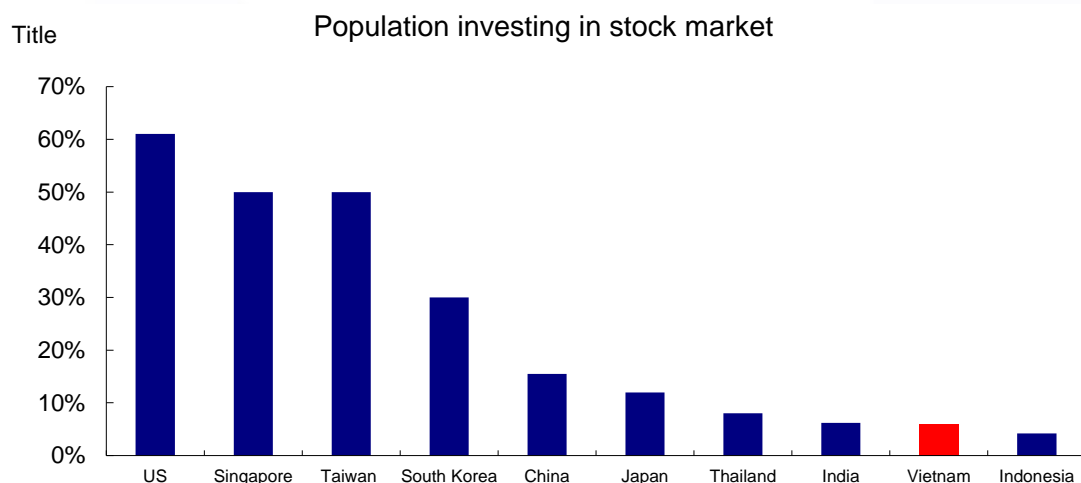




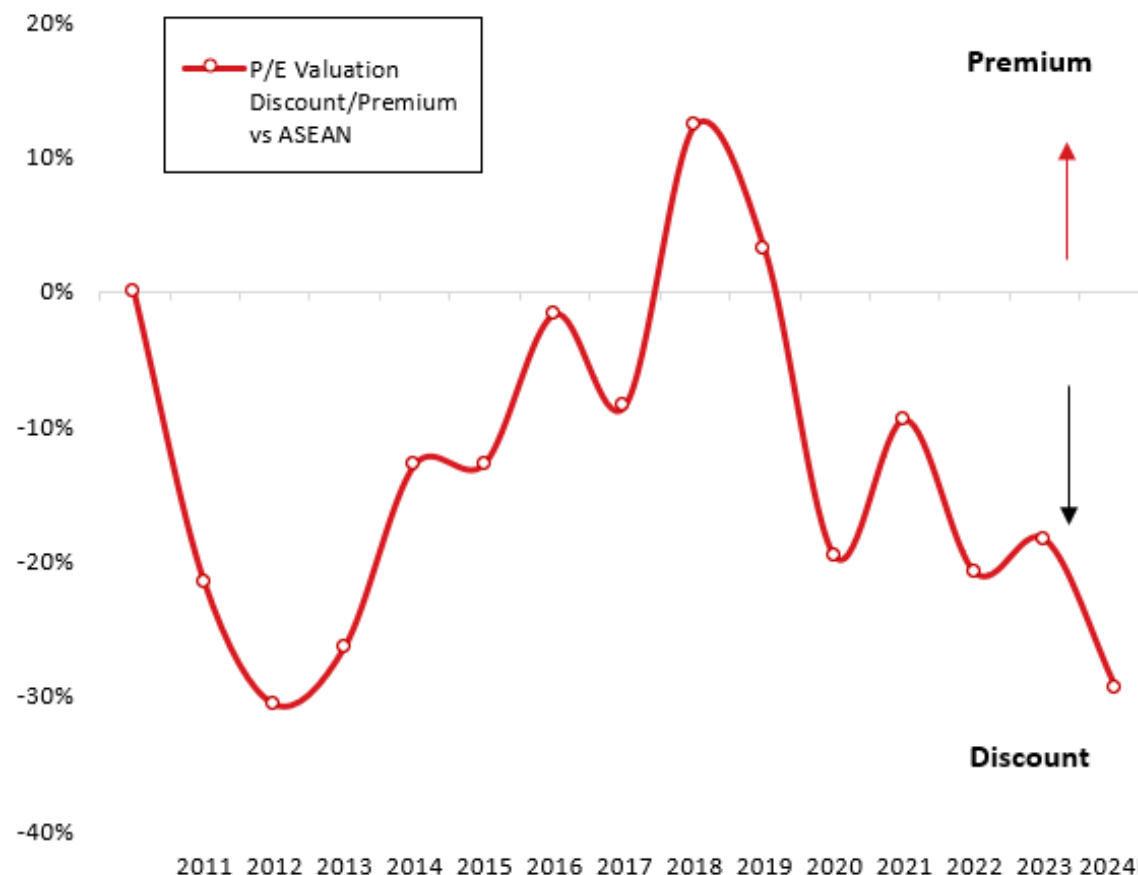
VIETNAM MARKET UPGRADE

Solid macroeconomics create a premise for Vietnam's stock market to develop in the long term

Corporate profits are expected to grow 18% compared to 2023 thanks to a strong recovery in production, trade and consumption activities, creating a premise for growth in the stock