



Vietnam Holding Limited
(LSE: VNH)

September 2022

Disclaimer



This presentation relates to Vietnam Holding Limited (the "Company") and has been prepared by Dynam Capital, Ltd. ("Dynam"). This presentation is for information and discussion purposes only and should not be considered to be an offer or solicitation of an offer to buy or sell shares in the Company, nor an offer or invitation or other solicitation or recommendation to purchase or subscribe for any securities.

Neither this presentation nor its contents may be distributed, published or reproduced, in whole or in part, by you or any other person for any purpose.

The information in this presentation has not been fully verified and is subject to material revision and further amendment without notice. None of the Company, Dynam, their respective advisers or any other person, representative or employee makes any guarantee, representation or warranty, express or implied, as to the accuracy, completeness or fairness of the information and opinions contained in this presentation, and no such person accepts any responsibility or liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith.

Certain statements in this presentation constitute forward-looking statements. Any statement in this presentation that is not a statement of historical fact including, without limitation, those regarding the Company's and/or Dynam's future expectations, operations, financial performance, financial condition and business is a forward-looking statement. Such forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, among other factors, changing economic, financial, business or other market conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this presentation. As a result you are cautioned not to place reliance on such forward-looking statements. Nothing in this presentation should be construed as a profit forecast.

This presentation has not been approved by an authorised person in accordance with section 21 of the Financial Services and Markets Act 2000. As such this document is being made available in the United Kingdom only to and is directed only at: (a) persons having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (b) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) (A) to (C) of the Order, and (c) other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). Any failure to comply with these restrictions constitutes a violation of the laws of the United Kingdom. The distribution of this presentation in or to persons subject to the laws of other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of the relevant jurisdiction.

By accepting this document or by attending any presentation to which this document relates you will be taken to have represented, warranted and undertaken that: (i) you are a relevant person; (ii) you have read and agree to comply with the contents of this disclaimer; and (iii) you will treat and safeguard as strictly private and confidential all the information contained herein and take all reasonable steps to preserve such confidentiality.



<p>c.£91m Market cap Closed-end fund Listed on LSE Main Market</p>	<p>Independent board, active share buyback mandate to manage discount to NAV</p>	<p>Partner owned Manager with locally based team</p>	<p>Outperforming index over 1, 3, 5 and 10 years</p> <p>+17.2%* p.a. over 10 years vs <i>Vietnam All Share +14.3%** p.a.</i></p>
<p>Nimble stock selection, actively managed, high-conviction portfolio with integrated ESG</p>			
<p>25 holdings Largest holding 11.1% Zero gearing</p>	<p>Carbon footprint 60% lower the Index*</p> <p>5-Stars from PRI***</p>	<p>Thematic exposures:</p> <p>32% Industrialization 18% Consumer 18% Urbanization</p>	<p>77% Active Share (3y avg.) 30% mid & small-cap 70% large-cap</p>

Portfolio

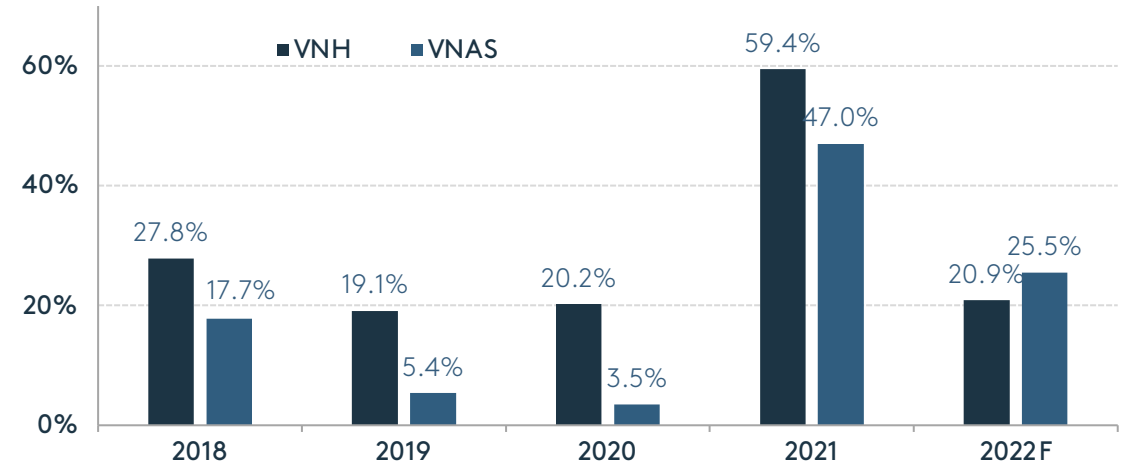
Growth at a Reasonable Price (GARP)



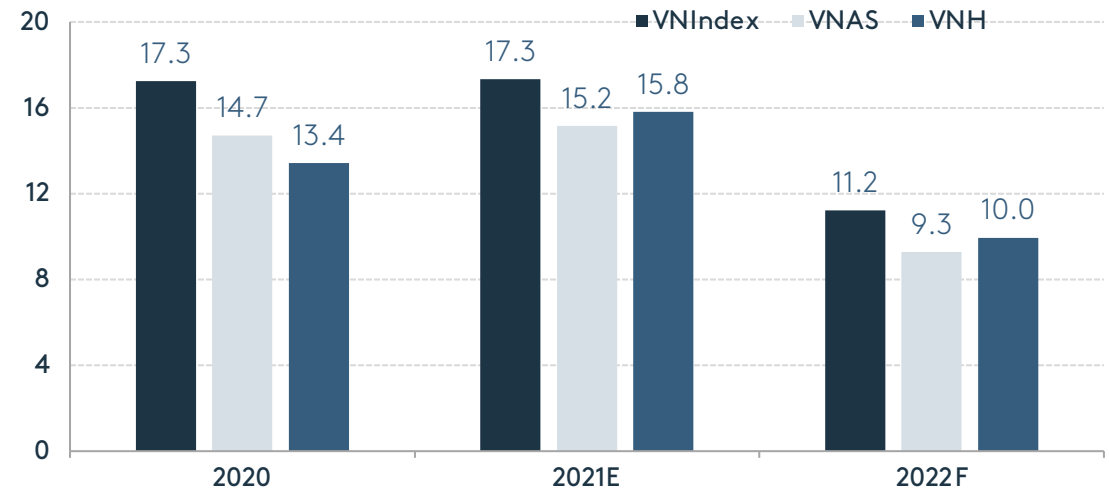
Investment Criteria

- Compounding long-term EPS growth (c20% pa)
- 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

Earnings per share growth



Valuation (P/E Ratio)





1. **Vietnam:** Asia's Emerging Champion
2. **Vietnam Equity Market:** More Opportunities After the Correction
3. **Vietnam Holding Portfolio:** Sustainable Growth – Strong Track Record
4. **Fund Manager:** Responsible Investor and Vietnam Specialist
5. **Summary**

Vietnam at a glance

Asia's Emerging Champion



Population

98.5mn
Population
15th in the world



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



>77%
Internet penetration
30% per annum growth in e-commerce



37%
Urbanization rate
Rapidly increasing



Economy

2.58%
2021 GDP growth
30-year average 6.7% pa



USD31.2bn
2021 FDI influx
The 2nd largest share in ASEAN



2x GDP
Total trade
\$645 billion in 2021



USD3,000
2021 GDP per capita
High and stable growth



1.8%
2021 Inflation
Stable macroeconomic



15
FTAs concluded
2 FTAs in negotiations



Key export products

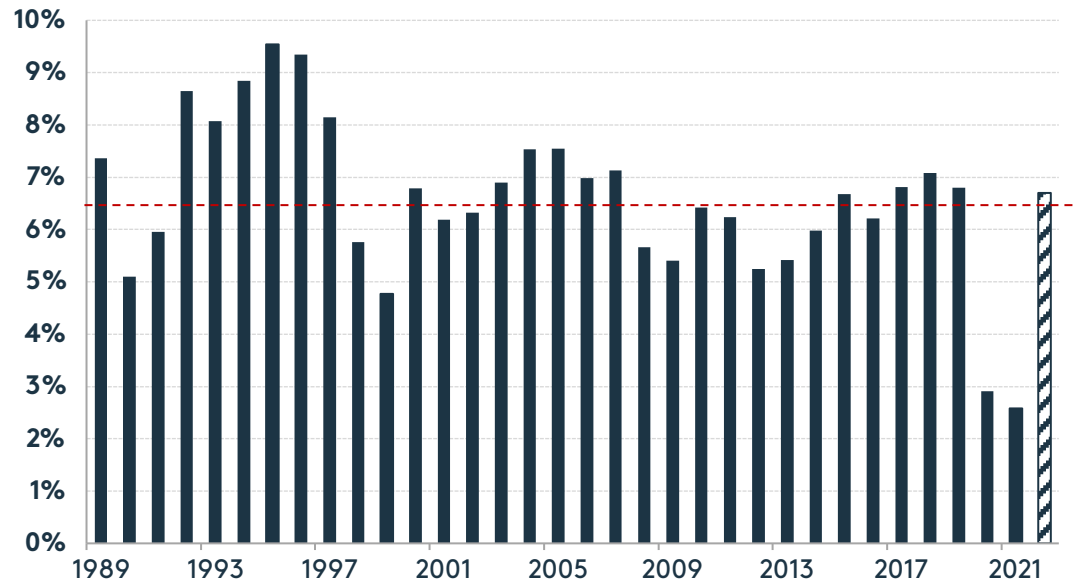
- Telephone & Accessories
- Textiles and garments
- Computer & Electrical Products
- Machinery & Equipment
- Footwear
- Wood & Wooden Products
- Iron Steel

