

KIM Vietnam Growth I USD

September 2022

All materials are reviewed by Compliance Officer (No. 2022-0938)

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 0.9 billion assets under management as of 30 September 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\$ 42.8mn
Current charge	Management fee: 1.5% Subscription fee: 0.0%

STATISTICS

Time Period: 2020-01-02 to 2022-09-30

	Fund	Index
Gain/Loss Ratio	1.2	1.0
Tracking Error	14.8	0.0
IR (arith)	1.9	0.0
Std Dev	28.3	26.9

Source: KIM (Since manager change)

CONTACT US

Korea Investment Management Co., Ltd.

Product Administration Team

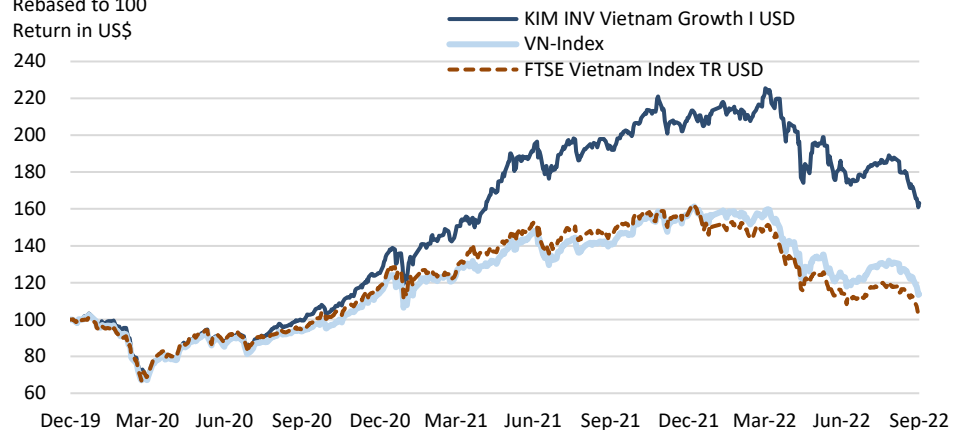
Room 1807-1808, 18F, MP Plaza Saigon Building, 39 Le Duan Street, Ben Nghe Ward, District 1, HCM City, Vietnam

sicav@koreainvestment.com.vn

Source: KIM, Bloomberg

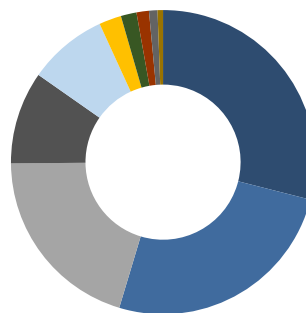
FUND PERFORMANCE

Rebased to 100
Return in US\$



	1M	3M	6M	YTD	1YR	3YR	Since Inception
Fund I USD	-13.1	-10.0	-26.6	-22.0	-15.9	+57.7	+33.7
Excess return (I USD)	-0.3	+0.2	+4.0	+13.1	+14.4	+59.6	+42.0

SECTOR ALLOCATION



	%
Financials	29.0
Industrials	25.7
Consumer Staples	20.2
Information Technology	9.9
Consumer Discretionary	8.4
Real Estate	2.4
Health Care	1.7
Cash	1.3
Materials	0.9
Energy	0.6
Total	100.0

Portfolio Date: 2022-09-30

TOP 10 HOLDINGS

Name	Ticker	%
FPT Corp.	FPT	9.8%
Sacombank	STB	8.4%
Gemadept Corp.	GMD	8.0%
Quang Ngai Sugar	QNS	7.7%
Mobile World Corp.	MWG	5.7%
Viconship	VSC	4.8%
MBBank	MBB	4.4%
Vinh Hoan Corp.	VHC	4.4%
Transimex Corp.	TMS	4.0%
Ha Do Group	HGD	3.9%