market. Currently, Vnindex is also trading with a P/E fw 25% lower than the 5-year average, showing the index's growing potential.



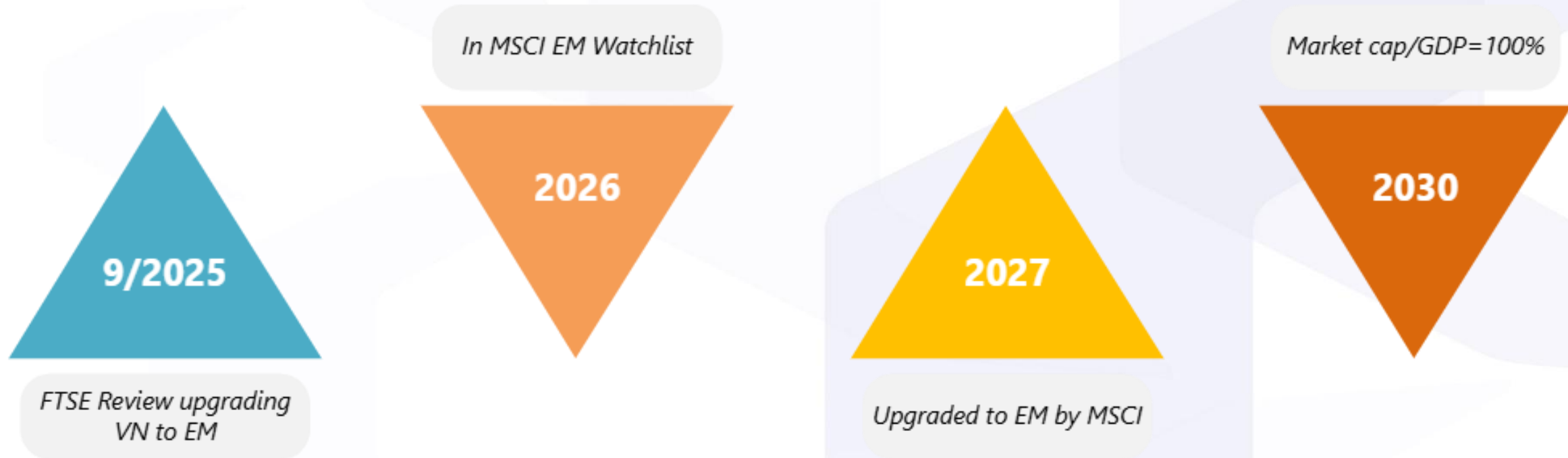
Expect the stock market penetration rate to improve with stronger participation of domestic investors (the number of new securities accounts for only 8% of the population compared to other developed markets, which is very low).



