



Vietnam Holding Limited

1st November 2021



<p>c.£95m Market cap</p>	<p>Closed-end fund listed on LSE Main Market</p>	<p>Partner owned Manager with locally based team</p>	<p>+16.8%* p.a. over 10 years <i>Vietnam All Share +13.7%** p.a.</i></p>
<p>Nimble stock selection, actively managed, high-conviction portfolio with integrated ESG</p>			
<p>24 holdings Largest holding 9.7% Zero gearing</p>	<p>35% lower carbon footprint than Index A+, A, A in UNPRI</p>	<p>Thematic exposures: 25% Industrialization 15% Consumer 19% Urbanization</p>	<p>70% Active Share (3y avg.) 34% mid & small cap 66% large cap <i>VN All Share split (25%/75%)</i></p>

Vietnam at a glance

Asia's emerging champion




Population

 **97.6mn**
people
15th largest country

 **32.5 years**
Median age
Youngest in ASEAN

 **85%**
Ethnic Kinh
Stable socio-political environment

 **98%**
Literacy rate
2nd highest among top 10 investible FM countries

 **70%**
Internet penetration
72m social media users
High growth in e-commerce

 **36%**
Urbanization rate
Rapidly increasing

Economy

 **2.91%**
2020 GDP growth
Among highest in the world, affected by Covid 19

 **USD28.5bn**
2020 FDI influx
The 2nd largest share in ASEAN

 **2x GDP**
Total trade
Increasingly open economy

 **USD3,000**
2020 GDP per capita
High and stable growth

 **3.2%**
2020 Inflation
Stable macroeconomic

 **15**
FTAs concluded
3 FTAs in negotiations

Key export products

- Telephone & Accessories
- Textiles
- Computer & Electrical Products
- Machinery & Equipment
- Footwear
- Wood & Wooden Products
- Fishery Products

Portfolio

Growth at a Reasonable Price (GARP)

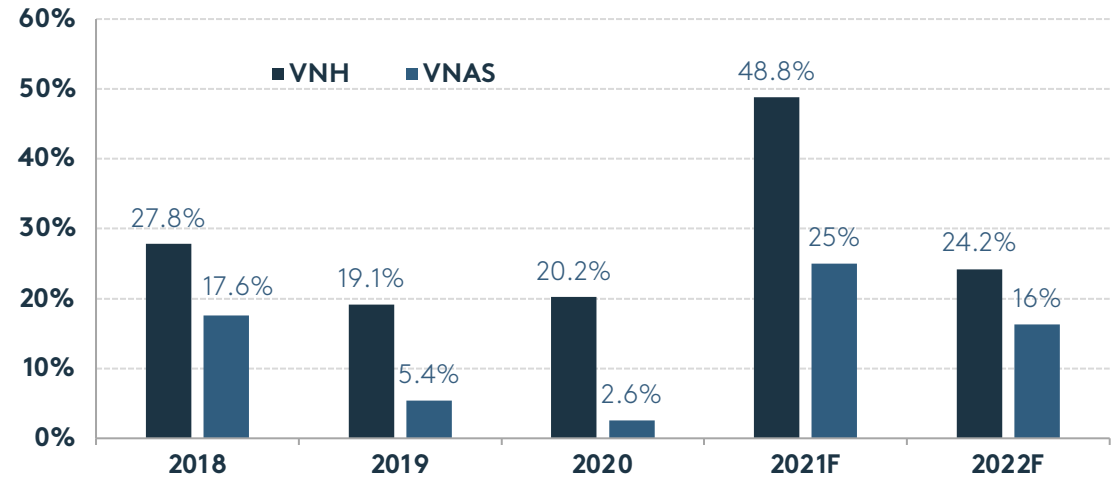


Investment Criteria

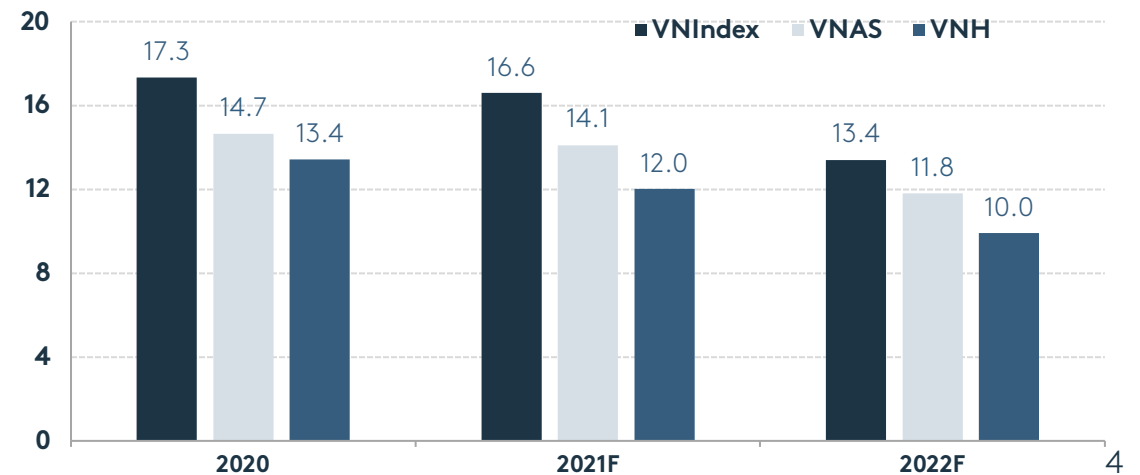
- Compounding long-term EPS growth
- Attractive valuation with built-in safety margin
- Strong balance sheet and cash flow management
- Industry leaders with strong competitive position
- Best management teams among peers
- Commitment to engagement and improving ESG delivery

Source: Dynam Capital, Bloomberg; Data as of 30 Sep 2021

VNH EPS Growth (2018-2022)



Valuation (P/E Ratio)





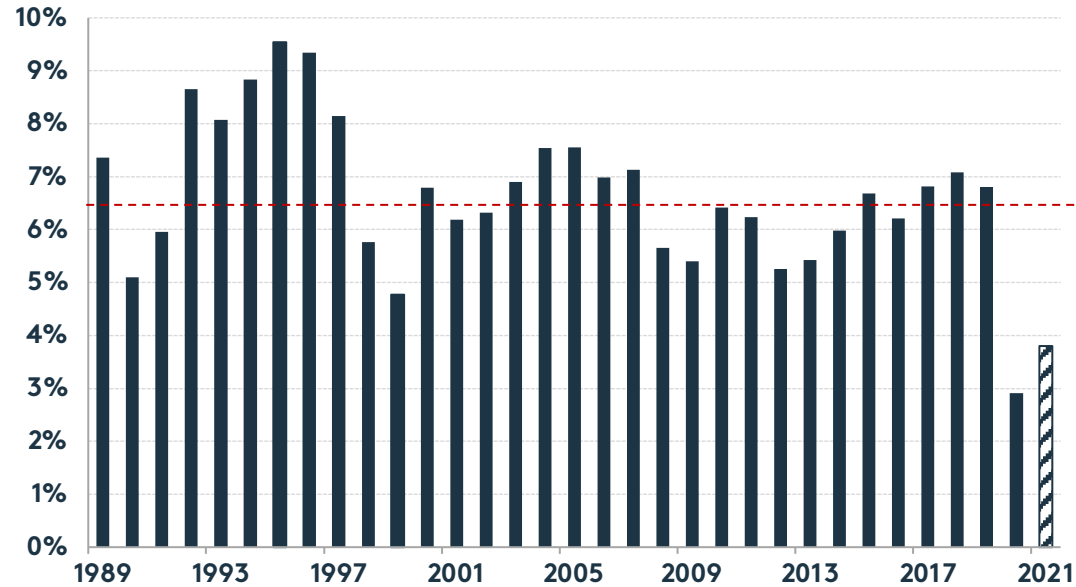
1. **Vietnam:** Asia's Emerging Champion
2. **Vietnam Equity Market:** Strong Performance Despite COVID
3. **Vietnam Holding Portfolio:** Sustainable Growth
4. **Investment Cases:** Disciplined Approach – Strong Track Record
5. **Fund Manager:** Responsible Investor and Vietnam Specialist
6. **Appendix**

Vietnam Macro

One of the Highest GDP Growth Countries in the World



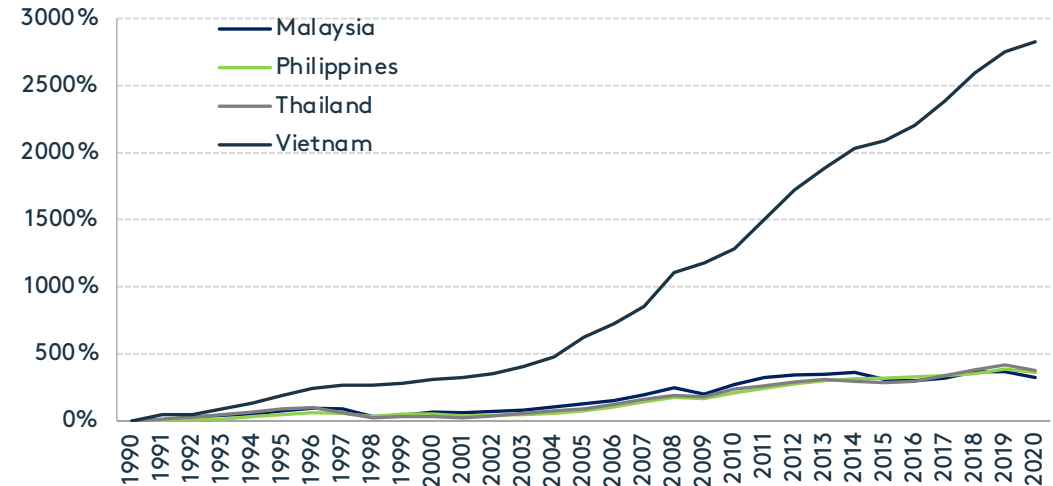
High and stable GDP growth over last 30 years



- GDP growth is among the highest in the world.
- By 2050, Vietnam will be in the top 20 economies in the world.
- Rapid levels of urbanization and industrialization providing growing investment opportunities in real estate development and industrial services.

GDP per capita accelerating (USD)

GDP per capita growth



- Vietnam GDP per capita trebled since joining the WTO in 2007.
- Growing middle class and increasingly consumer-driven society.
- Inflection point in growth - Vietnamese consumer power could double by 2035 – with increased demand for consumer goods through rapidly growing modern trade and retail chains.