ATTRIBUTORS & DETRACTORS

Name	Ticker	CTR ¹
Attributors		
VEAM	VEA	-0.0
ICD Tan Cang Long Binh	ILB	-0.0
Imexpharm	IMP	-0.1
Dong Hai Ben Tre	DHC	-0.1
Detractors		
Mobile World Corp.	MWG	-0.9
Nam Viet Corp.	ANV	-1.0
Ha Do Group	HGD	-1.2
Sacombank	STB	-1.8

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

KIM Vietnam Growth I EUR

September 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\$ 42.8mn
Current charge	Management fee: 1.5% Subscription fee: 0.0%

STATISTICS

Time Period: 2020-01-02 to 2022-09-30

	Fund	Index
Gain/Loss Ratio	1.2	1.0
Tracking Error	17.1	9.4
IR (arith)	1.6	0.0
Std Dev	29.6	28.5

Source: KIM (Since manager change)

CONTACT US

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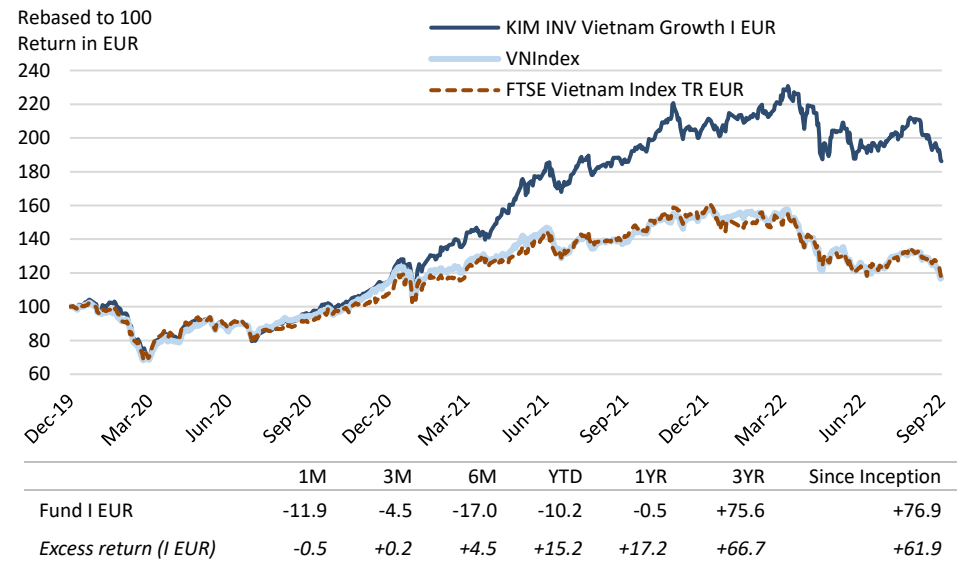
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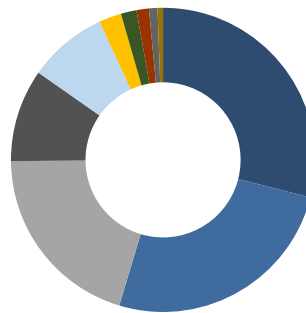
sicav@koreainvestment.com.vn

Source: KIM, Bloomberg

FUND PERFORMANCE



SECTOR ALLOCATION



	%
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Information Technology	9.9
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Total	100.0

Portfolio Date: 2022-09-30

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Detractors		
Mobile World Corp.	MWG	-0.9
Nam Viet Corp.	ANV	-1.0
Ha Do Group	HDG	-1.2
Sacombank	STB	-1.8

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\$ 42.8mn
Current charge	Management fee: 2.5% Subscription fee: 0.0%

STATISTICS (A Class)

Time Period: 2021-07-23 to 2022-09-30

	Fund	Index
Gain/Loss Ratio	N/A	0.8
Tracking Error	16.1	0.0
IR (arith)	1.1	0.0
Std Dev	25.0	23.9

