



Vietnam: Post-Pandemic Realities

30 July 2020

The webinar will start shortly...

Vietnam Holding

Welcome



Vietnam Holding Ltd (LSE: VNH)

Overview

c.£80m
Market cap

Closed-end fund
listed on LSE
Main Market

Partner owned
Manager with
locally based team

+8.0%* p.a. over 10 years
*Vietnam All Share +3.8%** p.a.*

Nimble stock selection, actively managed, high-conviction portfolio with integrated ESG

24 holdings
Largest holding **14.3%**
Zero gearing

44% of NAV FOL***
stocks

Thematic exposures:
40% Industrialization
17% Consumer
24% Urbanization

68% Active Share
37% mid & small cap
61% large cap
VN All Share split (18%/82%)



Note: Portfolio as at 30 Jun 2020; (*) NAV Total Return in GBP from Jun 2010 to Jun 2020; (**) in GBP; (***) FOL = Foreign Ownership Limit Stocks

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Vietnam: Post-pandemic realities



1. Vietnam: “New normal” after the Covid-19?

2. Vietnam Macro Review: is it a V?

3. VNH Portfolio: A worthy proxy for the Vietnam market

4. Q & A



Dynam Capital @CapitalDynam · Mar 8

Has COVID-19 changed your plans for activities this weekend?

Yes

12.7%

No

87.3%

213 votes · Final results



Dynam Capital @CapitalDynam · Mar 13

Now that #COVID19 has been declared a #pandemic, will it change your plans or activities for this coming weekend? Last week 87 percent of respondents thought it wouldn't.

yes

54.4%

no

45.6%

103 votes · Final results



Dynam Capital @CapitalDynam · Jul 20

I expect my first overseas flight to be in:

