



富国資產管理(香港)有限公司
Fullgoal Asset Management (H K) Ltd.

CGS Fullgoal Vietnam 30 Sector Cap ETF:

Unlock the Door to One of the Fastest
Growing Markets in Asia

This publication has not been reviewed by the Monetary Authority Singapore

Why Invest in Vietnam?



**Significant Stock
Market Growth
Potential**



**Urbanisation
Benefits Real
Estate Sector**



**Robust Economic
Growth and
Population
Dividend**

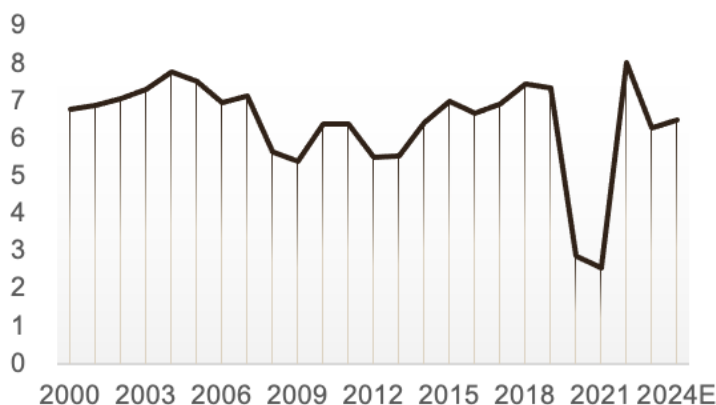


**Young Workforce
Favours
Manufacturing**

Robust Economic Growth and Population Dividend

Vietnam's economy has maintained a relatively **high and consistent growth rate** over the past decade.

Vietnam's annual GDP growth rate



Source: Wind, World Bank



Over the three-decade period from 1990 to 2020, the average annual growth rate of real GDP was **6.7%**, or **6.8%** if excluding year 2020, which was severely impacted by the COVID-19 pandemic.

The economic growth is projected to ease to **6.3%** in 2023, as services growth moderates while higher prices and interest rates weigh on households and investors.

Growth is expected to pick up to **6.5%** in 2024 as the economies of Vietnam's main export markets gain strength.

Young Workforce Favours Manufacturing

Vietnam's population is projected to reach **101.1 million by 2030**, a **7.0%** growth from 2020.



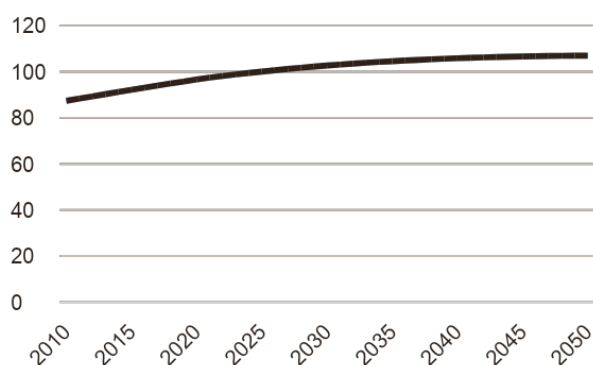
Vietnam has a **young population structure**, and the trend of population ageing is minor.

The working-age population is expected to experience continued **steady growth** for the next 20 years, increasing from 67.1 million in 2020 to **70.8 million in 2040**.



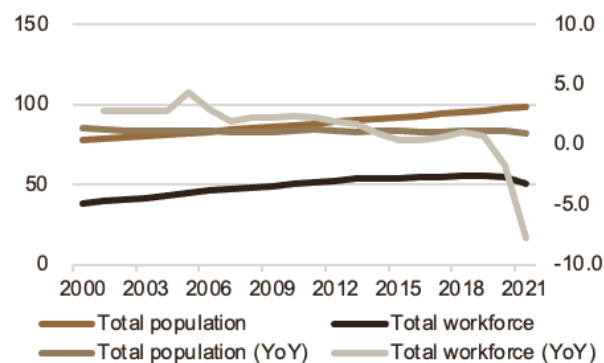
The ample young workforce will sustain its advantage of **lower labour costs**, while labour-intensive industries such as textile and clothing will continue the trend of migrating to Vietnam.

