

Ms. Vuong Le Minh

Thank you very much, Ms. Thanh Xuan, for sharing very practical information regarding the conditions and benefits of HSBC's Premier propositions, as well as HSBC's global support for our customers.

And before we move on to today's very interesting part, which is the Q&A session to reply to the questions you've setn our speakers, we'd like to spend a moment to remind you of the partnership between HSBC and VinaCapital.

As you know, starting on December 1, 2021, HSBC Vietnam officially cooperated with VinaCapital Fund Management Company to introduce VinaCapital's mutual fund products to Premier customers of HSBC Vietnam. As a result, we hope to provide our customers with more investment options and to assist them in building a prosperous future.

Part 4

Q&A

Ms. Vuong Le Minh

We won't keep you waiting any longer, so now we'd like to move on to the Q&A session. We're very honored to have received a lot of questions from you to our speakers today.

First, I'd like to invite Ms. Hong to answer a customer's question as follows: You shared about long-term investments, so how long is a long-term investment? For example, is 2 years considered a long-term investment? Please let us know, Ms. Hong.

Ms. Thai Thi Hong

Thank you for your question. Regarding long-term investments, the longer the better. However, if you have financial goals, such as buying a house or a car, then you can accumulate for 3 to 5 years. In order to achieve those goals, we can accumulate the money for 3 to 5 years to realize them, such is also long-term investments.

However, it is still considered long-term if you plan for overseas study. If not, when you ask specifically whether 2 years is considered long enough, the answer is kind of more or less. If you invest in mutual funds, you could see a definite return. In fact, after this webinar, you can recall the profit if you invested for 2 years in mutual funds.

For example, the VEOF fund, in the last 2 years, has reached 81.7%. Or for the VESAF fund, it has achieved 109% in 2 years. So 2 years is a relatively good time to invest in a mutual fund.

Ms. Vuong Le Minh

Thank you, Ms. Hong. And here is a very interesting question for Mr. Minh, which is related to the current situation, it's like hot news. FED's decided to raise interest rates by 0.25% in 2022, and there are plans to further increase rates this year as well as within the next 1 to 2 years.

How do you forecast the impact of such an increase in interest rate on Vietnam's inflation and on funds as well as the Vitenam stock market? Please help us with this question, Mr. Minh.

Mr. Dinh Duc Minh

Well, thank you for your question. How does this affect us since FED raised interest rates a few days ago and there are plans for further increases this year and maybe next year? We can see that the path of FED raising interest rates now is relatively clear, and it has been partly reflected in the fluctuations in the stock market and the changes in the stock price.

The stock market has a tendency, that is, only something unexpected will have a lot of impact, and for something that is already in the forecast, no matter good or bad, its influence will be limited. Such changes will not affect the market much. As we can see, FED raised interest rates last week, but the US stock market went up and the Vietnam stock market did the same thing. What is the reason?

It is because the world's stock market had fallen a bit before, so when the interest rate hike happened, it was already within the expectations of investors, so it was not a shock anymore. It just comes as a surprise when, for example, FED says they will increase 1.5% this year, but in the end, it turns out that it's not 1.5%, but 2.5% or even 3%, that's a real surprise, a negative one.

For now, everything is predicted, all is within the plans, so I think the influence will not be significant on the market. And if we look back over the past ten years, FED also had many interest rate hikes. In history, around the time when interest rates were raised, the stock market was affected and went down a bit throughout the whole world and also in Vietnam.

But after 1 or 2 months, after all those interest rate hikes, the market rose and recovered again, only 1 or 2 months later. Regards to how that will affect inflation, I think right now, Vietnam's inflation is affected more by commodity price increase than by the monetary or interest rate policies. As the COVID epidemic occurred, it has caused a series of commodity price increases. In 2020 and 2021, the prices of basic materials such as iron and steel, transportation cost, or gasoline, also increased.

Recently, the conflicts between Russia and Ukraine made everything soar again. That will be the factor that affects inflation in the world, and in Vietnam. And it is relatively difficult to predict. There is a positive sign, like the price of oil increased to nearly \$130 a barrel, but in recent days it has dropped to just over \$100 a barrel. It is also possible that investors around the world have expected that the risk factor has been reduced. That's all of my answers.

