

KIM Vietnam Growth I USD

October 2022

All materials are reviewed by Compliance Officer (No. 2022-0138)

KIM IN VIETNAM

Established presence in Vietnam since 2006, KIM has over 10 years of track record of managing Vietnam equity. Currently, KIM is one of the largest funds in Vietnam with over USD 0.8 billion assets under management as of 31 October 2022.

INVESTMENT OBJECTIVE

The objective is to seek long-term outperformance by examining potential and sustainable growth of a company. We select market leading companies with long-term growth trend backed by rising middle class and domestic consumption, etc.

EXPERTISE

Fund Manager: Danny Lee

SNAPSHOT

Global Category	Asia ex-Japan Equity
Share class launch	2018-01-17
Base Currency	US Dollar
NAV Frequency	Daily
Fund Legal Structure	SICAV
Domicile	Luxembourg
ISIN	LU1586949999
Bloomberg Code	KIMVGIU LX Equity
Transfer Agent	State Street Bank
Benchmark Index	FTSE Vietnam TR
Total NAV	US\$ 36.9mn
Current charge	Management fee: 1.5% Subscription fee: 0.0%

STATISTICS

Time Period: 2020-01-02 to 2022-10-31

	Fund	Index
Gain/Loss Ratio	1.1	1.0
Tracking Error	15.3	0.0
IR (arith)	1.7	
Std Dev	29.1	27.6

Source: KIM (Since manager change)

CONTACT US

Korea Investment Management Co., Ltd.

Product Administration Team

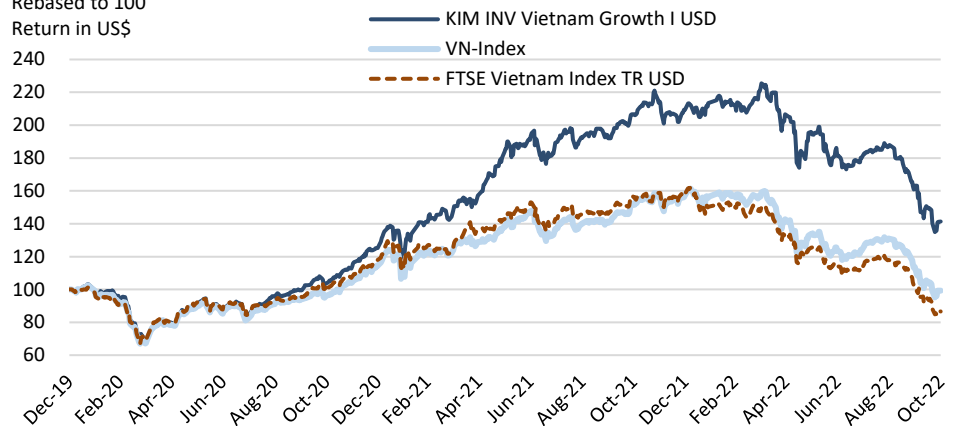
Room 1807-1808, 18F, MPlaza Saigon Building, 39 Le Duan Street, Ben Nghe Ward, District 1, HCM City, Vietnam

sicav@koreainvestment.com.vn

Source: KIM, Bloomberg

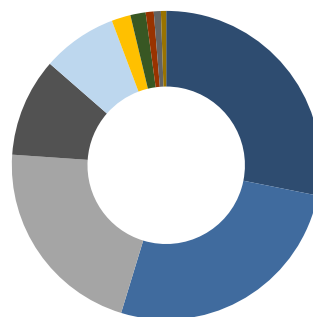
FUND PERFORMANCE

Rebased to 100
Return in US\$



	1M	3M	6M	YTD	1YR	3YR	Since Inception
Fund I USD	-13.4	-21.5	-31.6	-32.5	-31.6	+37.3	+15.7
Excess return (I USD)	+2.1	+1.6	+4.0	+12.8	+13.3	+54.0	+38.3

SECTOR ALLOCATION



	%
Financials	28.1
Industrials	26.6
Consumer Staples	21.4
Information Technology	10.3
Consumer Discretionary	7.9
Real Estate	2.0
Health Care	1.6
Materials	0.8
Cash	0.7
Energy	0.6
Total	100.0

Portfolio Date: 2022-10-31

TOP 10 HOLDINGS

Name	Ticker	%
FPT Corp.	FPT	10.4%
Gemadep Corp.	GMD	8.6%
Quang Ngai Sugar	QNS	8.4%
Sacombank	STB	7.4%
Mobile World Corp.	MWG	5.2%
Viconship	VSC	4.9%
Transimex Corp.	TMS	4.5%
Vinh Hoan Corp.	VHC	4.5%
MBBank	MBB	4.4%
Vinamilk	VNM	4.3%

