

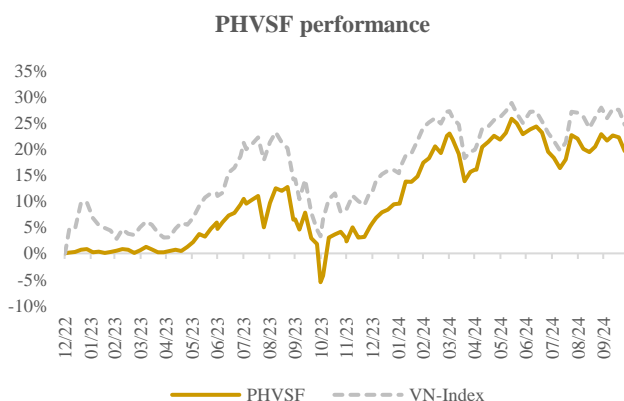
► **Investment Objectives**

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 fees apply to both Normal and SIP products
Management fee	1.5% NAV/ year

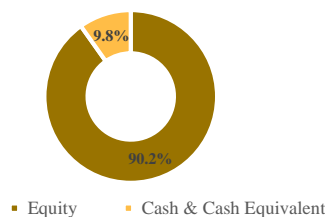
► **Fund Performance**



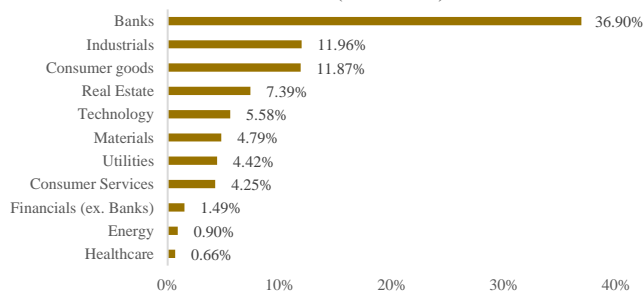
Trading Day	1M Return	3M Return	6M Return
31/10/2024	-1.44%	-0.29%	-3.91%

► **Asset Allocation**

Portfolio by Asset Class



Sector Allocation (% of NAV)



► **Top Holdings**

Company	% of NAV
FPT Corporation	5.58%
Asia Commercial Joint Stock Bank	4.90%
Military Commercial Joint Stock Bank	4.81%
Vietnam Prosperity Joint Stock Commercial Bank	4.69%
Bank for Foreign Trade of Vietnam	4.39%

Data as of October 31, 2024.

► **Fund Managers’ Commentary**

The VN Index fell 1.82% in October ahead of 3Q24 earnings season, mainly due to the following factors. First of all, mounting FX pressure as US Dollar Index strengthened to above 104. As such, the SBV resumed T-bill issuance after a two month pause. Following the SBV’s liquidity draining efforts, there are rumors the SBV may be considering resuming spot foreign exchange intervention sales at a rate of VND 25,450. Secondly, foreign investors net sold VND 2.9 tn (USD 116 mn) in October. Despite negative momentum, the VN Index was supported by macroeconomic tailwinds, including the following. Firstly, Vietnam GDP rose 7.4% yoy in 3Q24 (vs 7.1% in 2Q24 and the low base 5.5% of 3Q23), defying typhoon Yagi’s fears. Secondly, CPI remained on track, increasing 0.33% mom and 2.89% yoy. For 10M24 CPI was 3.78% yoy on average. The top performing sector was traffic, increasing 0.66% mom. The banking sector also recorded a strong monthly performance of 4.2% supported by Vietnam’s positive economic growth and reasonable lending rates, with respectable credit growth of 9.23% ytd and raised expectations of achieving the 15% credit growth target.

PHVSF's performance declined by 1.44% in October, yet it outperformed the VN Index by 38 basis points. Market breadth improved in the last month, so the fund's holding stocks benefited from emerging capital inflows. Market breadth had been very unfavorable for a diversified fund such as PHVSF in 3Q24. Most rallies were concentrated on Banking and Vingroup stocks. Our goal is to provide clients with a well-diversified portfolio and exposure to varied sectors. We will improve our stock selection and portfolio construction strategies starting in 2025. Diversification and strict risk management will remain important pillars of the fund performance.