Ms. Vuong Le Minh

Thank Mr. Minh very much. And next, there is a very good question for Ms. Hong: Please tell me about the risks of joining a mutual fund. How will VinaCapital deal with it if the investment is a loss? Ms. Hong, please open the mic.

Ms. Thai Thi Hong

Thank you for your question, dear investor. This is a very good question, and it is also a question that nearly every investor participating in a mutual fund asks. First of all, for the first part of the question, what if you lose when you join a mutual fund, right? For mutual funds, as I shared earlier, we have four types of funds. There is one fund, which is the bond fund, that just keeps increasing continuously. There will be no fluctuations.

In particular, in contrast, there is the stock fund, for which I've emphasized that there will be short-term fluctuations. So if I assume that you've invested 1 billion but then it becomes around 950 million, that's quite normal, because the stock fund will fluctuate according to the stock market in Vietnam, But I also want to share with you that, until now, all long-term

investors in VinaCapital mutual funds have been achieving a very high and satisfying profit level. Thus far, no long-term investors have experienced losses.

I hope that you'll all invest together and stick with it long enough to realize our target profit. Well, that's the first part of the question, in the case of a loss. It happens in the short term. But in the long term, investors still make a profit.

There seems to be a second part, right, Ms. Minh? The question has a second point, right? Well, now in regards to investment accounts, when you invest with the VinaCapital mutual funds, you can always track your investment through an online account. You can see your assets' value almost anywhere, at any time.

However, if you want the volatility to happen only in the case of stock funds, you can look back at the investment results from the past, so that you can be confident in the future. Thank you for your question.

Ms. Vuong Le Minh

Thank you, Ms. Hong. There is a second question I would like to add so that Ms. Hong can answer it. That is, if VinaCapital suffers an investment loss, what will happen to the customer's account?

Ms. Thai Thi Hong

Usually, mutual funds, especially stock funds, will often have a tendency to fluctuate slightly in the same direction as the VN Index. If you have already invested and have learned about the stock market, you would know that generally, mutual stock funds will move in the same direction as the VN Index. And the VN Index will show the volatility, the growth of the economy, and all the economies are growing in the long run.

Therefore, there may be short-term fluctuations, which Mr. Minh's shared with you earlier, but they will be very good for our economic prospects in the future. Thus, although the Vietnam market has experienced short-term declines, there will also be long-term growth for the stock market. And that means that if you invest in a mutual fund, there will be short-term losses, but if you maintain it in the long term, there will be profits.

So, gain or loss is only for the time being. If you see a loss and you continue to maintain it in the long term, it will turn into a profit with the development of Vietnam's economy. That is my answer.

Ms. Vuong Le Minh

Thank you, Ms. Hong. And here is a question for Mr. Minh. The question has two parts. The first is: Was the inflation rate of 3% to 4% in 2022 predicted by VinaCapital or by the government? And the second point is that the forecast that Vietnam's economy will develop well in 2022 is due to the general development or recovery from 2020 to 2021? Please help us answer, Mr. Minh.

Mr. Dinh Duc Minh

Yes, thank you for your question. Regarding inflation, from 3% to 4% is the number that VinaCapital is forecasting. The government has set an inflation target of 4% or less, which they achieve almost every year.

However, as I said earlier, I must note that 3 to 4% is the number we are forecasting. If prices of goods such as oil, raw materials, iron, steel, fertilizers, or other raw materials like coal, or gas, continue to go up, then there is a possibility that inflation will rise above the government's 4% rate.

However, the Vietnamese government has policies and tools to control inflation relatively effectively. With regard to some of the prices of the main goods and services in the inflation basket, the government has the ability to control them. So even if a bad situation occurs, where commodity prices continue to rise sharply, we do not think the number will exceed much above the government's target of 4%.