Source: Vinacapital, GTJASVN Research



Market upgrade timeline

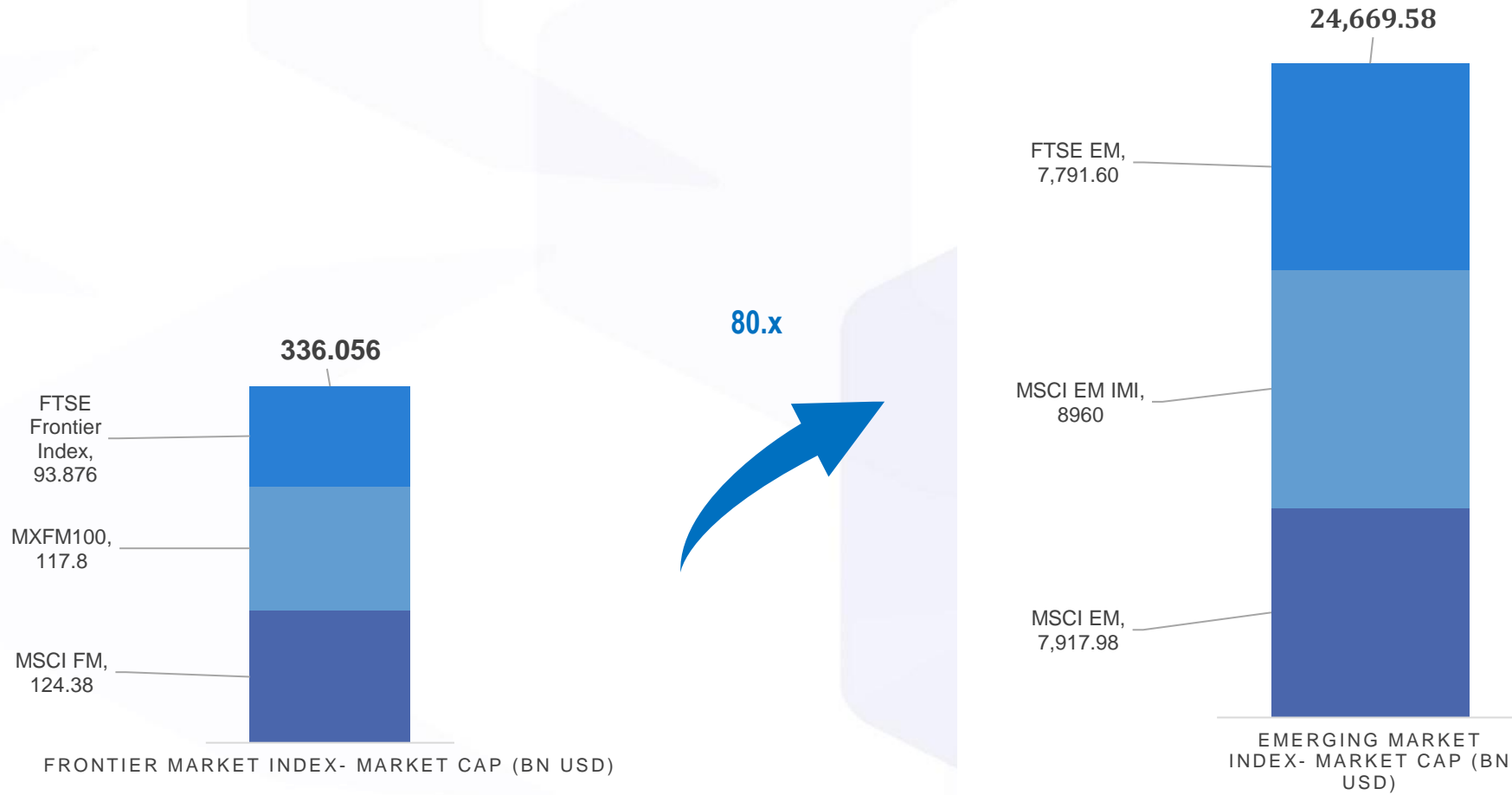


Source: GTJASVN Research

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Market capitalization of index baskets (end of Oct. 2024, bn USD)