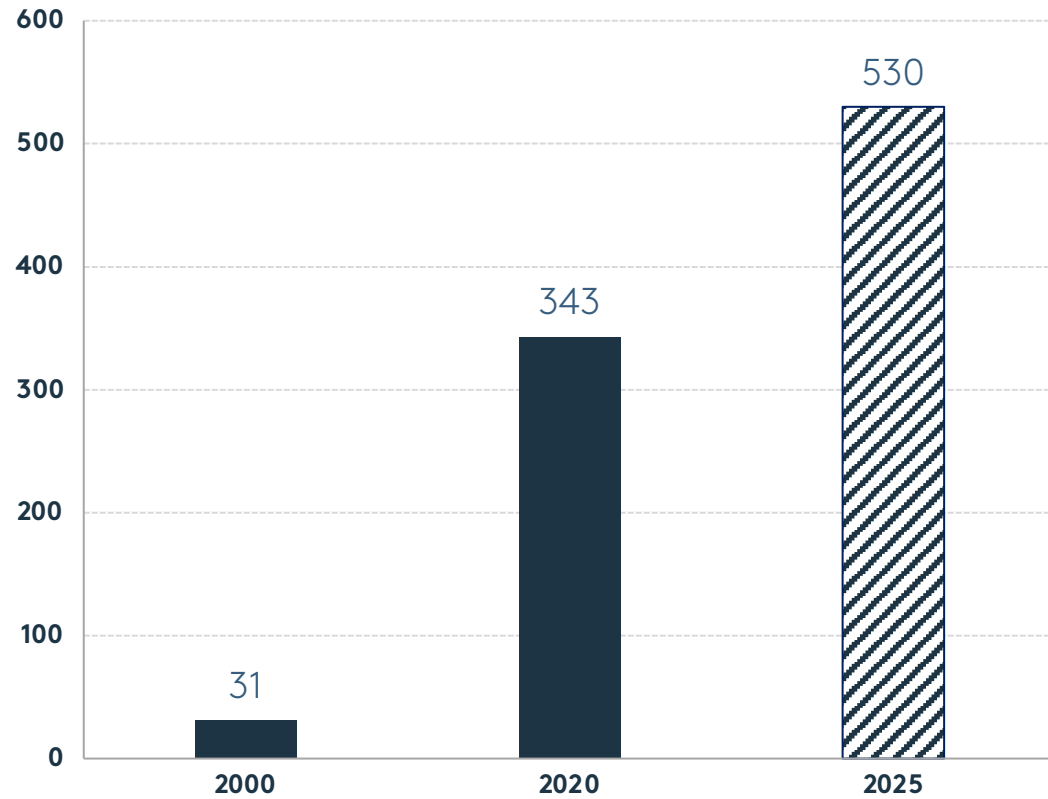
Vietnam Macro

One of the Highest GDP Growth Countries in the World



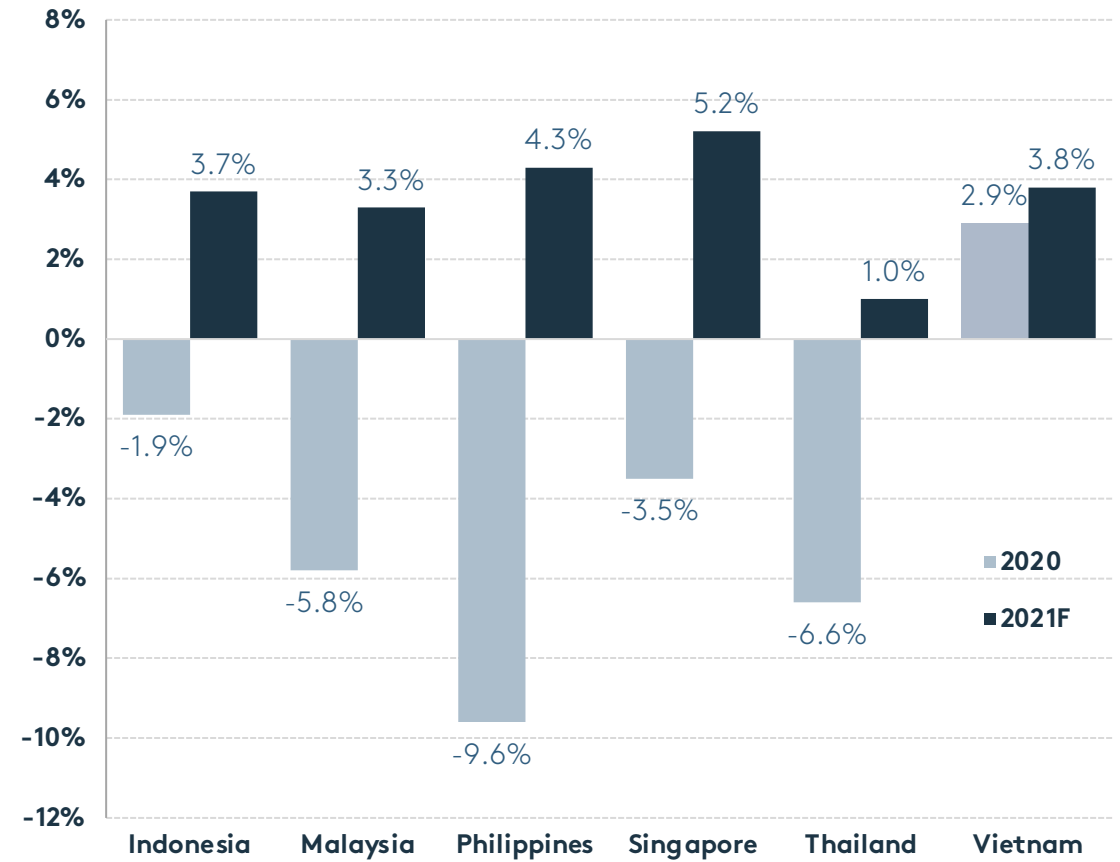
After years of high growth, GDP reached a sizable value

GDP total of Vietnam (USDbn)



Positive GDP growth in years of Covid19

GDP Growth of selected ASEAN countries in 2020 - 2021F

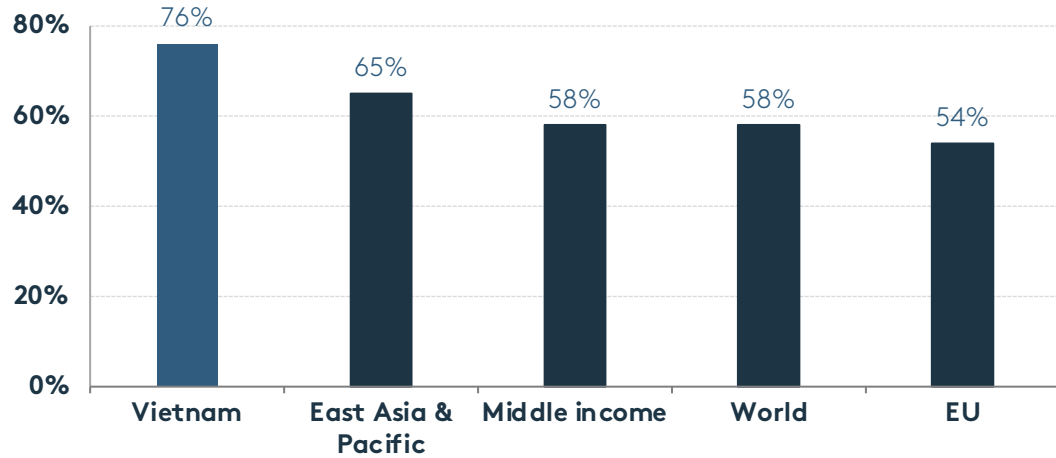


Vietnam

Favorable Demographics Driving the Opportunities

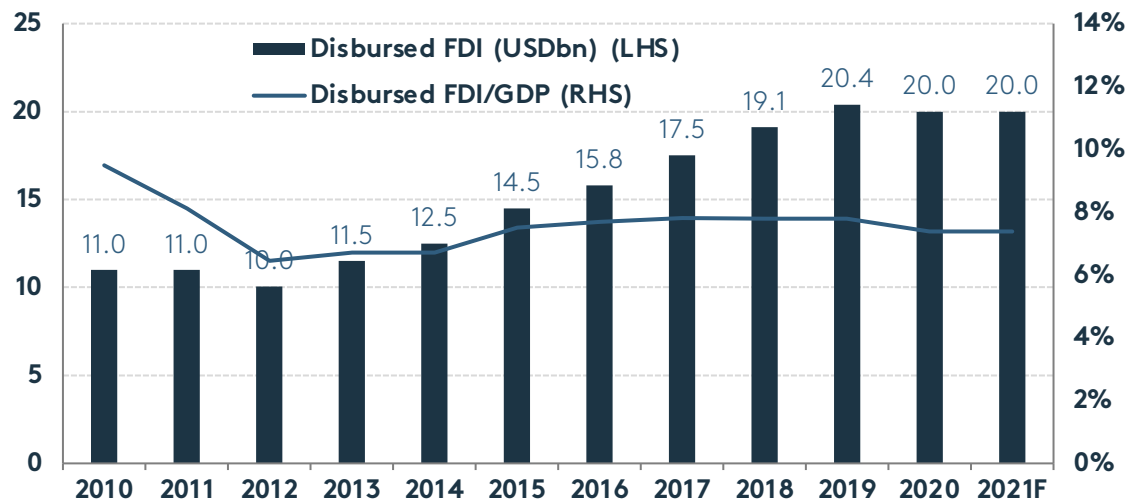


Among highest Employment to Population Ratio (%) in the world



- Young and large population.
- Industrious workforce.
- Manufacturing labor cost is just about half of China and two-thirds of Mexico.

Strong and sustainable influx of FDI (USD bn) with 10-y CAGR 6.1%



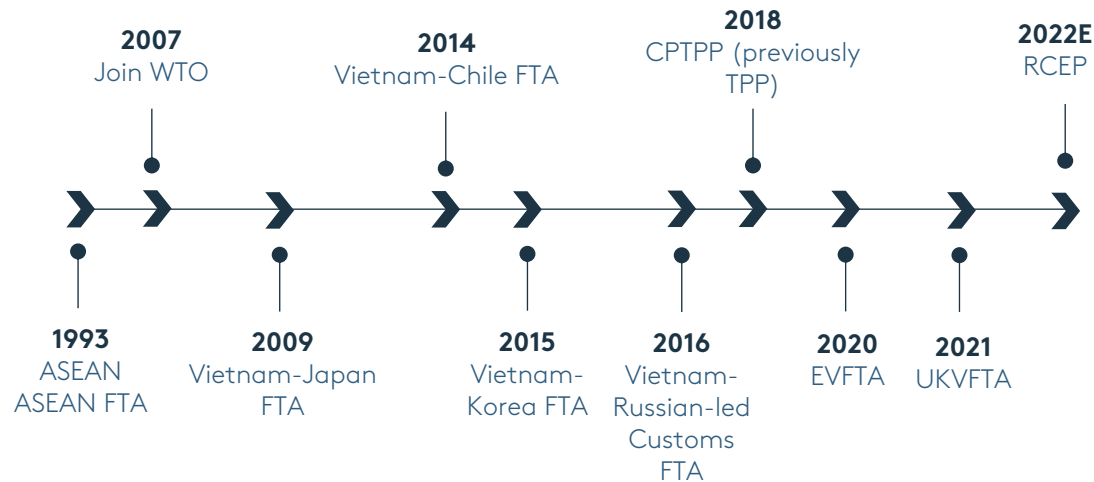
- Strategically located in the heart of ASEAN and nearby major economies (China, Japan, and Korea) makes Vietnam a manufacturing hub.
- Attracting record levels of Foreign Direct Investment (FDI).
- Strategic alternative to China for global sourcing.