Vietnam Macro

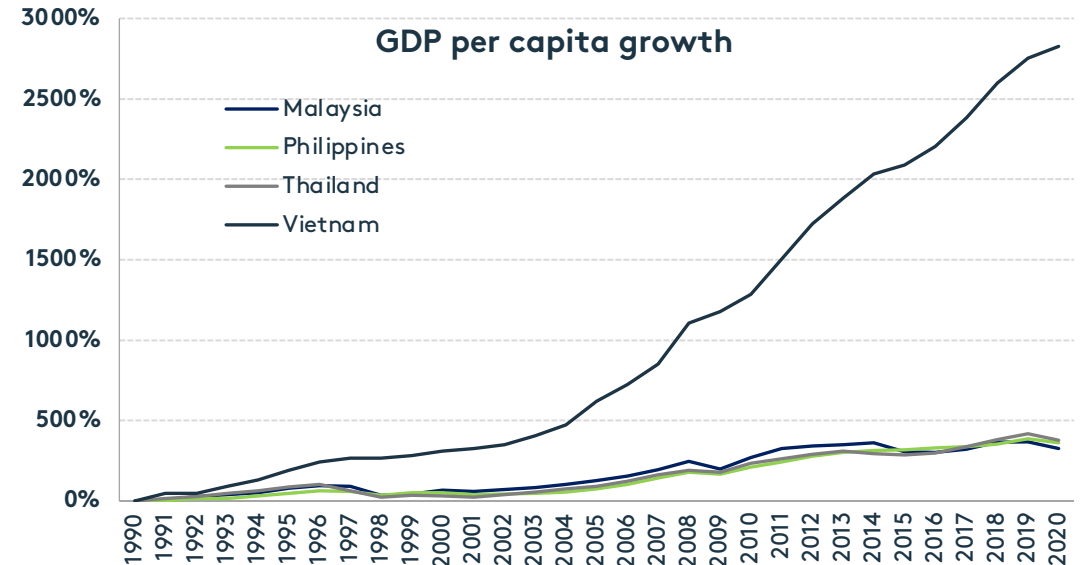
One of the Highest GDP Growth Countries in the World



High and stable GDP growth over last 30 years



GDP per capita accelerating (USD)



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

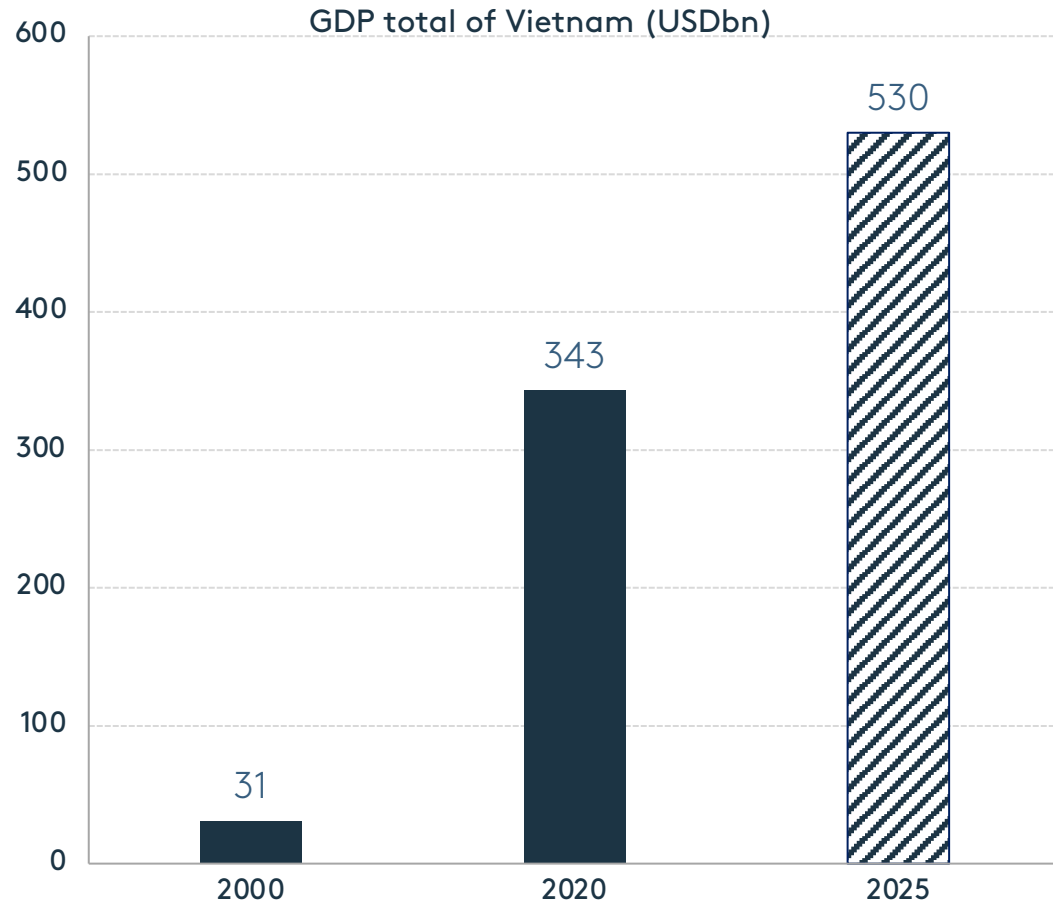
- Vietnam GDP per capita trebled since joining the WTO in 2007
- Growing middle class and increasingly consumer-driven society
- China and Thailand doubled its GDP per capita from where Vietnam is today in 5 years and 7 years, respectively
- Inflection point in growth - Vietnamese consumer power could double by 2035 - with increased demand for consumer goods through rapidly growing modern trade and retail chains

Vietnam Macro

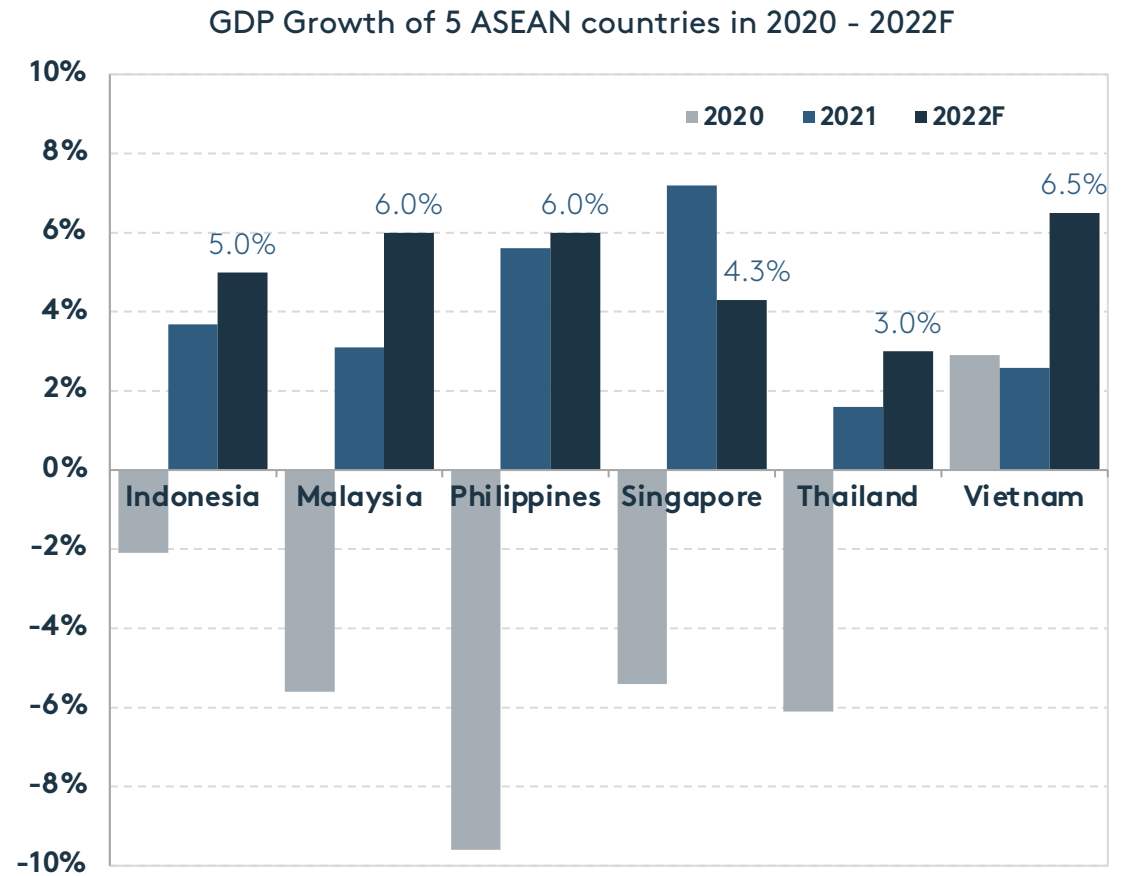
One of the Highest GDP Growth Countries in the World