Projected population growth in Vietnam



Source: United Nations, Wind, Fullgoal

Vietnam labour force vs. population since 2000



Source: United Nations, Wind, Fullgoal

Significant Stock Market Growth Potential

The Vietnam stock market is currently classified as a **Frontier Market**, in its initial phase of development.

Prior to 2021, the stock market demonstrated robust performance. However, in the last two years, there was a downturn due to overheated trading and the impact of the COVID-19 pandemic. The market has **stabilised since 2023** and is currently at a low position, possessing substantial potential **for future growth**.

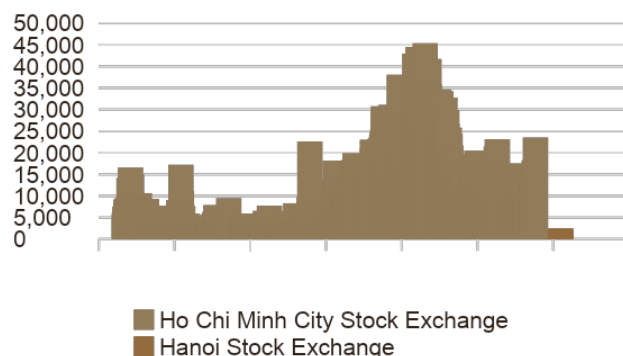
Following the recent market correction, the P/E ratio of the **Ho Chi Minh Index** currently trades at **13.45** times to earnings (P/E), and **1.52** times to its book value (P/B)

Historical performance of Vietnam stock market



Source: Wind, Fullgoal

Average daily trading volume of 2 exchanges in Vietnam



Urbanisation Benefits Real Estate Sector

Vietnam's real estate industry is expecting **rapid growth** due to the **huge room for development**.

SUPPLY

The transfer of land use rights has laid the foundation for meeting demands through **market-oriented approaches**, and **central cities** have recorded positive population migration to support the RE market.

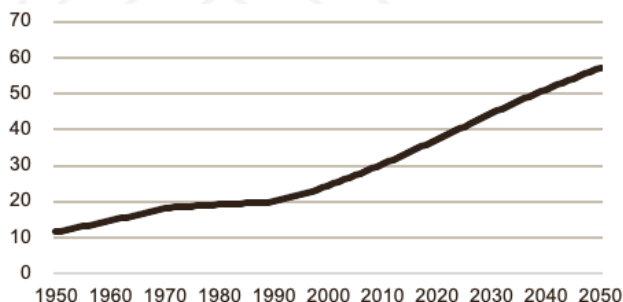


DEMAND

The ongoing urbanisation process has led to **structural consumption demands**, and decent **investment returns** and **rental yields** make Vietnamese properties attractive to investors.

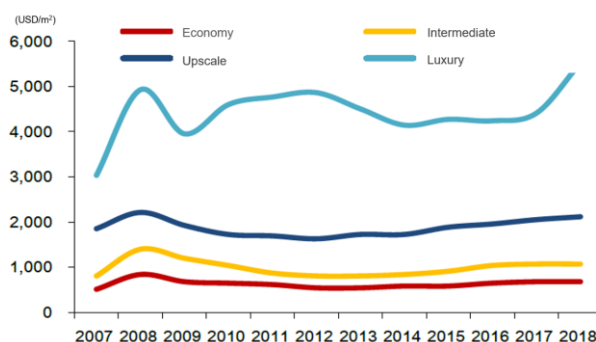


Projected urbanisation rate of Vietnam



Source: Wind, United Nations

Property prices in Ho Chi Minh City (USD/m²)



