

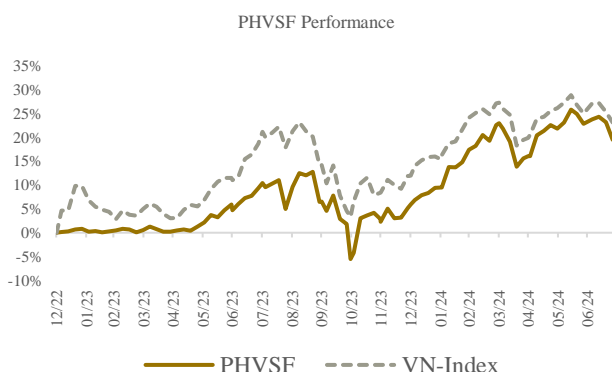
► **Investment Objectives**

The Fund’s investment objective is to obtain stable asset appreciation for the Investors in the medium and long term. Most of the Fund’s investment will be focused on securities currently and to be listed on the Vietnamese stock market.

► **Fund Details**

Fund name	PHU HUNG VIETNAM SELECT INVESTMENT FUND
Fund code	PHVSF
Type of Fund	Open-ended fund
Fund Management Company	Phu Hung Fund Management JSC.
Fund Managers	Nguyen Hoai Son Ho Thuy Ai
Custodian Bank	Bank for Investment and Development of Vietnam JSC (BIDV)
Transfer Agent	Vietnam Securities Depository
Trading Day (T Day)	Every day, from Monday to Friday (T Day)
Cut-off time	14:30 on T-1 Day (the last working day before the T Day)
Minimum Investment	VND 100,000/ transaction
Subscription fee	0.0%
Redemption Fee	Calculated for each investment, according to FIFO (based on holding period of the fund units) <ul style="list-style-type: none"> • Less than 182 days: 2% redemption amount • From 182 days to less than 365 days: 1.5% redemption amount • From 365 days to less than 730 days: 0.5% redemption amount • From 730 days or more: 0% redemption amount Redemption fees apply to both Normal and SIP products
Management fee	1.5% NAV/ year

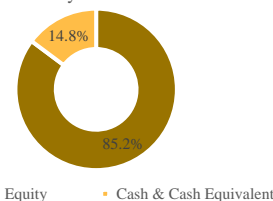
► **Fund Performance**



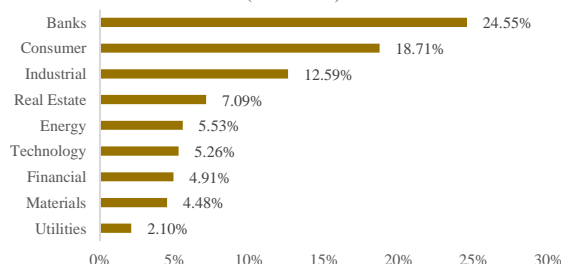
Trading Day	1M Return	3M Return	6M Return
31/07/2024	-0.04%	4.21%	10.43%

► **Asset Allocation**

Portfolio by Asset Class



Sector Allocation (% of NAV)



► **Top Holdings**

Company	% of NAV
FPT Corp	5.26%
Asia Commercial Bank	4.72%
Military Commercial Bank	4.22%
Vietnam Prosperity Commercial Bank	3.76%
Hoa Phat Group	3.69%

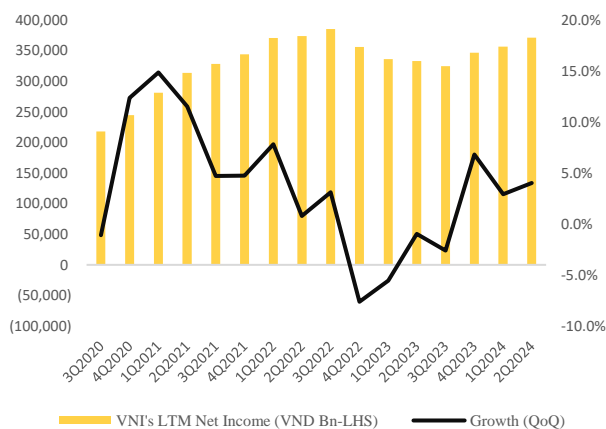
Data as of July 31, 2024.