One week

10.9%

One month

4%

3 months

13.9%

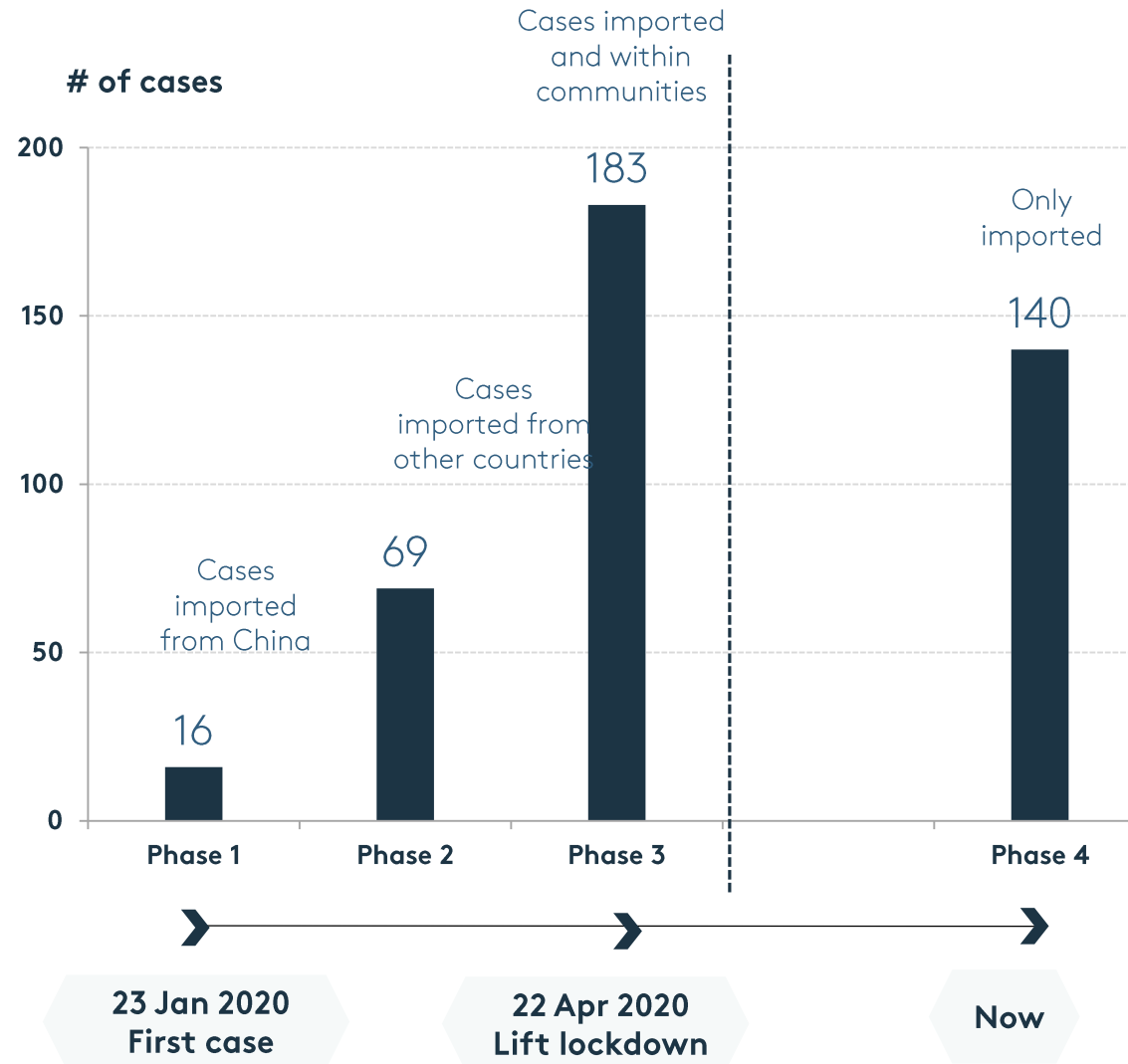
Next year

71.3%

101 votes · Final results

Covid-19

New normal after the Covid-19?



- So far zero deaths.
- 99 days before latest community infection
- 14-day compulsory quarantine.
- All back to work after 3 weeks of lockdown

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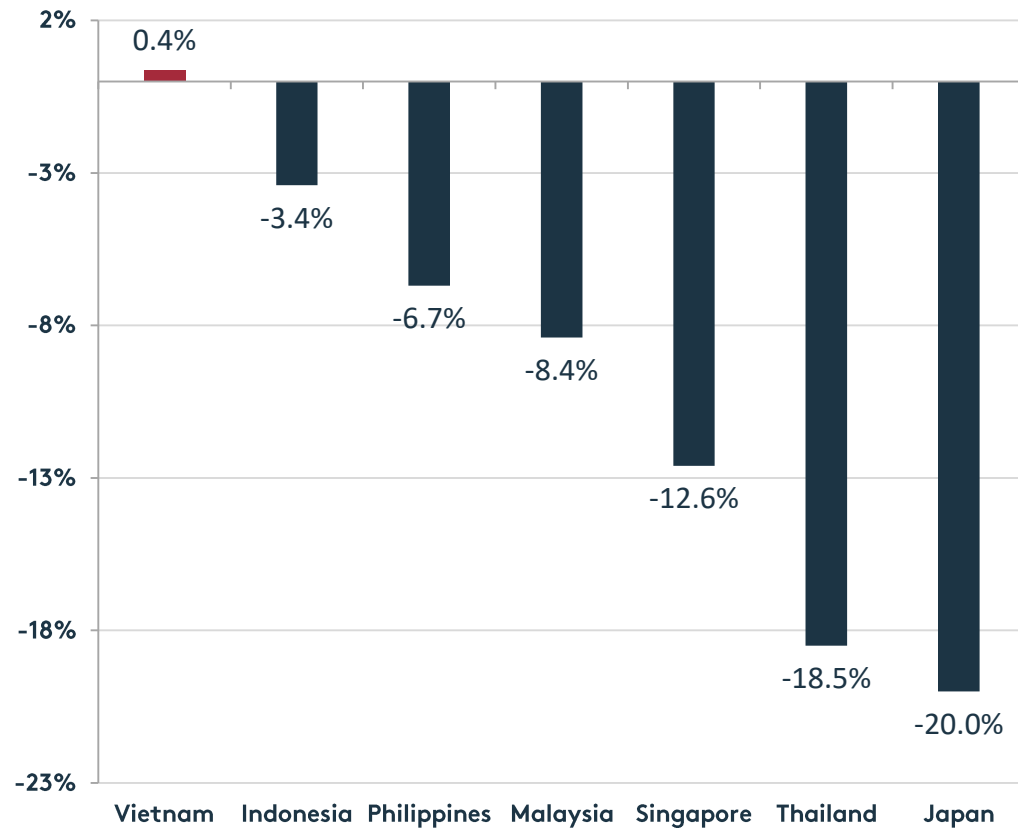
4. Q & A