ATTRIBUTORS & DETRACTORS

Name	Ticker	CTR ¹
Attributors		
Vinamilk	VNM	+0.2
VietinBank	CTG	+0.1
Vietcombank	VCB	-0.0
Asia Commercial Bank	ACB	-0.1
Detractors		
FPT Corp.	FPT	-1.0
Ha Do Group	HDG	-1.3
Mobile World Corp.	MWG	-1.4
Sacombank	STB	-2.2

Note: ¹ Contribution to return (CTR) %Equity only

KIM Vietnam Growth I EUR

October 2022

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EXPERTISE

Fund Manager: Danny Lee

SNAPSHOT

Global Category	Asia ex-Japan Equity
Share class launch	2018-06-18
Base Currency	EUR
NAV Frequency	Daily
Fund Legal Structure	SICAV
Domicile	Luxembourg
ISIN	LU1586951466
Bloomberg Code	KIMVGIE LX Equity
Transfer Agent	State Street Bank
Benchmark Index	FTSE Vietnam TR
Total NAV	US\$ 36.9mn
Current charge	Management fee: 1.5% Subscription fee: 0.0%

STATISTICS

Time Period: 2020-01-02 to 2022-10-31

	Fund	Index
Gain/Loss Ratio	1.1	1.0
Tracking Error	17.6	9.5
IR (arith)	1.5	0.0
Std Dev	30.1	29.0

Source: KIM (Since manager change)

CONTACT US

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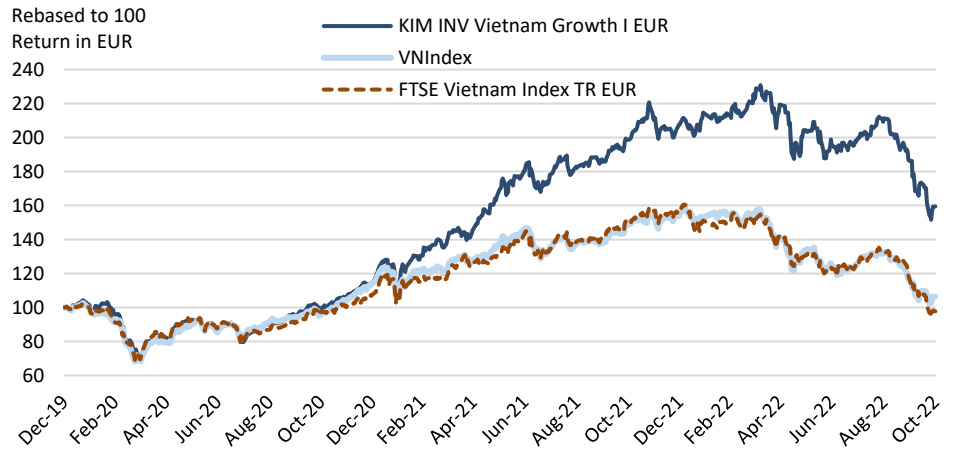
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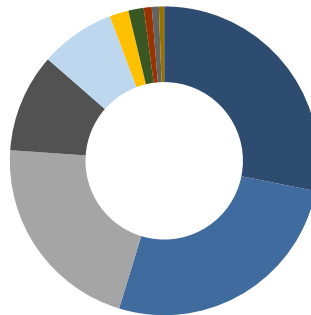
Source: KIM, Bloomberg

FUND PERFORMANCE



	1M	3M	6M	YTD	1YR	3YR	Since Inception
Fund I EUR	-14.4	-19.4	-27.3	-23.1	-19.7	+54.4	-14.4
Excess return (I EUR)	+1.9	+1.5	+4.2	+14.4	+15.6	+60.7	+1.9

SECTOR ALLOCATION



	%
Financials	28.1
Industrials	26.6
Consumer Staples	21.4
Information Technology	10.3
Consumer Discretionary	7.9
Real Estate	2.0
Health Care	1.6
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Cash	0.7
Energy	0.6
Total	100.0

Portfolio Date: 2022-10-31

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Detractors		
FPT Corp.	FPT	-1.0
Ha Do Group	HDG	-1.3
Mobile World Corp.	MWG	-1.4
Sacombank	STB	-2.2

Note: ¹ Contribution to return (CTR) %Equity only

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EXPERTISE

Fund Manager: Danny Lee

SNAPSHOT

Global Category	Asia ex-Japan Equity
Share class launch	2021-07-23
Base Currency	US Dollar
NAV Frequency	Daily
Fund Legal Structure	SICAV
Domicile	Luxembourg
ISIN	LU1586949056
Bloomberg Code	KIMVGAU LX Equity
Transfer Agent	State Street Bank
Benchmark Index	FTSE Vietnam TR
Total NAV	US\$ 36.9mn
Current charge	Management fee: 2.5% Subscription fee: 0.0%

STATISTICS (A Class)

