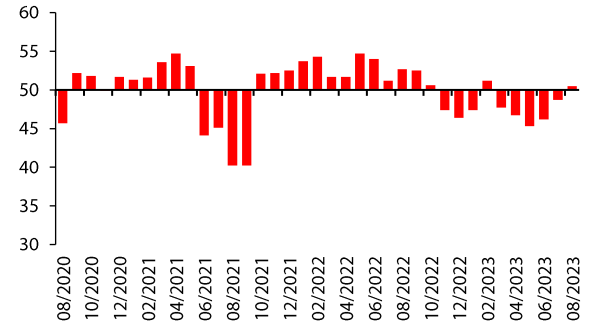


**Macroeconomy commentary:**

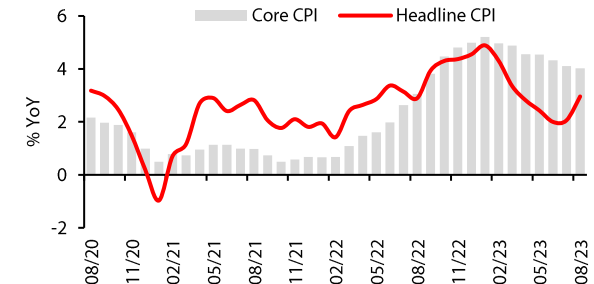
- In August, inflation was the highest increase in 18 months. The main reason is the sharp increase in food and gasoline prices, increasing by 3.28% and 3.85%, respectively. While general inflation increased sharply, core inflation tended to cool down but remained high. This rise in prices was attributed to supply. In the crude oil market, the extension of production cuts by OPEC+ and the fact that Russia is the driving force in China's crude oil demand continuously increasing and currently at the highest level in 2 years despite concerns about economic growth prospects. In general, the rice and grain markets were led by expectations of the adverse effects of the El Nino phenomenon, along with India's ban on rice exports and Russia's withdrawal from the Black Sea grain deal. These factors will hardly change in the short term, leading to more pressure on global and Vietnam's inflation in the last quarter of the year. In the current context, it is still believed that the inflation control target 2023 at 4.5% is still feasible.
- Economic growth in Q3/2023 is estimated to reach 4.5%. The manufacturing sector activities were more positive than in the previous quarter, as new orders, export orders, and output improved for the first time after a long period of decline, according to S&P Global. However, this recovery is still relatively slow. The industrial production index in August continued to record higher growth than the previous month, increasing by 2.87% over July and 2.62% over the same period, respectively. Specifically, industries with high growth are manufacturing machinery, equipment, motor vehicles, electronic products, computers, food and beverage processing, chemical production, rubber, metal and beds, cabinets, tables, and chairs. On the other hand, export industries such as textiles, seafood, electronics, and wood have yet to recover in production index. Contrasted to the positive growth of manufacturing and industrial sector, the growth rate of the retail sector gradually decreased in the third quarter. The positive point is that the decline pace has slowed down thanks to the effects of expansionary fiscal and monetary policies. Overall, industrial production was better than in the first half of the year, while retail growth slowed moderately. Based on the industrial output and retail activities trend in the last two months, economic growth in Q3 could reach 4.5%, higher than the 4.1% increase in Q2. Cumulatively, for the first three quarters of the year, economic growth is estimated at 4.0%. Risks in the forecast will tilt to the upside if economic activities in September are more favorable than expected.
- Deposit interest rates continued to decline sharply in August in the context of slow credit growth. In August, deposit interest rates for terms of state-owned banks decreased by 30-50 basis points, while private banks decreased by more than 50-100 basis points. Since the beginning of the year, deposit interest rates have decreased by 150-250 basis points, and thus have fallen deeper than the reduction in regulatory interest rates of the SBV. At the same time, credit growth was relatively low in the first two months of Q3, after declining in July, credit recovered in August. As of August 24, 23, credit is estimated to increase by 5.03%. Although credit is usually weak in the early third quarter, this year's developments show that credit demand is still fragile. The sharp drop of interest rates in August will trigger a further decrease in lending rates, helping improve credit growth in the coming months. In a nutshell, with deposit interest rates falling sharply in August, credit recovering in the context of system liquidity not being under too much pressure in September, and inflation rising again, it will not be necessary for the SBV further to reduce regulatory interest rates in Q3/2023.