Vietnam

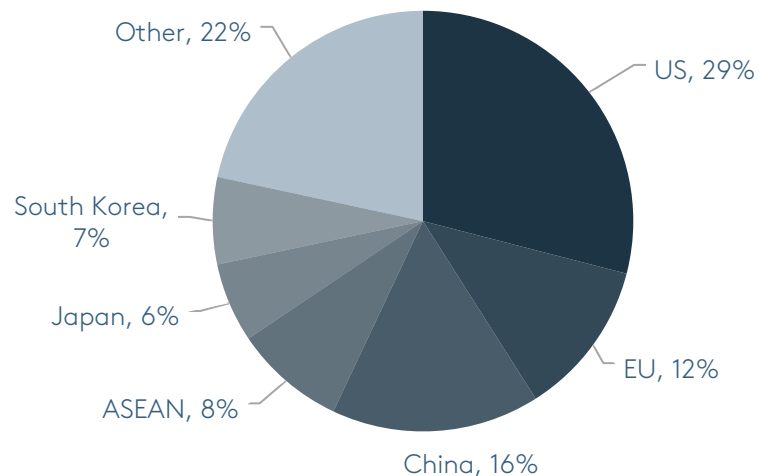
Supportive Policies for A More Open Economy



Increasing foreign trade thanks to FTAs



Well-diversified foreign trade partners



- Total trade as of percentage of GDP doubled to 200% since 2000.
- Newly signed CPTPP (Comprehensive and Progressive Agreement of Trans-Pacific Partnership) and Vietnam-EU FTA, EVFTA, RCEP (Regional Comprehensive Economic Partnership) are expected to boost foreign trade significantly.
- In the Global Competitiveness Index (GCI), Vietnam jumped 10-notch from 77th in 2018 to 67th in 2019, being the country, whose score improved the most globally.

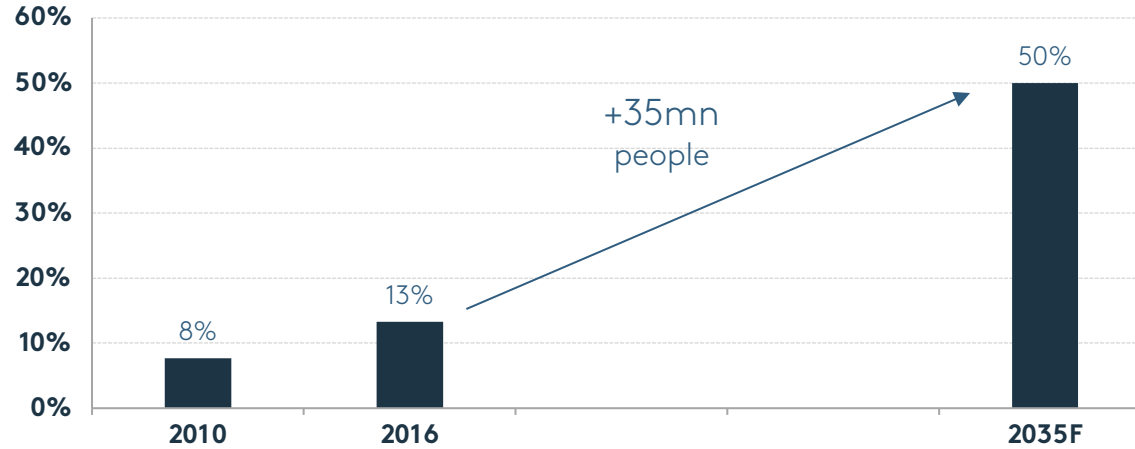
- Healthy growth of trade with all major import and export markets last 10 years.
- Diversified pool of trade partners.
- Recent surge in exports to the US as a result of trade tensions between the US and China.

Vietnam

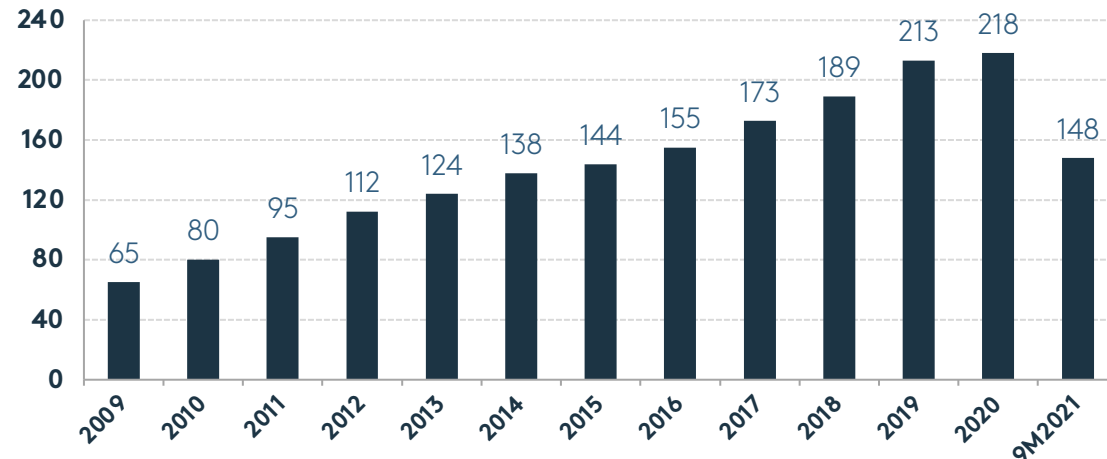
Rapidly Growing Consumer Middle-class



Emerging middle class population (consumption >USD15/day)



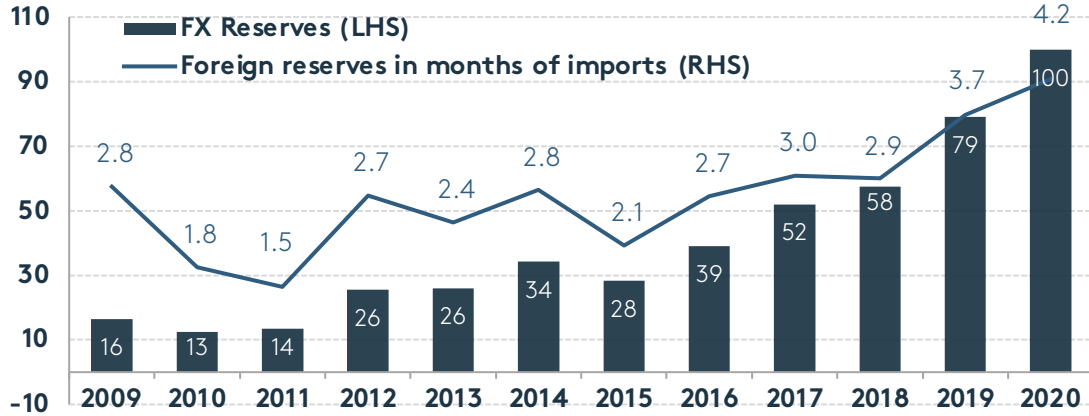
Vietnam retail sales (USD bn)



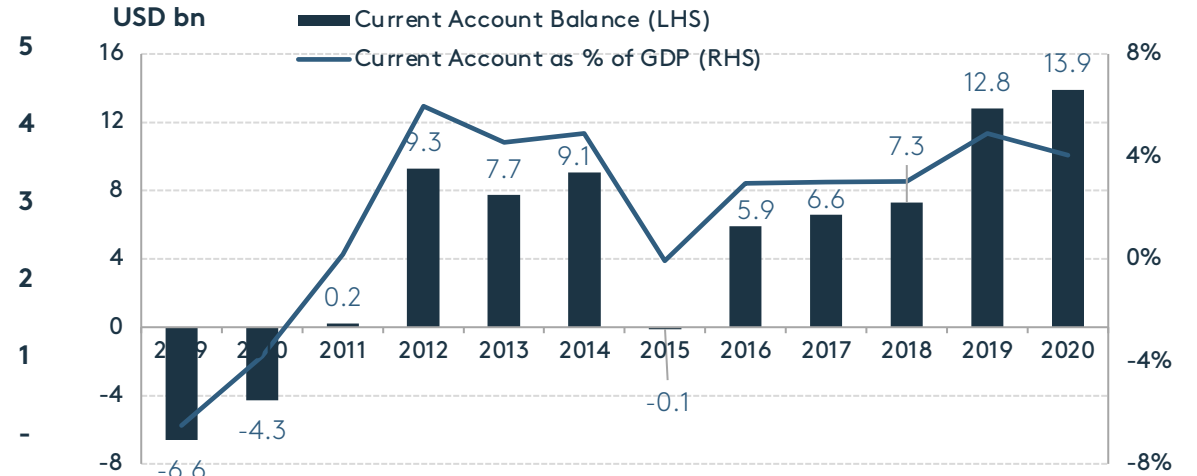
- 35mn more middle class consumers by 2035.
- Car ownership doubled over last 5 years.
- Consumer loans increased by 5x to US\$51bn over last 5 years.
- 6x increase in air passenger traffic over last decade.
- Modern trade already at about 30% currently and expected to reach 40% by 2025.
- 30% life insurance premium annual growth over 5 years.
- Vietnam's Internet economy forecast to reach US\$52bn by 2025.



