

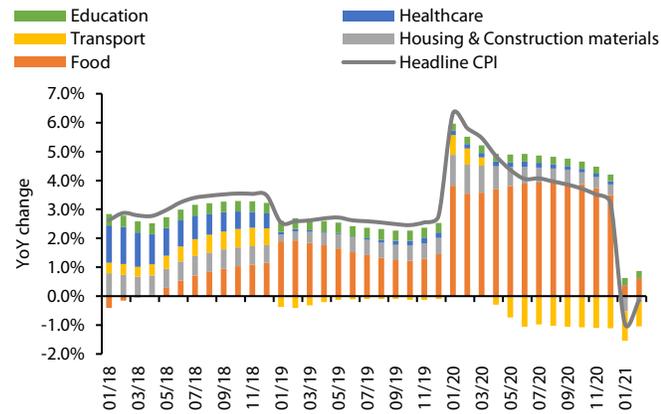
**Macroeconomy commentary: Inflation made the headline**

- The upward movement of inflation and US 10-year government bond may contribute to Global stock market volatility. Many stock markets started to correct when the yield of 10-year US government bonds increased by more than 16 basis points to 1.6% as of February 25. This indicates that investors are indeed pricing some kind of inflation.
- Even though bond yields have been rising, inflation-adjusted yields are still very low, globally. Hence owning stocks is still not an issue. The timing of that is uncertain but watching central banks behavior, or wording of their behavior is key.
- Regarding Vietnam’s economy, consumer price index (CPI) accelerated in Feb 2021 to 1.52% mom compared to 0.06% mom in the previous month. This also marked the highest monthly inflation rate since Sep 2012. However, this is not worrisome since on a yearly basis, Vietnam’s CPI remained subdued. In general, with its effort in using the petrol price stabilization fund, the government is showing caution with inflation expectations since the reversal of global monetary policy can potentially destabilize emerging markets’ currencies and capital flows into financial markets. An uptick in headline inflation in the following months will be mainly due to transitory factors such as higher global commodity prices and a low base effect last year. Our CPI forecast for 2021 remains unchanged at 3.5%.
- Positive information about the implementation of Covid-19 vaccine globally bring hope for aviation and tourism industries. Given a large-scale vaccination campaign across the world, Vietnam’s government might consider vaccination a condition of entry into the country in order to support the recovery of tourism and airline industry.

**Market commentary: Outperforming the region, riding the wave of commodity prices**

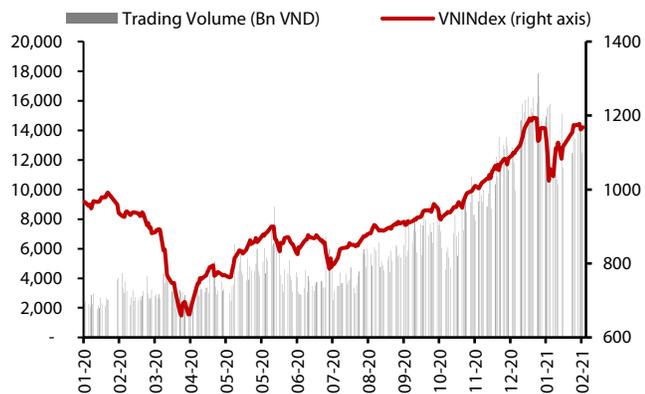
- VN-Index increased by +10.6% MoM to 1168.5. This rise outperformed that of markets around the world such as SET (+2.0%), KOSPI (+1.2%), S&P 500 (+2.6%).
- The average matched liquidity on HOSE reached VND 12.8 trillion (-15.2% MoM). In particular, the average liquidity of the period before Tet reached VND 12.1 trillion (-19.8% MoM) while the post-Tet period saw a slight increase with VND 13.5 trillion (-10.5% MoM).
- While domestic individual investors maintained their net buying position of VND 2.7 trillion, domestic institutions were in the opposite position. Foreign investors maintained their net sell position on HOSE at VND 3.6 trillion (+5.8% MoM).
- Foreign ETF fund recorded mixed movements when VNM ETF, FUEVFNVD and FUESSVFL all witnessed significant inflows while KIM ETF, FTSE Vietnam ETF and E1VFN30 were withdrawn.
- All 10 sectors recorded positive MoM return in February. Noticeably, IT and Energy were the top two sectors with 21% and 20% MoM gains, respectively. Financials also went up 17% MoM. Other sectors including Real estate, Materials, Industrials, etc. also moved positively with returns from 3% to 15%. The ENF fund benefited from these movements as the weights of the Banking, IT and Real Estates accounts for 25%, 37% and 11% respectively of the stock portfolio.
- We maintain the view that Vietnam's 2021 inflation will be controlled at 3.5% and monetary policy will remain stable to support the recovery of the economy.