After years of high growth, GDP reached a sizable value



Positive GDP growth in years of Covid-19

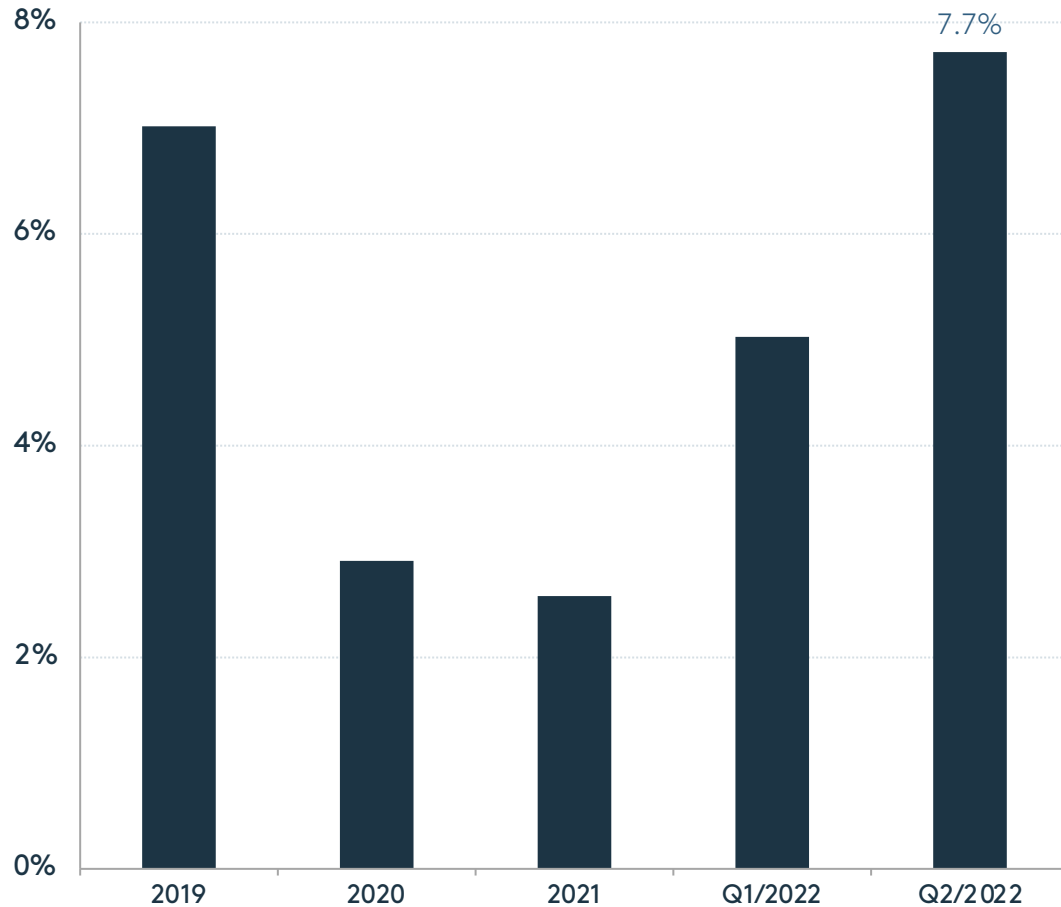


Vietnam Macro

Strong recovery domestically – but rising external risks



2022 GDP growth expected to be back to long-term trend



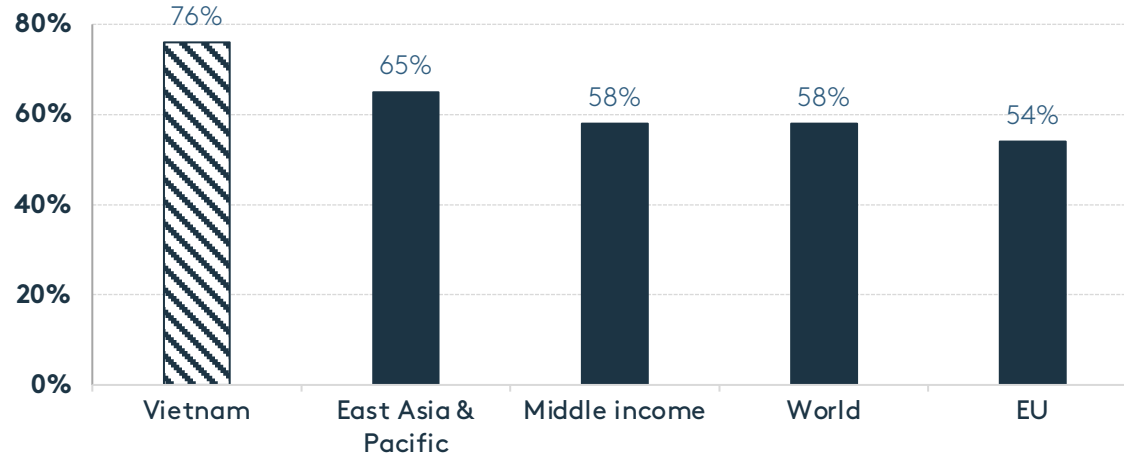
- Q2 GDP growth was much higher than expected - full year target of 6.5% remains intact.
- Public investment disbursement was slow in the first half of 2022 (35% of the whole year target), but still grew +10% YoY.
- Credit growth was 9% YTD. The State Bank of Vietnam (SBV) has been more cautious in providing additional credit growth 'quota' due to (1) increasing external risks; (2) higher inflation risk for 2023; and (3) H1 credit growth already high.
- The key risk for Vietnam is a global economic recession, which would hit its export growth in 2023. The SBV is expected to adjust its easing monetary policies accordingly slowly.
- Long-term trends of increasing domestic consumption (higher modern trade penetration), increasing urbanisation, digitalisation and modern industrialisation are still on track.

Vietnam Macro

Favorable Demographics Driving the Opportunities

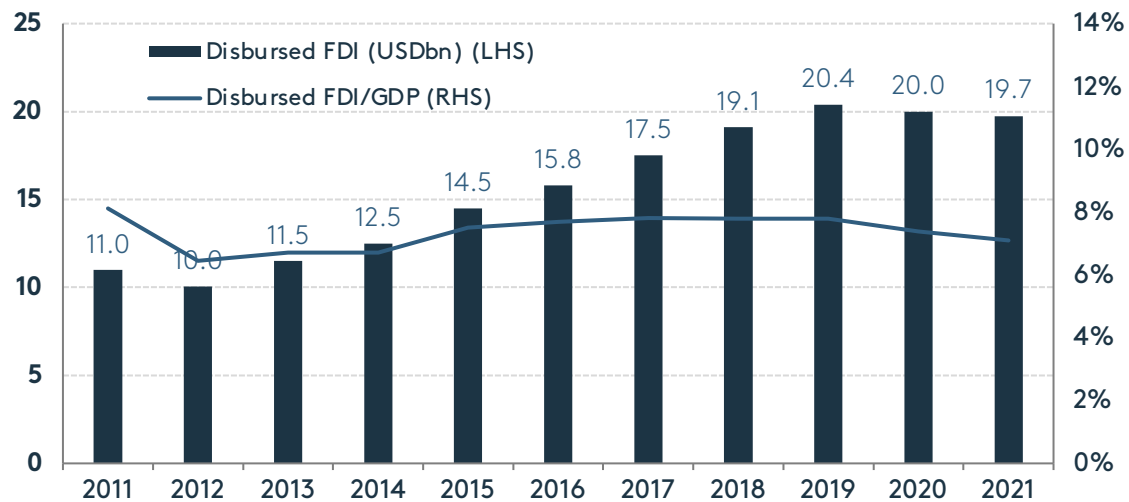


Among highest Employment to Population Ratio (%) in the world



- Young (50% below 30) and large (c100m) population
- Industrious workforce
- Manufacturing labor cost is half of China's and two-thirds of Mexico's

Strong and sustainable influx of FDI (USD bn) with 10-y CAGR 6.0%



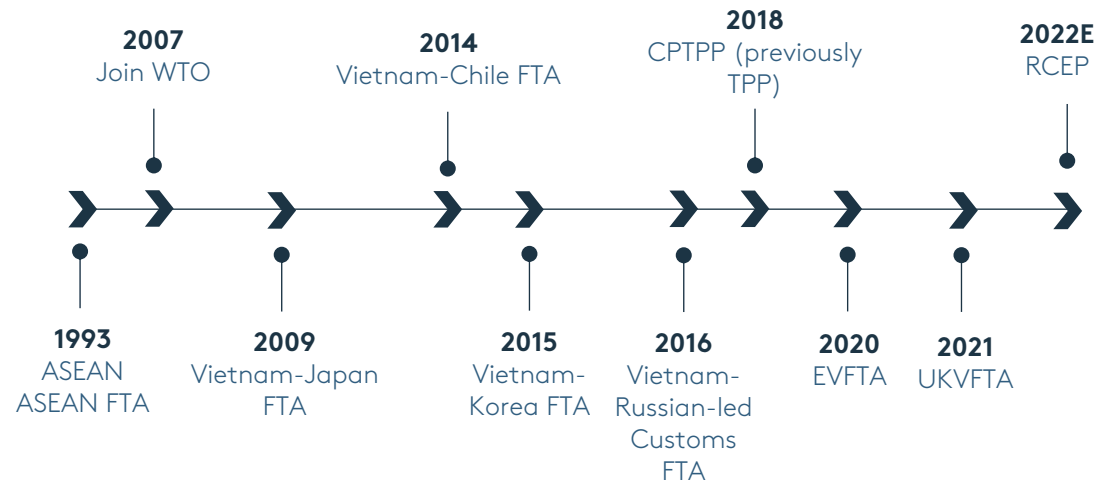
- Strategic location as manufacturing hub: in the heart of ASEAN and close to major North Asian economies (China, Japan, and Korea)
- Attracting record levels of Foreign Direct Investment (FDI) from multinationals (including Samsung, Intel)
- Strategic alternative to China for global sourcing (shift in Apple products, for example)

Vietnam Macro

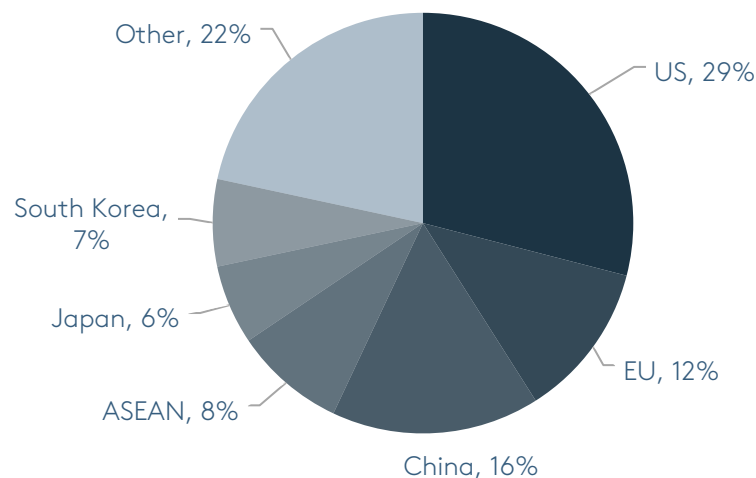
Supportive Policies for A More Open Economy