Source: Wind, United Nations

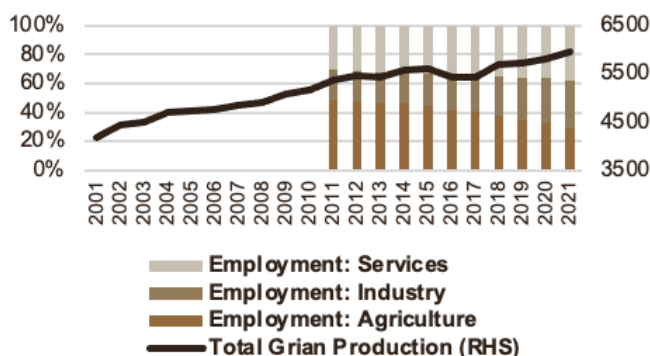
Next Promising Market Following East Asia

Agriculture: A Supporting Pillar

Vietnam is a **traditionally agricultural country**, with a rural population accounting for **60%** of the total.

Despite the advancing urbanisation progress, **agricultural technological innovations** will contribute to **maintain the supporting position** and the **stable growth of primary industry in Vietnam**.
Land reform addresses the issue of food self-sufficiency, simultaneously releasing the industrial workforce.

Growth of primary industry in Vietnam



Source: World Bank, Fullgoal

Vietnam land reform policies chronicles

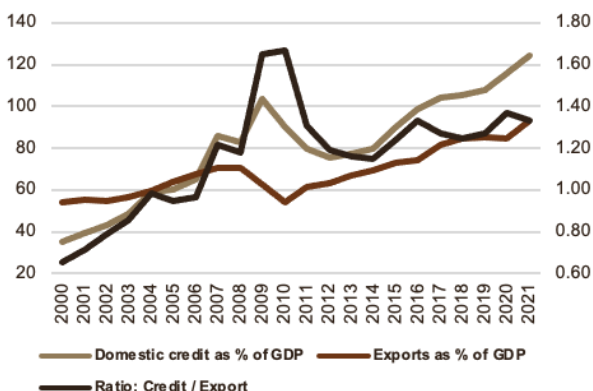
Pre- 1975	Land reform campaign redistributes land to peasants through collectivisation
1975 - 1986	Collectivisation policies continue, but face challenges in productivity and efficiency
1986 - 1992	Household responsibility system introduced, granting households land use rights and autonomy
1992 - 2003	Land-use certificates introduced, providing secure tenure and facilitating the formal land market
2003 - 2013	Land Law of 2003 improves land management, compensation, and public participation
2013 - Present	Land Law revised to address land concentration, promote equitable access, and sustainable land use

Financial: Centralised Credit & Regulated Forex

The central bank in Vietnam is **State Bank of Vietnam (SBV)**, supported by **4 state-owned** commercial banks. The Top 4 commercial banks account for up to **50%** of total domestic credit, suggesting a **highly centralised** credit scale.

Vietnam's banking sector has been maintaining **a fast pace of credit expansion** in recent years, with double-digit growth in deposit and loan business. SBV has previously projected credit growth to hit **14-15% in 2023**. Under Vietnam's managed float regime, the central bank sets a daily reference rate for VND against USD.

Domestic Credit vs Exports



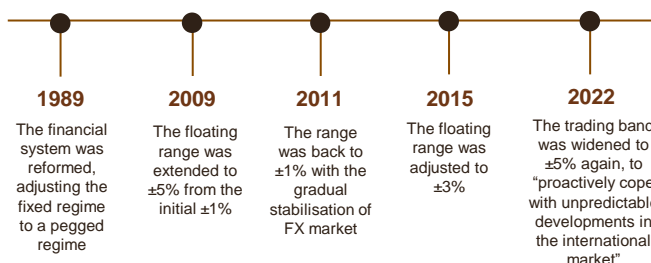
Source: SBV, VietnamPlus, Fullgoal

Currency stability as an important objective of monetary policy

Collective Economic System: Fixed FX rate

Before opening up in 1986, a fixed forex system was adopted due to limited exports but gradually failed the FX market, resulting in a large price gap between the official and black market.