As for the forecast of Vietnam's economic growth, is it general growth or a recovery? It can be said to be a combination of both factors. For example, talking about the recovery, for the past 2 years since the pandemic, the regulations on isolation have been very strict, people had to stay at home and were not allowed to go out, go shopping, or travel, and international visitors were not allowed to enter Vietnam.

Now, all is opened up again and international flights have been entering Vietnam, and foreign travelers visiting Vietnam are now not isolated anymore. They just need a certificate that they are not infected with COVID, and that they've been vaccinated, and then they can travel comfortably. Or now we can see that restaurants, commercial centers, and shopping centers are reopening as before the pandemic, that is a recovery.

Regarding the general development and the general growth trend of the economy, it can be seen that Vietnam is now becoming the industrial production center of the world. For example, about Samsung phones, in terms of the output of and revenue from Samsung's phones exported out of Vietnam, then Vietnam is the largest producer of Samsung phones in the world. Some of Apple's products are now also starting to be produced in Vietnam. This trend will increase even more.

Alternatively, imports and exports in Vietnam will gradually increase. We will also see large corporations in the Vietnamese economy, corporations whose capitalization or profits are up to billions of dollars. Currently, we can see, for example, Hoa Phat Group, Vinhomes real estate company, or The Gioi Di Dong in the retail sector. And as for banks, we can see there are many banks in Vietnam that are developing very strongly.

The general trend of the economy is the trend of development. That's all of my answers.

Ms. Vuong Le Minh

Well, thank you, Mr. Minh. By the way, we also received questions related to how to invest in the VinaCapital fund as an HSBC customer. In the presentation by Ms. Thanh Xuan, she mentioned that we are now offering VinaCapital's products with introductory promotions to customers who are also Premier customers of HSBC Vietnam.

And for those who are interested in learning about the investment process or asking about how we can invest, and how we invest through an HSBC Vietnam account, we've taken note of those questions, and after the webinar, HSBC's Relationship Managers will contact you

again to provide you with specific instructions, as well as introduce you to VinaCapital's mutual funds.

Next, I would like to invite Ms. Hong to help answer a question in two parts, as follows. First, what is the annual fee that customers need to pay when investing in VinaCapital's funds? And the second point is: What are the differentiating points from VinaCapital that help maintain the profit level of mutual funds in the future? Ms. Hong will help us with these questions.

Ms. Thai Thi Hong

Thank you for your question. As for the annual fee of the mutual fund, when you join our mutual funds, you will have to pay 2 fees: the annual management fee and the fee for selling the fund certificate when you withdraw your money. However, the annual management fee is already deducted directly from the fund certificate fee, so you will not have to pay any more, and that fee is a hidden cost that is almost invisible to you. There is only one fee that you have to pay when withdrawing money.

For example, as for stock funds and balanced funds, if you withdraw after less than 1 year, the fee is 2%, from 1 to 2 years, the fee is 1.5%, and over 2 years, the fee is only 0.5%. The rest of the profit will be yours. Let's take an example. If you hold the VEOF stock fund managed by Mr. Minh for 2 years, you will see a profit of 81.7%. When you withdraw, you will enjoy a profit of 81.7% minus 0.5% which is 81.2%. Plus the personal income tax of 0.1% from the government, you will have 81.1% left. That is what you receive as a whole.

That's the fee structure of a mutual fund, and the management fee is a hidden fee that you won't see because it is deducted directly. Especially for VinaCapital, in order to maintain the investment advantage in the market, I also share with you the profits brought to investors by the funds VinaCapital manages for customers, not only in 2021, but for many years, the profits have always been at the top of the market. Stock funds, in particular. There are two Investment Directors who bring the highest profits to current customers in VinaCapital funds, of which one is managed by Mr. Minh, with a profit of 56% last year, or more precisely, 56.5% in 2021.

How can this advantage be maintained? In the future, I believe that VinaCapital's investment capacity has been reflected in its past investment results, and with those Investment Directors who are currently still working with VinaCapital, I believe that the investment capabilities will continue the future.

And as you know, VinaCapital is one of the most famous fund management companies in Vietnam at the moment. Surely, VinaCapital will always strive to maintain that trust in the hearts of customers and maintain the position that brings the best profits to investors. Thank you for listening.