Increasing foreign trade thanks to FTAs



Well-diversified foreign trade partners



Source: Dynam Capital, GSO, World Bank

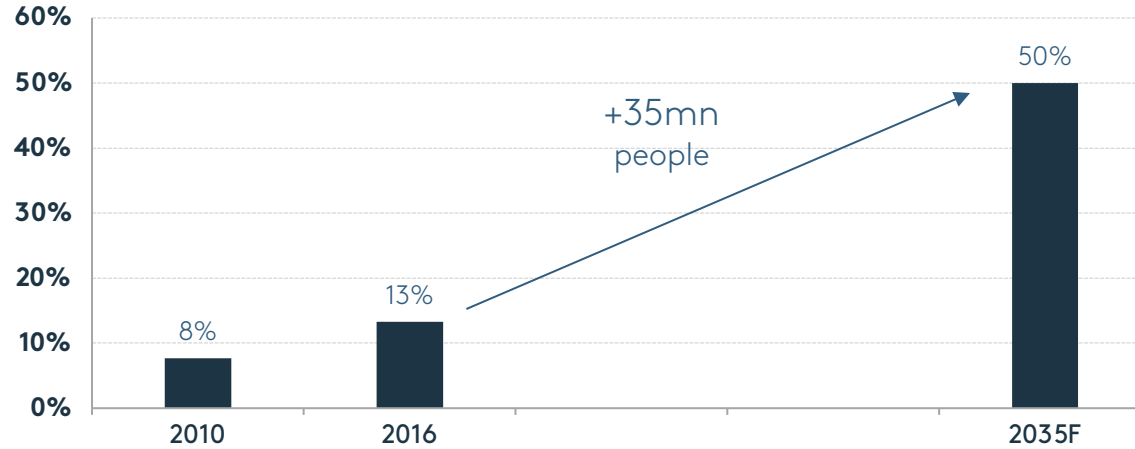
- Total trade as of percentage of GDP doubled to >200% since 2000 – one of the most open economies in the world
- CPTPP (Comprehensive and Progressive Agreement of Trans-Pacific Partnership), Vietnam-EU FTA, and RCEP (Regional Comprehensive Economic Partnership) are boosting foreign trade advantage
- Vietnam’s Global Competitiveness score has improved the most globally, rising 10 places from 77th in 2018 to 67th in 2019
- Friend to all – servant to none: 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 Macro

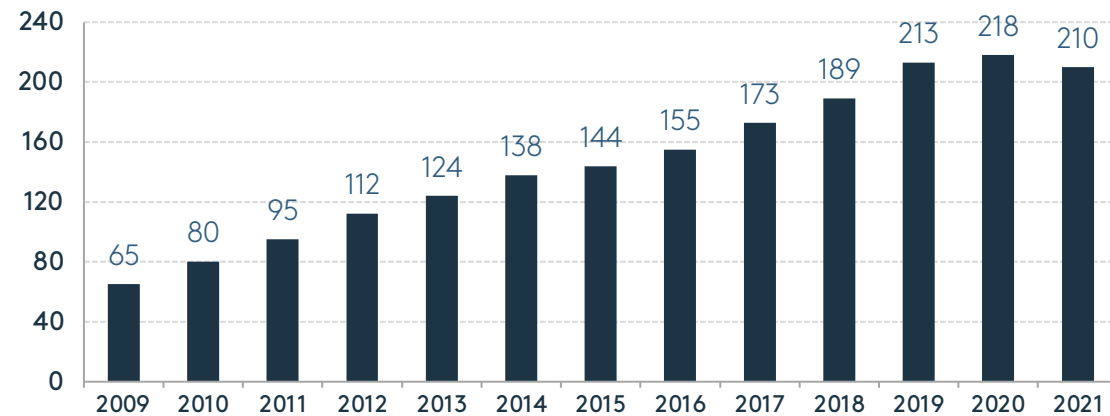
Rapidly Growing Consumer Middle-class



Emerging middle-class population (consumption >USD15/day)



Vietnam retail sales (USD bn)



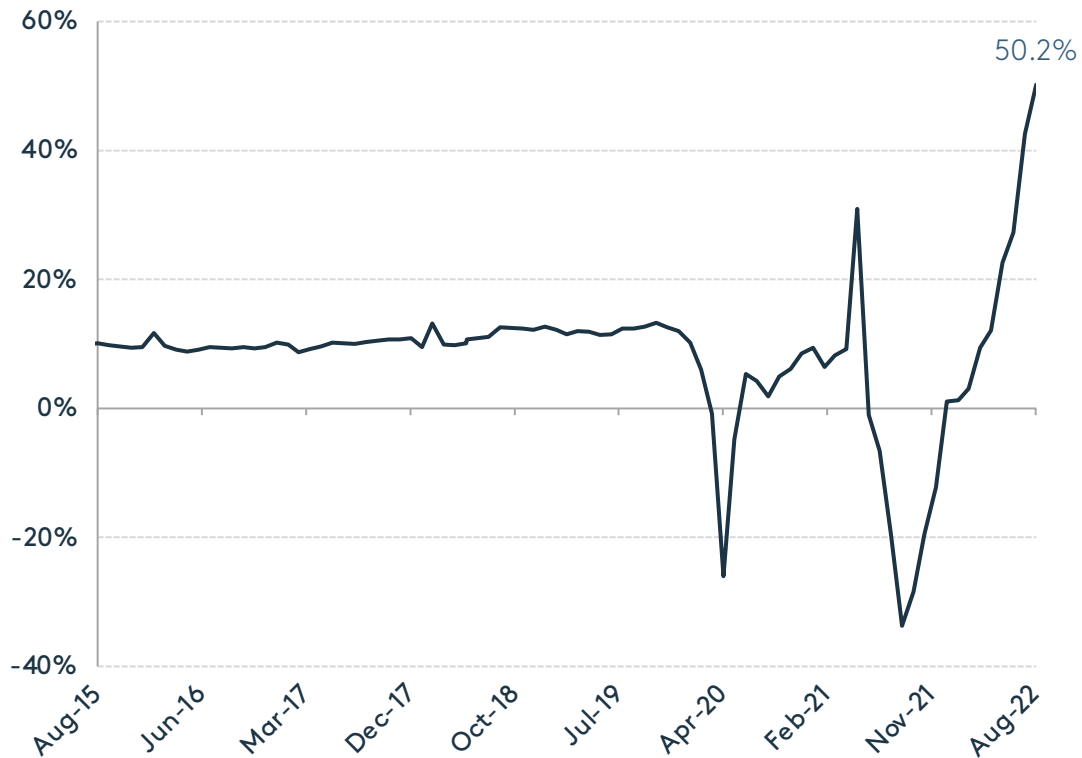
- 35mn more middle-class consumers by 2035
- Car ownership doubled over last 5 years, yet still low by regional standards
- Consumer loans increased by 5x to US\$51bn over last 5 years
- 6x increase in air passenger traffic over last decade*
- Modern trade already at about 30% currently and expected to reach 38% in 2025
- 30% life insurance premium annual growth over last 5 years
- Vietnam's Internet economy forecast to reach US\$57bn by 2025 – growing by 30% per annum

Vietnam Macro

Resilient and sizable consumption market and recovering manufacturing help sustain the growth

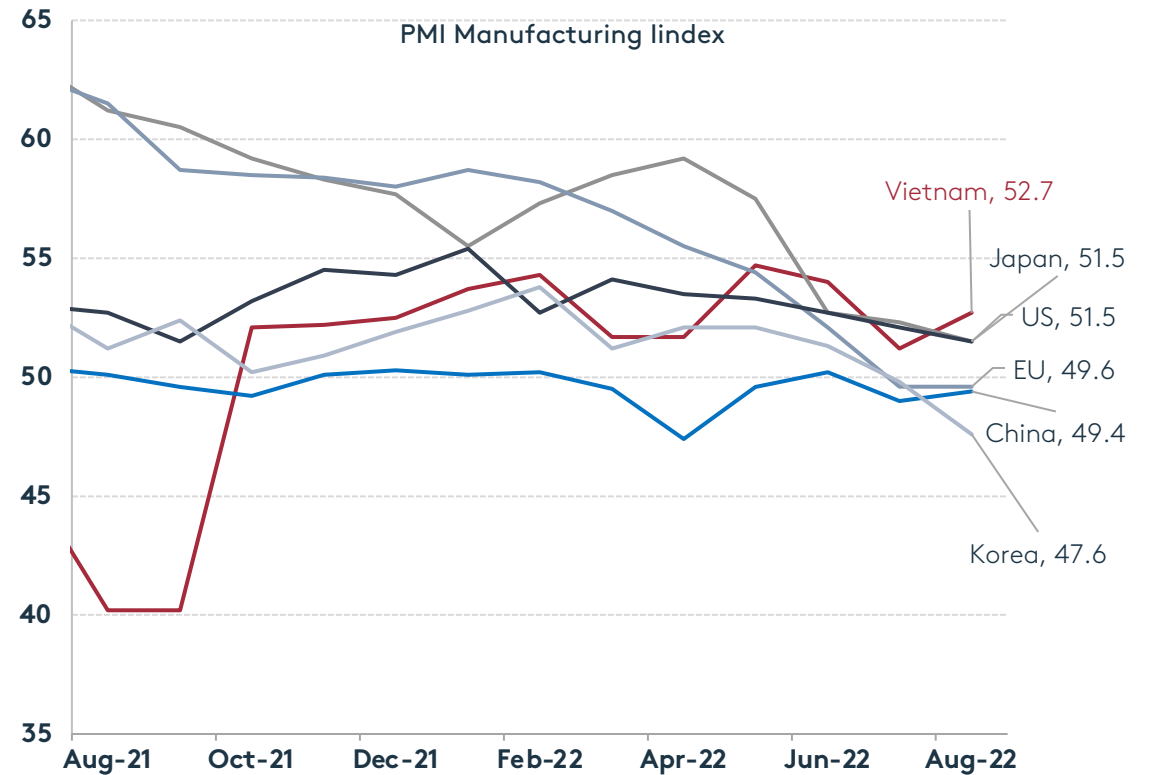


Retail sales recovered further in Q2-2022 (%)



- Retail sales continued to recover well in August as domestic tourism resumed and the new school year started.
- In 8M2022, retail sales was up 19% YoY on average.