Vietnam Macro

quick recovery after the lockdown

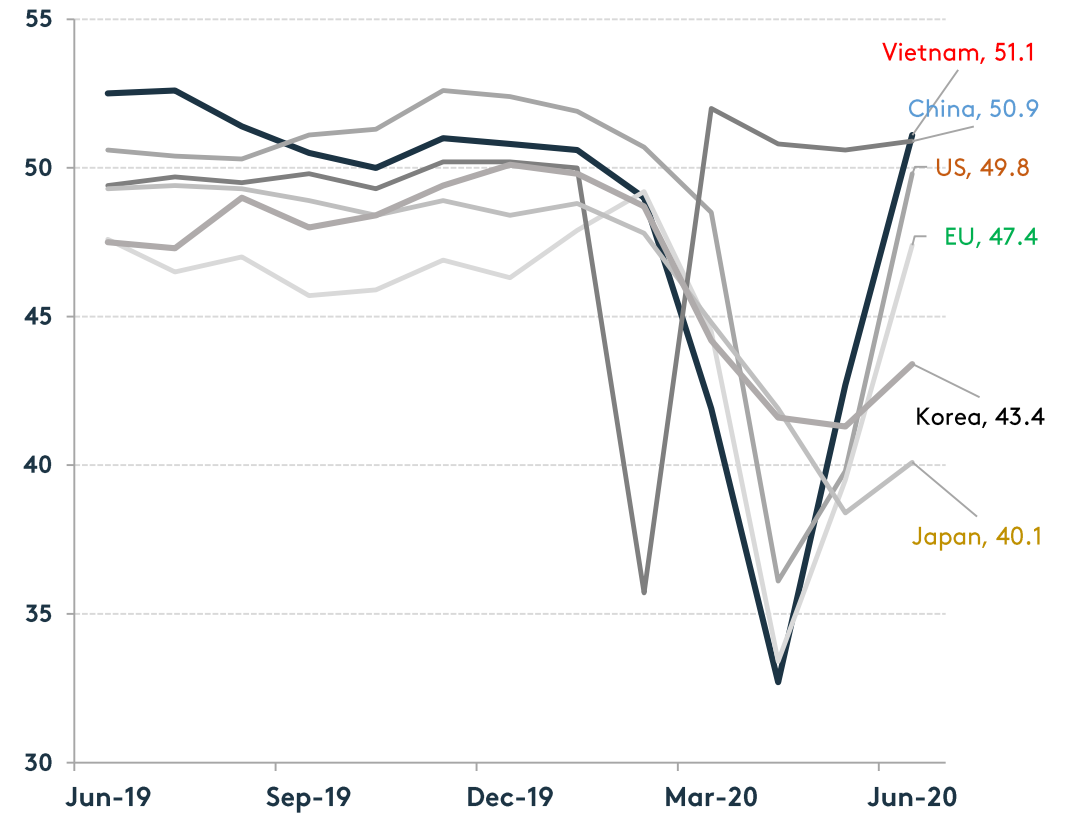


Q2-2020 GDP growth forecasts



- Q2-GDP still positive, far better than regional peers

Vietnam manufacturing PMI recovered to 51.1 level



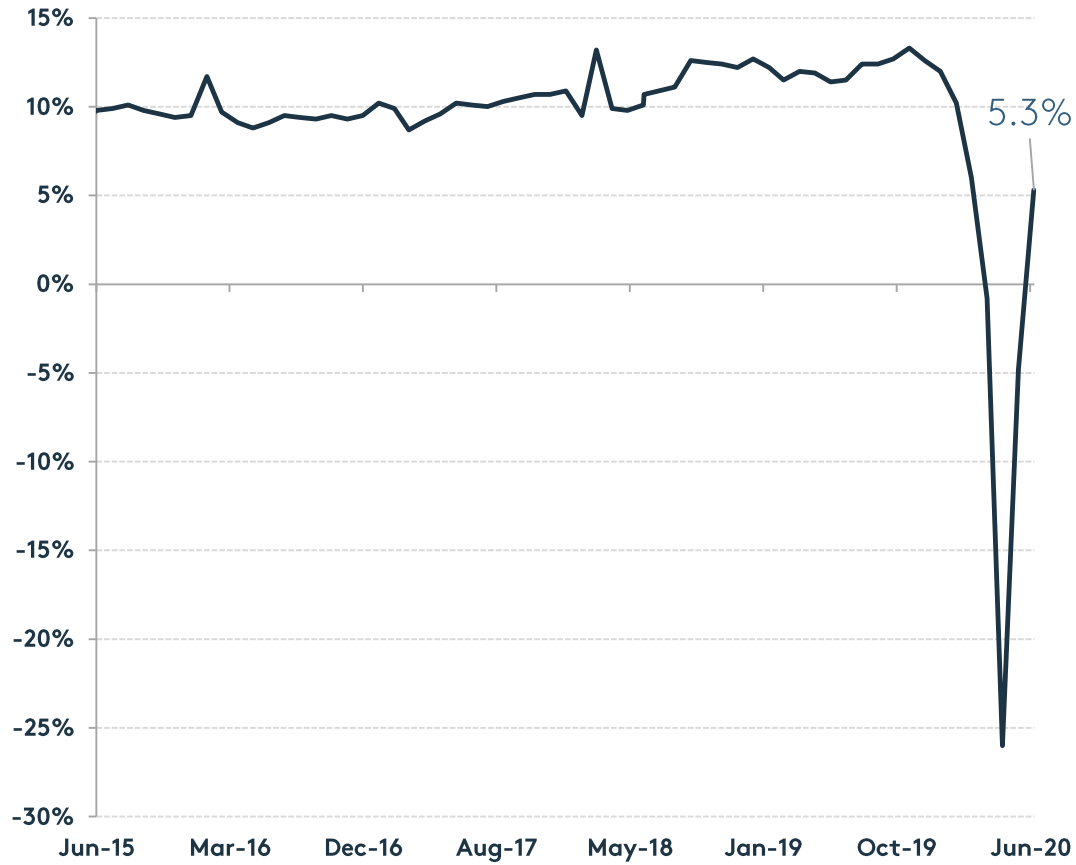
- Manufacturing quickly bounced back.

