



VINACAPITAL VIETNAM OPPORTUNITY FUND (“VOF”)

30 June 2018 Annual Results

---

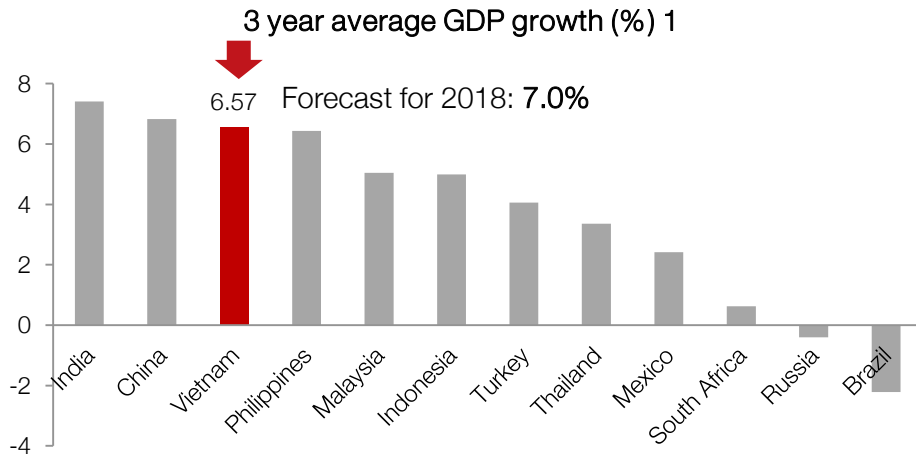
24 October 2018

Public

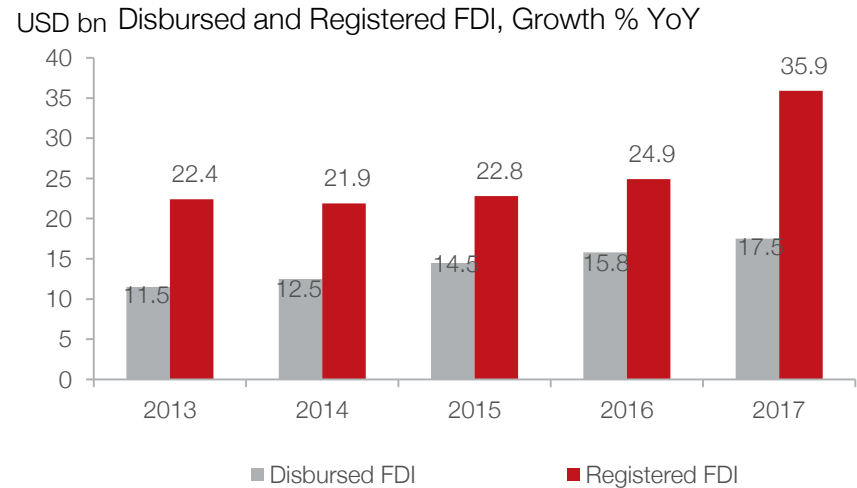
ANDY HO  
Managing Director and  
Chief Investment Officer