**Figure 1: Vietnam PMI**



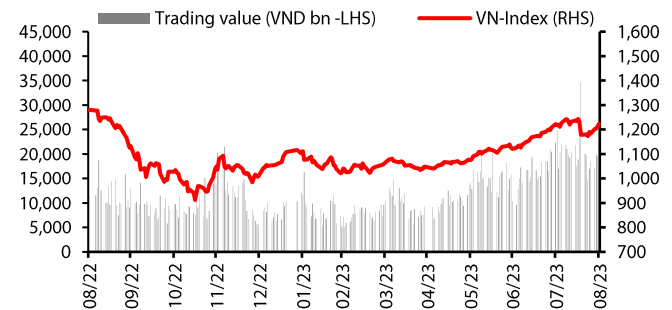
Source: Bloomberg, RongViet Securities

**Figure 2: Vietnam CPI**



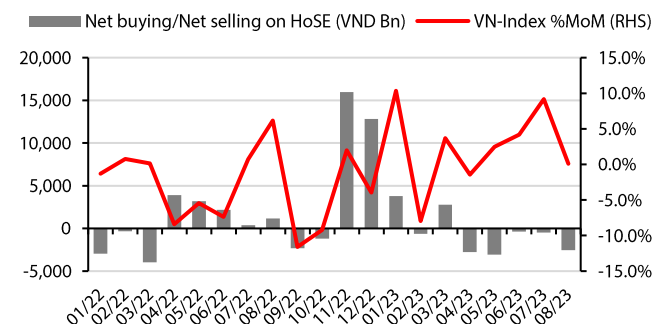
Source: Bloomberg, RongViet Securities

**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

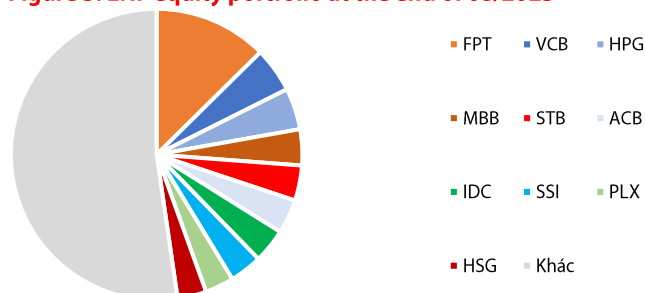
**August market recap:**

- In August, VN Index recovered all losses and closed in green at 1.222 or gained by +0.09% Breakdowns further, the VNDMID (+6.43%) made a spectacular move to beat other when market wide start bottoming out. VNSMALL (+1.06%) and VN30 (+0.3%) had modest gains but still outperformed the main index.
- Foreign investors's turnover accelerated with an amount of VND 511 billion, most of the trade was selling. The monthly net position was -VND 2,550 billion (USD 106 million) and made their YTD net position deepen further to -VND 3,325 billion (USD 138.3 million). Real Estate and Automobiles & Parts were their favored industries.
- The capital inflow/outflow through ETFs channel continued to witness significant redemption pressure from both domestic and foreign funds in August, with a net withdrawal of USD161 million. In which, KIM VN30 ETF (-USD 41 million), Fubon ETF (-USD 53 million), and DCFVMVN30 ETF (-USD 37.5 million) were notable names.
- Among the GICS-based sectors, there were five sectors that had positive returns and outperformed the VN Index. Tech (+12.64%) witnessed the best monthly gain in the year, leading all sectors and caught up closely to Material (+0.46%) YTD performance. The tech giant FPT (+14.29%) leading the tech sector.