Time Period: 2021-07-23 to 2022-10-31

	Fund	Index
Gain/Loss Ratio	N/A	0.7
Tracking Error	17.0	0
IR (arith)	0.9	
Std Dev	27.1	25.7

Source: KIM

CONTACT US

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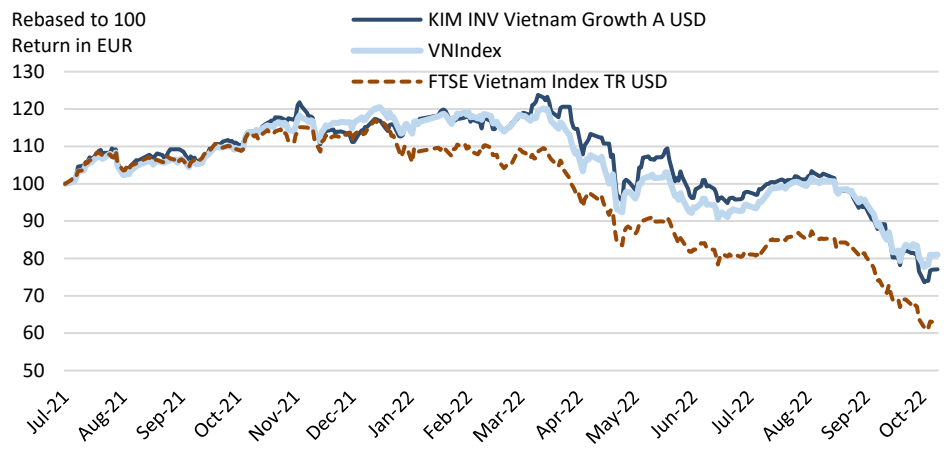
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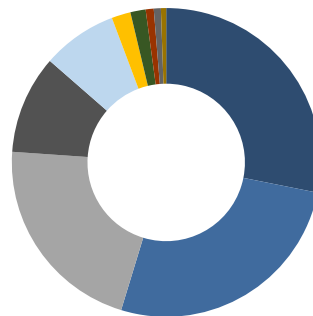
Source: KIM, Bloomberg

FUND PERFORMANCE



	1M	3M	6M	YTD	1YR	3YR	Since Inception
Fund A USD	-13.5	-21.8	-32.0	-33.1	-32.4	N/A	-22.9
Excess return (A USD)	+2.1	+1.4	+3.7	+12.2	+12.6	N/A	+14.4

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	%
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VietinBank	CTG	+0.1
Vietcombank	VCB	-0.0
Asia Commercial Bank	ACB	-0.1
Detractors		
FPT Corp.	FPT	-1.0
Ha Do Group	HDG	-1.3
Mobile World Corp.	MWG	-1.4
Sacombank	STB	-2.2

Note: ¹ Contribution to return (CTR)

Monthly Commentary

October 2022

KIM Vietnam Growth Fund (SICAV)

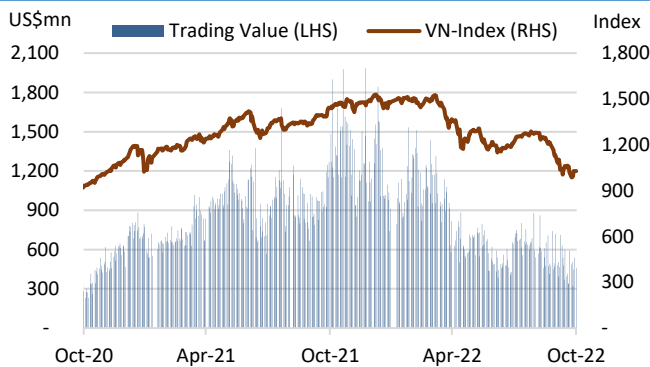
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STOCK MARKET

Market movement: The VN-Index continued to lower by -9.2% MoM in October. The strongest dragger was the Small-Cap Index(-15.8% MoM), followed by Mid-Cap Index(-11.9% MoM) and the Large-Cap Index(-10.9% MoM). The macro headlines of VND devaluation and rumors on corporate bond issues continued to hurt market sentiment. The Q3 results showed mixed among the sectors. In general, the low-base effect from last year due to the severe COVID lockdown has yielded high YoY earnings growth for 3Q22 and is expected to last until the end of the year.