**Figure 1: Accelerating consumer price index**



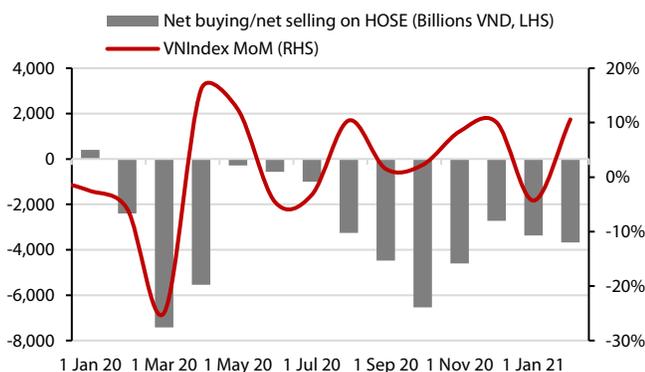
Source: GSO, Rong Viet Securities

**Figure 2: VNIndex performance since 2020**



Source: Fiinpro, Rong Viet Securities

**Figure 3: Net buying/selling on HOSE via matching-order transaction versus VNIndex MoM**



Source: Fiinpro, Rong Viet Securities

**Therefore, we think that VN-Index will successfully conquer the threshold of 1200 points in the coming months, and strong corrections of the market will be an opportunity to accumulate stocks.**

- Commodity markets have been booming, and we expect this trend to extend for a while due to a variety of factors including, but not limited to: (1) widespread instability in supply side across commodities, (2) The rapid recovery of the world's second largest economy is driving the demand for them, (3) Ramping-up progress of global vaccination campaigns to spark optimism for faster recovery of the developed economies, (4) Weak dollars. **Accordingly, our investment ideas for March include businesses that can benefit directly from the upward trend in commodity prices.** With the strong surge in steel prices, we believe that most steel businesses will benefit. The ENF fund, with 10% portfolio allocated to the Steel and Petroleum industries, is expected to capture the upward momentum.

### Steel Industry: Opportunities in the context of pandemic

**2020 - Overall, the pandemic has had more positive effects on Vietnam's steel exports than negative impact.**

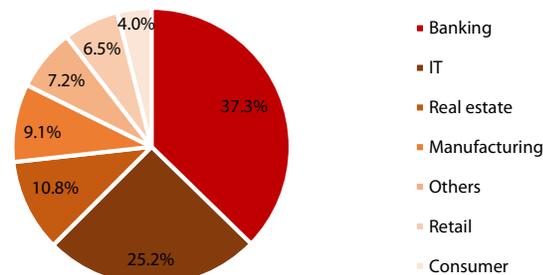
2020 was a successful year for Vietnam's steel exports as despite the pandemic's negative effects, and being under anti-dumping investigations in several markets, export volume still grew positively. For 2021, Vietnam's flat steel export will be expected to keep growing positively as the pandemic's negative effect on exports will decrease and the demand from the EU will still be high. Temporary export difficulties in key markets, especially Indonesia, is decreasing as COVID-19 is controlled better. Meanwhile, several large coated steel exporters in Vietnam have received orders for production until early 2Q, mainly from EU.

### Sector's valuation (at 28/02/2021)

	%1M	%3M	%YTD	Basic P/E	P/B	ROE	ROA	Dividend yield (%)	PBT growth (YoY, %)	EPS growth (YoY, %)
Oil & Gas	24.8%	34.4%	13.4%	n/a	1.6	0.1%	-0.3%	8.4%	-33.8%	-2.4%
Basic Materials	14.7%	31.0%	5.3%	16.5	1.8	15.1%	7.4%	3.3%	-79.6%	67.7%
Industrials	6.2%	9.9%	0.7%	19.6	1.9	11.0%	6.3%	3.7%	-71.1%	30.3%
Consumer Goods	6.4%	5.5%	0.8%	20.6	3.2	21.4%	13.8%	2.7%	35.2%	47.0%
Health Care	2.7%	6.8%	0.4%	16.1	1.9	15.4%	11.1%	3.7%	-40.1%	-0.1%
Consumer Services	8.5%	13.9%	8.5%	n/a	3.5	-4.4%	1.6%	3.2%	-30.0%	144.7%
Telecommunications	7.9%	25.7%	16.8%	62.8	3.8	5.5%	2.1%	4.7%	1136.4%	18.7%
Utilities	11.6%	11.1%	3.1%	16.3	2.0	13.4%	9.5%	4.0%	-189.4%	8.4%
Financials	8.7%	26.4%	11.1%	20.8	2.7	16.1%	5.8%	2.1%	17.2%	40.7%
Banks	13.8%	18.4%	5.9%	12.5	1.9	17.7%	1.5%	0.0%	18.7%	8.5%
Technology	16.8%	33.6%	24.5%	17.6	2.8	17.4%	8.2%	1.4%	62.5%	404.2%

