

Macroeconomics

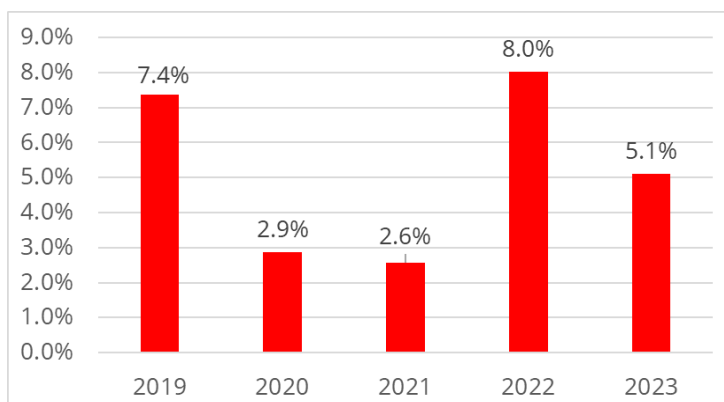
Global Macroeconomics

- ▶ **US inflation** in December increased to 3.4% over the same period, higher than 3.1% in November. Thus, US inflation has increased again after 2 consecutive months of decline. However, compared to December 2022, this index decreased by 3.1%, from 6.5% to 3.4%.
- ▶ **The US Federal Reserve (FED)** decided not to raise interest rates at the mid-December meeting and held at 5.25% - 5.50%, this is the third consecutive time the FED has kept interest rates unchanged in recent meetings.
- ▶ **The manufacturing PMI index of the US and European countries** did not have a significant improvement in December. Specifically, the US manufacturing PMI decreased to 47.9 from 49.4 in November. Europe's manufacturing PMI decreased to 47.9 in November. Europe still remains low despite increasing from 44.2 in November to 44.4. This data shows that production activities in the US and Europe still face challenges.

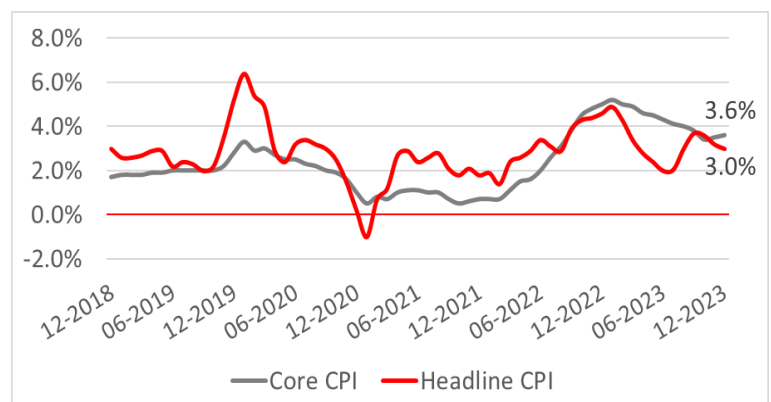
Vietnam Macroeconomics

- ▶ **GDP growth in 2023** reached 5.1%. Of which, the agriculture, forestry and fishery sector increased by 3.8%, contributed 8.8%; The industrial and construction sector increased by 3.7%, contributed 28.9%; The service sector increased by 6.8%, contributed 62.3%.
- ▶ **Retail sales of goods and services** were estimated at 565.8 trillion VND in December, increased 2.6% compared to November and 9.3% yoy. In 2023, total retail sales of goods and service are estimated to reach 6,231.8 trillion VND, an increase of 9.6% yoy.
- ▶ **Exports** are estimated to increase by 5.7% compared to November and by 13.1% yoy. Imports are estimated to record an improvement, increasing by 12.3% yoy. The trade balance is estimated to record a record trade surplus of 28 billion USD for the whole year 2023, while the previous year's trade surplus value only reached 12.4 billion USD.
- ▶ **Consumer price index (CPI)** increased by 0.12% in December compared to November and increased by 3.6% yoy. The average CPI in 2023 increased by 3.3% and was significantly lower than the Government's target of 4.5%.
- ▶ **FDI capital** continued to be a bright spot when registered capital of foreign investors reached nearly 36.6 billion USD, up 32.1% yoy. At the same time, disbursed FDI capital is estimated at 23.2 billion USD, up 3.5% yoy and this is the highest disbursement level in the past 5 years.
- ▶ **Purchasing Managers' Index (PMI)** increased to 48.9 in December, up from 47.3 in November. With this result, the index showed that business conditions of Vietnamese manufacturers are still facing certain challenges.