Vietnam Macro

Domestic consumption recovered strongly



Vietnam retail sales growth dropped during lockdown as expected (monthly % YoY)



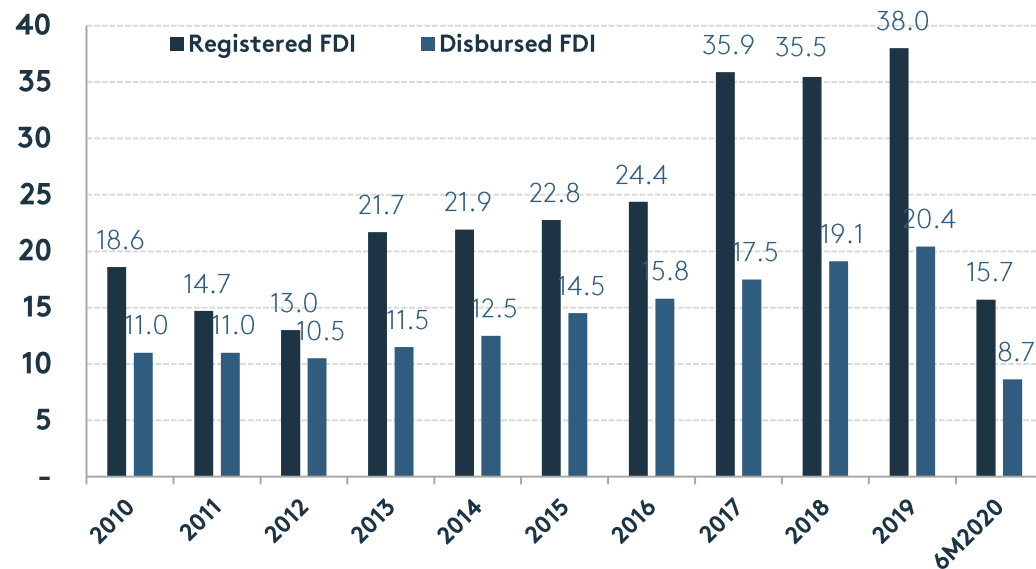
- Retail sales growth continued to recover in Jun +6.2% MoM and +5.3% YoY, which is very encouraging.

Vietnam Macro

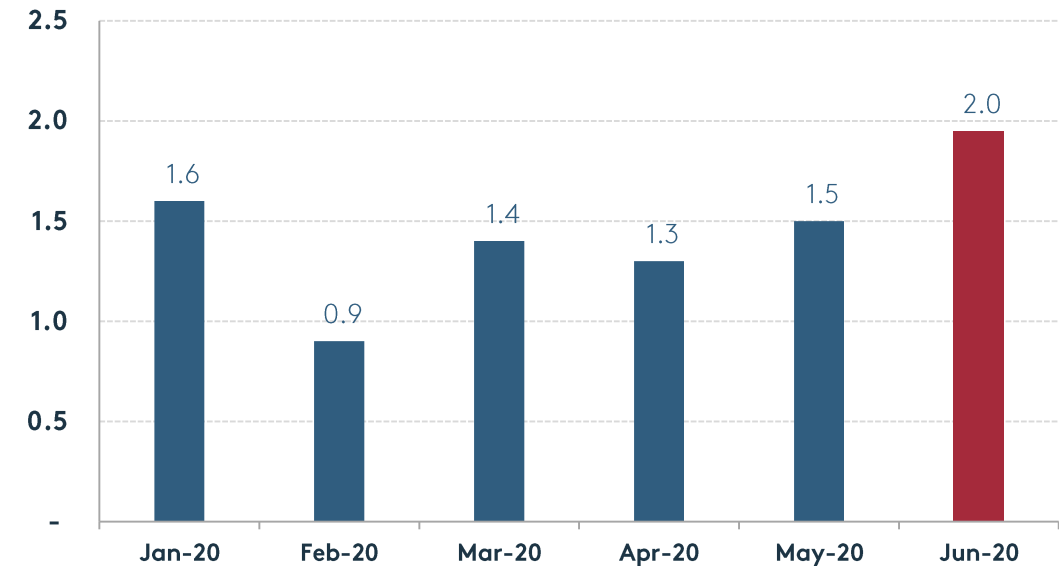
FDI disbursement hit 6-month high in June



FDI disbursement remained strong in 6M2020 (USD bn)



Monthly FDI disbursement in 6 months 2020 (USD bn)



- FDI registration and disbursement in 6M were down 15% and 4.9%, respectively.
- Longer-term outlook for FDI including trade war, foreign trade agreements, and risk diversification is still intact. We expect an acceleration in the trend of moving manufacturing facilities from China to Vietnam.