Source: KIM

CONTACT US

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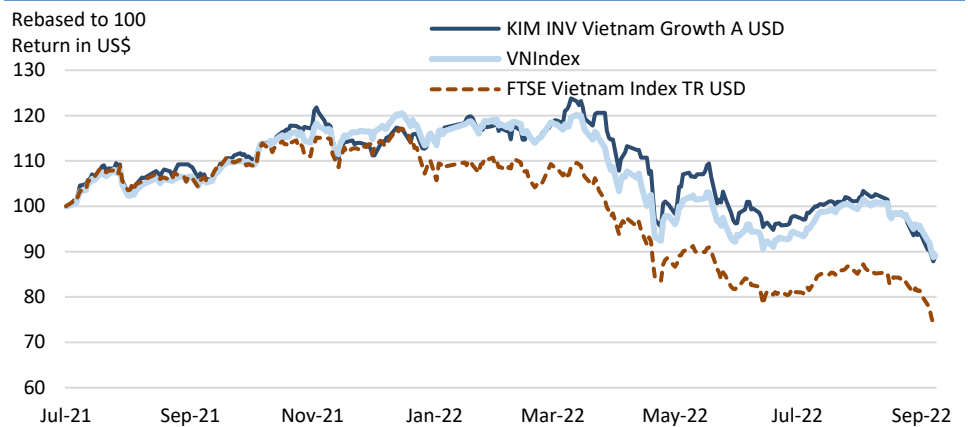
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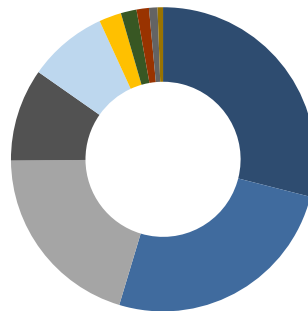
Source: KIM, Bloomberg

FUND PERFORMANCE



	1M	3M	6M	YTD	1YR	3YR	Since Inception
Fund A USD	-13.2	-10.3	-27.0	-22.6	-16.7	N/A	-10.9
Excess return (A USD)	-0.3	+0.0	+3.6	+12.5	+13.5	N/A	+14.9

SECTOR ALLOCATION



	%
Financials	29.0
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Detractors		
Mobile World Corp.	MWG	-0.9
Nam Viet Corp.	ANV	-1.0
Ha Do Group	HGD	-1.2
Sacombank	STB	-1.8

Note: ¹ Contribution to return (CTR)

Monthly Commentary

September 2022

KIM Vietnam Growth Fund (SICAV)

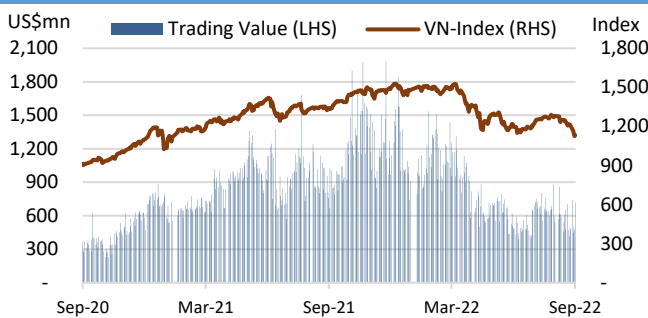
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STOCK MARKET

Market movement: The VN-Index ended the month with a sharp drop, losing 11.6% MoM or down 24.4% YTD. The Small-Cap Index (VNSC) was the strongest dragger with a -14.3% MoM fall, followed by the Mid-Cap Index (-12.7% MoM) and the Large-Cap Index (-11.5% MoM). The fall this month was in line with the downturn of the global stock market. The surge in inflation rates in many countries and the central banks' interest rate hikes raise a concern about the global recession. State Bank of Vietnam also decided to follow the move to raise policy rates for the first time in 11 years.