2023 GDP Growth rate



2023 Inflation



Source: General Statistics Office of Vietnam, Bloomberg.

Stock Market

Market Overview

- VN-Index** experienced a significant recovery in December, closing at 1,129.9 points (+3.3% last month and +12.2% compared to the beginning of the year) with liquidity decreased by 7.8% compared to November. Information Technology, Consumer Staples, Industrials and Materials industry groups increased have seen significant growth, supporting market recovery.
- The market's recovery trend** is supported by the improvement of macroeconomic factors. Specifically, many banks' savings interest rates have dropped to historic lows, while public investment disbursement and FDI disbursement growth have contributed to more positive investor sentiment.
- Foreign investors** continued to net sell over VND9,084 trillion in december. Since the beginning of the year, foreign net sales have approached VND21 trillion. Despite heavy selling pressure from foreign investors, the market since the beginning of the year still recorded positive growth (+12.2%), showing that domestic investors' cash flow actively participated again.
- The P/E ratio** is currently 15 times, far below the 5-year average of 17.6 times. The lower the current P/E is than the average, the higher the probability of the market recovering.

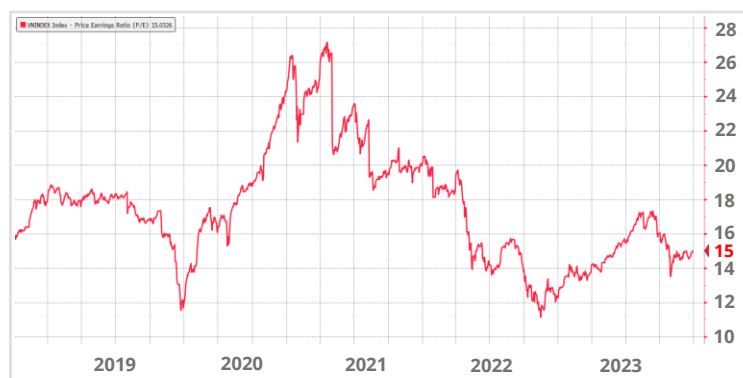
In case the economy shows clearer signs of recovery in 2024, cash flow into the market may continue to be supported.

Industries	% 1M	% 3M	% YTD	P/E	P/B	ROE %	ROA %	PBT growth (YoY, %)	EPS growth (YoY, %)
Telecommunications	-1.2%	12.0%	36.0%	303.21	2.69	2.0%	1.1%	-92.7%	-19.2%
Materials	4.5%	5.1%	56.0%	39.04	1.44	3.5%	1.8%	-77.0%	99.5%
Consumer Goods	3.5%	-1.8%	6.8%	21.27	2.32	10.5%	5.1%	-42.3%	-15.2%
Oil & Gas	-2.6%	-7.6%	37.9%	11.01	1.23	10.5%	5.4%	-23.9%	831.1%
Industrials	1.7%	0.4%	22.1%	15.98	1.68	9.3%	4.1%	-23.3%	-3.5%
Utilities	2.1%	-4.4%	16.4%	13.69	1.82	13.4%	7.4%	-18.6%	-37.5%
Financials	4.1%	1.7%	19.6%	16.12	1.43	8.8%	3.0%	-14.3%	-26.6%
Technology	5.3%	4.4%	45.9%	21.2	3.78	15.7%	7.6%	-9.6%	17.7%
Banking	2.2%	-0.8%	24.0%	8.97	1.5	17.0%	1.5%	-9.2%	-1.6%
Consumer Services	4.5%	-1.7%	28.8%	-54.61	3.54	-5.4%	-1.4%	0.0%	84.0%
Health Care	3.3%	0.9%	30.4%	13.06	1.64	12.3%	7.3%	11.3%	-9.4%

VN-Index



P/E ratio



Source: FiiiproX, Bloomberg.

Eastspring Vietnam Newsletter - December

ENF Performance Update

Introduction

Eastspring Investments Vietnam Navigator Fund (the “Navigator Fund” or “ENF”) is a Mutual Fund licensed by Vietnam State Securities Commission under license No. 09/GCN-UBCK (March 25th, 2014).

Fund Manager: Eastspring Investments Fund Management Limited Liability Company (“Eastspring Vietnam”).

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.

