

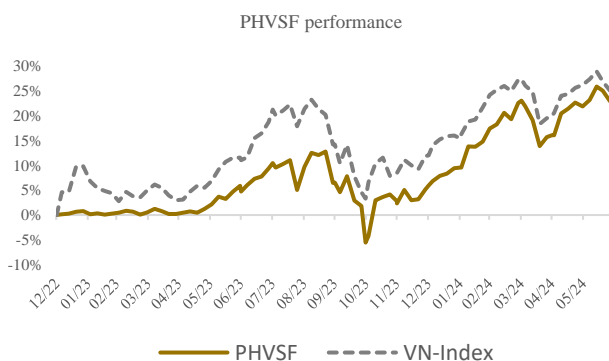
► **Investment Objectives**

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

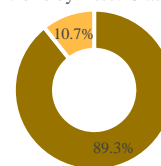
► **Fund Performance**



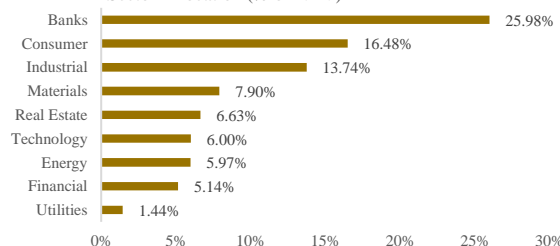
Trading Day	1M Return	3M Return	6M Return
30/06/2024	-0.57%	-1.59%	14.21%

► **Asset Allocation**

Portfolio by Asset Class



Sector Allocation (% of NAV)



► **Top Holdings**

Company	% of NAV
FPT Corp	6.00%
Asia Commercial Bank	4.60%
Hoa Phat Group	3.86%
Vietnam Prosperity Bank	3.70%
Techcombank	3.52%

Data as of June 30, 2024.

► **Fund Managers’ Commentary**

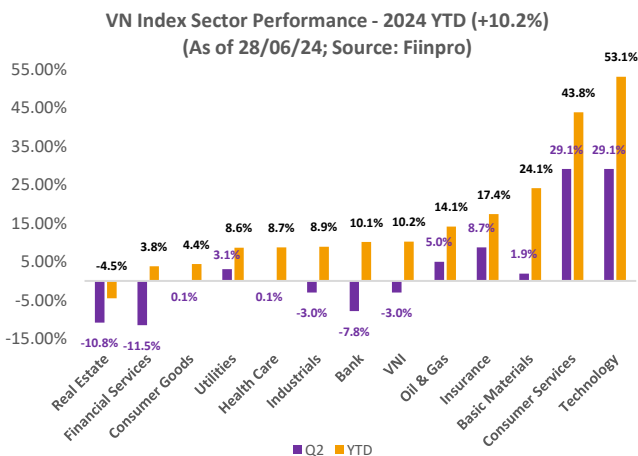
After rising in May, the VN Index fell slightly by 1.30% MoM to 1,245.32 in June. The average daily traded value fell by 7.9% mom to VND19,786bn (USD770mn). PHVSF declined by 0.57% in the month, outperforming the index by 73 basis points. The VN Index rallied strongly in 1Q24, gaining 13.6% but suffered a correction in April and declined 3% in 2Q24. In 1H24, the VN Index and PHVSF appreciated 10.21% and 14.21%, respectively. The correction in 2Q24 was largely attributable to the SBV’s response to creeping depreciation in the VND vs a strong USD.

Banks led the VN Index higher in 1Q24 with a gain of 20%. Several other sectors then outpaced the banks in 2Q24 and the leading performers in 1H24, in descending order, were technology, consumer services, industrials, materials, and consumer goods.

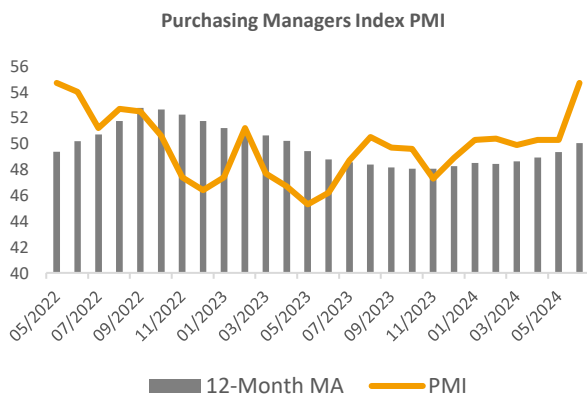
We expect the uptrend to continue in 2H24. However, the upside might not compare to the growth in 1H24 due to the following reasons:

- 1) The current valuation is not as attractive as it was in the beginning of 2024, so the potential for valuation reflation is limited.
- 2) Interest rates are higher, and the Dong is weaker than expected, as the global economic and political outlook is less certain now.