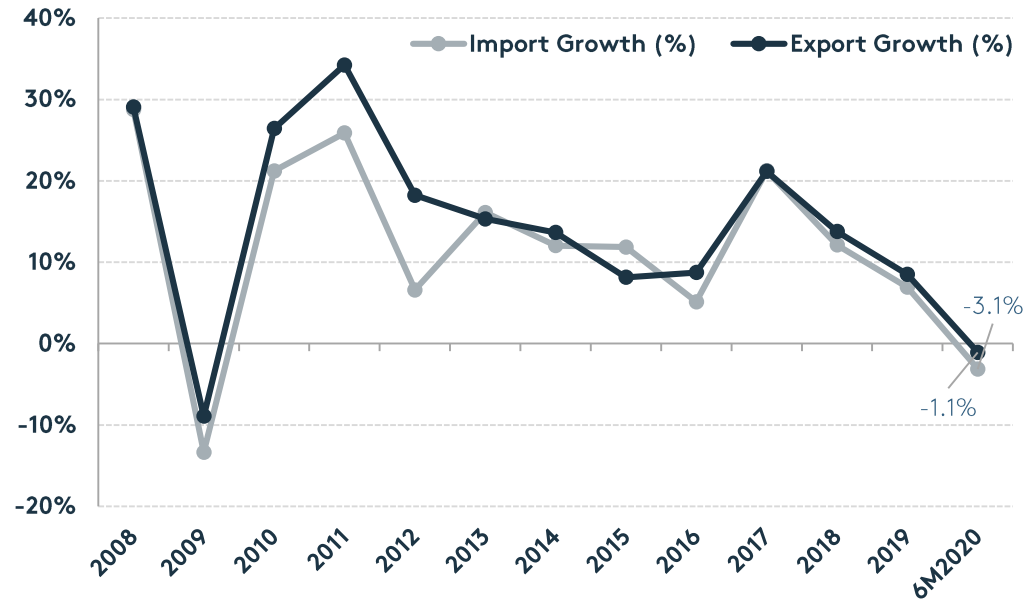
- FDI disbursement in June was USD2 bn, highest in the first half of 2020.

Vietnam Macro

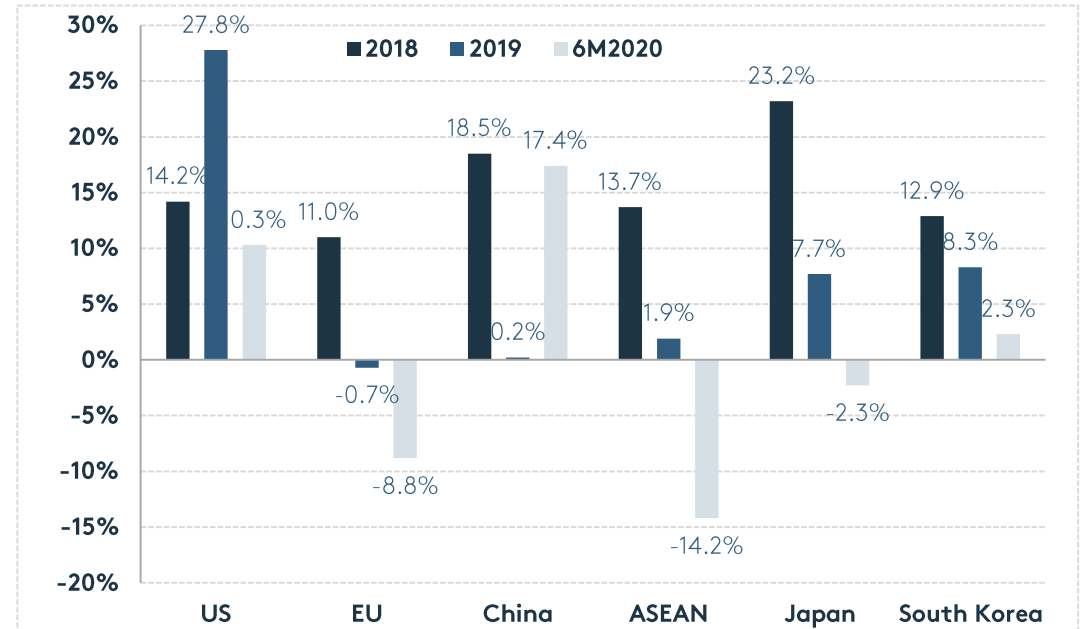
Trade bounced back



Growth of exports and imports in 6M2020



Vietnam's exports growth in major markets in 6M2020 (%)



- Exports in June increased +9.5% MoM while imports in June increased +12.8% MoM.
- USD6.0bn trade surplus YTD.
- Further signs of recovery in early July.