Ms. Vuong Le Minh

Thank you very much, Ms. Hong. And here is a question for Mr. Minh. This question has two parts. First, would you please provide more comments on the situation of Vietnamese stocks compared to world stocks and also compare the growth potential of Vietnam's stock market.

And the second part is that oil price is increasing significantly, affecting people's lives. What impact do you think this will have on the Vietnamese economy or consumption in the second and third quarters of this year? Please, Mr. Minh.

Mr. Dinh Duc Minh

Yes, I would like to answer this question as follows. First, let's compare the prospects of Vietnam's stock market to the world market and other countries' markets. If we look at the prospect of economic growth, it is easy to see that Vietnam is currently one of the few countries in the world achieving a high growth rate. Our economy's growth rate is among the highest in the world, with a figure of somewhere around 7 to 7.5% in 2022. With this growth over the next 3 to 5 years, I believe it will maintain a 6 to 6.5% annual rate.

This is one of the best growth groups in the world. In the past, China's growth was higher than ours, but now China's economy is already quite large. When it is that large, growth will be more difficult. And while our economy is still at an early stage of development, in terms of growth, we will grow faster.

Let's go more specifically into the profits of companies listed on the stock market because stock prices often reflect business results. For example, you may hear or watch on TV, or read newspapers about a company with very good business results and high growth, and its stock price increases immediately.

If you look at the forecast of business results of listed companies on the market, as I have also shown you comparative data on the growth prospects of listed companies in Vietnam and other countries in the region, it is forecast that within the next 2 years, companies listed on the Vietnam market will grow somewhere between 20% and 25% a year.

While in the region, almost all countries grow by somewhere around 10%, with 15% being the highest. This number is not only for 2022; Vietnam has been growing higher than that for many years. Especially during the epidemic period, businesses in other countries are much worse.

However, in Vietnam, we had bad times, but such negative results were quite low. For example, other places could go down 40 or 50%, but we only went down about 5 or 10% in the pandemic period, and even some companies could still grow in the pandemic period. First, when we do the comparison, our economy has better prospects and will have higher growth. In such an economy, companies listed on the stock market will achieve a very high growth rate, 20–25% within the next 2 years, which is a very positive sign.

The second question is about oil prices and inflation. It is true that oil prices and inflation affect people's pockets. We can all see when we go out to eat and drink, or go to the market, or go to the supermarket, the prices of everything are increasing, and it will affect people's purchasing power. It is a fact that we can't deny.

And if oil prices and commodity prices, in general, continue to rise, the impact will be even greater. As I said, inflation may now be forecast at 3% but it will be able to jump above 4%, which means higher than the target set by the government. Maybe it could reach that number if the price of goods increases further. Well, that's about inflation, but what about the investment aspect?

This increase in commodity price has one characteristic: it is a bit sad for people's lives. That is, this inflation will affect the budgets of low-income people more than the middle and high-income classes. Although this is quite sad for the economy, we have to accept the fact as it is.

Then, in terms of investment, we can avoid businesses and industries whose revenue comes from products whose input prices go up significantly. Here, we focus on businesses that have the ability to increase the price of their products when the input prices soar.

These businesses focus mainly on products aimed at the middle and high-income classes. That is the social aspect. In terms of investment, we can partly avoid the effects of inflation on those kinds of companies listed on the stock market. That's all of my answers.

Ms. Vuong Le Minh

Thank you, Mr. Minh. Now then, I have a question for Ms. Thanh Xuan: What are the requirements and regulations for becoming an HSBC Premier customer? Please let us know, Ms. Xuan.

Ms. Ly Thi Thanh Xuan

Thank you for your question. As I shared earlier, now with HSBC Premier, we have 3 methods for you to choose to become an HSBC Premier customer.

The first method is that you need to maintain a minimum balance of 1 billion or more in your account, with the value in Vietnam Dong or the equivalent foreign currency. The second way is that you maintain a salary account at HSBC Vietnam, and the minimum salary to join HSBC Premier is from 100 million and above. And the third method is that you have a mortgage loan at HSBC with the minimum outstanding balance of 2.5 billion or more, and it must be at least 60% of the collateral. Thank you, Ms. Minh.