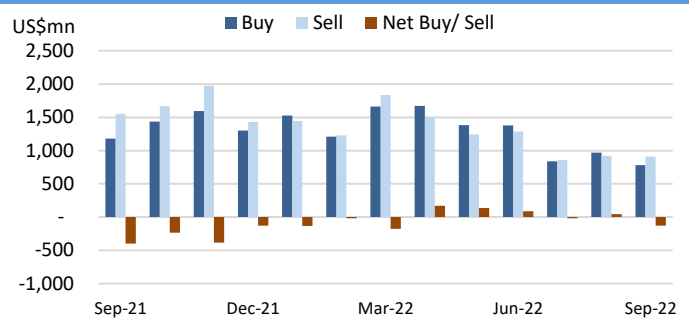
Sector performance: All the sectors recorded a loss this month. The strongest draggers were Energy (17.7% MoM), Industrials (-14.4% MoM), and Materials (-14.1% MoM). The global oil prices continued their losing streak (-11.3% MoM) since June. Fears of economic slowdown and an increase in capital costs also put pressure on the following heavy capital industries.

Market Performance



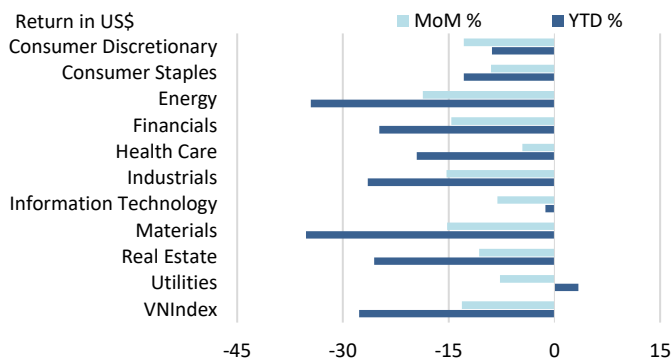
Source: Bloomberg

Foreign Investment Money Flow



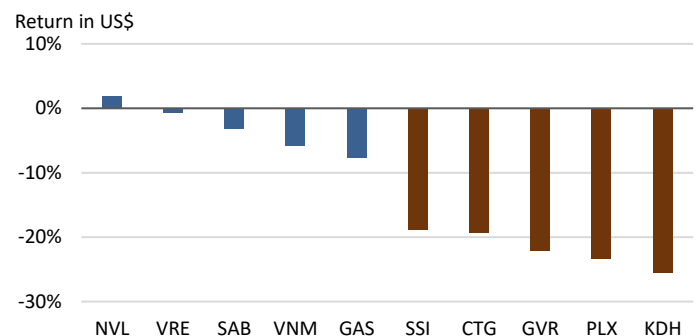
Source: Bloomberg

Sector Performance



Source: Bloomberg

5 Best & Worst Stocks in VN30 Index



Source: Bloomberg

PORTFOLIO MANAGER'S VIEWS

Despite the good macroeconomic indicators released for 3Q22, Vietnam stock market suffered a major decline for the month of Sep-2022, corrected by over 11.5%, among the worst performing markets in the region. This came as a negative surprise regarding the scale of the correction, but we can highlight several reasons that concerned investors:

- 1) retail investors' sentiment remained fragile and was exacerbated by external events (US potential recession and rate hike, Russia-Ukraine conflict prolonging, potential default of Credit Suisse and its contagion effect);
- 2) delay in additional credit quota grant by State Bank of Vietnam (SBV);
- 3) increasing foreign outflows due to redemptions.

Out of those factors, unorthodox monetary policy by SBV is probably the greatest concern, as banks could not increase credit supply to the economy, especially to the real estate sector, which leads to slowdown in economic growth overall.

On the bright side, we see good opportunities, considering:

- 1) SBV tends to grant additional credit quota to banks at the end of the year, our recent meetings in local banks were in line with this view. Even without that, we are 3 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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