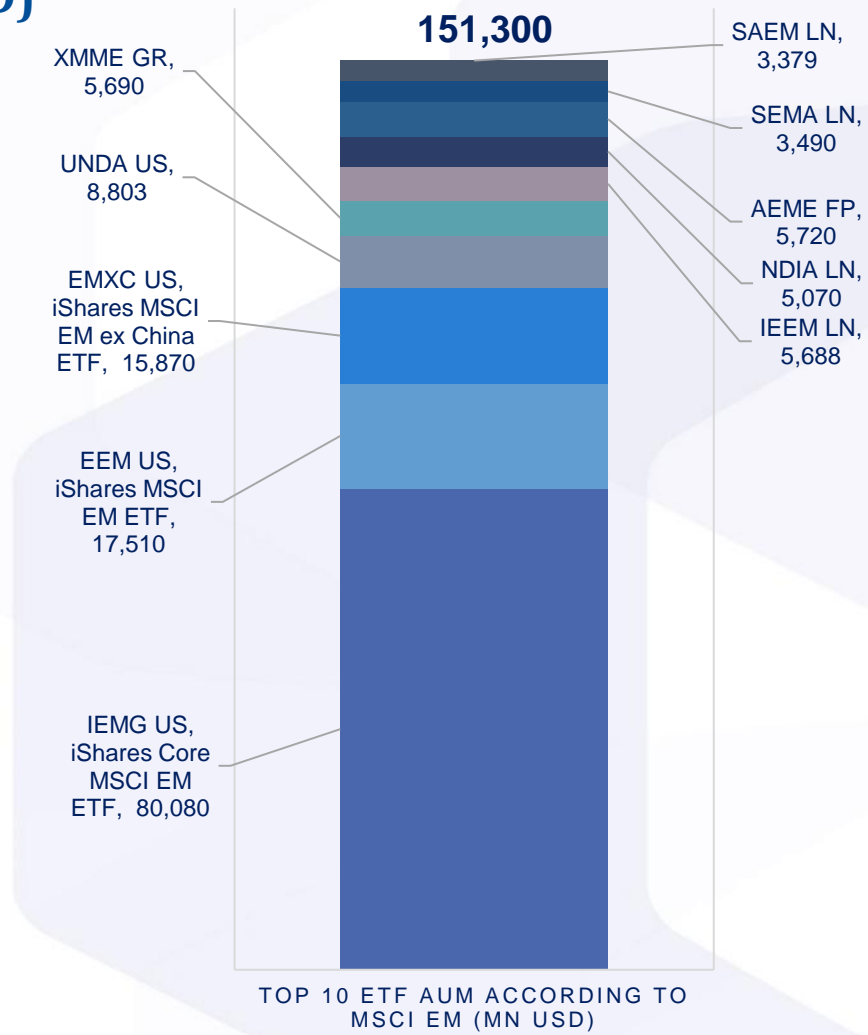
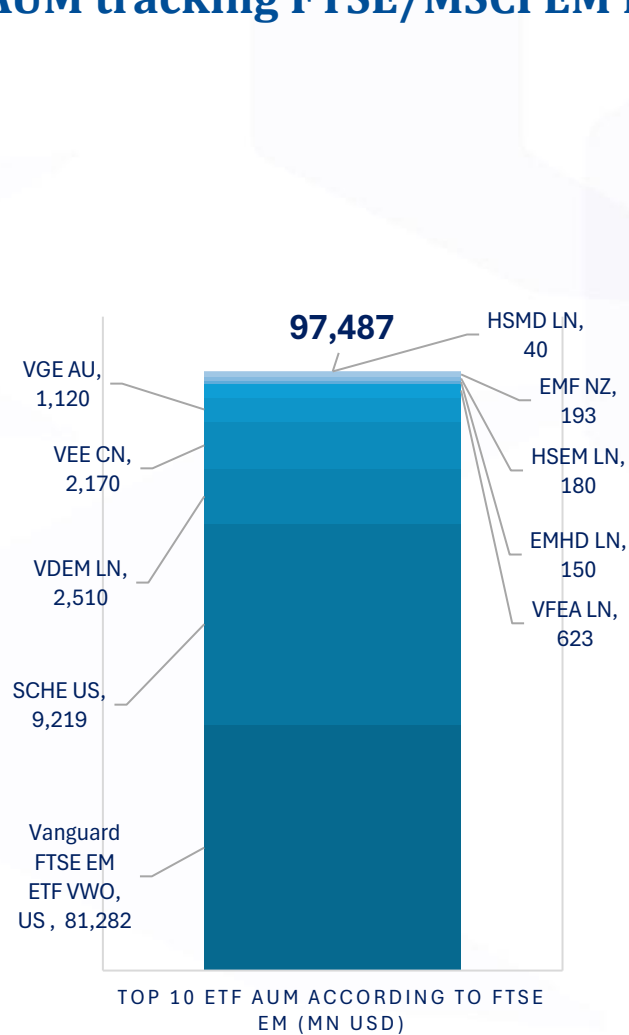


Sources: FTSE, MSCI, Bloomberg, end of Oct. 2024)

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Top 10 ETF AUM tracking FTSE/MSCI EM Index(mn USD)



Sources: FTSE, MSCI, Bloomberg, end of Oct. 2024)

US: USA, LN: London, AU: Australia, NZ: New Zealand, GR: Greece, FP: Euronext Paris