Ms. Vuong Le Minh

Thank you, Ms. Xuan. Taking over from Ms. Xuan, I'd also like to share more about the benefits of customers when investing in VinaCapital's mutual funds through HSBC. That is, at HSBC, when you are a Premier customer, you will be served by your dedicated Relationship Manager who understands your financial situation and risk portfolio to help you find the information you need when investing. They also help you calculate your financial ability and future plans to build your personal and your family's prosperity, how and how much to invest in, and what fund products are best for you to meet your needs for future profit growth.

So that's what our process at HSBC is. We tailor our products to our clients' needs. That's the financial planning process. We are proud that in the Vietnamese market, we are one of the foreign banks that have implemented this process in the best way for our customers, especially the high-end customers of HSBC's Premier.

When coming to us, coming to HSBC Vietnam, especially for Premier customers, there is a team of dedicated Relationship Managers who will help you get comprehensive information thoroughly before deciding to participate in an investment. Next is a question for Ms. Hong.

That is when investing in fund certificates, should you trade fund certificates regularly when the market goes up and down? For example, when the market is up, sell; when the market is down, buy. And the second part is: is it possible to get more information about trade funds, how are stocks traded each session, and if yes, on what platform? Please, Ms. Hong.

Ms. Thai Thi Hong

Thank you for your question. The first question is whether to buy fund certificates when the price goes up and down, which means should we buy and sell continuously or not. The answer is no. We only buy and hold them for the long term.

What is the reason? If you are a stock investor, you buy stocks and when you feel you have achieved your target profit, you sell them, right? That's how you are investing directly in the stock market yourself. And when you put in the fund, you have hired a professional investor to invest. Specifically, here is Mr. Minh. When the market goes down, Mr. Minh will consider it and he will make his own choice on stock investment for you.

Or when the market sells out at a high profit, Mr. Minh will do it himself, which means now that you've hired a professional, you won't need to do anything but hold the fund certificates for the long term, or until the target profit is reached. We shouldn't trade often. That's the advice from the fund management company. That's the first answer.

The second part is about the fund's stock codes being bought in sessions. The answer is that, for mutual funds, the fund management company is required to publish the entire investment portfolio once a month. Then, on the 10th of every month, VinaCapital publishes the entire fund's portfolio on its website. You can go there for reference, to know what the fund is currently investing in. This happens once a month. And every day, about which stock Mr. Minh buys and sells, the investors do not know that information. That is my answer.

Ms. Vuong Le Minh

Yes, thank you, Ms. Hong. By the way, customers also have interesting questions. For example, "What is the minimum amount that I need to buy?" Or "if I only have 100 or 200 million, should I invest in fund certificates?"

Then the answer is that, according to the current regulations from VinaCapital, the minimum level to invest in fund certificate is 2 million VND for one transaction. And with an amount of 200 or 300 million, you can completely invest in any VinaCapital fund certificate that best suits your needs.

And next is a question for Mr. Minh. That is, I see that the stock market has been going up very sharply for the past 2 years, so at this time, what ratio should I invest in between bonds and stocks to ensure safety in the short term. Please help us with this question, Mr. Minh.

Mr. Dinh Duc Minh

I would like to answer this question of yours as follows. I think any of you in the audience who just asked this question probably also have a tendency to have a level of risk tolerance that is at a moderate level, not too high. And the risk here can be interpreted like this: the risk is not a loss, it is not a loss of money, it is not that your investment loses a sum, the risk here means that a characteristic of the stock market is that next week it can go down, the next week it's up, then the next week it's down again, nevertheless, I'm looking at the long-term trend of 5 years, 7 years, then the profit margin will also be very good.

So the level of risk tolerance here is, maybe some people just can't accept buying today, then seeing it drop, and then having to wait a week or two for the market to go up again, and then something might happen again that we can't predict in the future. For example, for the past two years, there has been a pandemic. Recently, there was such a thing in Russia that we don't know what will happen in the next 3 months or 6 months.