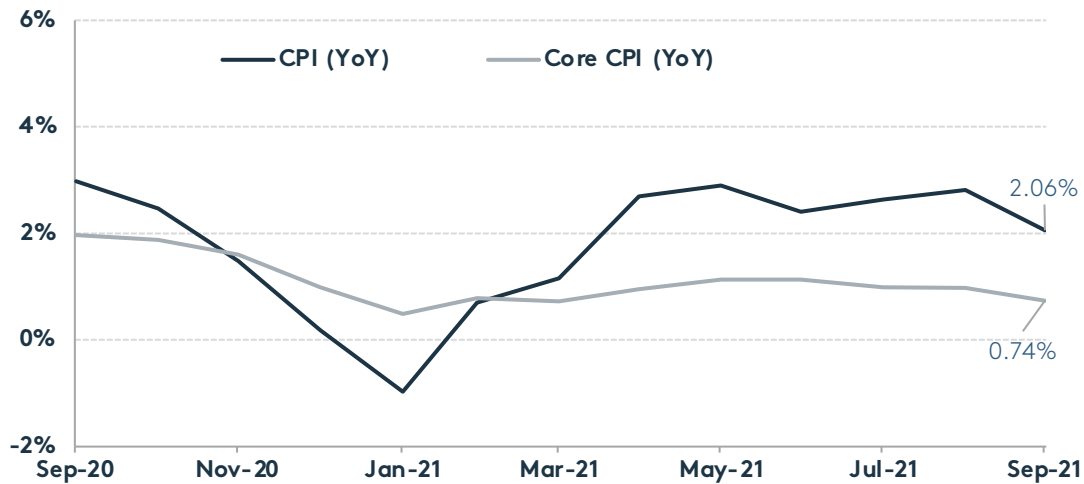
Record high FX reserve (USD bn)



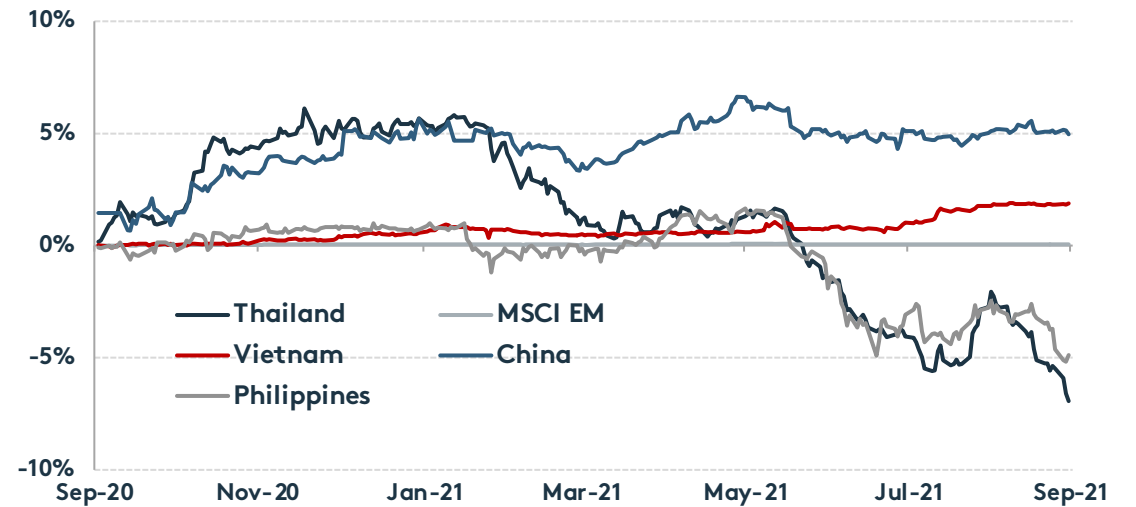
Healthy current account



Controlled inflation (% YoY)



Favorable FX trend (% versus USD)

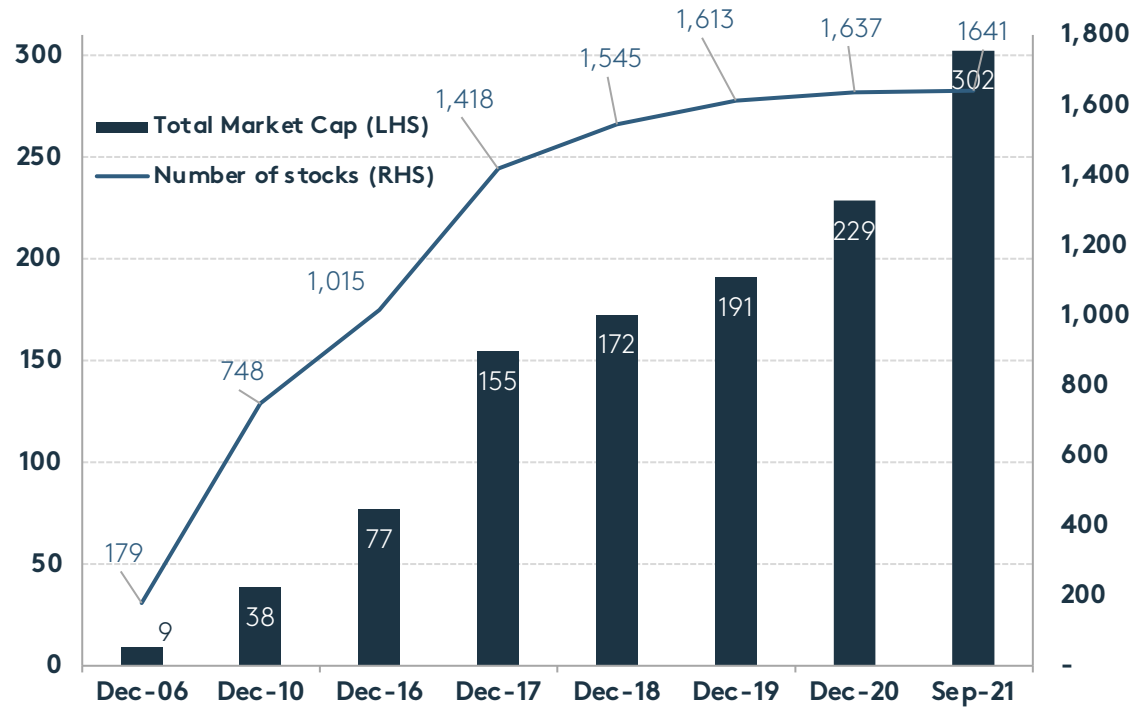




1. Vietnam: Asia's Emerging Champion
- 2. Vietnam Equity Market: Strong Performance Despite COVID**
3. Vietnam Holding Portfolio: Sustainable Growth
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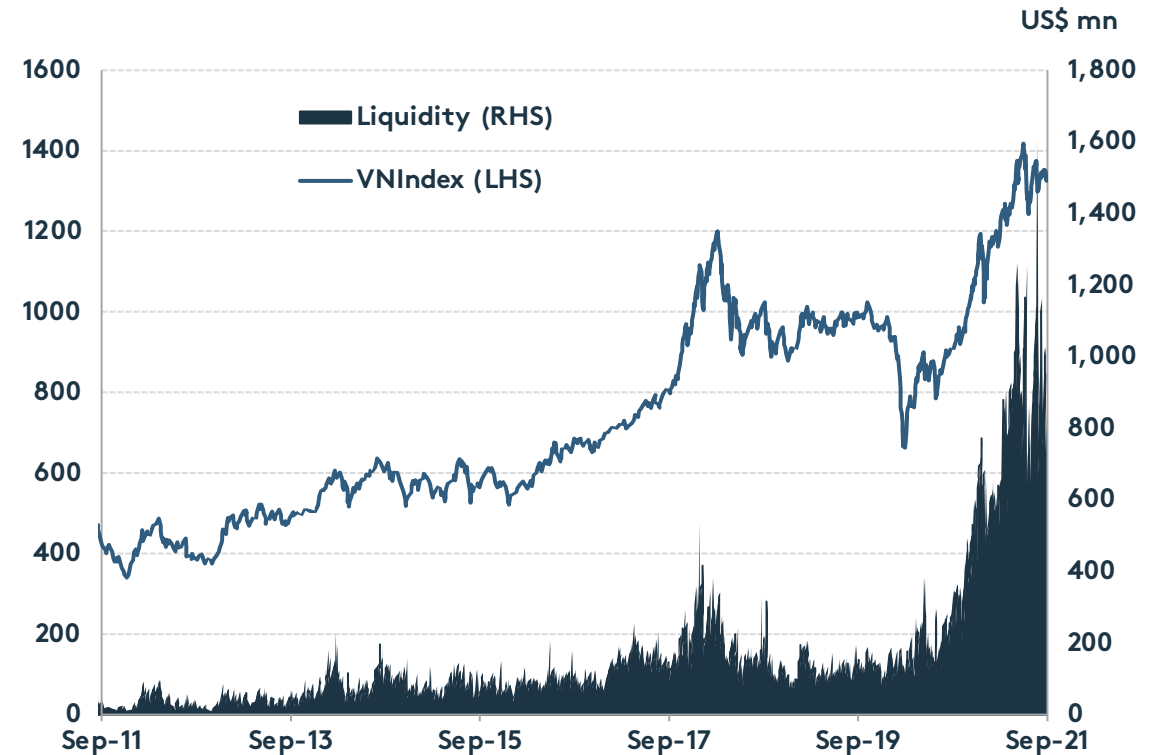


Market capitalization (USD bn)



- Market capitalization grown from \$2bn in 2006 to \$300bn in 2021
- Healthy private sector and overall trend of privatization of public sector

