	16.93%	10.46%	1.43%	3.01%	2.52%	4.64%	0.88%	21.58%

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 9M2021 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 9M2021 with 33.43%, followed by the PRUlink Growth Fund (23.60%) and PRUlink Balance Fund (16.93%). The PRUlink Vietnam Equity Fund (33.43%) also had better performance than the Vietnamese stock market (VNIndex, 21.58%).

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