Well, it goes on. It's going to have short-term effects in such a market. There are some investors who are very insecure when that happens. Those are investors whose risk tolerance is not very high.

For investors with moderate risk tolerance, I think it's a good idea to invest half in a stock fund and half in a bond fund, or here at VinaCapital we have a fund that is a balanced fund, which is the VIBF fund we mentioned earlier. This fund often maintains a level of 50% stocks and 50% bonds, so that if the stock market has negative fluctuations, for example, if the market drops 10 points, then this fund only drops somewhere about 3, 4.

If the risk tolerance level of investors is not very high, they should choose such products. Nevertheless, I would say the long-term trend of the stock market is that it's always growing.

We see the economy growing, the economic market, looking at people's income, even our own income, today is definitely different from 10 years ago. Ten years ago, our income was this much. Now it is definitely much higher. Ten years from now, our wealth and income will certainly be much higher than today.

As long as things progress in the economy like that, there's no reason for the stock market to fall when looking at it in the long term. That's all from me.

Ms. Vuong Le Minh

Yes, thank you very much, Mr. Minh. Because our time is limited, we would like to have 2 more questions for our speakers. As for the remaining questions that we can't answer in today's webinar, we will reply to each of you via email after the talk is over.

The next question from our participant is: I'm investing in the open-end fund E1VFN30, so I would like to ask if VEOF has any strengths compared to the fund that I'm investing in." Please take over, Ms. Hong.

Ms. Thai Thi Hong

This question is for Mr. Minh to answer because it is about an ETF fund.

Ms. Vuong Le Minh

Please help us answer this question, Mr. Minh.

Mr. Dinh Duc Minh

Yes, I will answer this question. The E1VFN30 fund certificate and the ETF certificate The ETF is listed on the market like a normal stock, and the VEOF fund is a mutual fund, so what is the difference between these two funds?

The most basic difference is that with a mutual fund, it is an active investment fund, actively selecting stocks and actively putting them in the portfolio to aim at achieving a better profit than the index. Our reference index here is the VN Index. If the VN Index has increased by 15% a year, for example, then we will aim for it to increase at the level of 15%.

As for the ETF certificate, it is a passive investment, which means it will follow a certain index, such as the VN30 index. Some other ETFs can follow the VN Diamond index, or the

VN100 index, or the VN X50 index. Because each ETF has a reference index and its profit will follow that reference index, it does not need to reach higher than the reference index.

That is the most basic difference. A mutual fund is an active investment and sets a profit target higher than the reference index, while an ETF is a passive investment, and the target profit will be exactly equal to the reference index. What the index looks like, how volatile the market is, the fund will produce such results. In return, another point is that the management fee of the ETF will be slightly lower than the open-end fund, a little lower.

And as for the VEOF fund or other active investment funds, what advantages do they have? The advantages come from that difference. It is an active investment. We choose the market and the best stocks in the market to put them on the list for the purpose of doing better than the general market. How can that be?

Like last year, our 2 mutual funds, the VESAF fund and the VEOF fund, one achieved 67%, the other achieved 56% profit last year. Compared to last year's VN Index, it was only about 36% or 37%. We did much better than the VN Index

And if compared with the VN30 index and the E1 fund that follows the VN30 index, the VN30 increased by 43% last year. If you look at last year alone, concerning mutual funds, two of our mutual funds also did better than the VN30 index. That's all from me.

Ms. Vuong Le Minh

Thank you very much. Mr. Minh's answer also addressed the question that another customer asked, which is what the difference between a mutual fund and an ETF.

And with Mr. Minh's answer, we would also like to conclude the Q&A session of today's webinar. As I have mentioned, if you have any questions that we have not had time to answer, we would like to answer them directly after today.

And we would like to sincerely thank you for your interest and for spending your precious time on this weekend morning to join our webinar today. We look forward to seeing you in the upcoming HSBC programs.

I hope you have a great weekend with your family. Thank you, and I hope to see you again soon.