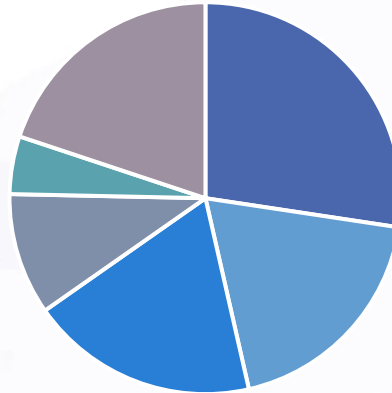
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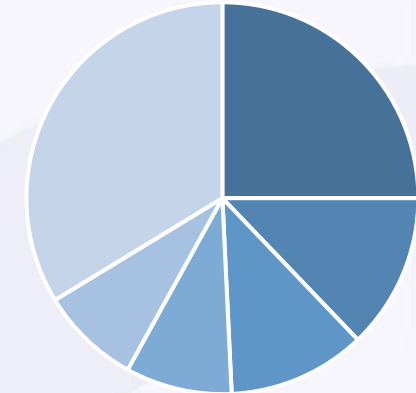
Vietnamese stocks are expected to account for 1%-2% of the FTSE EM and MSCI EM index baskets

MSCI EM Country weight



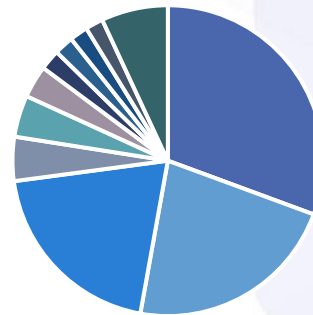
- China
- Taiwan
- India
- South Korea
- Brazil
- Other

MSCI FM Country Weight



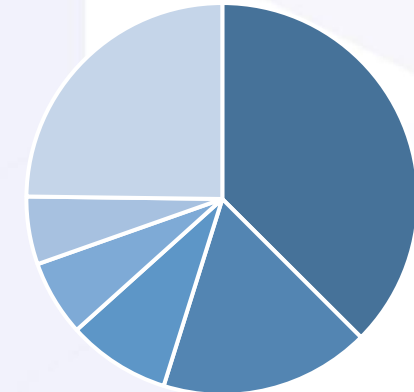
- Vietnam
- Romania
- Morocco
- Kazakhstan
- Iceland
- Other

FTSE EM Country Weight (%)



- China
- India
- Taiwan
- Brazil
- Saudi Arabia
- South Africa
- Mexico
- Thailand
- Malaysia
- Indonesia
- Other

FTSE FM Country weight



- Vietnam
- Morocco
- Oman
- Peru
- Kazakhstan
- Other

Sources: FTSE, MSCI, Bloomberg, end of Oct. 2024

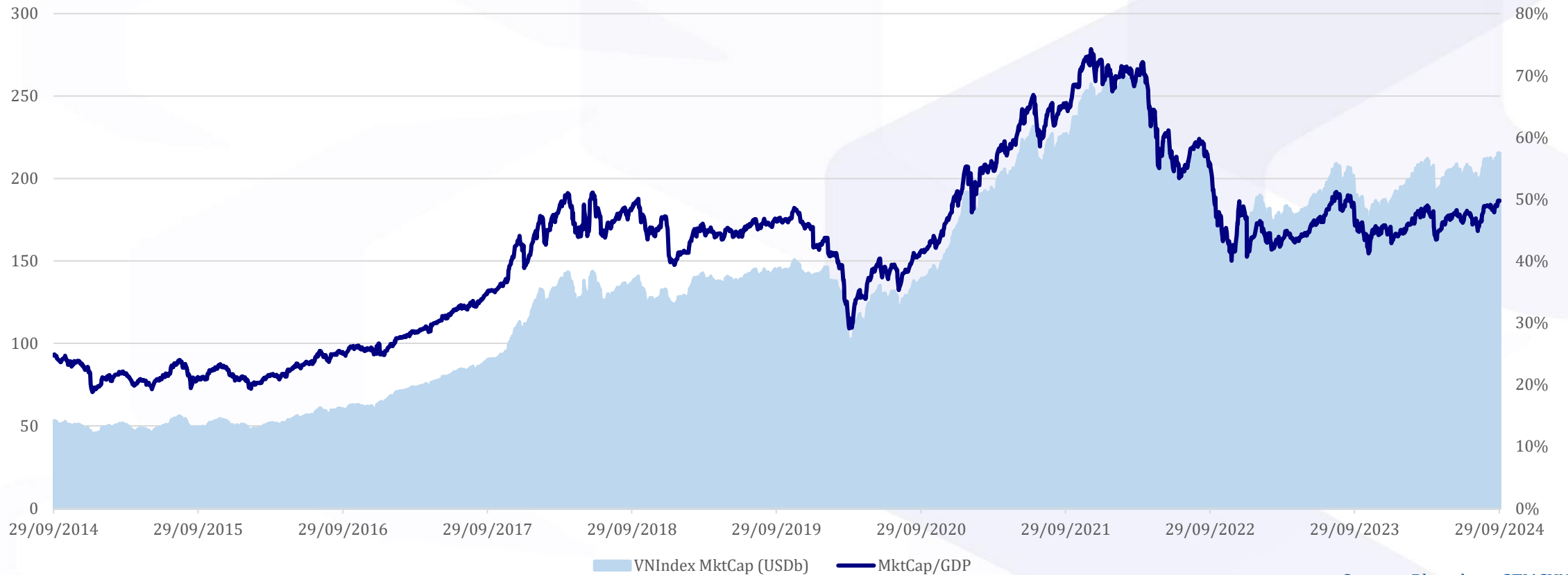
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Expectations of massive capital inflows into Vietnam's stock market after the upgrade