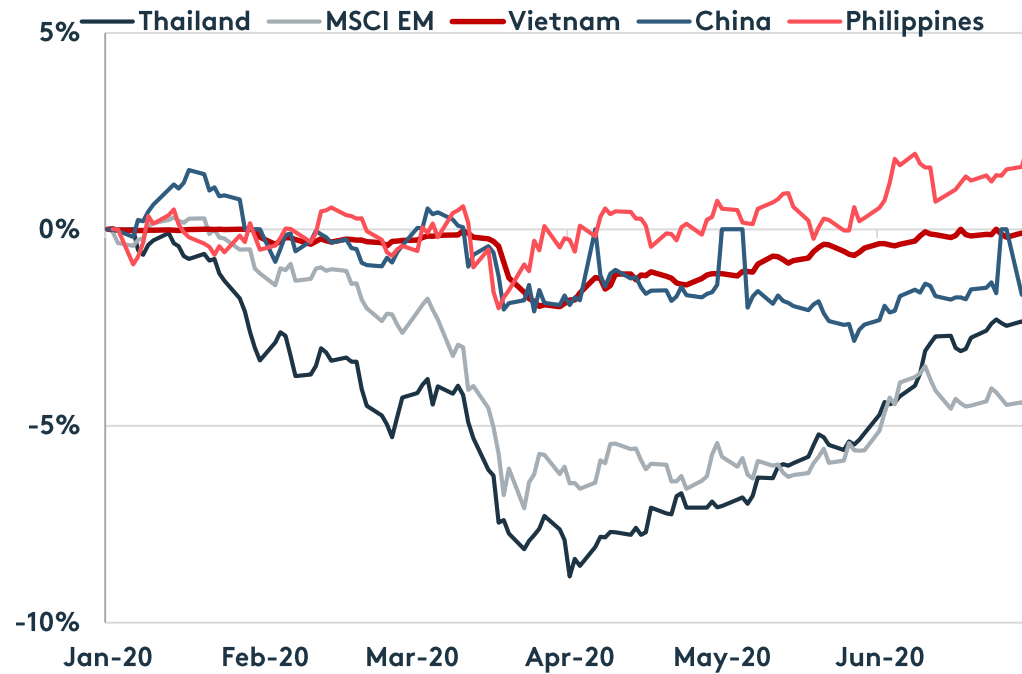
- Exports to many major markets remains strong

Vietnam Macro

Stable Currency

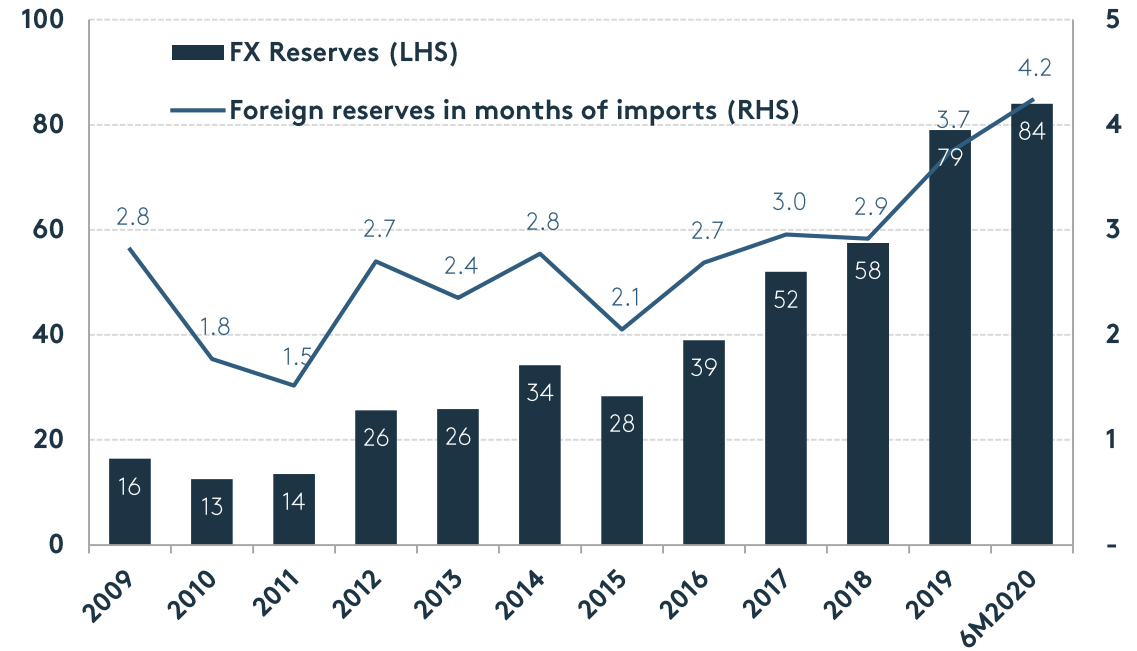


VND has been stable in the last two months



- The SBV did not have to intervene in the FX market during the last quarters.

Record high FX reserve (USD bn)