Pegged Float Regime: De facto stabilised



Next Promising Market Following East Asia

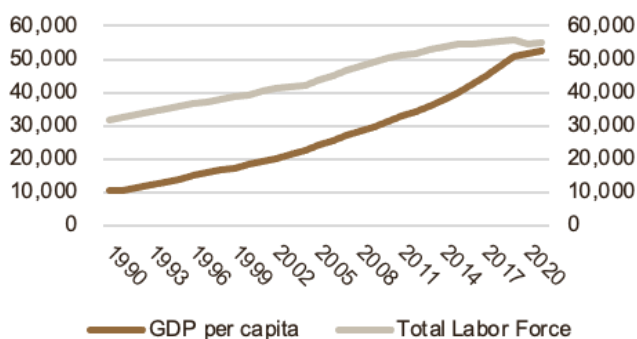
Manufacturing – Labour and Land: Low Factor Costs

Vietnam's manufacturing sector benefits **from low factor costs** and **high returns on industrial investment**.

Despite being a developing country with relatively low economic development, Vietnam possesses cost advantages in terms of factors. With a per capita GDP of **only \$3,756.50** as of 2021, **labour costs in Vietnam are lower** compared to other Southeast Asian countries.

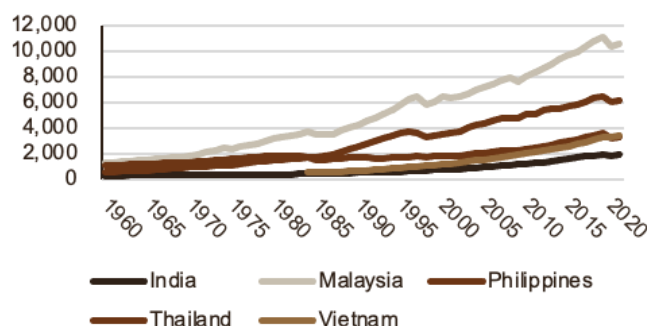
The rapid growth in the total labour force suggests that scale effects will further contribute positively.

GPD per capita and total labour force in Vietnam



Source: Wind, World Bank

GDP per capita among Asian Countries (in USD)



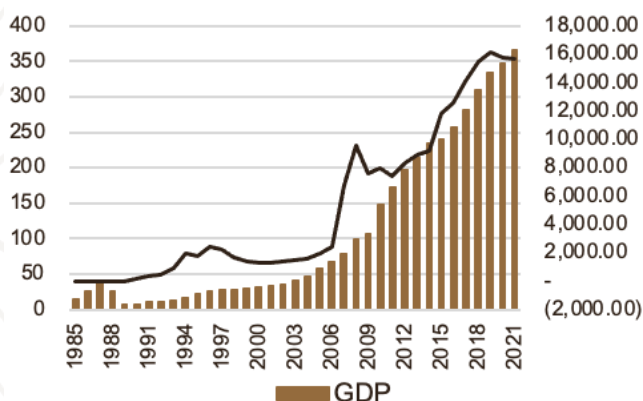
Source: Wind, World Bank

Manufacturing – Tech Progress: FDI Favours

The **rapid growth of foreign investment** will propel Vietnam's economy to **develop rapidly**.

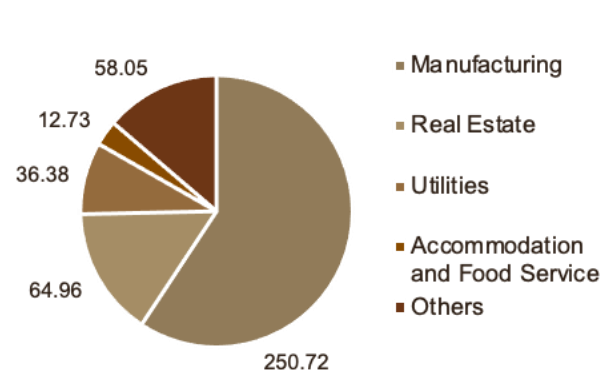
The government has continuously released and revised policies to promote the **entry of foreign capital** to the local market. As Vietnam continues to open up further to the outside world and improve its infrastructure, its **attractiveness** to foreign capital is expected to **further strengthen**.