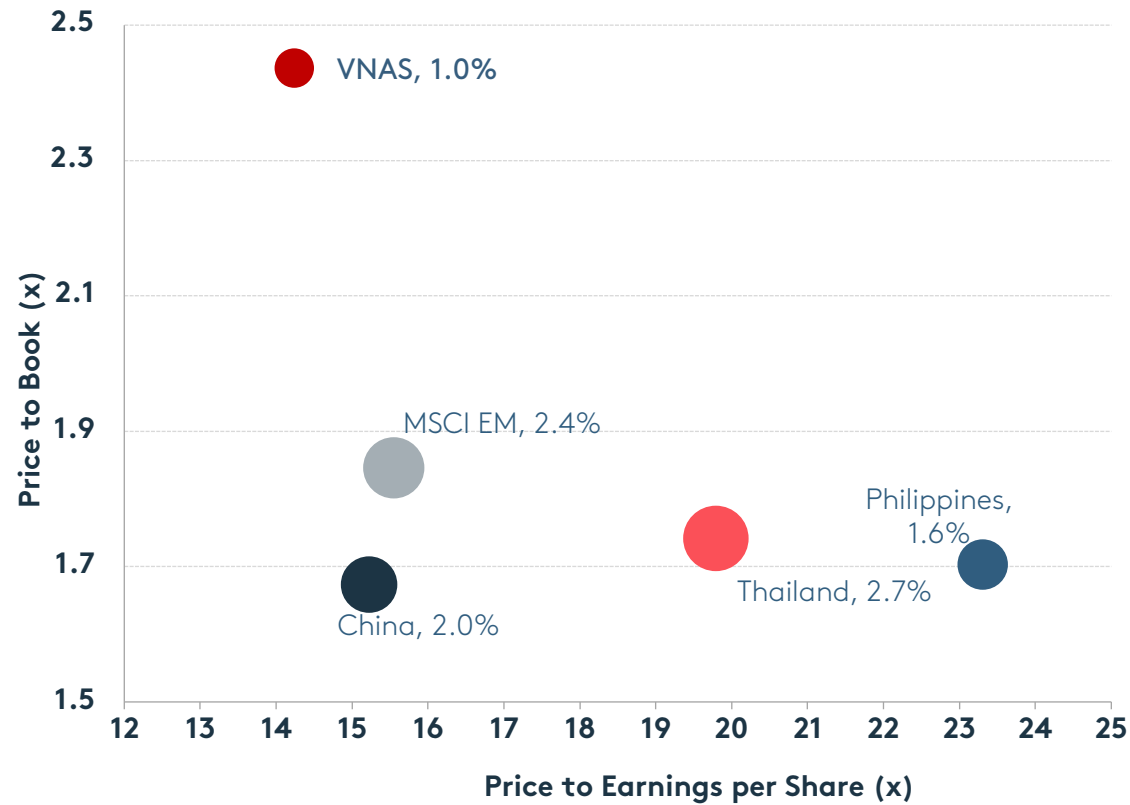
Liquidity expanding rapidly



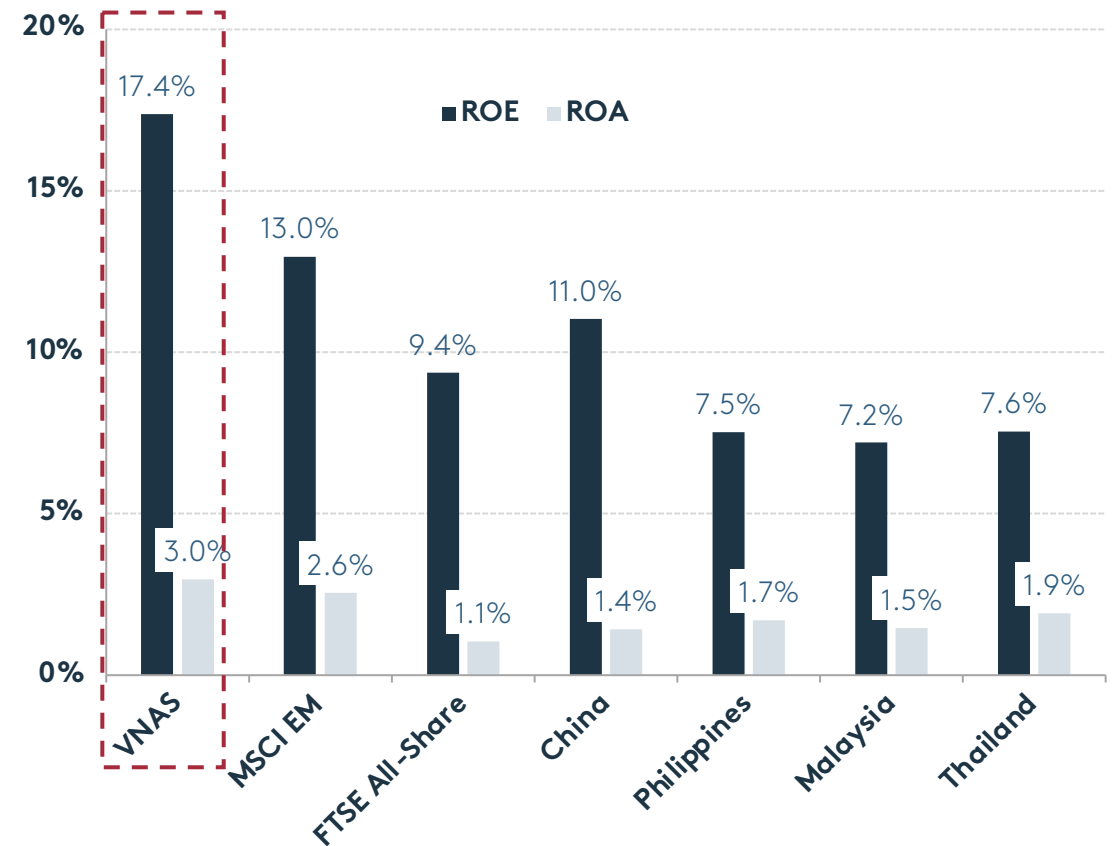
- 1 million new domestic investors over the last 12 months, increasing by 100,000 per month
- Retail investors have driven daily liquidity to \$1.5bn – 5x the levels of 2019



Valuation remains attractive compared to regional peers



With higher profitability



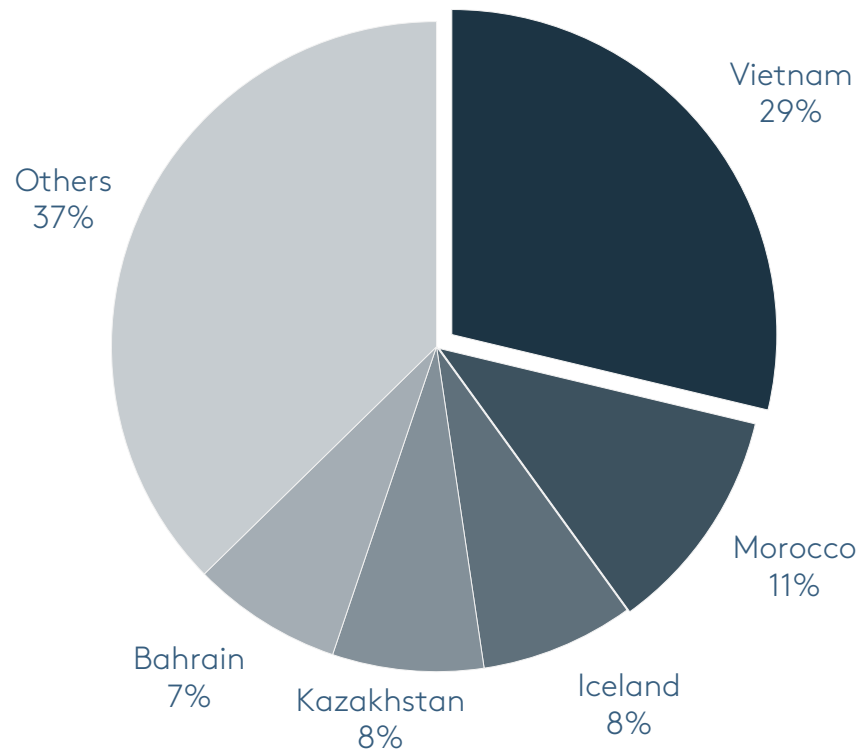
Vietnam Equity Market

Largest market in the MSCI Frontier Market Index



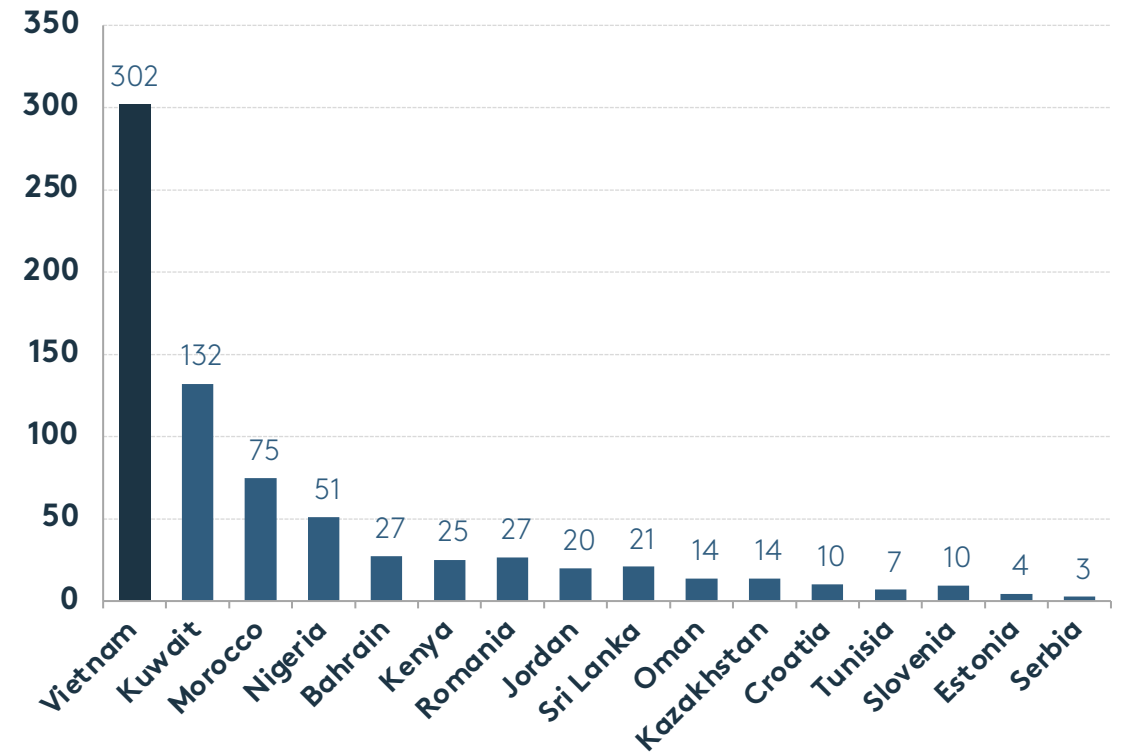
Vietnam is the largest weighting in the MSCI FM Index

Weighting of MSCI Frontier Markets Index (%)



...and the largest market capitalization

Market capitalization of MSCI FMs (USD bn)



Vietnam Equity Market

MSCI EM Index Inclusion remains elusive for now, yet key impediments are being addressed



Key impediments:

- Foreign Ownership Limit (FOL) - 30% for banks and 49% for others : progress has been made with FOL removed in F&B, Pharma, and Brokerage sectors and New Security Law providing greater clarity
- Market Infrastructure: trading system being improved
- Information transparency and equality between local and foreign investors: improving
- Liberalization of currency market: unlikely in the near term

The government supports MSCI EM inclusion and views the stock market as a way to boost SOE reform, but EM inclusion will likely be at least 24 months away.



- **Introduction of derivatives market**

- VN30 Index futures were introduced in July 2017.
- Covered warrants were introduced in July 2019.
- Bond futures were introduced in July 2019.
- Non-Voting Depositary Receipt (NVDR) is being considered.
- Local ETFs give more access for foreign investors to the market, especially to full room stocks.

- **New Law on Securities effective 2021**

- Easing restrictions on FOL.
- Clearer regulations on private placement.
- Improvements on legal framework for securities offering, public company, and information disclosure.

- **Potential merger of Ho Chi Minh Stock Exchange and Hanoi Stock Exchange**

- **The new trading system expected to go online in late Q1-2022**



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**Fundamental
long term
investment
philosophy**

**Top down – Bottom
up**

- Combining top-down and bottom-up strategies for a balanced portfolio.
- **Bottom-up:** Extensive analysis and disciplined investment process.
- **Top-down:** Portfolio structuring process integrating macroeconomic forecasts into asset allocation.

**Integrating ESG into
the full investment
cycle**

- ESG integration and commitment to the highest standards of investment management.
- Close engagement with portfolio companies.

**Disciplined portfolio
construction process**

- Active Weighting of portfolio companies according to the degree of conviction.
- Portfolio weights based on macro-economic factors and company specific trends and events.
- A balanced portfolio for outperformance and stable return throughout economic cycles.