The manufacturing sector continued to bounce back



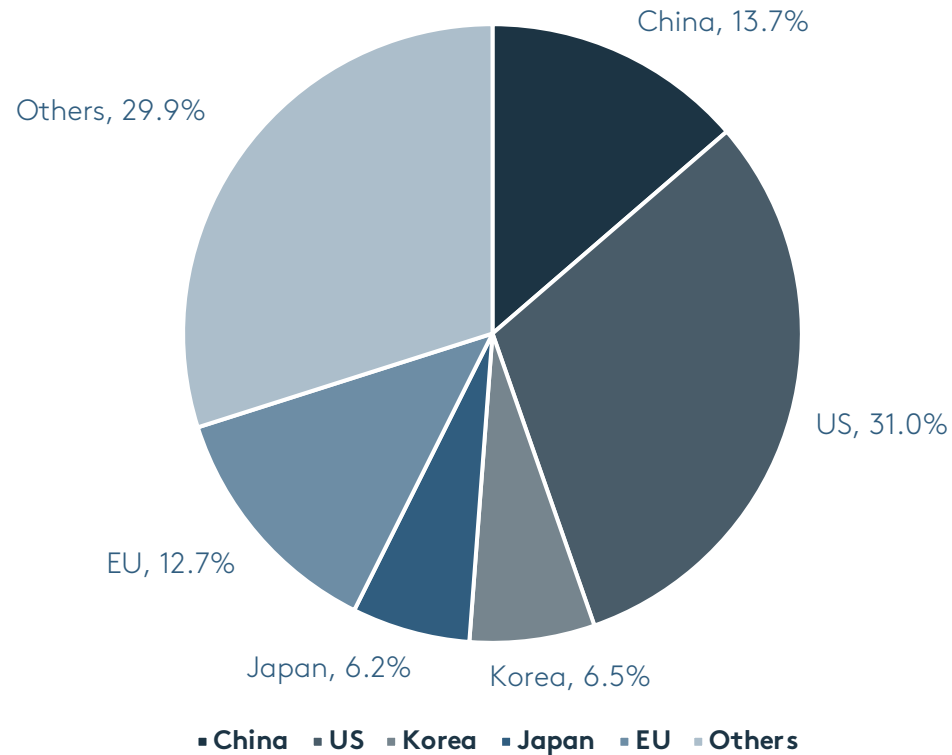
- PMI Vietnam in August increased to 52.7, still showing expansion trend.

Vietnam Macro

FX risk: Balanced export and import markets mitigating the risk

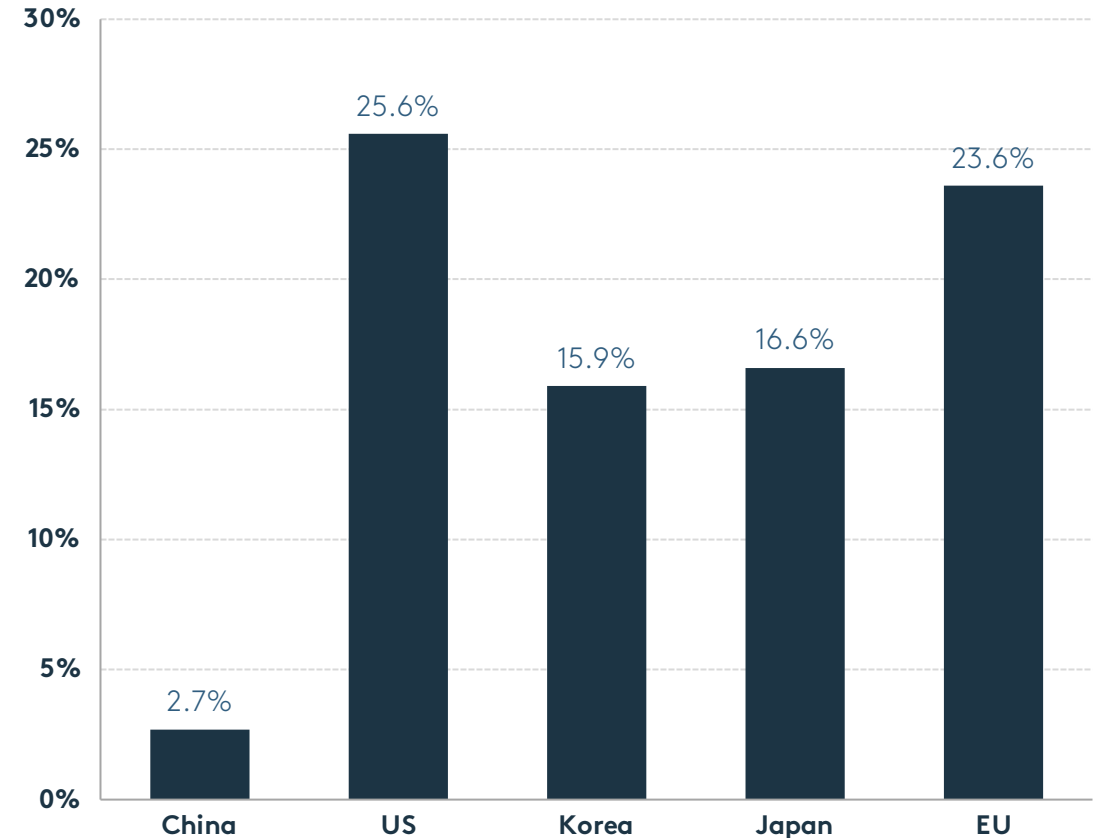


US is the largest export partner



- Vietnam has trade surplus with the US (stronger USD) but trade deficit with China, Korea, and Japan (weaker currencies versus VND).
- EU's weakness poses more risks for Vietnam.

Export growth to major markets sustained in 8M2022



- Positive export growth in all major market.

Vietnam Macro

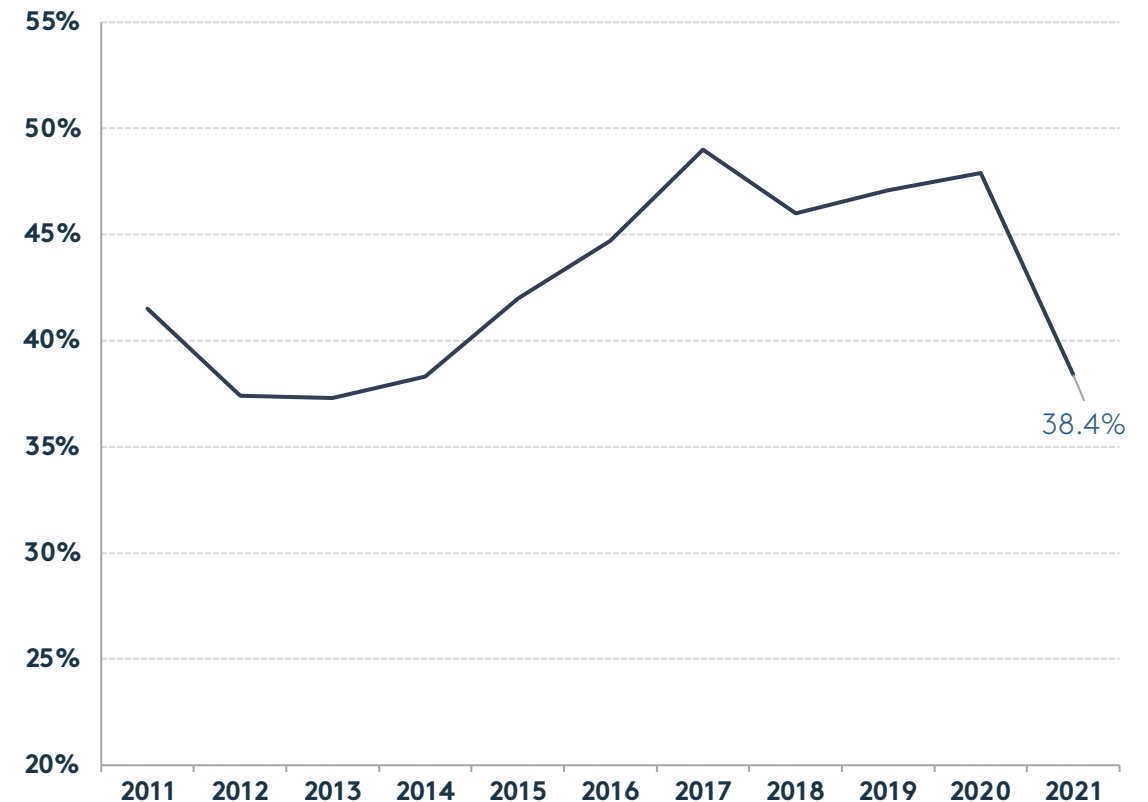
FX risk: Balanced export and import markets mitigating the risk (continued)



Diversified trade partners

Country	8M export (USD bn)	8M import (USD bn)	Surplus/Deficit (USD bn)	YTD currency valuation vs. USD
China	34.3	82.1	-47.8	-7.77%
US	77.7	10	67.7	3.04%
Korea	16.4	43.8	-27.4	-11.19%
Japan	15.5	15.9	-0.4	-17.16%
EUR	31.9	10.3	21.6	-11.57%

Controllable foreign debts as of % of GDP



- Vietnam has trade surplus with the US (stronger USD) but trade deficit with China, Korea, and Japan (weaker currencies versus VND).
- Euro area weakness poses some risks for Vietnam.