According to the World Bank's assessment, by 2030, Vietnam's stock market could attract up to \$25 billion after officially being upgraded by FTSE and MSCI. The scale of this new capital inflow would only represent 10% of the current market capitalization of Vietnam's stock market. However, this would contribute to improving market liquidity by 50% or more, thanks to the spillover effects from fund investment activities

Market cap of VNIndex/GDP



Sources: Bloomberg GTJASVN Research

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Expected to attract up to \$5 billion in passive investment inflows

Potential inflow from market upgrade

FTSE ETF	Net inflow from 0.9-1.98 mn USD		
(USD mn)	1.00%	1.50%	2.00%
Total capital tracking FTSE EM Indexes	97,487.00	97,487.00	97,487.00
Net Inflow from FTSE EM upgraded	974.87	1,462.31	1,949.74
Total capital tracking FTSE FM Indexes	95.50	95.50	95.50
Net Outflow from FTSE FM exit	-35.79	-35.79	-35.79
Net off	939.08	1,498.10	1,985.53

MSCI ETF	Net inflow from 1.46- 2.97 mn USD		
(USD mn)	1.00%	1.50%	2.00%
Total capital tracking MSCI EM Indexes	151,300	151,300	151,300
Net Inflow from MSCI EM upgraded	1,513.00	2,269.50	3,026.00
Total capital tracking MSCI FM Indexes	220	220	220
Net Outflow from MSCI FM exit	-55	-55	-55
Net off	1,458.00	2,214.50	2,971.00

TOTAL NET INFLOW	2,397.08	3,712.60	4,956.53
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Potential inflow from EM
ETFs
2.4 ~ 4.9bn USD

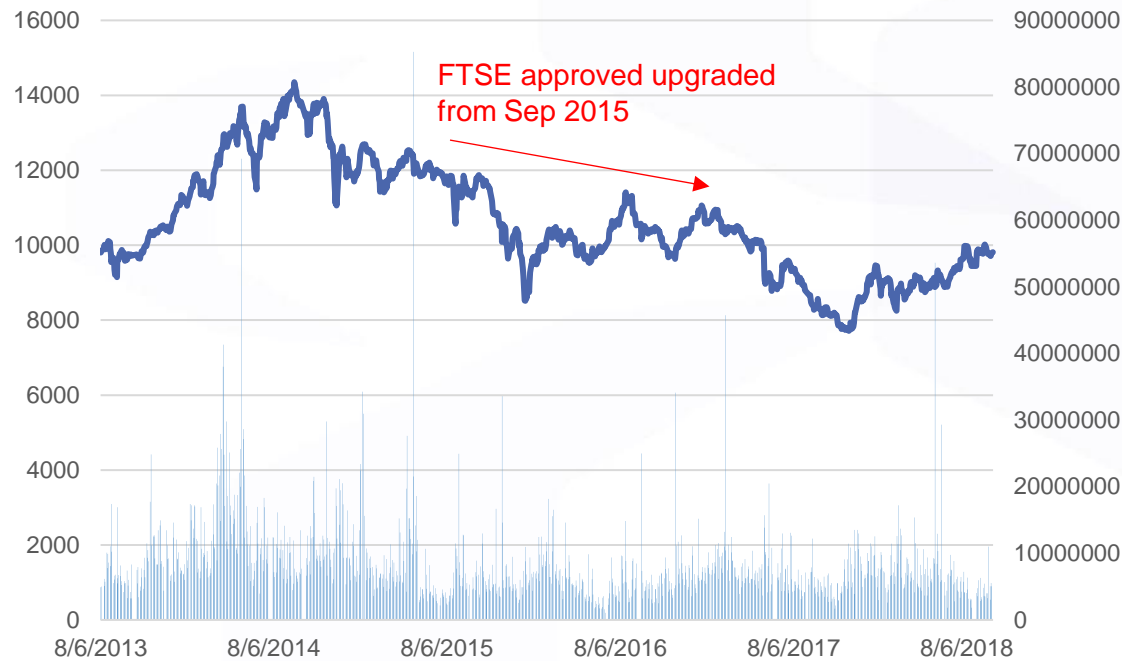
Sources: FTSE, MSCI, Bloomberg, end of Oct. 2024