VNH Portfolio

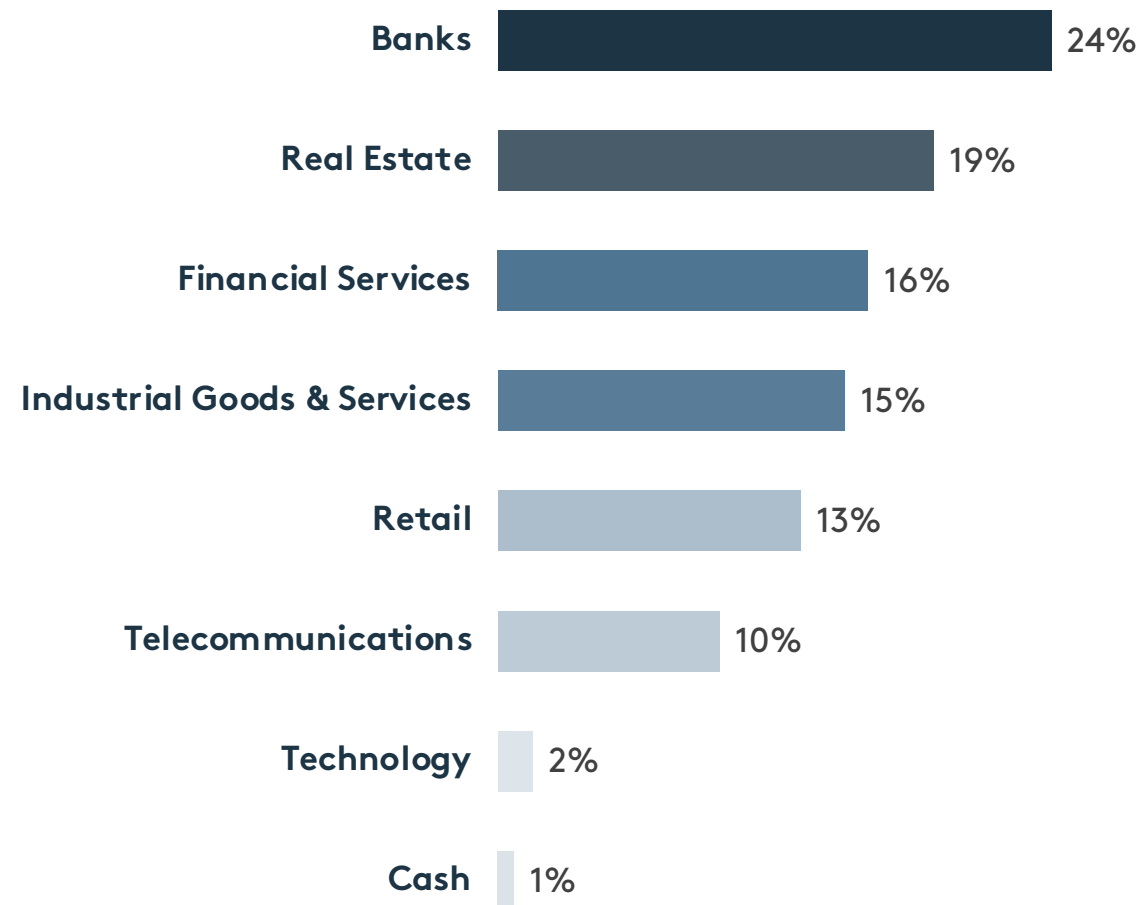
High Conviction/Concentrated Portfolio Across Key Themes of Domestic Consumption, Urbanization and Industrialization



Top Ten Holdings

Company	% NAV
FPT	9.7%
Hoa Phat Group	8.7%
Mobile World	7.7%
VP Bank	6.5%
Gemadept	6.1%
MB Bank	5.8%
Nam Long Group	5.7%
Sacombank	5.6%
Phu Nhuan Jewelry	5.6%
Khang Dien House	5.5%
Total	68.9%

Sector Allocation

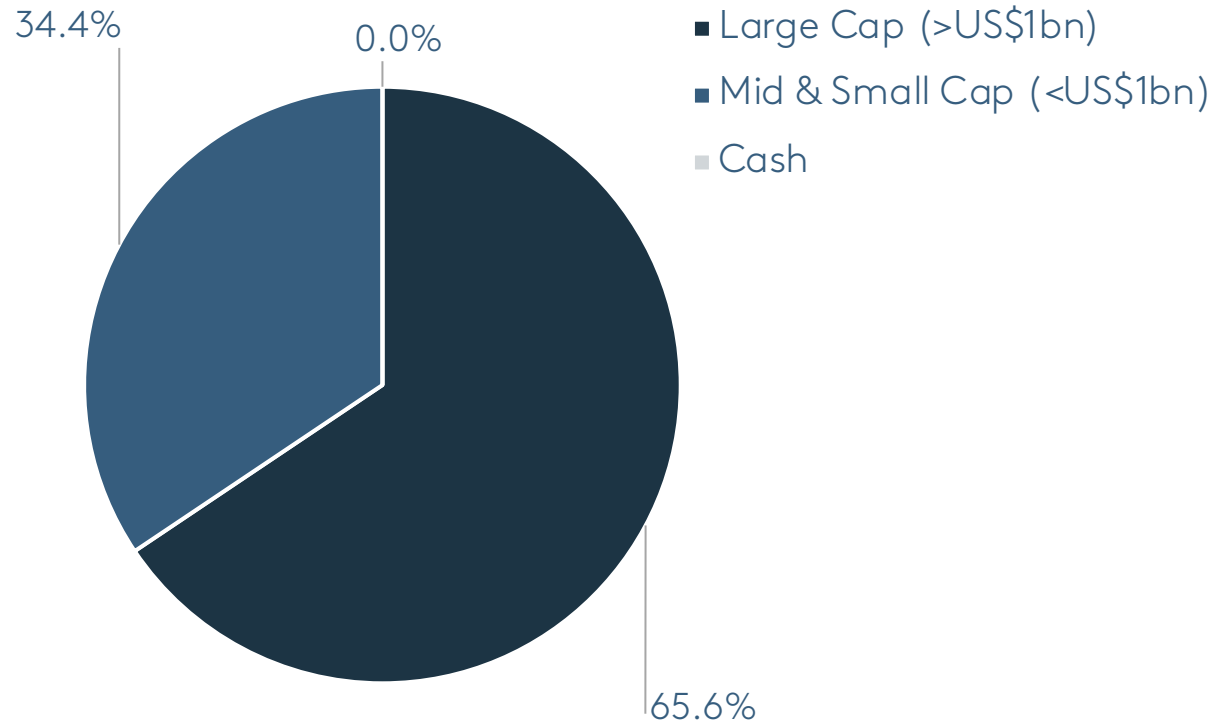


VNH Portfolio

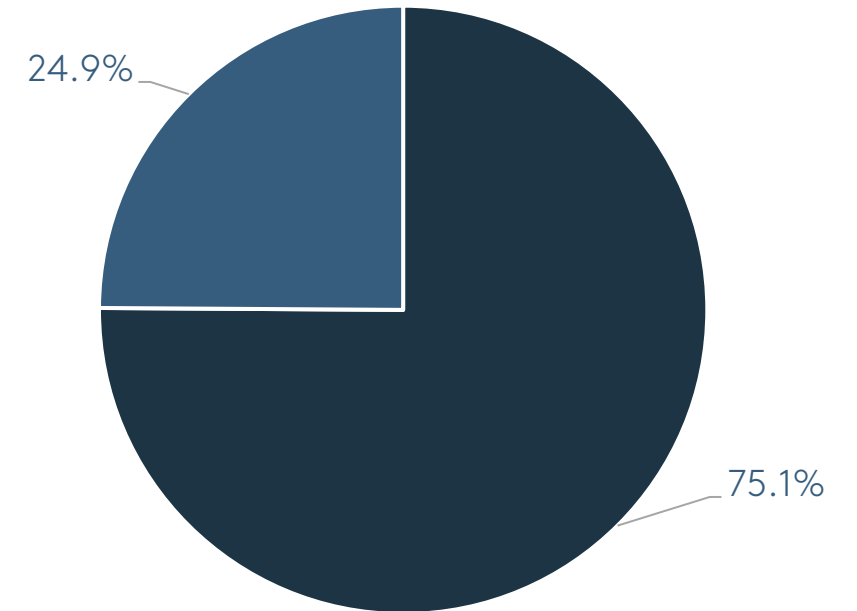
High Active Weight (70%) with Median Cap of US\$1,218m



VNH Portfolio



VN All Share Index



VNH Portfolio

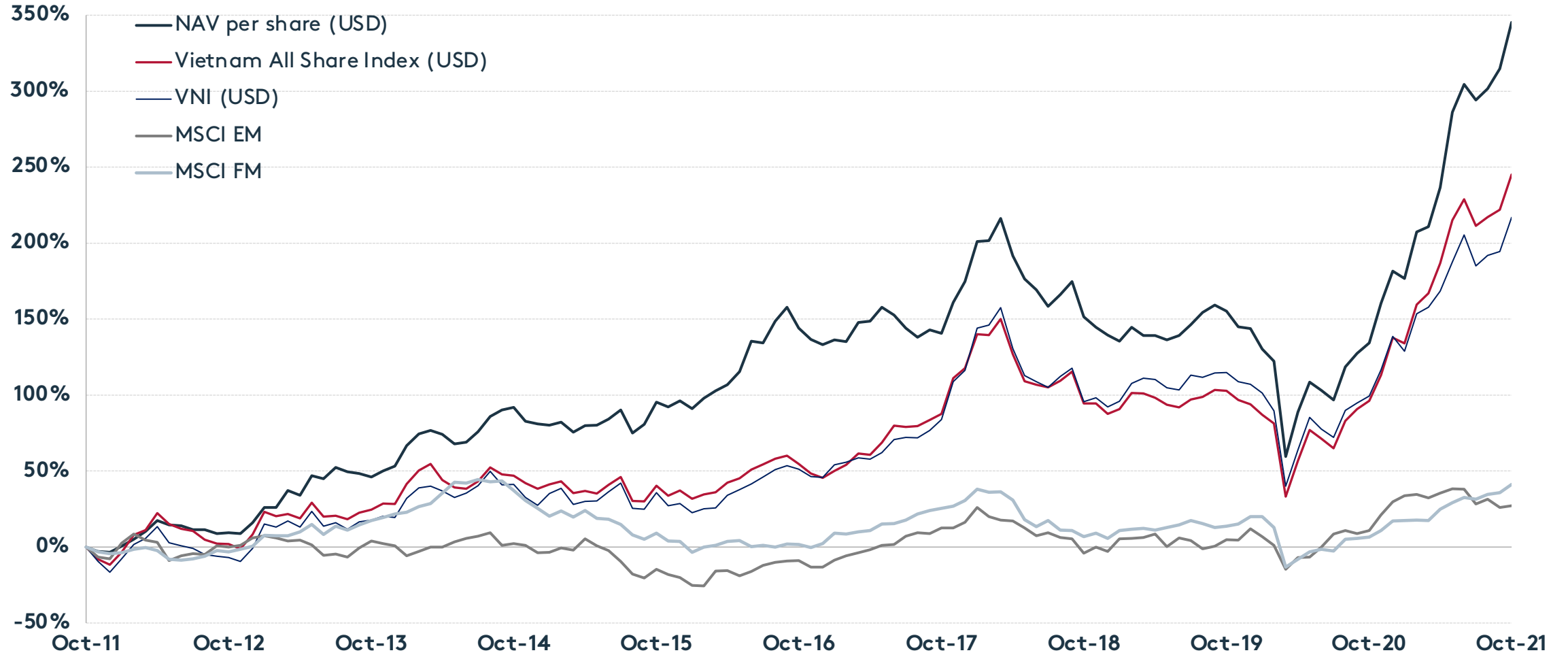
The top performing fund in the top performing market