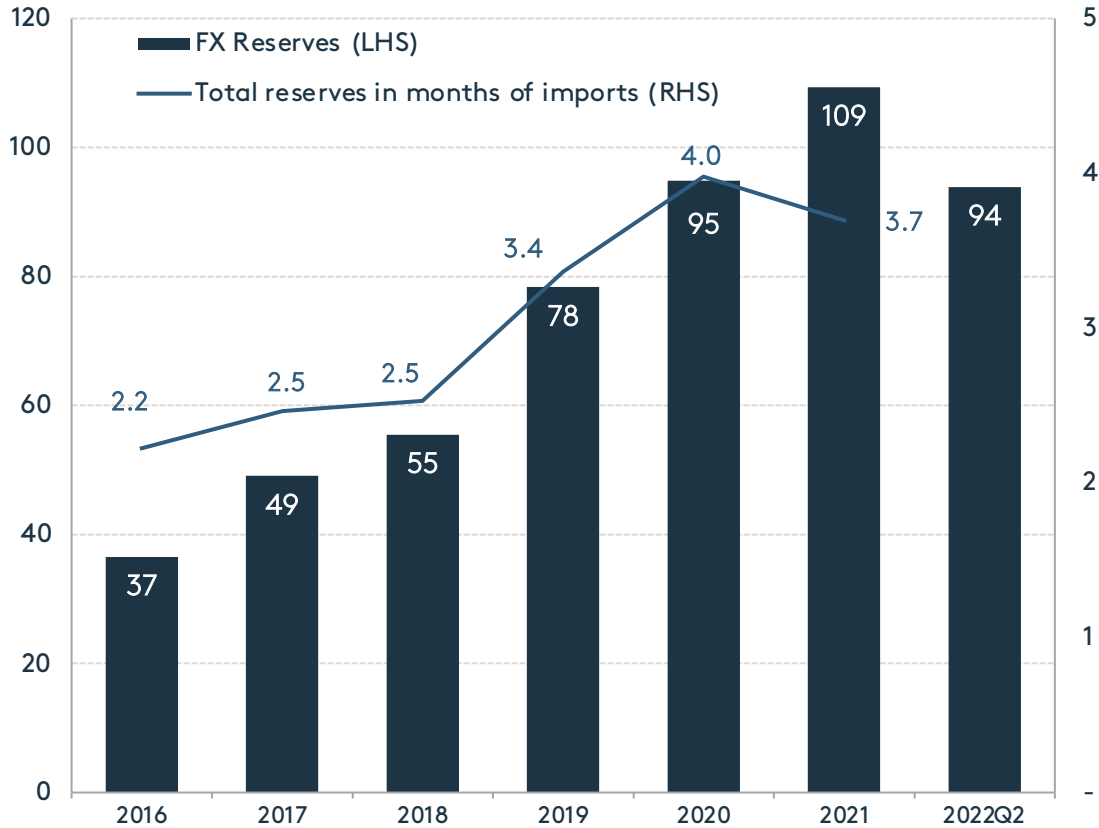
- Foreign debt levels are manageable

Vietnam Macro

Rising but manageable FX risk

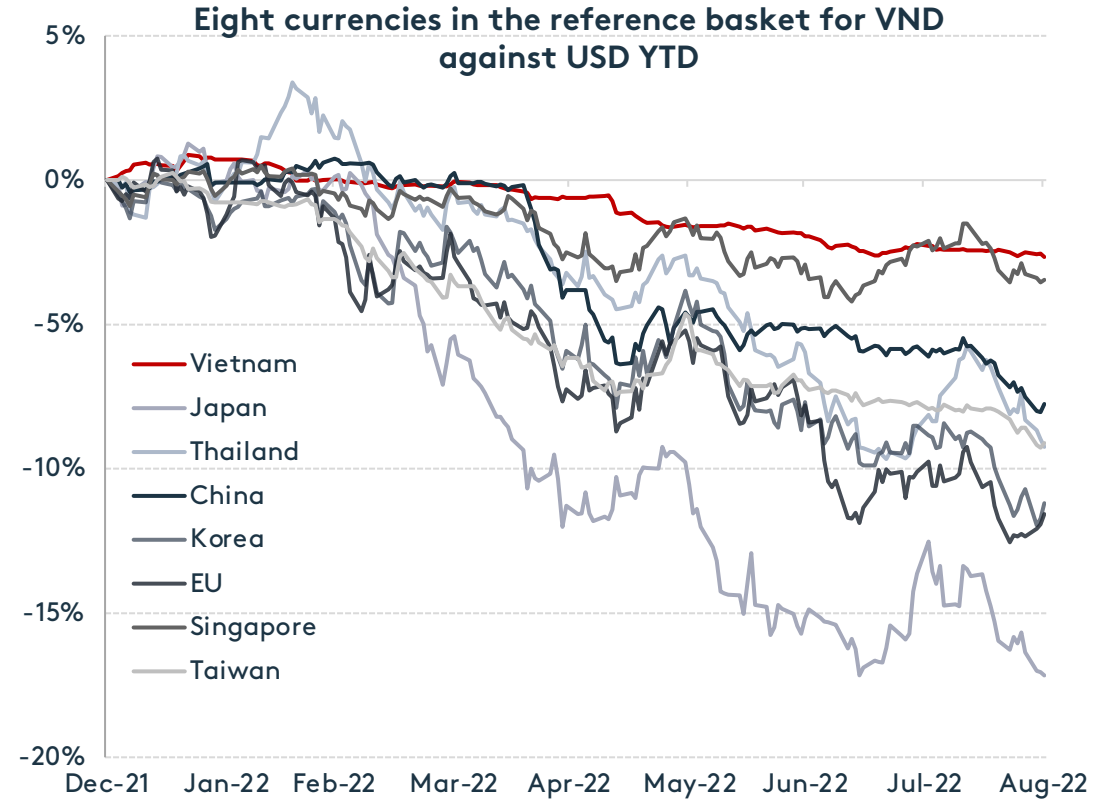


No big intervention in August 2022 in the FX market



- The State Bank of Vietnam (SBV) intervened recently to stabilize the FX market.

VND depreciated 2.7% YTD against USD



- VND has been more resilient than other currencies in the region.

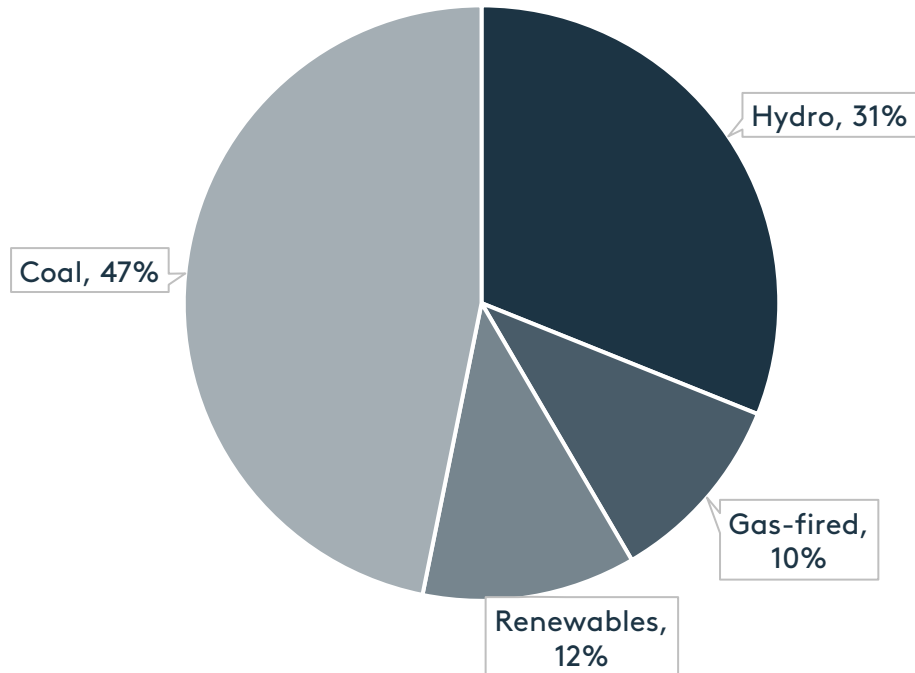
Vietnam Macro

Inflation: Energy cost increasing but controllable



The electricity price under control

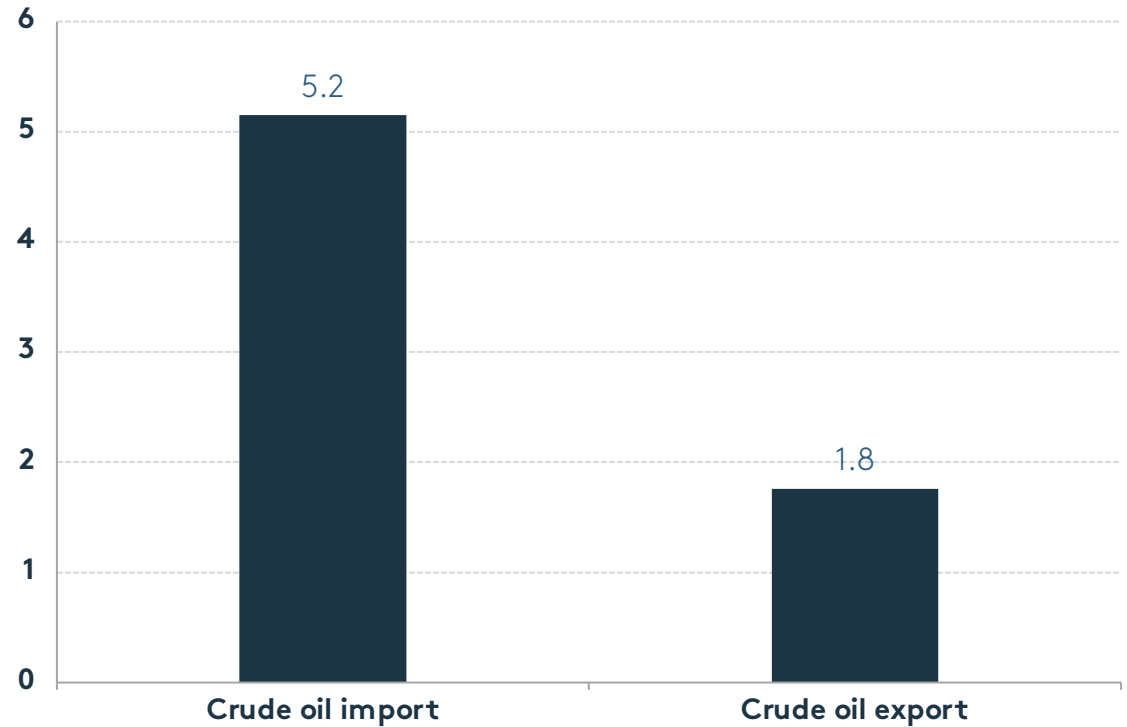
Source of electricity in 2021



- Vietnam imports about 20% of its coal for electricity production.