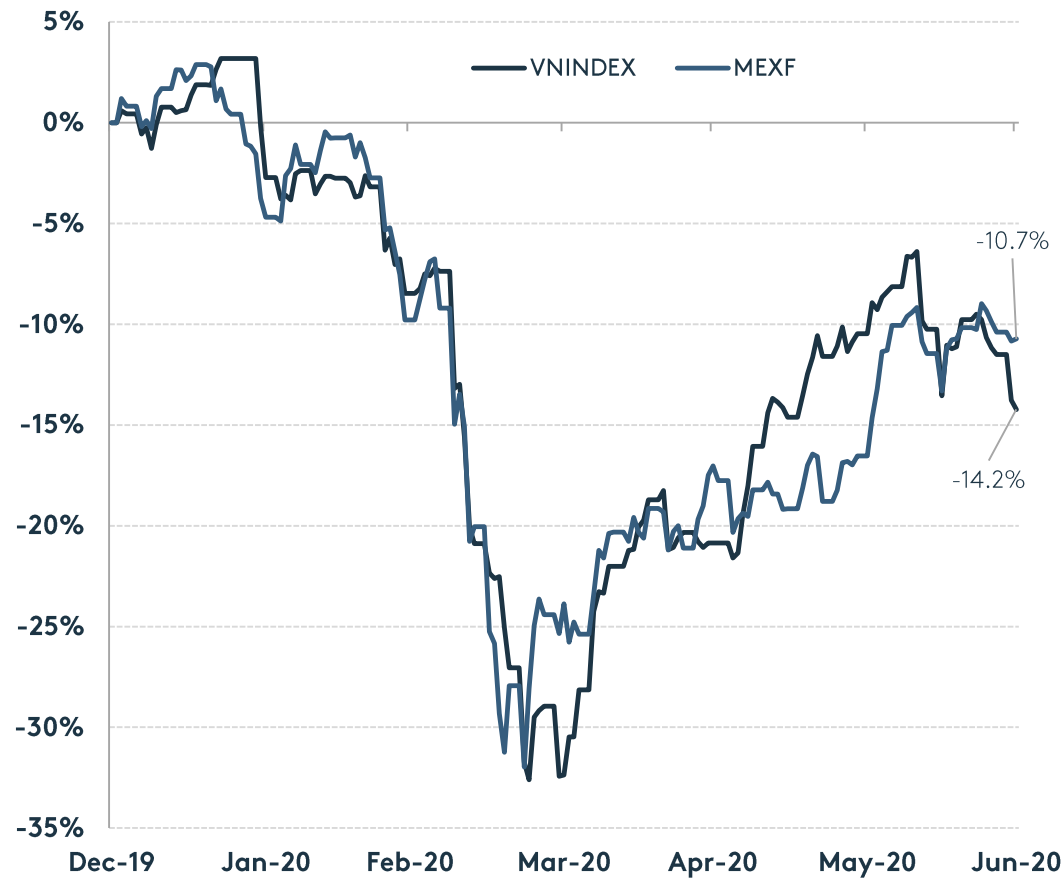
- Not much pressure on VND given healthy FDI inflows and increasing trade surplus.

Vietnam Equity Market

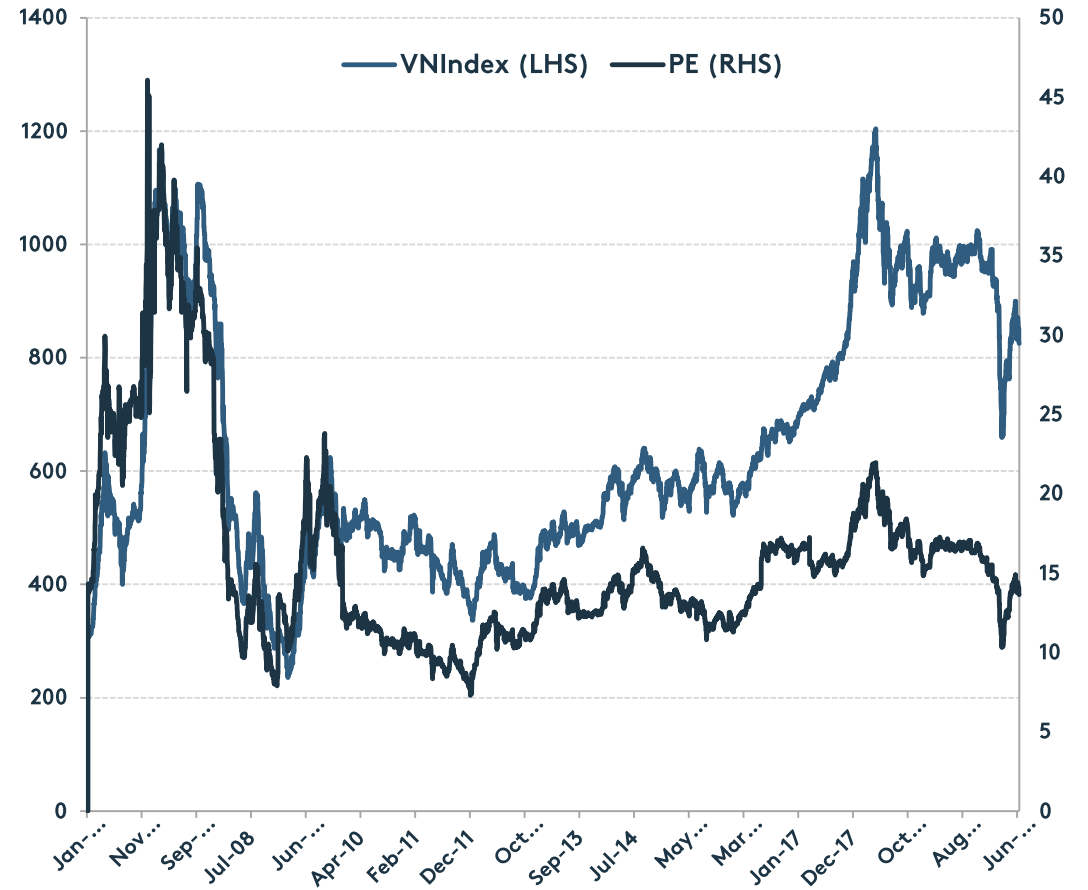
Market is attractively priced post-COVID