# Vietnam's macro indicators

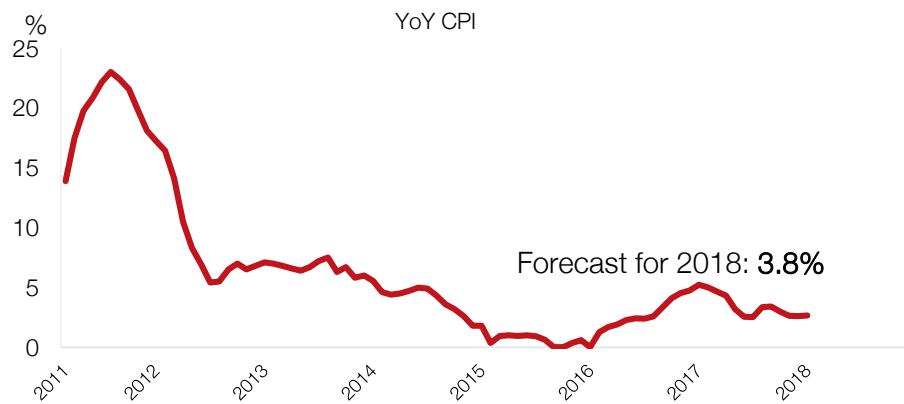
GDP growth is among the highest in EMs



Foreign direct investment remains solid

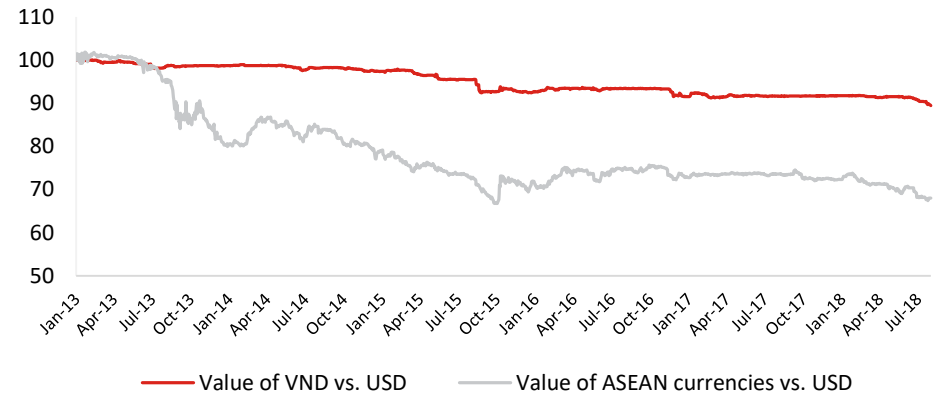


CPI has stabilised at low levels