Vietnam's net inflows of Foreign Direct Investment



Source: United Nations, Wind, Fullgoal

Vietnam's FDI Total Registered Capital (as of March 2022)



Source: United Nations, Wind, Fullgoal

TOP 10 HOLDINGS (%)

SSI Securities Corp	11.13%
Hoa Phat Group JSC	9.43%
Vietnam Dairy Products JSC	9.42%
Bank for Investment and Development of Vietnam JSC	8.91%
Vinhomes JSC	6.60%
Vingroup JSC	5.96%
Masan Group Corp	4.92%
VNDirect Securities Corp	4.83%
Duc Giang Chemicals JSC	3.08%
Vietcap Securities JSC	3.01%

Source: BNP – 31 January 2024

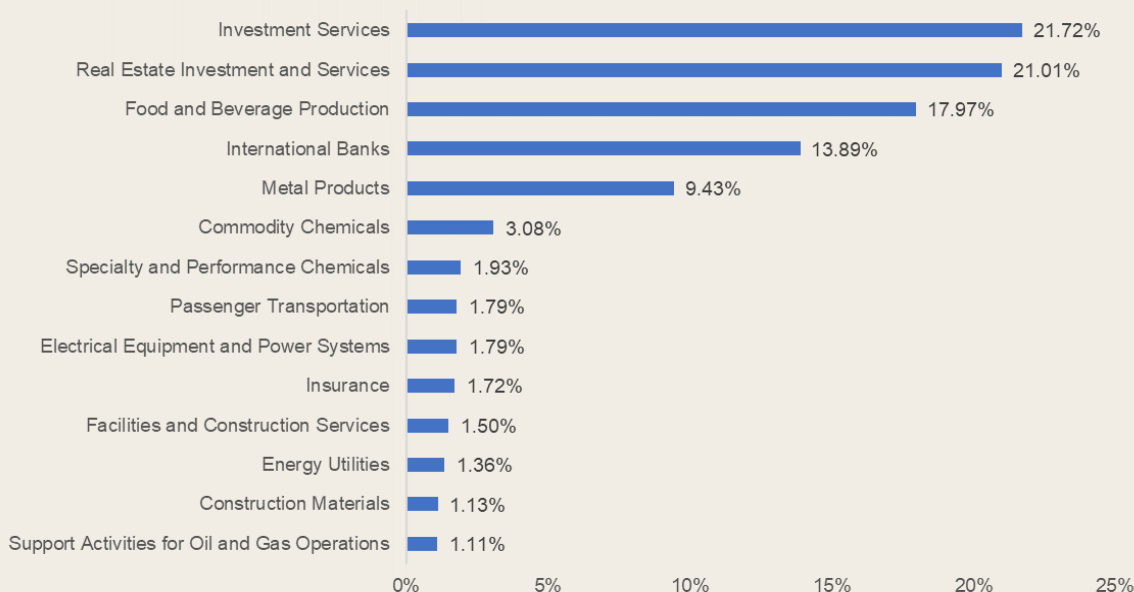
Market makers	
Phillip Securities Pte. Ltd	
Participating Dealers	
Phillip Securities Pte. Ltd	iFast Financial Pte Ltd

FUND INFORMATION

Legal Structure	Unit Trust
Manager	CGS International Securities Singapore Pte.Ltd
Investment Advisor	Fullgoal Asset Management (HK) Ltd.
Exchange Listing	SGX-ST – Main Board
Investment Strategy	Full Replication Strategy
Fund Size	USD 21.47 million
Net Asset Value	USD 0.9422
Base Currency	USD
Trading Currency	USD and SGD
Units Outstanding	22,786,000
Custodian	BNP Paribas
Trustee and Register	BNP Paribas
Listing Date	25 August 2023
ISIN Code	SGXC57624527
Bloomberg Code	VND SP (USD), VNM SP (SGD)
Trading Lot Size	1 Unit
Management Fee ¹	0.99% p.a.

SUB-SECTOR BREAKDOWN

RBICS (level 3) Sub-Sector Allocation (%)



Note: the index is constructed based on FactSet's Revere Business Industry Classification System (RBICS)
Allocations are subject to change.

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