	VNH NAV per Share	VNAS (USD)	MSCI Emerging Market	FTSE All-Share
YTD	58.2%	45.2%	-2.1%	12.6%
1 year	90.1%	75.8%	14.6%	38.4%
3 years	81.7%	82.2%	35.1%	15.2%
10 years	338.0%	241.9%	25.2%	19.0%

VNH Portfolio

10-year NAV per Share Performance (Oct 2011 – Oct 2021)





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FPT Corporation (FPT: HOSE)

Digitalisation Champion: US\$3.7 bn Market Cap



Investment Case

- FPT is transforming from an IT services company to an end-to-end digital solutions provider with a f/c CAGR of 17% over 2019-2023.
- In addition to working with international clients, FPT aims to grow its product for domestic SMEs with substantially higher PBT margins.
- Management targets 'made-by-FPT' products to grow 45% per annum between 2020-2025.
- FPT is also the #1 broadband (and pay TV) supplier and targets subscriber growth in excess of 15% per annum.
- FPT's education business covers elementary to university for 60,000 students

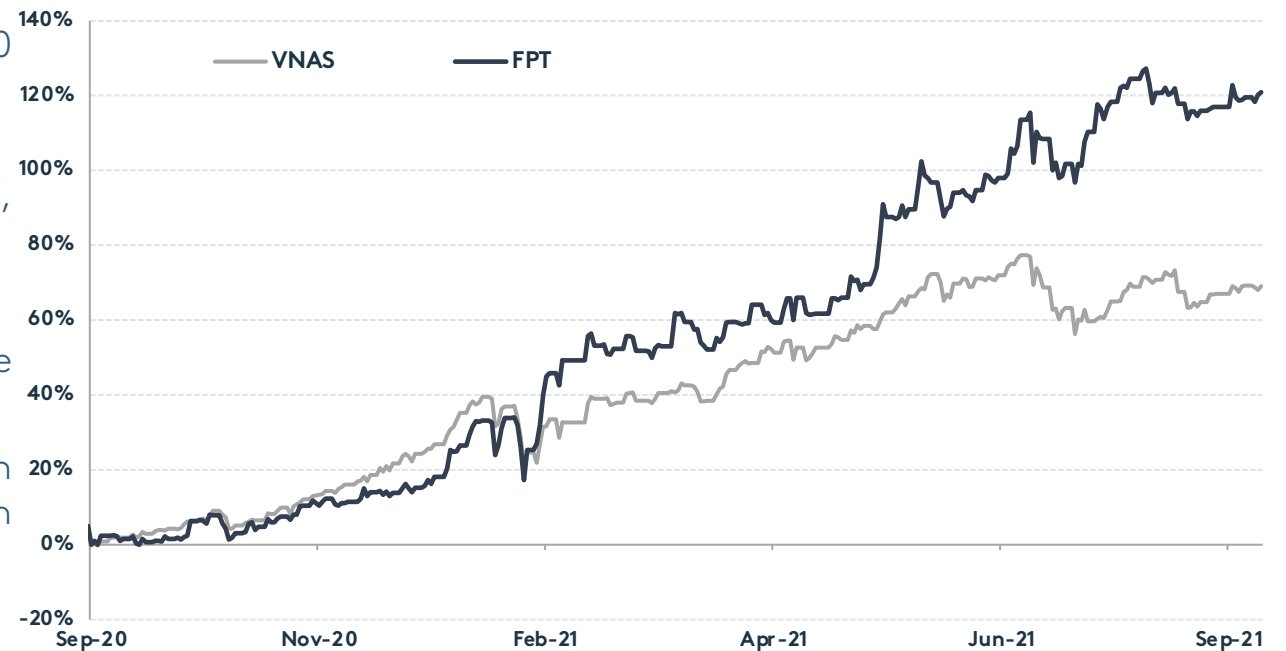
Business Updates

- For 9M2021, FPT revenue and earnings rose by 18% and 19% YoY, respectively
- Technology PBT increased by 30% YoY and Telecoms by 22% YoY
- Digital transformation and cloud services are expected to increase by 40%
- FPT is moving up the value chain to become a main contractor/consultant for projects and signed new projects worth US\$500 million in H12021
- EPS is forecast to grow by 21% in FY2021
- The stock trades at 2021PE of 23x compared to regional peers of 24x

Investment summary	
Date of investment	Jan-07
Invested amount (USD mn)	2.839
No of shares held	3,329,050
% NAV	9.4%
Cost per share (VND)	19,412
Unrealized gain (USD mn)	11.33

Key financial highlights	2021F
EPS growth	21.2%
PER	22.7
PB	3.8
ROE	21%
ROA	10%
EV/EBITDA	11.9
Net Debt/Equity	19%

Source: Dynam Capital, Bloomberg as of 31 Oct 2021



Mobile World JSC (MWG: HOSE)

Retail Champion: US\$ 3.9 bn Market Cap



Investment Case

- MWG is the biggest retailer in Vietnam (by revenue) with a 50% market share in the smartphone market and a 40% market share in the consumer electronics market
- Its Bach Hoa Xanh (BHX) grocery chain has seen recent improvements in gross profit margin and is expected to be a large catalyst in Q12022.
- Covid19 hit the retail sales of MWG in Q32021 but has created an opportunity for MWG to expand its market share

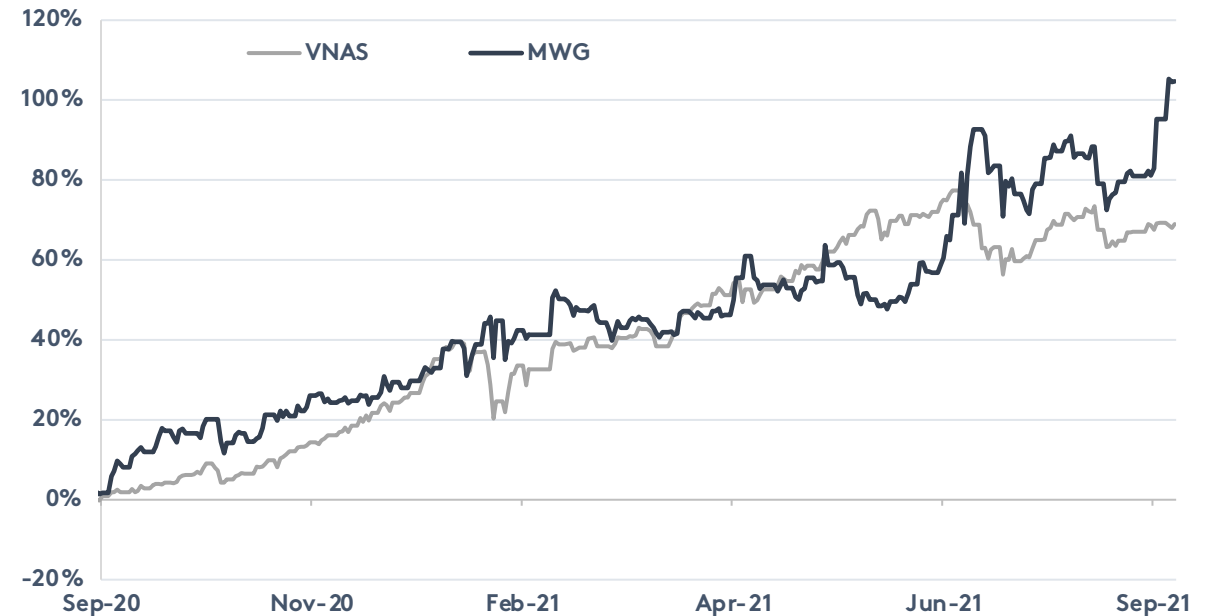
Business Updates

- For 9M2021, MWG revenue and earnings rose by 7% and 12% YoY respectively
- 2000 of its stores (70%) were closed or operated under limited conditions from July when stricter lock-down policies were imposed
- BHX saw much higher store traffic in July and August during the pandemic and is targeting break-even at the group level by 1Q2022
- 2021 EPS is expected to grow by 13% YoY and 2022 EPS growth is expected to reach 38% if all segments recover
- The stock trades at 2021PE of 20x and 15x our 2022 forecast earnings.

Investment summary	
Date of investment	May-14
Invested amount (USD mn)	6.694
No of shares held	1,923,000
% NAV	7.4%
Cost per share (VND)	79,219
Unrealized gain (USD mn)	4.410

Key financial highlight	
EPS growth	2021F 13.3%
PER	20.1
PB	4.7
ROE	26.7%
ROA	9.6%
EV/EBITDA	13.8
Net Debt/Equity	0.9

Source: Dynam Capital, Bloomberg as of 31 Oct 2021



Gemadep Corporation(GMD: HOSE)

Logistics Champion: US\$0.7bn Market Cap



Investment Case

- With the commencement of its latest deep-water port – Gemalink – in January 2021, GMD became the second largest seaport operator in Vietnam
- The logistics segments include two joint ventures with CJ Corp from Korea, and an associate investment in Saigon Cargo Services, a leading air-cargo terminal
- Increasing trade flows have delivered 25-30% growth in cargo volumes over the last 5 years, and an expected recovery in global trade provides a bright outlook for 2022