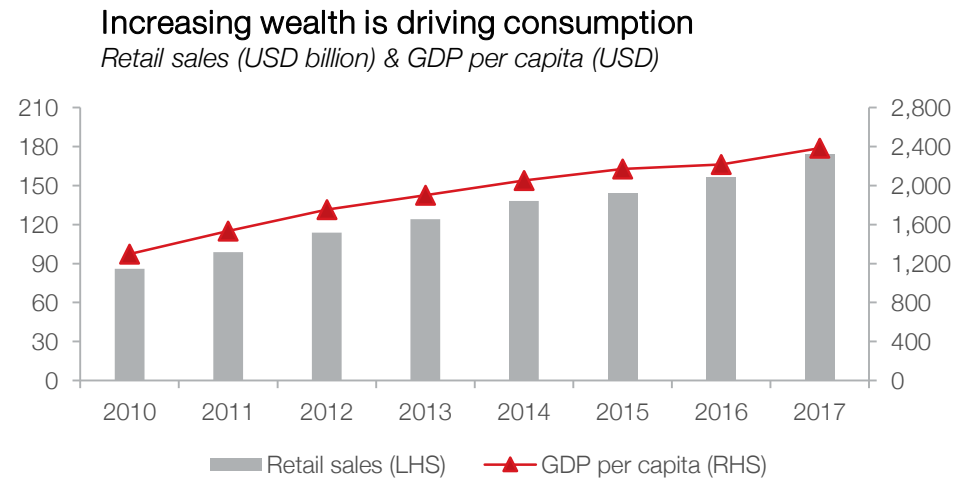
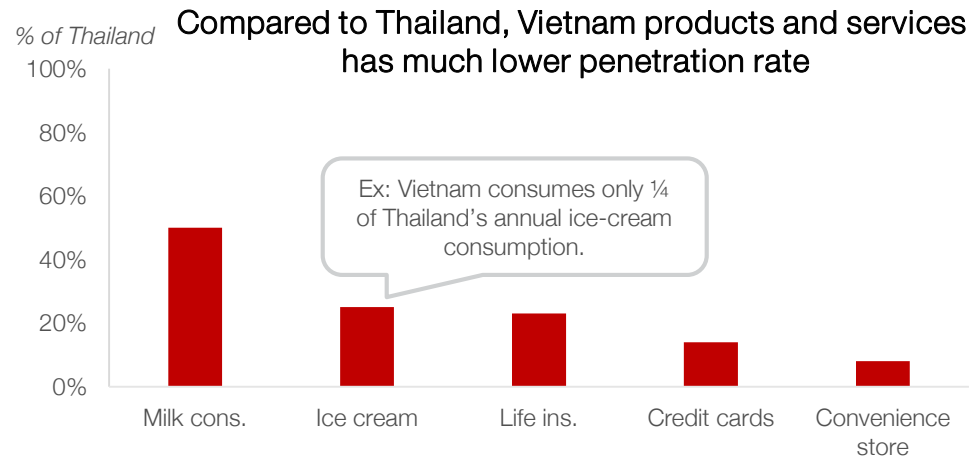
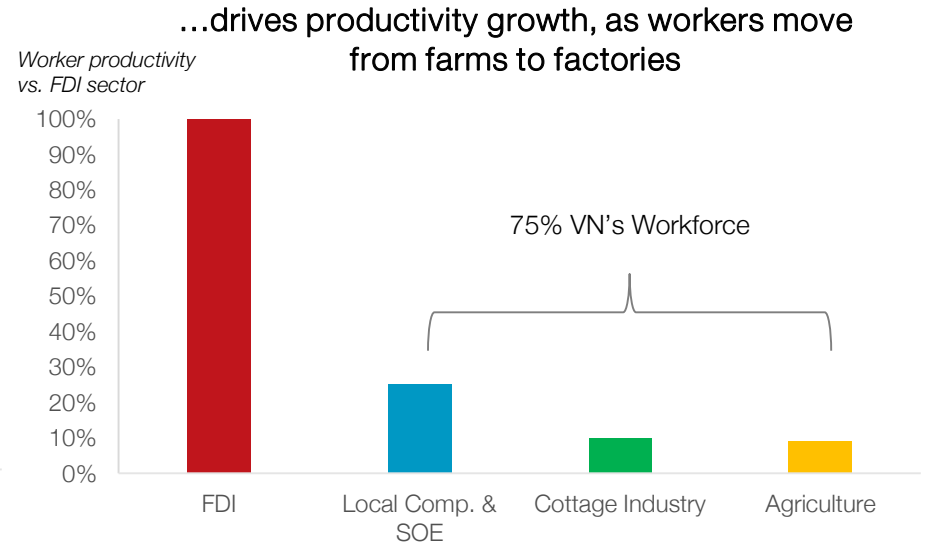
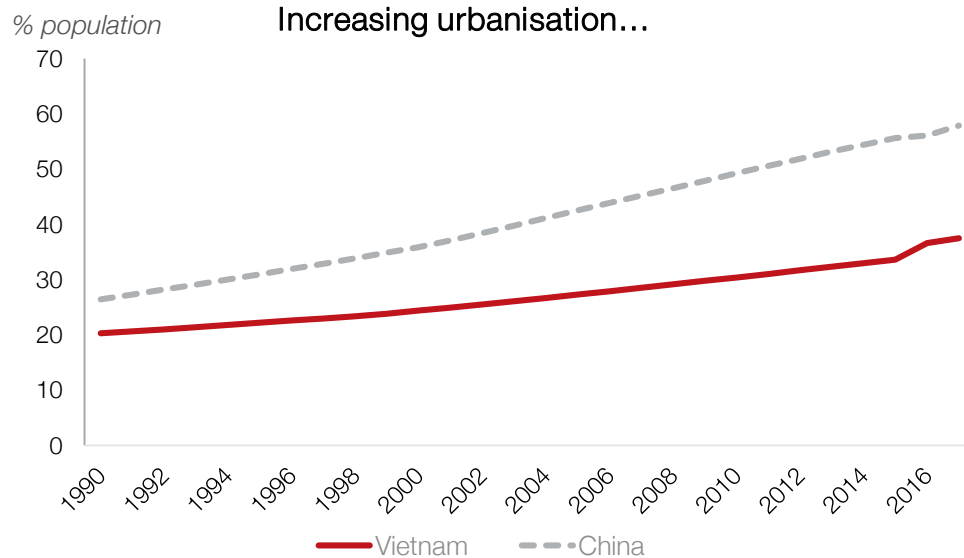


Stable currency

Vietnam's currency is more stable than other ASEAN currencies during the last 5 years