**VNM - Expect a double-digit NPAT growth YoY in Q4 2023**

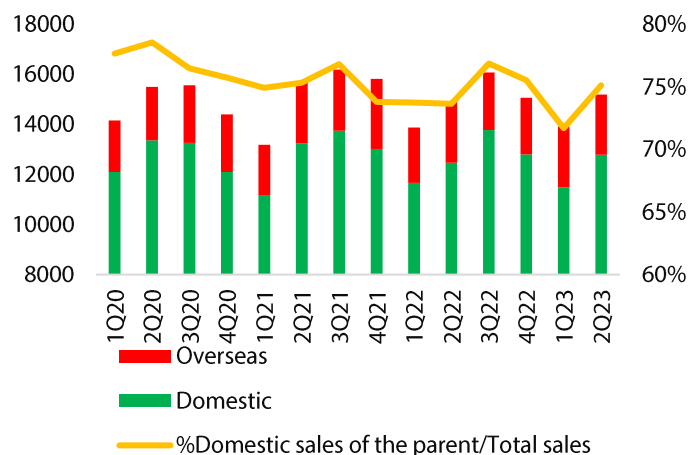
- Q2 2023 sales and net profit reached VND15,195 bn (+9.2% QoQ; +1.8% YoY) and VND2,198 bn (+18.4% QoQ; +5.5% YoY), respectively. The domestic market is the growth driver. Net profit rose at a higher pace than revenue, encouraged by 1) The downward trend of imported raw milk powder prices: In Q2 2023, VNM put low-priced imported milk powder into production. Meanwhile, it also benefited from higher ASP which was revised up in 2H2022; 2) SG&A optimization: In the context of implementing various sales campaigns, VNM kept the SG&A/sales ratio stable between Q1 & Q2 2023; 3) Rising financial income: Under the rising interest rate environment, VNM 's financial income surged owing to abundant bank deposit. By the end of Jun 2023, VNM's total bank deposits hit a record at VND19,882 bn – higher than the number of VND17,414 bn by the end of 2022.
- Assuming that prices of imported raw milk powder tends to decrease under low demand from China, the gross sales margin is expected to see an upward trend between Q3 and Q4 2023. Together with the low base of Q4 2022, Q4 2023 net profit is forecasted to present high double-digit growth YoY.