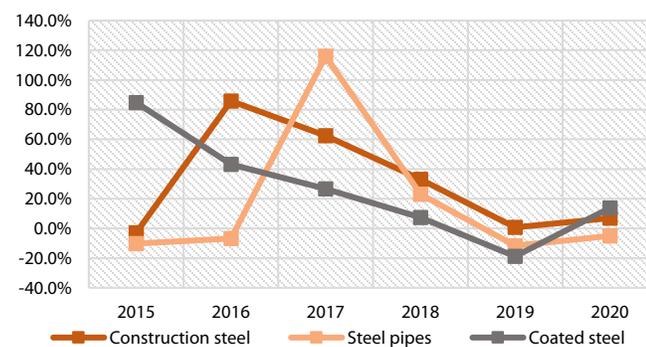
Source: Fiinpro, VDSC

**Figure 4: Stock portfolio allocation of ENF at the end of 02/2021**



Source: ENF, Rong Viet Securities

**Figure 5: Steel export growth, by segment**



Source: VSA, Rong Viet 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**

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 February 28th, 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 2M2021, the ENF fund maintained its momentum and increased by 8.8%, while the stock market increased by 5.9%. 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 172.9 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

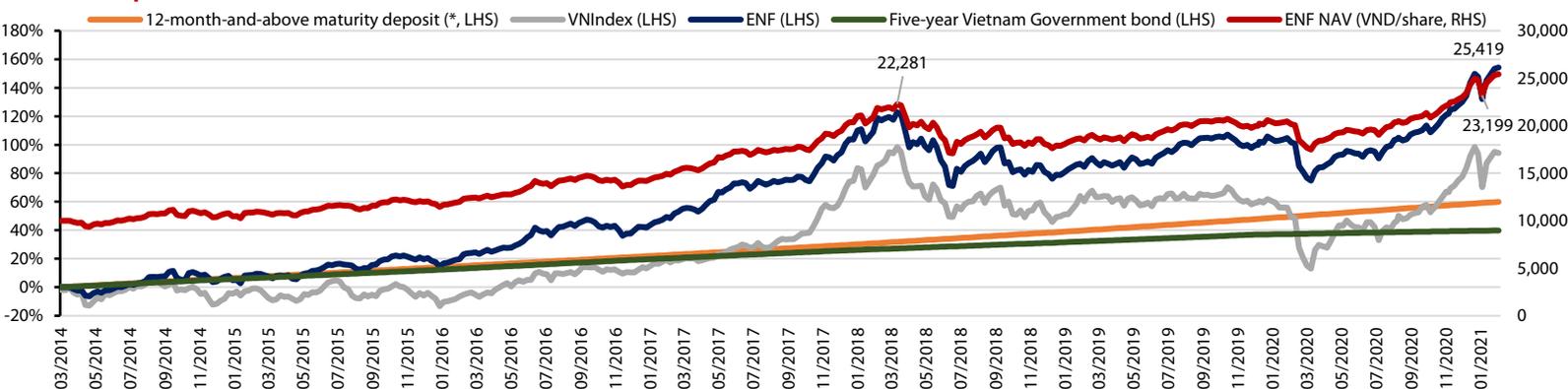
Source: EIFMC

**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>	154.90%	94.15%	39.81%	59.99%
<b>Annual return</b>	14.44%	10.04%	4.95%	7.01%

Source: EIFMC, Rong Viet Securities

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



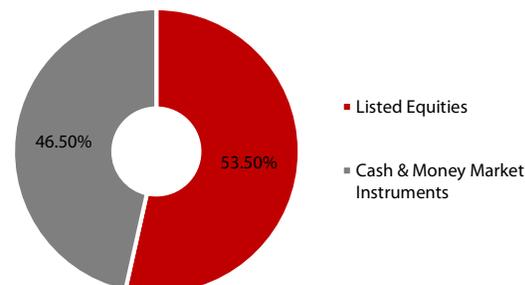
Source: EIFMC, Rong Viet Securities

**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

(\*) Using average 12-month-and-above maturity deposit rate from weekly SBV announcement

(\*\*) 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	16.21%	15.95%	14.67%	12.54%	9.14%	5.61%	4.48%	7.09%	1.92%	14.87%
2M2021	12.25%	8.88%	6.53%	4.20%	0.82%	0.65%	0.56%	0.95%	0.18%	5.58%

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 in 2020 and after 2M2021 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 is average rate from weekly SBV announcement, 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 105.7%. Of which PRUlink Vietnam Equity Fund had the highest growth with accumulated net return of 105.7%, followed by the PRUlink Growth Fund with cumulative net return of 95.3%.
- The PRUlink Vietnam Equity Fund recorded the best results after 2M2021 with 12.25%, followed by the PRUlink Growth Fund (8.88%) and PRUlink Balance Fund (6.53%). The PRUlink Vietnam Equity Fund (12.25%) also had better performance than the Vietnamese stock market (VNIndex, 5.58%).

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