► **Fund Managers’ Commentary**

The VN-Index (VNI) was up slightly in July. After declining 1.3% in June, the VNI rallied 3.1% from July 1 to July 9 with the support of upbeat economic data for June/H1 2024. However, the VNI retreated 4.8% in the following two weeks due to (1) profit taking pressure as the index approached the 1,300 level, (2) noises from political developments, (3) and global equity markets falling, with Nasdaq - 2.3% and Nikkei 225 – 4.8% in the same period. However, the VNI managed to recover towards the end of the month to close at 1,251.5 on July 31, up 0.5% mom. Meanwhile, PHVSF declined 0.04%, underperforming the VNI by 0.54%. The fund was hurt by some mid-cap stock holdings which tended to fall more than the index during a volatile market. In addition, the lack of small-cap stocks also contributed to the underperformance. Unlike personal portfolios, mutual funds must invest in liquid stocks for risk management.

Alongside the high economic growth in 1H24, the earnings results for 1st 6 months of listed companies have posted a trend of recovery and growth across most industry sectors, particularly since the beginning of Q2 due to increased scale growth, improved asset turnover, and profit margin enhancement. The estimated EPS (12-

Trailing 12-month Net Income of listed companies on HSX have recovered to a level in 4Q2022



Source: Bloomberg, PHFM compilation

► Top Contributor and Dragger of The Month

Top Contributor: HD Bank (HDB)

HDB contributed 29 basis points of return to PHVSF in July. HDB is a leading commercial bank in Vietnam, with a focus on retail customers, mortgages, and financial consumption loans. The bank has a network of over 347 branches and serves over 14 million customers. HDB’s share prices were boosted by better-than-expected 2Q24 financial results. HDB posted 13% credit growth, much higher than the industry average in 1H24.

Top Dragger: Vietcombank (VCB)

VCB contributed 30 basis points of loss in July. VCB is an SOE bank. High beta small cap stocks outperformed in July, whereas defensive and quality stocks underperformed. Our allocation on the stock is not only for its defensiveness but for portfolio optimization. This stock exhibited low volatility and resilience in a volatile market historically. In addition, the bank’s asset quality is one of the best among local banks with an NPL ratio of 1.2%, or 1.6% including group 2 loans.

month accumulated) for the overall market has grown by 10% YoY as of 2Q24 compared to figures as of 4Q23. For the full year 2024, market consensus is that the overall market’s EPS growth could reach 14-18% YoY, driven by Banking and Real Estate sectors, with sustained growth trends expected across other sectors as well.

The current risks in the market include (1) the unwind of global carry trades due to higher Japanese interest rates, (2) slowing US economy, (3) geopolitical tensions, and (4) the domestic corporate bond market. Although these headwinds will eventually dissipate, the stock market often reacts more strongly and negatively than the actual situation warrants. As a result, VN Index may experience more negative volatility in 3Q24 than we anticipate. We do not think the risks of (2) and (3) are remote, so we are adjusting our portfolio to a more defensive stance. We expect 3Q24 to offer a good chance to buy some promising stocks at more attractive prices. We are looking for stocks in the consumer, bank, industrial property, and industrial industries.

► Economic Overview

The macroeconomic landscape is entering the third quarter with several bright spots. Both export and import activities were better than expected, contributing to further growth in manufacturing (up 13.3% yoy in July and 9.5% yoy in 7M24) and electricity generation (up 9.3% yoy in July and 11.6% you in 7M24). FDI disbursements also rose by 9.5% yoy in July and 8.4% yoy in 7M24 compared to flat growth in 7M23. Inflation accelerated in July to 4.36% yoy, raising the average CPI for 7M24 to 4.1% yoy, still within the SBV's target range of 4-4.5%. The VND appreciated by over 0.6% mom for the first time since last November, suggesting that the SBV is unlikely to consider raising policy rates. Of note is the continued decline in international arrivals to Vietnam over the past four months, decreasing from a post-COVID peak of 1.6mn visitors in March to 1.15mn in July. One key factor is the sharp decline in visitors from China over the last two months, with July’s figures only equivalent to 61% of the pre-pandemic level in 2019. In addition, public investment declined for the second consecutive month, bringing growth for the first seven months of 2024 to 2.3% yoy, achieving just over 40% of the annual plan.

For further information:

Address: Unit 4, 21st Floor, Phu My Hung Tower, No.8 Hoang Van Thai Street, Quarter 1, Tan Phu Ward, District 7, Ho Chi Minh City

Funds Hotline: (+84 28) 5413 7991

Email: cskh@phfm.vn

Website: www.phfm.vn

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