**Figure 5: ENF equity portfolio at the end of 08/2023**



Source: ENF, RongViet Securities

**Figure 6: Sales breakdown (VND bn, LHS) and contribution of parent 's domestic sales (% , RHS)**



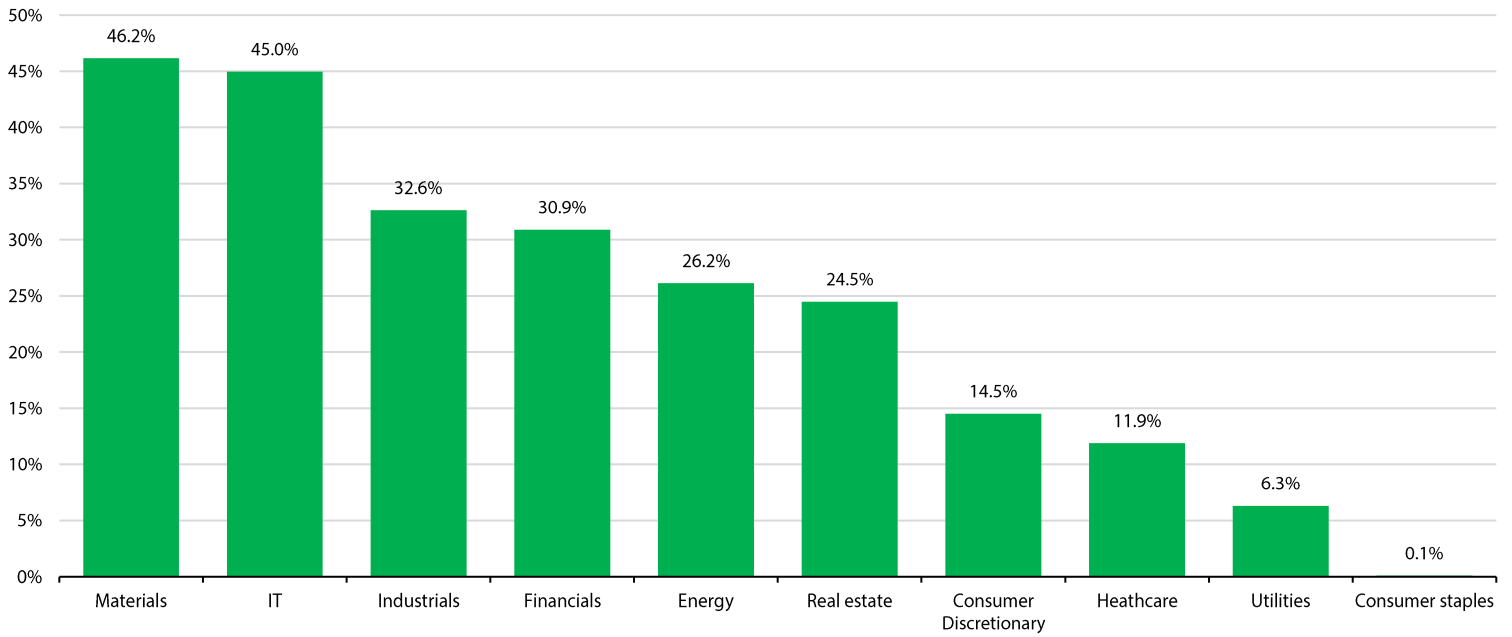
Source: VCB, RongViet Securities

**Sector's valuation (at 8/31/2023)**

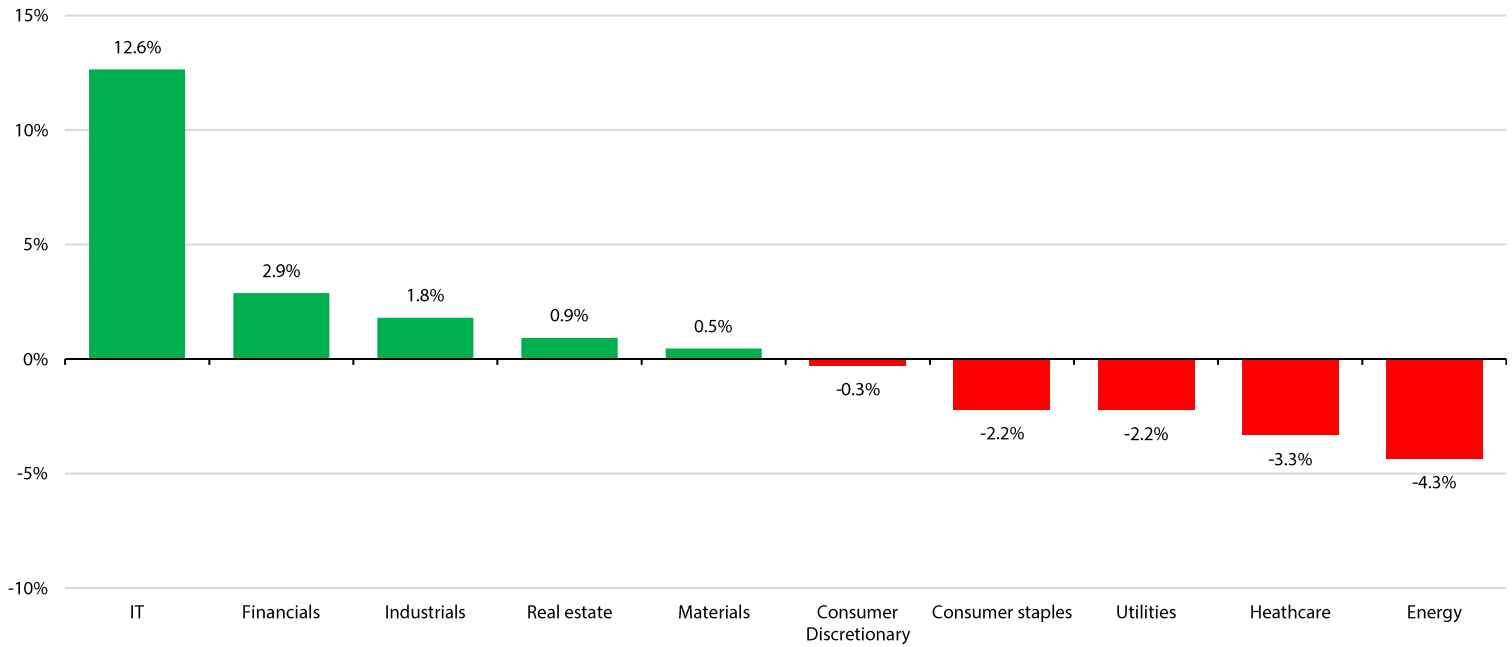
	%1M	%3M	%YTD	Basic P/E	P/B	ROE	ROA	Dividend yield (%)	PBT growth (YoY, %)	EPS growth (YoY, %)
Oil & Gas	-0.96%	9.93%	40.02%	16.43	1.32	8.68%	4.40%	4.35%	40.53%	121.55%
Basic Materials	-0.20%	21.63%	40.09%	54.64	1.43	5.46%	4.38%	6.68%	-6.38%	22.67%
Industrials	-0.71%	8.21%	13.55%	17.24	1.76	13.65%	8.79%	5.99%	-71.33%	66.07%
Consumer Goods	1.40%	11.99%	5.39%	21.40	2.46	15.72%	9.86%	2.87%	120.98%	21.45%
Health Care	-2.49%	8.19%	18.25%	13.02	1.66	18.51%	13.42%	3.75%	-559.22%	32.89%
Consumer Services	3.94%	16.32%	21.38%	0.00	3.92	2.71%	0.57%	14.18%	-97.97%	112.48%
Telecommunications	-3.86%	8.55%	26.86%	129.95	2.62	1.39%	-0.64%	8.07%	10.49%	-1.94%
Utilities	-0.34%	7.04%	9.54%	12.95	1.83	17.28%	11.42%	4.80%	-256.68%	28.33%
Financials	1.42%	15.55%	25.28%	16.96	1.73	10.95%	4.36%	3.88%	19.67%	38.97%
Banks	0.31%	12.63%	26.19%	9.59	1.62	18.60%	1.66%	0.00%	-8.42%	-10.34%
Technology	12.82%	32.71%	44.09%	22.42	3.74	23.96%	9.61%	1.04%	24.75%	-18.05%