Crude oil trade deficit about 1% of GDP

Value of import and export of crude oil of Vietnam 2021 (USD bn)

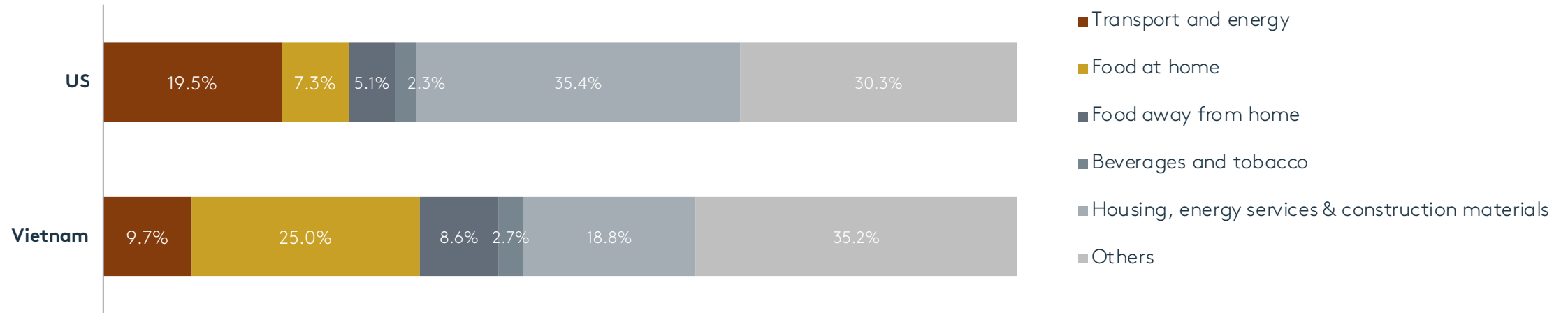


Vietnam Macro

Inflation: rising but not as severe as in the West



CPI basket of Vietnam and the US



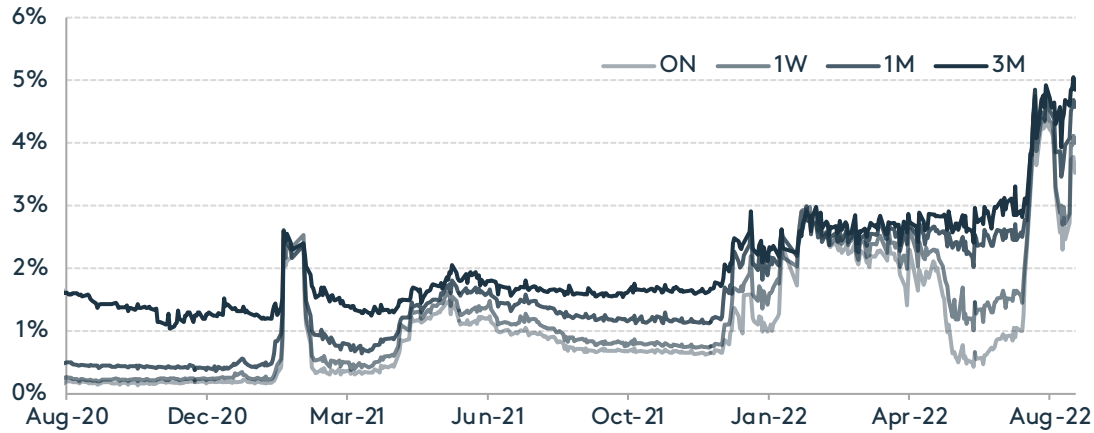
- Much less energy consumption per capita than Western countries.
- 50% of Vietnam's energy mix is from domestic renewables (hydro, solar, wind) and natural gas.
- Car ownership is still relatively small – so retail gasoline prices are less of a concern than in UK, Europe and the US.
- Food (particularly pork) is the recent key driver of CPI in Vietnam. Pork price has been increasing due to increasing input costs, but the supply increased significantly after the African Swine Flu.
- The peak of inflation of Vietnam could be delayed until early 2023, but still not severe.
- We expect inflation to remain below 5% in 2023.

Vietnam Macro

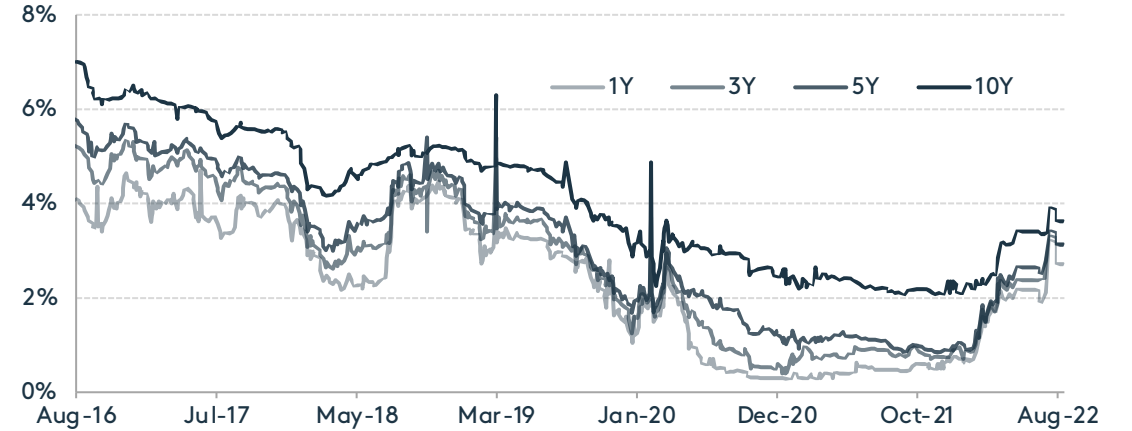
The peak of inflation in Vietnam could be delayed to 2023



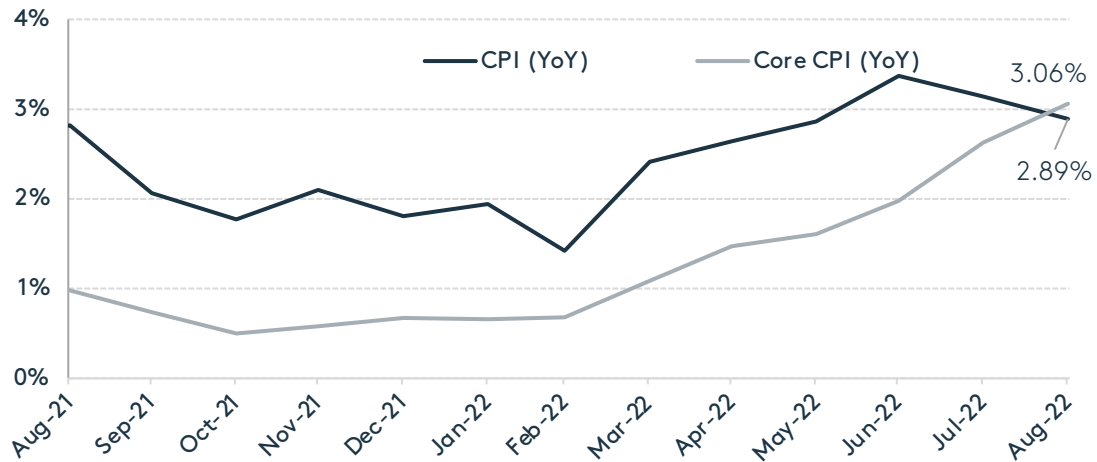
Vietnam interbank even stabilized in August 2022



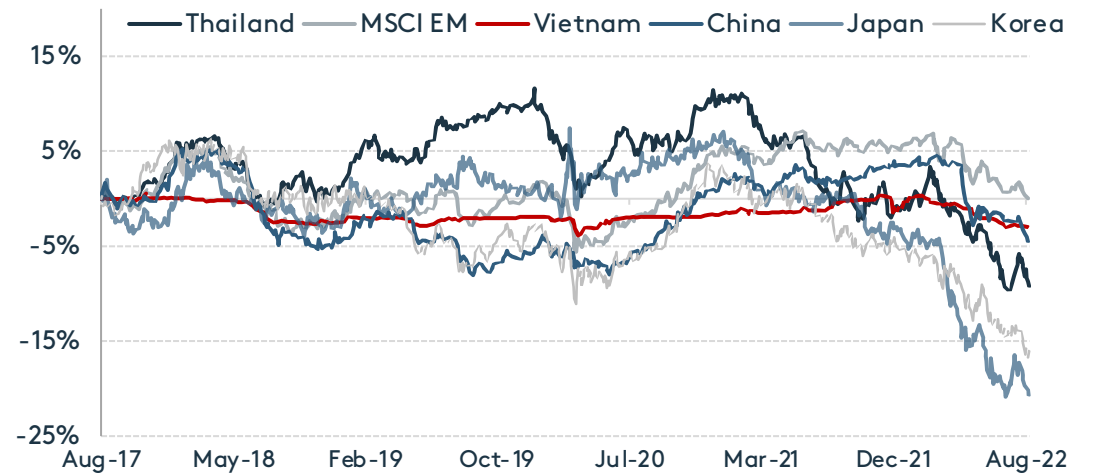
Vietnam government bond yields inched down in August 2022 (%)



Still controllable inflation



VND stabilized in August 2022





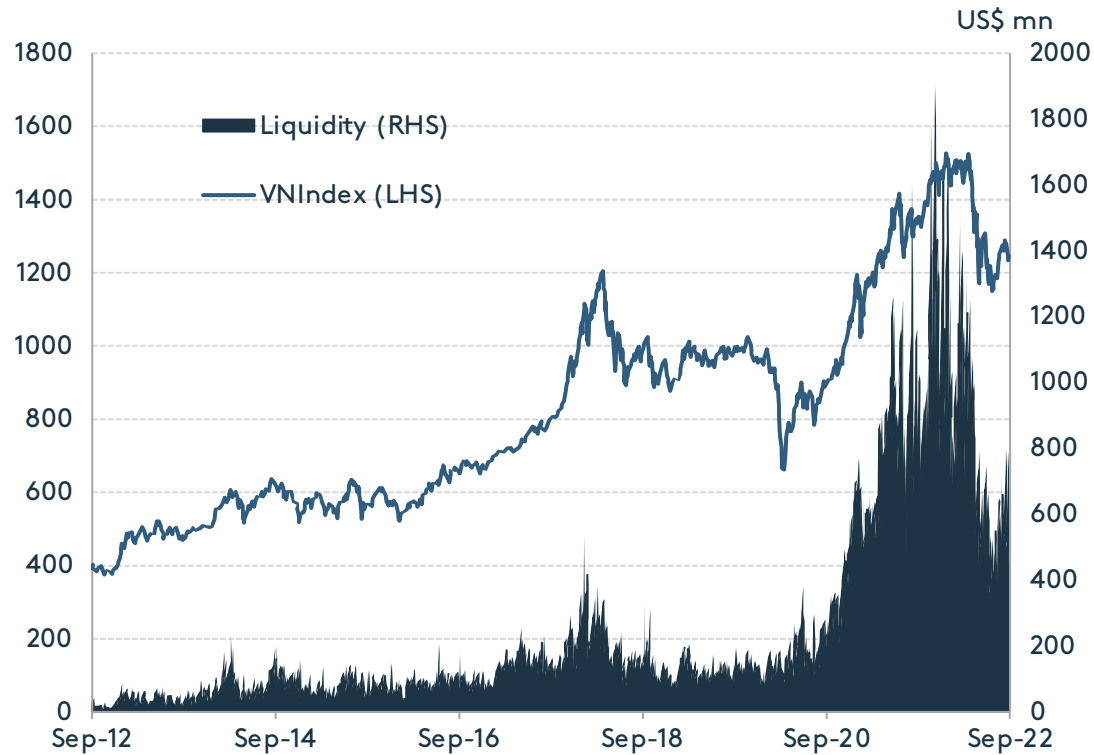
1. Vietnam: Asia's Emerging Champion
2. **Vietnam Equity Market: More Opportunities After the Correction**
3. Vietnam Holding Portfolio: Sustainable Growth – Strong Track Record
4. Fund Manager: Responsible Investor and Vietnam Specialist
5. Summary