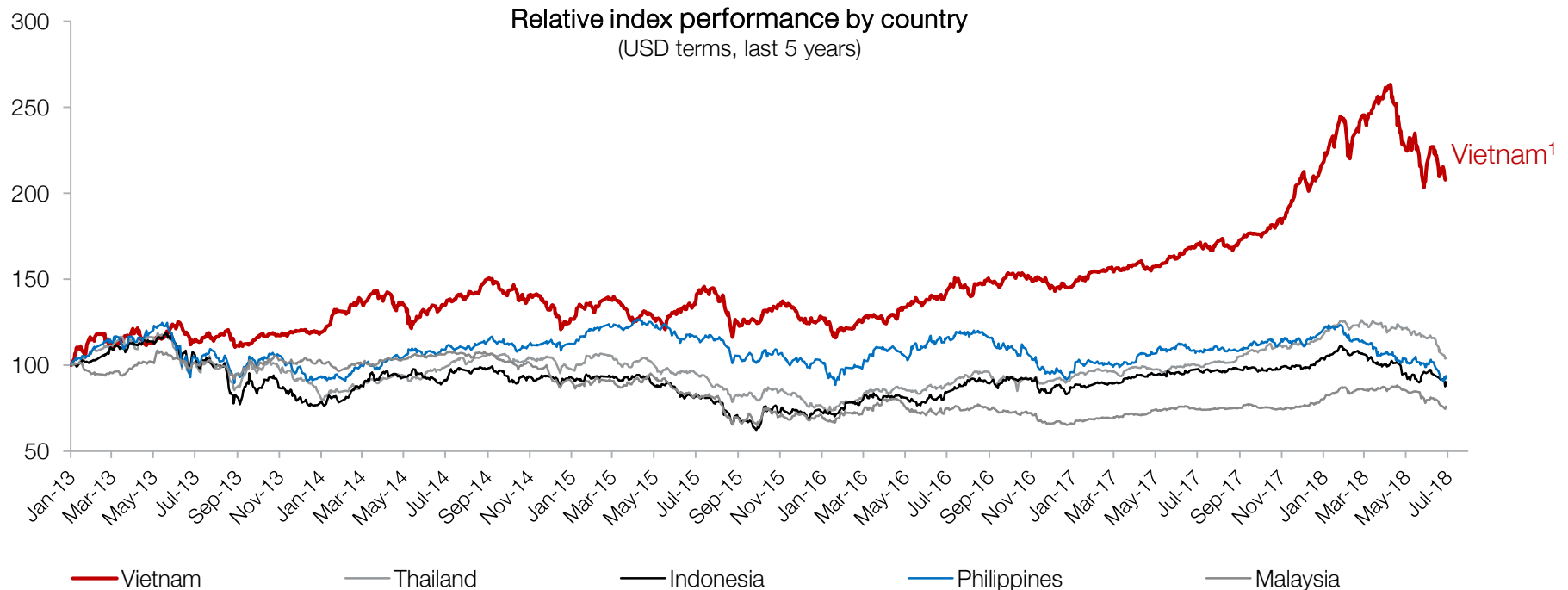


# Fast growing middle class



# Strong market performance

Vietnam's stock market is outperforming ASEAN peers...



Valuations are justified by solid earnings growth

- Higher earnings growth than most regional peers:
  - 25% EPS growth in 2017 in comparison with an average of 11% EPS growth of Thailand, Indonesia, Philippines, and Malaysia.
  - Expected EPS growth at 15-18% p.a in 2018-2019

## Vietnam to benefit from “Dollar rebound”

2018 – 2019: Dollar inflow to the US

- Negative effect for the Emerging Markets
- Vietnam outperforms thanks to stable macro, high economic growth

2020 – 2021: Dollar outflows to Emerging Markets

- Very limited investment opportunities, globally
- Vietnam significantly outperforms
- Investors in Emerging Markets focus on capital gains

## “Dollar rebound” sequence of events

2018

- USD appreciation driven by: rising rates, USD repatriation, trade war
- “Risk on” inflows to the US stock market
- Vietnam outperforms most EM stock markets/ FX due to sound fundamentals

1H2019

- USD supported by (slowing) repatriation, and (slowing) rate hikes

2H2019

- High likelihood of global correction, and surge in USD
- “Risk off” inflow to US Treasury bills

Post-  
correction

- Very few attractive investments, so money eventually flows into Vietnam and other selected Emerging Markets to seek higher returns
- “Risk on” outflows from the US to select Emerging and Frontier Markets
- Steep structural slowdown in US and EU economies