Index-wise growth is capped, but there is ample room for stock selection. Active management could generate excess returns against the index in 2H24.



Encouraging June PMI indicates robust manufacturing and export activities



Vietnam’s GDP projection

	3Q24	4Q24	1Q25
Median	5.85	5.70	6.55
Mean	5.97	5.46	6.65
High	6.50	6.20	7.50
Low	5.60	4.30	5.50

	2024Y	2025Y	2026Y
Median	6.00	6.35	6.35
Mean	5.89	6.35	6.35
High	6.80	6.80	6.70
Low	4.40	5.40	6.00

Source: Bloomberg, PHFM compilation

We are currently seeing more investment opportunities in industrial and consumer discretionary industries. The acceleration of manufacturing activity will lead to improved employment and higher wages. Both consumer companies and banks could benefit from the development. However, the improvement in the former should be more significant than the latter, as consumer-related companies benefit from lower base period effects. As for the industrial companies, they are direct beneficiaries of rising manufacturing activity. We are positive about transportation companies. Geopolitical tensions and a larger number of international tourists visiting should enable these companies to post both volume and price increases.

► Economic Overview

According to the General Statistics Office of Vietnam (GSO), Vietnam’s GDP grew 6.9% yoy in 2Q24 (up from 5.7% yoy in 1Q24) and 6.4% yoy in 1H24, mainly driven by industry & construction and services sectors. Exports grew 14.5% to USD190.1bn and imports grew 17.0% yoy to USD178.5bn in 1H24, resulting in a trade surplus of USD11.6bn (vs USD13.4bn in 1H23). The overall index of industrial production (IIP) increased 7.7% yoy in 1H24, in which the IIP of the manufacturing sector increased 8.5% yoy.

Total retail sales increased 8.6% yoy in 1H24, in which accommodation & catering services and tourism increased 15.2% yoy and 37.1% yoy, respectively. June’s CPI increased 0.17% mom and 4.34% yoy, and CPI inflation averaged 4.08% yoy in 1H24.

A sustained recovery in exports and industrial production should lead to a tighter labor market and improving consumer confidence, so we expect an improving domestic consumption in 2H24 and 2025. While we do not expect a strong pick up in domestic private sector capex in 2024, overall investment should remain supported by seasonally stronger public sector investment in 2H24 and growth in FDI disbursements.

We do not rule out the possibility that SBV to increase interest rates later in 2H24 as the recovery cycle progresses and continuing strong USD dollar. With the start of an easing cycle from the Fed and robust inflows from a current account surplus, FDI inflows and remittances, we believe the exchange rate should stabilize by the end of 2024.

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

Top Contributor: Hai An Transport (HAH)

HAH contributed 39 basis points of return to PHVSF in June. HAH provides port operations, logistics, and shipping services. The company has a fleet of 13 vessels operating domestically and being leased abroad. Also, HAH offers services such as port cargo handling, warehouse leasing, ship navigating, and marine cargo storing. The company is a beneficiary of booming manufacturing and trade activities. The Red Sea crisis caused Singapore, the world's second largest container port, to face congestion problems, which increased freight rates and spurred HAH's stock price to surge 23% in June. HAH's rates have now increased by 10% and the uptrend to last to the end of 2024.

Top Dragger: HSC Securities (HCM)

HCM contributed 18 basis points of loss in May. HCM is one of the top securities companies, continuously maintaining the top 5 brokerage market share position on HOSE. HSC is also one of the leading securities companies in making markets for ETFs and Covered Warrants. We believe the long-term investment thesis for HCM remains intact. The upgrade of Vietnam from frontier to emerging market will increase the trading value of local financial markets and the stock trading penetration in this country is less than 10%. Vietnam's securities industry has great potential for growth. Moreover, we expect VN Index to edge higher in 2H24, and this should bring more businesses to the company.

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