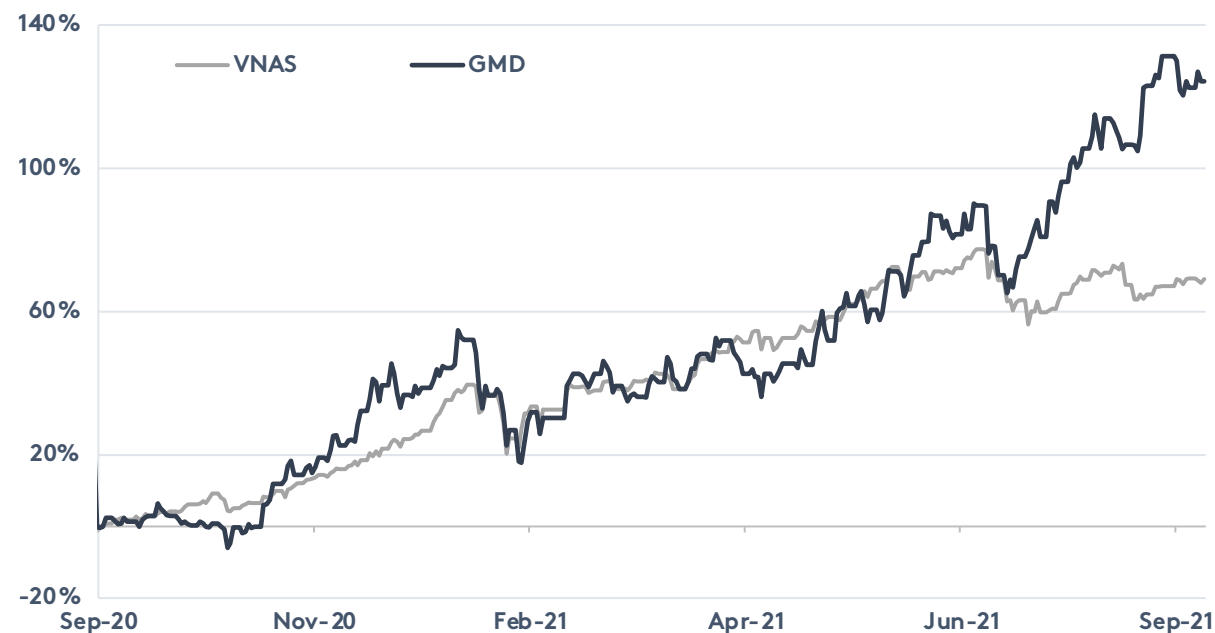
Business Updates

- In 9M2021, GMD revenues and earnings rose by 14% and 32% YoY, respectively
- Gemalink reached 90% capacity utilization and in July generated its inaugural profits
- Container throughput volumes in the southern ports have been resilient during the pandemic lockdowns
- Ports in Hai Phong recorded a 25% volume growth in 9M2021
- 2021 NPAT is projected to reach VND 600bn, up 64% YoY
- GMD trades at 2021 PE of 29x and EV/EBITDA of 13x

Investment summary	
Date of investment	Aug-19
Invested amount (USD mn)	5.5
No of shares held	4,207,288
% NAV	6.4%
Cost per share (VND)	26,043
Unrealised gain (USD mn)	4.1

Key financial highlights	
EPS growth	61.6%
PER	28.6
PB	2.6
ROE	12.2%
ROA	6.7%
EV/EBITDA	13.0
Net Debt/Equity	0.43

Source: Dynam Capital, Bloomberg as of 31 Oct 2021





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Craig Martin
Chairman

- Over 25-years investment experience in Vietnam and South East Asia
- Previously Head of Private Equity for Prudential Vietnam (now Eastspring)
- Former co-CEO of CapAsia managing cUSD 350m across South East Asia
- Founding team member of Standard Chartered Private Equity (now Affirma)
- Masters of Electronic Engineering, University of York; MBA with Distinction from INSEAD



Vu Quang Think
CIO

- Portfolio Manager of Vietnam Holding since 2011
- 30-years experience in Vietnam including 12 years in Corporate Restructuring
- Previously Head of Management Consulting at KPMG Vietnam
- Founder member and former chairman of the Vietnam Institute of Directors
- BA of Mathematical Economics, Hanoi National Economic University; MBA, Washington State University.



Investment Research



Nguyen Nhu Yen Minh

Senior Investment Manager

- 20-year experience in public and private equity investment
- MBA, University of Hawaii, USA; ACCA; CPA



Ngo Bich Van

Senior Investment Manager

- 12-year experience in banking and finance
- MSc in Finance, University of Houston, USA



Hoang Minh Hai

Investment Manager

- 8-year experience in equity research
- Master of Financial Analysis, La Trobe University, Australia; CFA Level III Candidate



Nguyen Tan Quang Vinh

Investment Manager

- 6-year experience in equity research
- Bachelor of Finance and Investment, University of Economics HCMC; CFA Charterholder



Ngo Truc Quynh

Investment Manager

- 4-year experience in equity research
- Bachelor of Finance, University of Economics HCMC
- Passed CFA Level I

Portfolio Management



Nguyen Hoang Thanh

Portfolio Manager

- 12-year experience in banking and finance
- MSc in Finance, Clark University, USA; CFA Charterholder



Nguyen Trong Nhan

Portfolio Analyst

- 6-year experience in finance
- BSc of Financial Mathematics, Hoa Sen University; CFA Level II Candidate



Le Anh Hoa

Head of Trading

- 20-year experience in finance
- BA in Banking and Finance, University of Economics HCMC; BA from University of Social Sciences & Humanities



Le Anh Thu

Data Analyst

- 1-year experience in finance
- Bachelor of Finance and Banking, National Economics University; CFA Level II Candidate

Operations



Truong Hai Hung

Chief Operating Officer

- 22-year experience in banking and finance
- BA in Economics, Moscow Institute of Int'l Relations; MBA, French-Vietnamese Mgmt School; CMA



Ma Thi Ngoc Tram

Financial Controller

- 12-year experience in accounting
- BA in Economics, Banking University in Ho Chi Minh City; Passed foundation level of ACCA

ESG



Nguyen Thi Cat Tuong

ESG Manager

- 8-year experience ESG for corporate sustainability
- Master of Environment, University of Melbourne, Australia; BA in Sustainable Development Studies, Ritsumeikan Asia Pacific University, Japan

Dynam Capital

Leading edge of responsible investing in Vietnam



Responsible investing drives sustainable growth and manages downside risk

Integrated into established investment process:

- Initial Screening with Dynam's ESG exclusion list
- Proprietary ESG scoring matrix and database
- Detailed ESG due diligence including site visits
- Active ownership and dedicated company engagement process

Focus on Governance - supported by advocacy and training

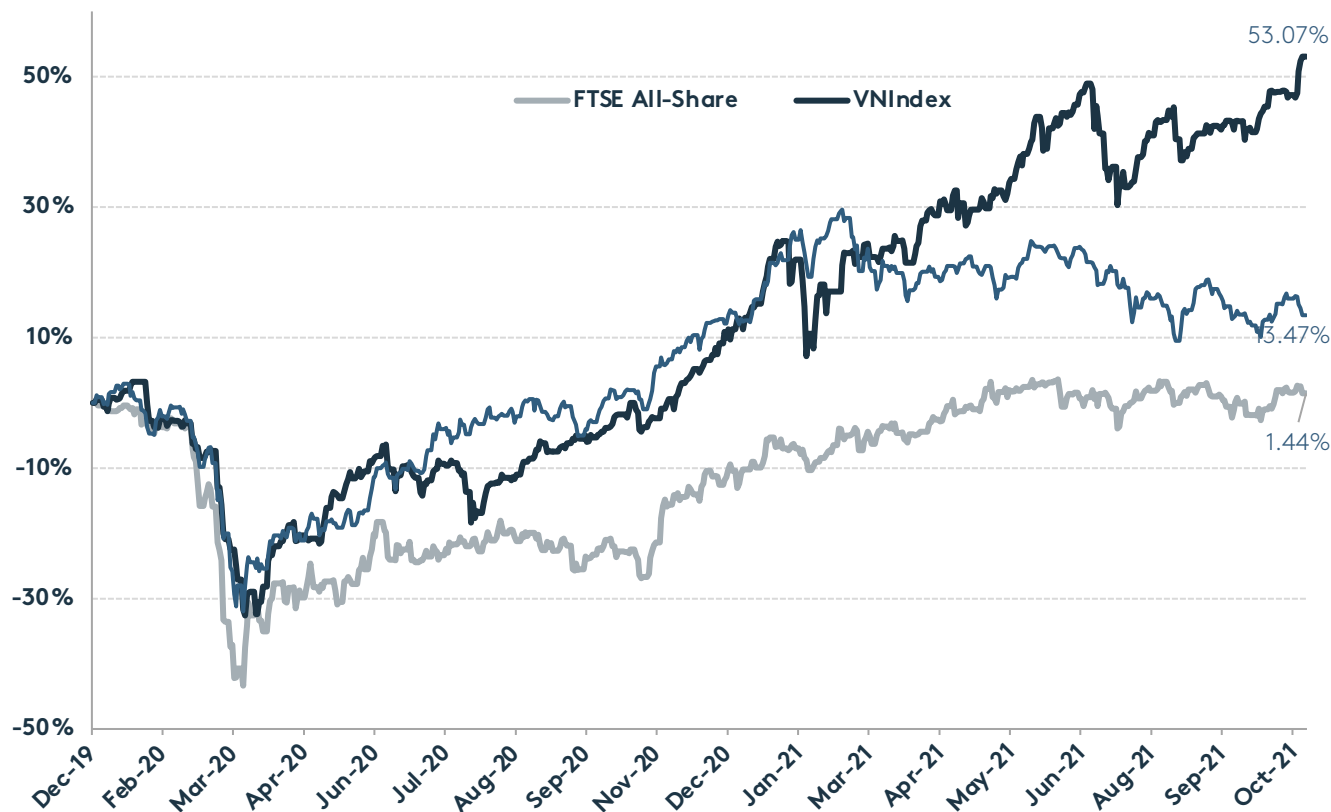




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Why Now?

Expanding capital markets, increasing liquidity, inflection point in economic growth



- **Top Performing Stock Market Globally:** Vietnam's stock market rose by 33% YTD and has outperformed China and India over the last five years.
- **Attractive Valuations:** Portfolio trades at 10x 2022 earnings, forecast earnings growth of >25%
- **MSCI Index Inclusion:** Vietnam is 30% of the MSCI Frontier Market Index and could achieve MSCI Emerging Market status within two years
- **Domestic Consumption:** passed important developmental inflection point of US\$3,000 per capita
- **Export Boom:** multinationals continue to diversify their supply chains into Vietnam
- **Privatization:** ongoing sales of state-owned assets is driving economic efficiency and funding infrastructure spending
- **Alignment:** Government policy focused on creating a modern industrialized economy, and a key player in global supply chains



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<p>Nimble stock selection, actively managed, high-conviction portfolio with integrated ESG</p>			
<p>24 holdings Largest holding 9.7% Zero gearing</p>	<p>35% lower carbon footprint than Index A+, A, A in UNPRI</p>	<p>Thematic exposures: 25% Industrialization 15% Consumer 19% Urbanization</p>	<p>70% Active Share (3y avg.) 34% mid & small cap 66% large cap <i>VN All Share split (25%/75%)</i></p>



Vietnam Holding Limited	LSE: VNH
Inception	June 2006
Investment Universe	Equities in Vietnam
ISIN / BIC Code	GG00BJQZ9H10 / SCBLSGSG
Fund Type	Closed-End / Active management
Base Currency	USD with GBP quote
Style	Growth At a Reasonable Price/ESG Integration
Fund Size (As of 30 Sep 2021)	USD 140.7 million
NAV Frequency	Daily NAV Estimation
Distribution	Re-investment of dividends
Management Fee	1.75% of NAV up to USD300 million 1.50% of NAV between USD300 – USD600 million 1.00% of NAV above USD600 million
Performance Fee	None

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