# Our differentiation

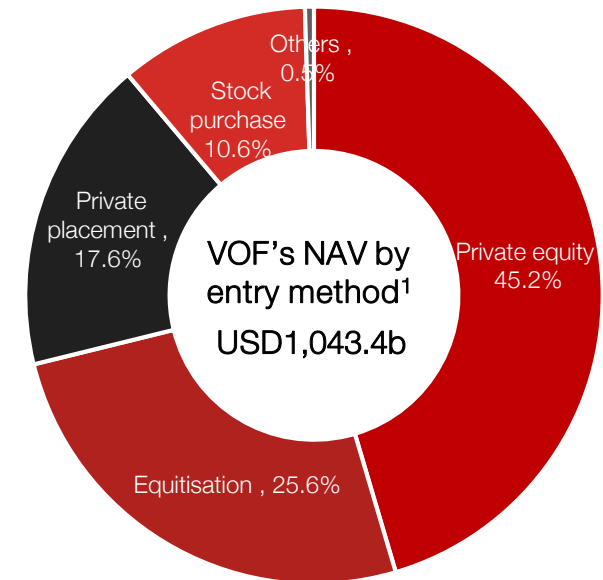
## Private-equity like investment approach

- We focus on opportunities not **normally available to general market** participants, such as PE deals.
- The portfolio today reflects of our strong track record **investing in PE, pre-IPO and privatisations** opportunities with over 45% of the portfolio entered through PE deals, and 26% through equitisations.

## Privately-negotiated deals with down-side protection

- We typically seek super minority positions where we can **get performance commitments and drag along rights**.
- We also reserve potential participation and influence over the Board of Directors and management of portfolio companies.

Since inception, USD1.7b was invested in 190 deals, mostly through privately negotiated means



# Financial year NAV and share price performance

## Financial year performance (to 30 June 2018)

**+13.7%** increase in Net Asset Value (“NAV”) per share

**+16.9%** total return<sup>1</sup>

**+12.6%** increase in share price in USD terms

NAV **USD1.04b**

NAV per share **USD5.38**

Share price **USD4.30**

## CAGR % - Long term performance (to June 2018)

VinaCapital Vietnam Opportunity Fund (VOF)			Peers <sup>2</sup>	VNIndex <sup>3</sup>
	Price return	NAV/share		
1-year (June 2017 – June 2018)	12.6%	16.9%	11.4%	25.7%
3-year (June 2015 – June 2018)	19.8%	18.1%	16.6%	19.4%
5-year (June 2013 – June 2018)	15.1%	13.3%	15.0%	16.7%