The Index recovered after the Covid-19



Valuation is at long term average level after the strong bounce back



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VNH Portfolio

Key themes are still intact

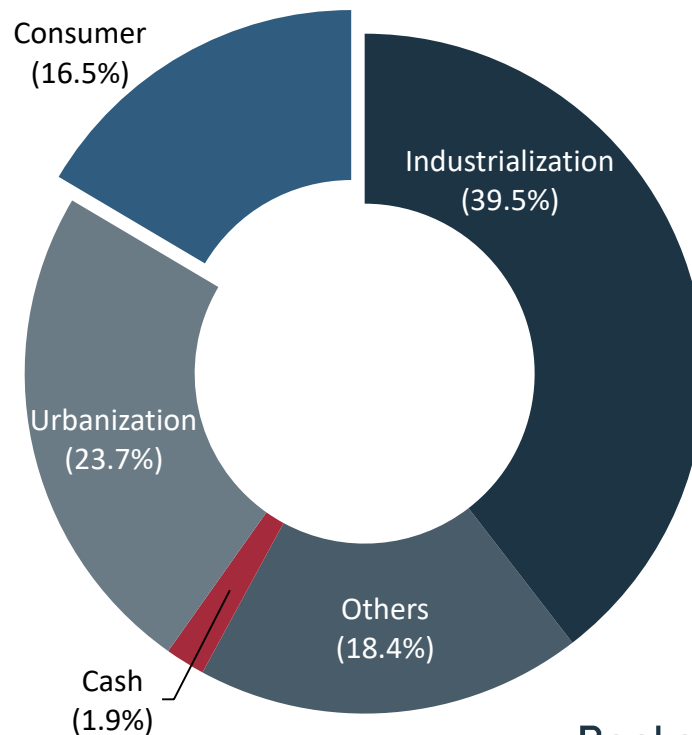


Consumer

- Early reopening of the economy supporting recovery
- Long term trend of consumption is still intact

Urbanization

- Still low urbanization rate
- Young demographics and industrialization maintain the trend



Industrialization

- Sustainable FDI Inflow
- Increasing infrastructure investments
- Supportive policies from the government for industrialization

Banks and Others

- Exposure to the high growth sector
- Beneficial from stable macro conditions
- Active management return

VNH Portfolio

Resilience in the face of Covid-19: Digitalization Trend



12% NAV

- A leading IT and telecom company in Vietnam
- The digitalization trend accelerating.
- Ready to be a global player

Digitalization trend

- Urgent need for digitalization in banks and companies in Vietnam
- High internet penetration with young population
- E-commerce growth more than 30% pa
- Government supporting mobile money
- The trend accelerating after Covid-19



4.6% NAV

- A leading delivery company in Vietnam with more than 20 years' experience
- Benefiting from online shopping behavior
- Both physical and virtual presence



thegioididong.com

6.8% NAV

- The number one consumer electronics retailer
- A top-four online retailer by sales
- Advanced IT infrastructure
- Penetrating into the large and resilient grocery business

VNH Portfolio

Resilience in the face of Covid-19: Multiplier effect from Infrastructure spend



6.8% NAV

- Number 1 steel maker
- Unique competitiveness of full value chain from iron ore to finished product
- Ready to utilize increasing capacity

Increasing FDI and public investment

- Strong and stable FDI disbursement following the trend of global production relocation
- Govt targets a doubling in public investment for 2020
- Urgent need for infrastructure
- Benefit from easing monetary policy



2.0% NAV

- Huge landbank ready for industrial park development
- Strategic locations of the land bank
- Benefiting from incoming FDI



2.8% NAV

- Number 1 real estate developer in Vietnam
- Moving into industrial property
- Excellent in execution
- Huge land bank for both residential and industrial development

VNH Portfolio

Resilience in the face of Covid-19: Market leaders positioned for the Recovery



Vietcombank

4.2% NAV

- The most profitable bank in Vietnam
- Number 2 bank by total assets
- Well-balanced profit structure with increasing non-interest income

Preparing for the recovery

- Accumulating high quality assets at better valuation for long term upside potential
- Urbanization trend
- The increasing popularity of mortgage loans



6% NAV

- A leading residential developer focusing on township segment
- Huge landbank in strategic locations
- Healthy capital structure



2.6% NAV

- +50% market share in consumer lending
- Artificial Intelligence applications
- Strong customer base and IT infrastructure supporting retail/micro finance

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