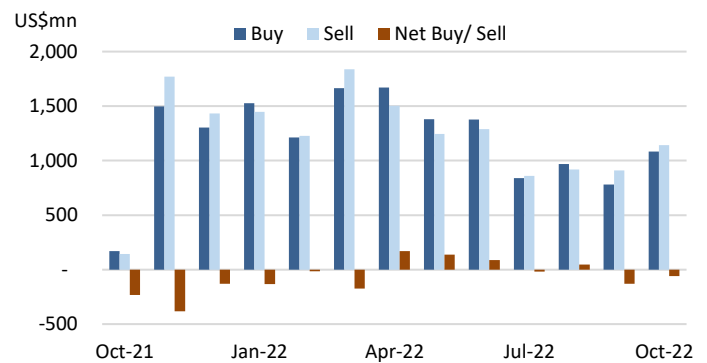
Sector performance: All the sectors retreated this month. The strongest detractors were the Materials (-20.9% MoM), Industrials (-14.7% MoM), and Energy (-13.9% MoM). The negative earnings result in the steel makers with no clear sign of recovery in the near term have shocked investors. The heavy capital industry names could not withstand the headwind of liquidity issues, and the Energy names dropped due to the continuous fall in global energy prices..

Market Performance



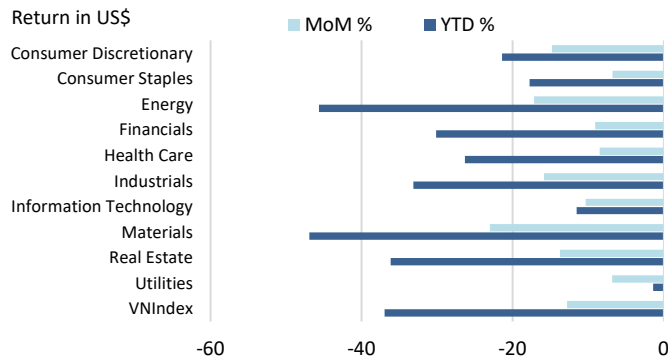
Source: Bloomberg

Foreign Investment Money Flow



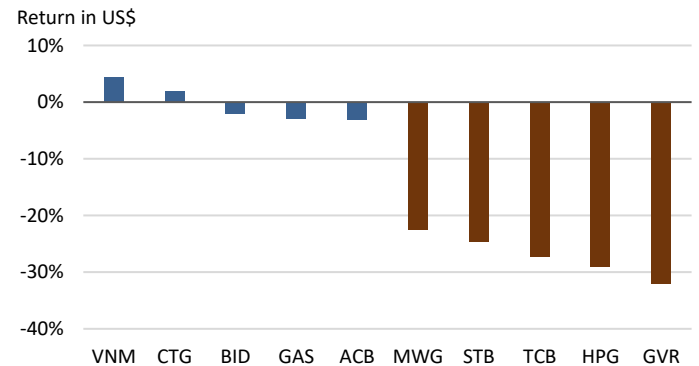
Source: Bloomberg

Sector Performance



Source: Bloomberg

5 Best & Worst Stocks in VN30 Index



Source: Bloomberg

PORTFOLIO MANAGER'S VIEWS

The market has had two consecutive months of over 10% correction. There has been growing concern about the financial health of several major real estate developers, which indirectly affected the banking sector and the rest of the market. The main reasons for the vulnerabilities of the real estate sector include:

- 1) State Bank of Vietnam's harsh policy of maintaining credit quota of the whole banking system in general and the real estate sector in particular;
- 2) lack of clarification on bond issuance regulations (under Ministry of Finance);
- 3) virtually no prospect of equity issuance in the current environment when stock prices have been under sharp downtrend and margin calls of stocks became rampant;
- 4) on the home buyers' side, there is no access to loans due to limit on credit quota, even if the demand is real and buyers have good financial status. Also, there is hesitancy from home buyers due to weak sentiment.

In summary, the key issue for the market is the liquidity risk when companies cannot get access to capital, exacerbated by strict policies from government agencies. Our stance on the market is almost unchanged from the previous month, considering:

- 1) SBV tends to grant additional credit quota to banks at the end of the year to solve the pent-up demand. Even without that, we are 2 months away from the beginning of 2023 with the new credit quota cycle.
- 2) the market is traded at a historical 10-year low level in terms of PER basis, which was only seen in 2008 (Global Financial Crisis), 2011 (local banking crisis), and 2020 (start of Covid pandemic). Compared to the previous crises, the current situation is different when the banking sector is well-functioned and highly capitalized, and the interest rate – although rising – is still at a much lower level than in the past (upwards re-rating for valuation multiples).

3) in the downturn of stock market, correlation of stock prices among different companies is high (i.e., good companies are traded the same way as bad companies), hence the correction is a good opportunity to accumulate positions that used to be expensive. In addition, share blocks of companies with full foreign room appeared more frequently and could be bought at low premium. The period of March-2020 when Covid pandemic started is a notable example when we had built up a strongly outperformed portfolio after the market corrected by 30% in 1-month period. Despite the volatile market, our conviction on key pillars of the fund (banking, industrials, consumer, and IT) remains unchanged. We see low valuation multiples and strong business fundamentals of our investee companies are the determining factors for the portfolio's performance in the long term.

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