1. Including dividends paid out to shareholders during the financial year.

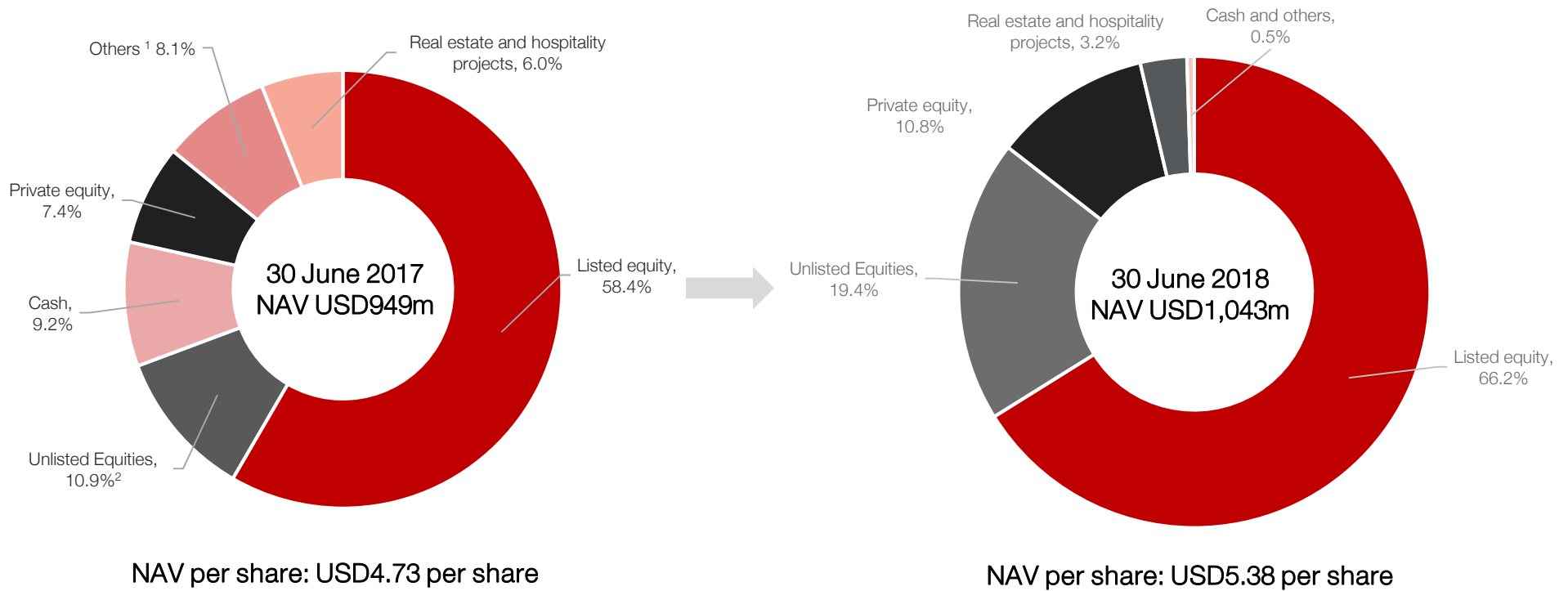
2. Peer performance includes: VEIL, VEH, and VNH.

3. VNIndex total return with dividends reinvested.

All performance numbers are in USD terms. Source: VinaCapital, Bloomberg.



# Portfolio Summary by Asset Class



1. Others includes: Bonds, Receivables and payables. No Bonds as at 30 June 2018.

2. Unlisted equities includes over-the-counter (OTC) traded securities, and unlisted equities that are traded on the UPCoM (Unlisted Public Company Market) of the Hanoi Stock Exchange.

# Capital Markets – Top 10 holdings performance

VOF's top 10 capital markets holdings (12-month performance)				
Investee company	Entry method <sup>1</sup>	Sector	% of NAV (30 June 2018)	FY2018 return <sup>2</sup>
1. Hoa Phat Group (HPG)	PE	Construction materials	14.6	68.2
2. Vinamilk (VNM)	EQ	Food & beverage	8.5	13.1
3. Airports Corp of Vietnam (ACV)	EQ	Infrastructure	8.2	71.6
4. Khang Dien House (KDH)	PE	Real estate & construction	7.2	29.9
5. Phu Nhuan Jewelry (PNJ)	PE	Consumer discretionary	5.5	35.5
6. Eximbank (EIB)	PP	Financial services	3.7	11.3
7. Vietjet Air (VJC)	PP	Industrials	3.7	103.7
8. Quang Ngai Sugar (QNS)	Share purchase	Food & beverage	2.8	-44.8
9. HCM Development Bank (HDB)	PP	Financial services	2.7	37.2
10. Coteccons Construction (CTD)	PIPE	Real estate & construction	2.4	-24.0
<b>TOTAL</b>			<b>59.4</b>	
<b>VOF's Capital market return</b>				<b>29.4%</b>
<b>VN Index<sup>3</sup></b>				<b>25.7%</b>

1. PE: Private Equity, PIPE: Private Investment in Public Equities, PP: Private Placement, EQ: Equitisation

2. Includes realised and unrealised return on investment over the financial year 2018. USD terms.

3. Total return, with dividends reinvested.

# New fee proposal

## Structure and style

<b>Focus:</b>	Vietnam, multi-sector, high-growth focus
<b>Current portfolio:</b>	Multi-asset, including private equity, private placement, SOE privatisations, and pre-IPO
<b>Strategy:</b>	We focus on <b>off-market opportunities</b> or opportunities only available to a small group of institutional investors
<b>Continuation:</b>	“Discontinuation vote” to be held on 10 December 2018

## New fee schedule (effective from 1 July 2018)

### Revised management fee:

- 1.50% of net assets, levied on the first USD500 million of net assets
- 1.25% of net assets, levied on net assets between USD500 million and USD1,000 million
- 1.00% of net assets, levied on net assets between USD1,000 million and USD1,500 million
- 0.75% of net assets, levied on net assets between USD1,500 million and USD2,000 million
- 0.50% of net assets, levied on net assets above USD2,000 million

### Revised performance fee:

- 12.5% over the hurdle rate of 8% annual compounded; capped at 1.5% of the weighted average of month-end net assets.