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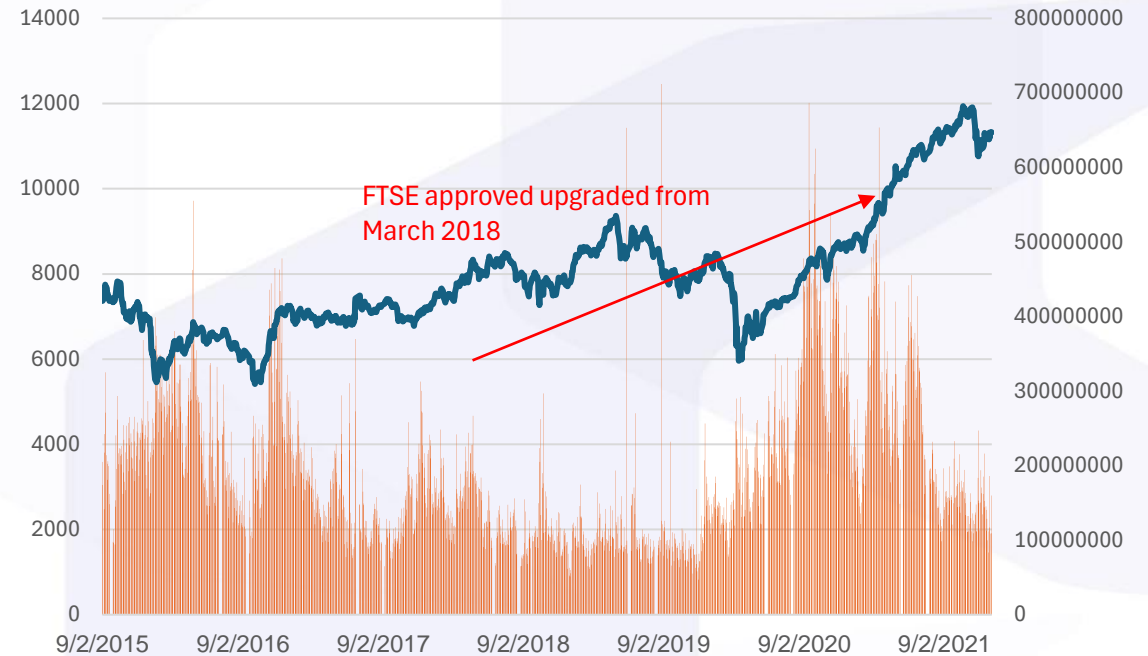


Markets approved to be upgraded to Secondary Emerging Market by FTSE

Qatar Stock Market 9/2015- 3/2017



Saudi Aribra market 3/2018- 6/2020



Comment: The stock market will usually perform positively before FTSE approved upgrade with clearly improved liquidity, typically the Chinese stock market, but 2018 is also the period when China begins to enter the trade war. The trade war with the United States caused the stock market to record a decline - then the country's stock market continued to record impressive growth.