Inception date	25/03/2014	Dealing frequency	Weekly Wednesday & Friday (T Day)
Total NAV	214.1 Bil VND	Cut-off time	Before 10:30 AM on Tuesday & Thursday
NAV/unit	31,556 VND	Subscription fee	Determined by distributors (Max 3%)
Supervisory Bank	Standard Chartered VN	Redemption fee	0%
Min. Investment	1,000,000 VND	Management fee	1,5%/anum

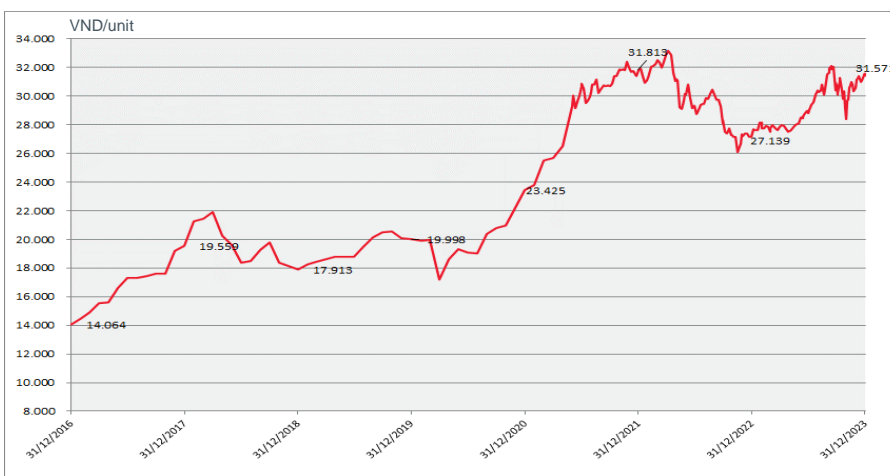
Accumulated net return (%)

	1 month	3 months	YTD	1 year	3 years	Since inception
Net return	3.3%	2.6%	16.3%	16.3%	34.7%	215.6%

Calendar year net return(%)

Year	2019	2020	2021	2022	2023
Net return	11.6%	17.1%	35.8%	-14.7%	16.3%
VNIndex	7.7%	14.9%	35.7%	-32.8%	12.2%

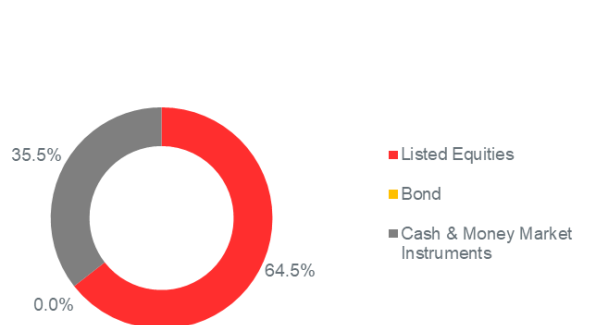
Performance chart



Top 5 holdings

FPT Corporation	FPT	12.5%
Asia Commercial JS Bank	ACB	7.0%
Military Bank	MBB	6.6%
Vietinbank	CTG	5.1%
Hoa Phat Group	HPG	4.7%

Asset allocation



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

Introduction

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...).

PRUlink Funds Performance

Year	PRUlink Vietnam Equity	PRUlink Growth	PRUlink Balance	PRUlink Stable	PRUlink Bond	PRUlink Preserver	VNIndex	Gold	USD	Deposit rate of 12 months
2019	9.8%	10.6%	11.0%	11.4%	12.2%	5.5%	7.7%	16.0%	-0.2%	6.9%
2020	16.4%	16.0%	14.7%	12.5%	9.0%	5.6%	14.9%	31.9%	-0.6%	7.1%
2021	40.0%	28.5%	20.8%	13.3%	3.0%	4.2%	35.7%	9.7%	-1.6%	6.2%
2022	-23.8%	-12.3%	-9.1%	-6.0%	-2.0%	5.3%	-32.8%	8.1%	3.4%	5.7%
2023	13.3%	15.4%	16.7%	18.1%	20.3%	6.7%	12.2%	10.8%	2.9%	6.7%

Commentary

In 2023, **PRUlink** funds achieve positive growth, specifically:

- **PRUlink** Bond Fund recorded the best results with an increase of 20.3%
- **PRUlink** Stable Fund increased 18.1%
- **PRUlink** Balance Fund increased 16.7%
- **PRUlink** Growth fund increased 15.4%
- **PRUlink** Equity Fund Vietnam increased 13.3%

In general, **PRUlink** funds with a high proportion of stocks in the portfolio recorded better growth than the VNINDEX index (+12.2%).

PRUlink funds customers are always recommended to focus on investment goals with a long-term vision rather than focusing on short-term fluctuations because the unit-linked investment product (ILP) is designed with specific investment goals and maximum maximize profits in the medium and long term.

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