Despite short-term exchange rate pressure, we remain confident in a positive outlook for the market into the year-end. This confidence is supported by several key factors: positive 3Q24 earnings results reported for some important sectors, with anticipated further improvement in 4Q24; market valuations are currently reasonable and will be supported by improving market earnings and the expected correction of Government bond yields; VND exchange rate pressure will likely ease with upcoming interest rate cuts from the Fed; strong FDI inflows and remittances into year-end.

► Economic Overview Export and Import

Overall, the macroeconomic landscape witnessed a bright spot and recovery in October after the impact of the Yagi Typhoon. In October, the exports sector reached \$35.59B, up 4.4% mom and 10.1% yoy, while the imports sector reached \$33.6B, up 5.8% mom and 13.6% yoy. This robust performance resulted in a trade surplus of 1.99 billion USD in October and surplus of 23.31 billion USD in 10M24. In 10M24, the United States is Vietnam's largest export market with a turnover of 98.4 billion USD. China is Vietnam's largest import market with a turnover of 117.7 billion USD.

Industrial Production Index

Accompanying the bright signal in the import and export sector, the industrial production index surged to 7.0% yoy in October and 8.3% yoy in 10M24. The manufacturing activities are up to 8.8% yoy, electric and gas climbed to 6.0% yoy, while the mining and quarrying sectors maintained the downward trend and plunged -10.4% yoy.

Inflation

Headline CPI edged up slightly to 2.89% yoy (vs. 2.63% yoy in September), while core inflation also witnessed a slight increase to 2.68% yoy (vs. 2.54% yoy in September). The main increase is in food and foodstuffs (4.45% yoy), housing and construction materials (4.21% yoy), and medicine and healthcare (8.28% yoy). The traffic index still has negative inflation of -3.25% yoy (vs. -5.33% yoy in September), but at a decreasing rate. Education prices decreased -0.54% due to lower tuition fees. The inflation rate for 10M24 is at 3.78%, approaching the inflation target of 4.0% - 4.5%.

Retail Sales

Total retail sales reaching around 545,730 billion VND (+7.12% yoy). Breaking down, retail, accommodation and catering, and other services increased 7.36% yoy, 6.51% yoy, and 6.81% yoy, respectively, while the travelling service decreased by -1.86% yoy.

Foreign Direct Investment

Foreign direct investment capital implemented in Vietnam in the first ten months of 2024 is estimated at 19.58 billion USD, up 8.8% over the same period last year.

Open Market Operation

OMO net withdrawal reached 123,858 billion VND in October, bringing down the average interbank overnight interest rate to 3.54% (downed from 4.44% in September), along with the decrease of -1.82% mom of VNIndex.

► **Top Contributor and Dragger of The Month**

Top Contributor: Binh Minh Plastics (BMP)

BMP contributed 19 basis points of return to PHVSF in October. BMP is a leader in the plastic building material industry in Vietnam and has been a member company of SCG Thailand since 2018. BMP is a highly profitable company with price power, a rare characteristic in Vietnam, thanks to the natural monopolistic nature of its products. However, BMP's financial performance is still cyclical due to the change of PVC prices which are expected to remain low. In addition, the company paid generous cash dividends every year. This is one of our current core holdings.

Top Dragger: Mobile World Investment (MWG)

MWG contributed 14 basis points of loss in September. MWG's share prices retreated in October because of profit-taking pressure. The company's 3Q24 performance decelerated due to the end of peak air-conditioning season and high one-off costs. We believe the stock's valuation has fully reflected its turnaround this year. We reduced the weight of this stock in October. MWG will remain a liquid stock for Vietnam's consumption theme going forward. We will change our underweight stance when its price reaches an attractive level.

For further information:

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