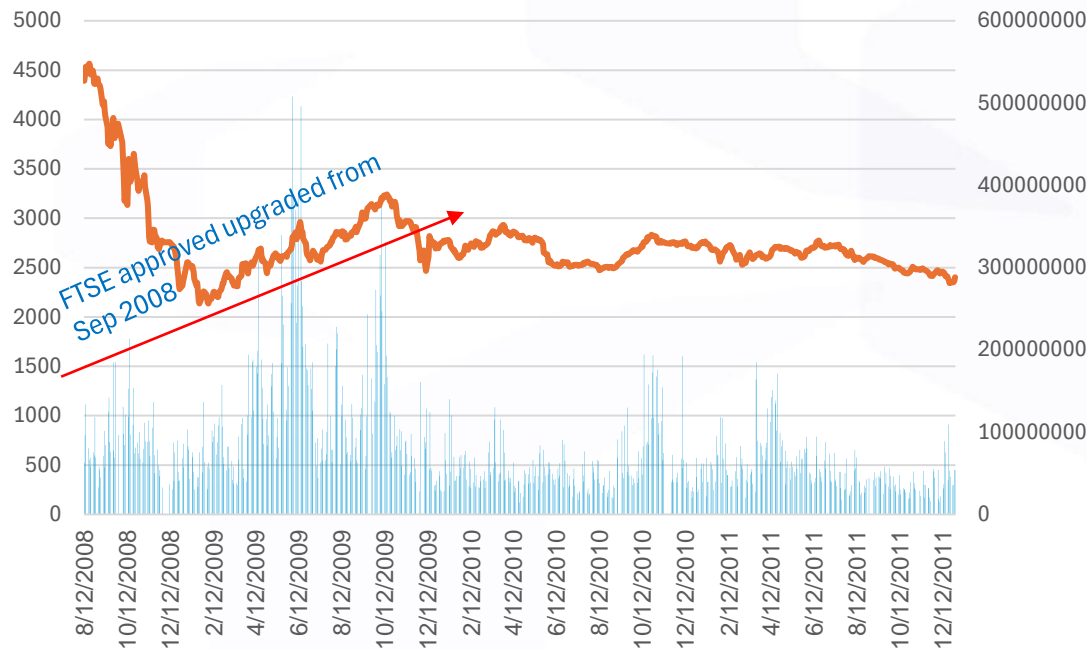
Sources: Bloomberg, GTJASVN

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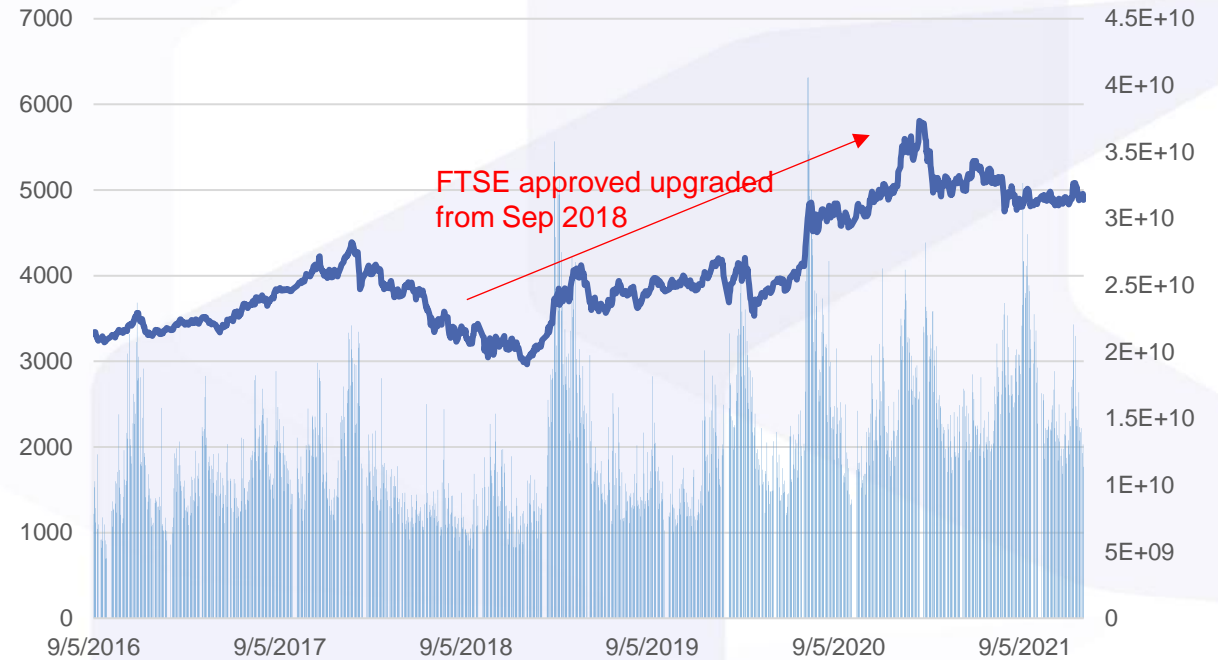


Markets approved to be upgraded to Secondary Emerging Market by FTSE

UAE Stock Market 9/2008-6/2010



China Stock Market 9/2018-6/2020



Comment: The stock market will usually perform positively before FTSE approved upgrade with clearly improved liquidity, typically the Chinese stock market, but 2018 is also the period when China begins to enter the trade war. The trade war with the United States caused the stock market to record a decline - then the country's stock market continued to record impressive growth.

Sources: Bloomberg, GTJASVN





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