### Revised investment pools:

- We will no longer split the portfolio into two pools for calculation of the incentive fees.

### Claw-back provision added

### Incentive fee payment:

- 25% of any incentive fee paid will be used by the Investment Manager to buy shares through open market purchases.

## VOF financial highlights

	As at 30 June 2016	As at 30 June 2017	As at 30 June 2018
	USD	USD	USD
Total Net Assets (millions)	786.54	949.68	1,043.44
NAV per share	3.77	4.73	5.38
Increase in NAV per share over the year	15.3%	25.5%	13.7%
Share price	2.82	3.82	4.30
Increase in share price over the year	12.8%	35.5%	12.6%
Discount to NAV per share	25.2%	19.2%	20.1%

Profit and loss	Financial year ended	
	30 June 2017	30 June 2018
Profit for the period	USD190.5m	USD152.7m
Basic earnings per share	USD0.93 per share	USD0.77 per share

## VOF financial information

Dividends			
	Dividend per share (USD cents)	Record date	Pay date
First interim dividend	4.8	25 August 2017	27 September 2017
Full year dividend	4.8	3 November 2017	1 December 2017
Interim dividend	5.5	6 April 2018	27 April 2018
Full year dividend	5.5	24 October 2018	30 November 2018
Dividend yield (on NAV per share) <sup>1</sup>	3.2%		

Buyback programme	30 June 2018	
	Number of shares	
Buyback during the period <sup>2</sup>	6.6m	USD29.1m
Total buyback up to 30 June 2018 (since programme started)	130.5m <sup>3</sup>	USD297.9m

1. Dividends yield over the financial year from 1 July 2017 to 30 June 2018.

2. For the period from 1 July 2017 to 30 June 2018.

3. Number of outstanding shares in issue at 30 June 2018: 194,058,258.

# Disclaimer

*The information contained herein has been prepared by VinaCapital Group Limited (the "Company") and is subject to updating, completion, revision, further verification and amendment without notice.*

*The information contained herein has not been approved by any listing authority or any investment regulator. The information does not constitute or form part of any offer for sale or solicitation of any offer to buy or subscribe for any securities nor shall they or any part of them form the basis of or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever.*

*No undertaking, representation, warranty or other assurance, expressed or implied, is made or given by or on behalf of the Company or any of its directors, officers, partners, employees, agents or advisers or any other person as to the accuracy or completeness of the information or opinions contained herein and no responsibility or liability is accepted by any of them for any such information or opinions or for any errors, omissions, misstatements, negligence or otherwise for any other communication written or otherwise.*

*The information herein may not be reproduced, re-distributed or passed to any other person or published in whole or in part for any purpose. By accepting receipt of this document, you agree to be bound by the limitations and restrictions set out above.*

*Neither these pages nor any copy of them may be taken or transmitted into or distributed in any jurisdiction where the distribution of such material would be prohibited under the jurisdiction's applicable securities laws. Any failure to comply with this restriction may constitute a violation of national securities laws.*

*Past performance is not a guarantee of future returns.*

# Contact information

## VinaCapital

17<sup>th</sup> Floor, Sun Wah Tower  
115 Nguyen Hue Street  
District 1  
Ho Chi Minh City  
Vietnam

[www.vinacapital.com](http://www.vinacapital.com)

### Andy Ho

Chief Investment Officer

T: +84 28 3521 1198

E: [andy.ho@vinacapital.com](mailto:andy.ho@vinacapital.com)

### Khanh Vu

Investment Director

T: +84 28 3521 1170

E: [khanh.vu@vinacapital.com](mailto:khanh.vu@vinacapital.com)

### Joel Weiden

Senior Communications Manager

T: +84 28 3521 1139

E: [ir@vinacapital.com](mailto:ir@vinacapital.com)

Ho Chi Minh City

Hanoi

Danang

Singapore