Source: Fiinpro, RongViet Securitie

**Bloomberg's sector performance - 2023**



**Bloomberg's sector performance - August 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.

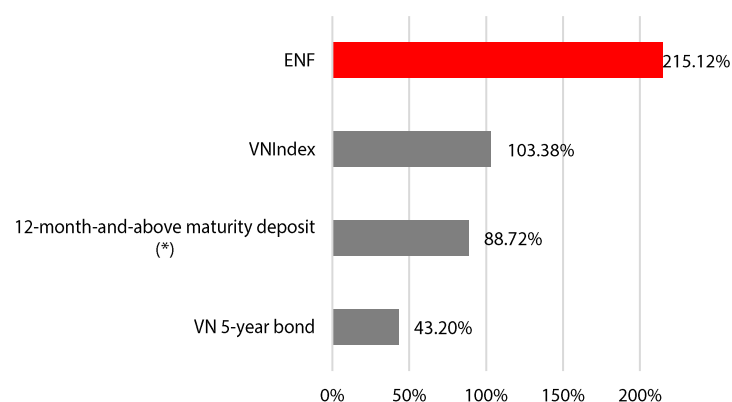
Actively navigate the market through dynamic asset allocation to provide participation in equity upside when stock markets are performing well, while having a softening effect when stock markets are not performing well.

**Fund details**

<b>Inception date</b>	25 March 2014	<b>Trading confirmation</b>	Weekly Monday & Thursday (T+1)
<b>Total NAV</b>	VND 214.9 bn	<b>Payment to investors</b>	T+3
<b>Trading frequency</b>	Weekly Wednesday & Friday (T Day)	<b>Min. Investment</b>	VND 1,000,000
<b>Cut off time</b>	Before 10.30AM on Tuesday & Thursday	<b>Supervisory Bank</b>	HSBC (Vietnam) Ltd

Source: EIFMC

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



Source: EIFMC, RongViet Securities

**Fund fees & charges**

<b>Subscription fee</b>	Up to 3% (determined by the distributors)
<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

**Commentary**

Since inception until August 31<sup>st</sup>, 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 -13.7% respectively). In 2022, the ENF Fund decreased by 14.69%, significantly lower than stock market (32.8%). After 8M2023, the ENF fund increased by 16.11%. 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.

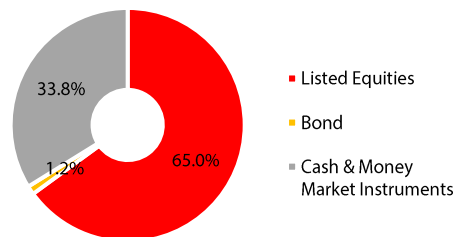
**Cumulative return of ENF and other assets (%) (\*\*)**

Since ENF inception	ENF	VN-Index	VN 5-year bond	12-month-and-above maturity deposit (*)
<b>Cumulative return</b>	215.12%	103.38%	43.20%	88.72%
<b>Annual return</b>	12.93%	7.81%	3.88%	6.96%

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
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%
8M2023	15.46%	16.04%	16.37%	16.70%	17.29%	4.66%	3.42%	6.17%	3.15%	21.28%

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 8M2023 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 8M2023 with 17.29%, followed by the PRUlink Stable Fund (16.7%) and PRUlink Balance Fund (16.04%). The PRUlink Vietnam Equity Fund (15.46%), PRUlink Growth Fund (16.04%) has a lower performance than Vietnamese stock market's performance (VN-Index, 21.28%) 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

**Bank for Investment & Development**

**Securities Joint Stock Company (BSC)**

Tel: (84-24) 3935 2722

**Viet Capital Securities Joint Stock**

**Company (VCSC)**

Tel: (84-28) 3914 3588

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