Vietnam Equity Market

Blue-chips performing better than Mid-caps

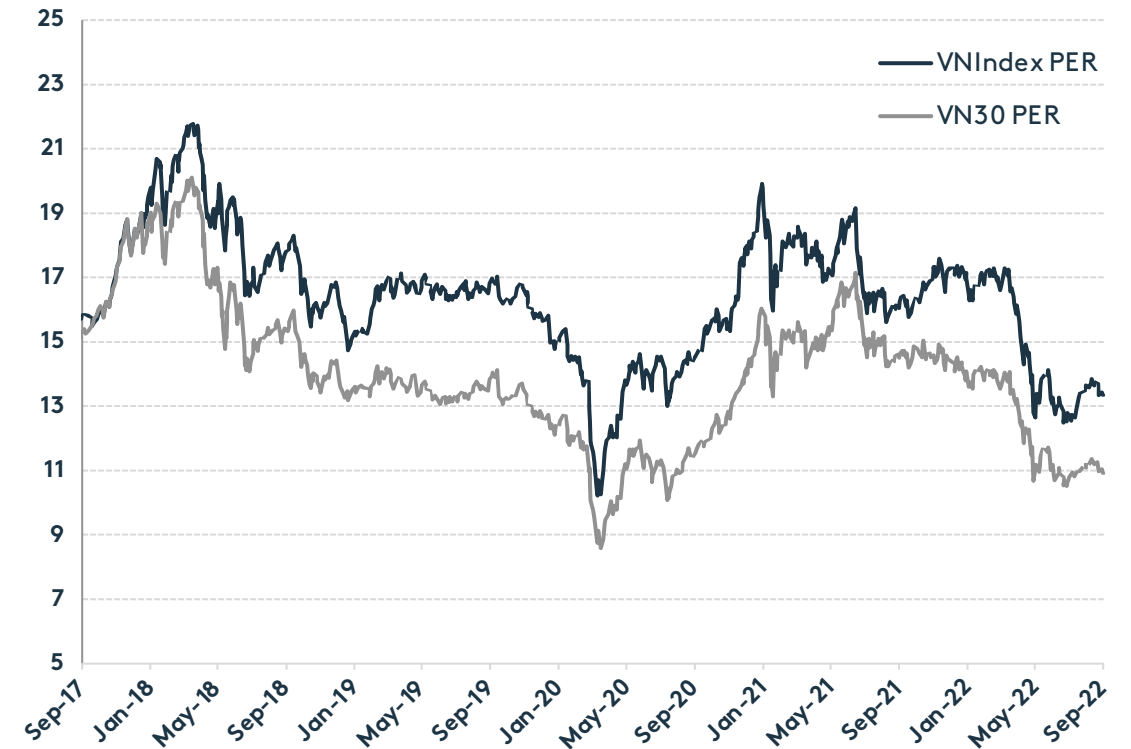


The Vietnam equity market corrected sharply in the last two months



- The market valuations derated due to external risks of a recession in the US and Europe
- Average daily liquidity also reduced by one third due to increasing domestic fears among Vietnam's growing retail investor base

more opportunities at these current valuation levels



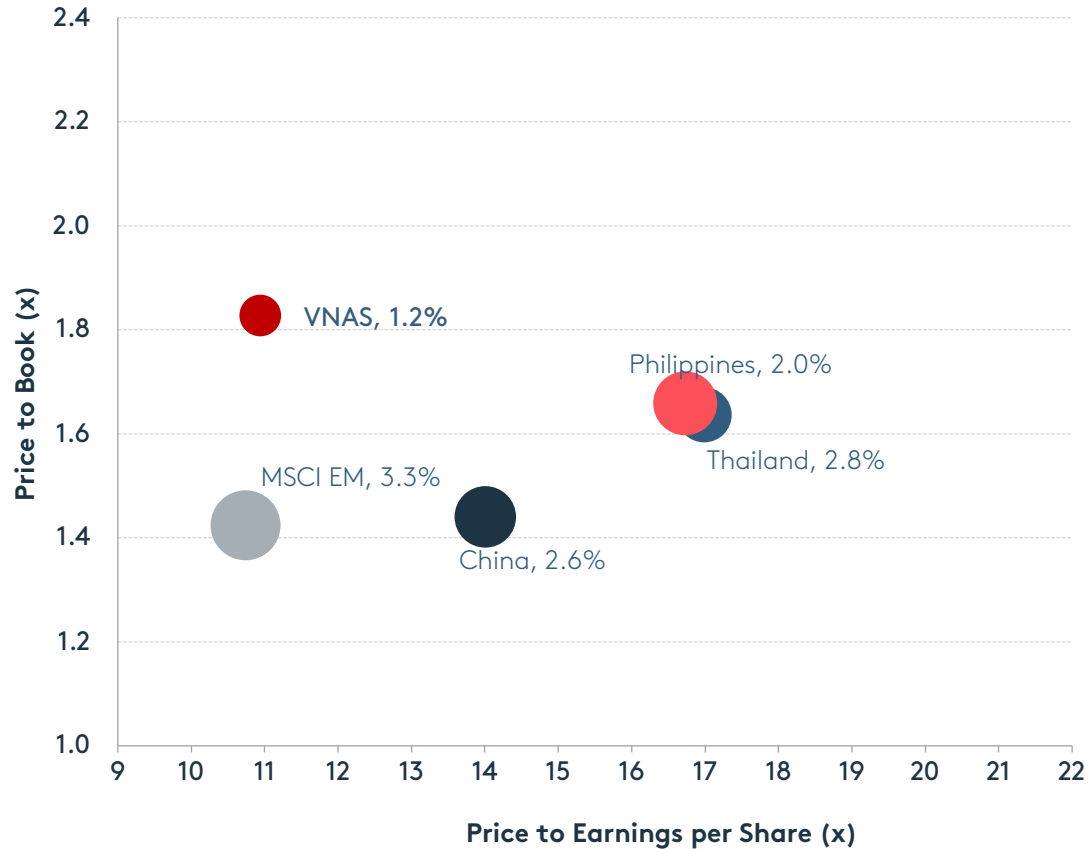
- The market valuation is already at its long term low and current inflation levels in Vietnam are below historical levels
- Double-digit EPS growth is still forecast (even after record 2021)

Vietnam Equity Market

Attractive valuation compared to peers

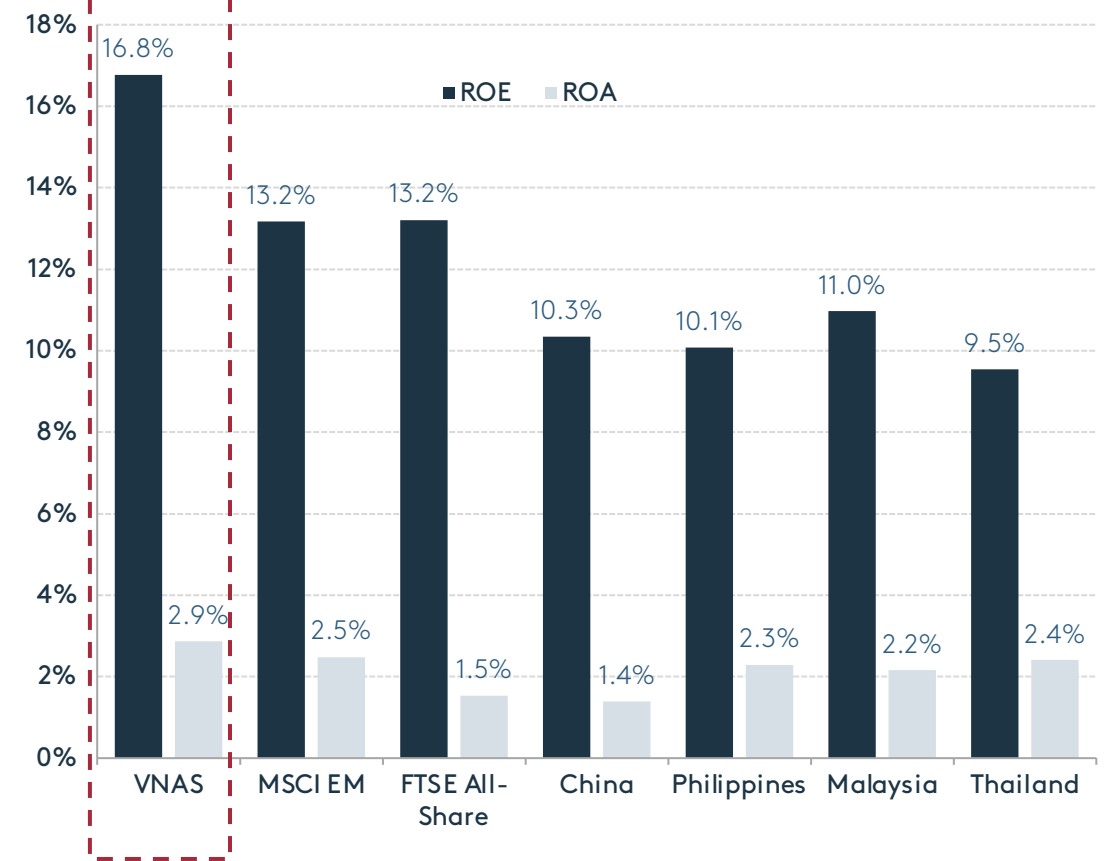


Valuation remains in line with regional peers



(*) Bubble size represents dividend yield.

With higher profitability



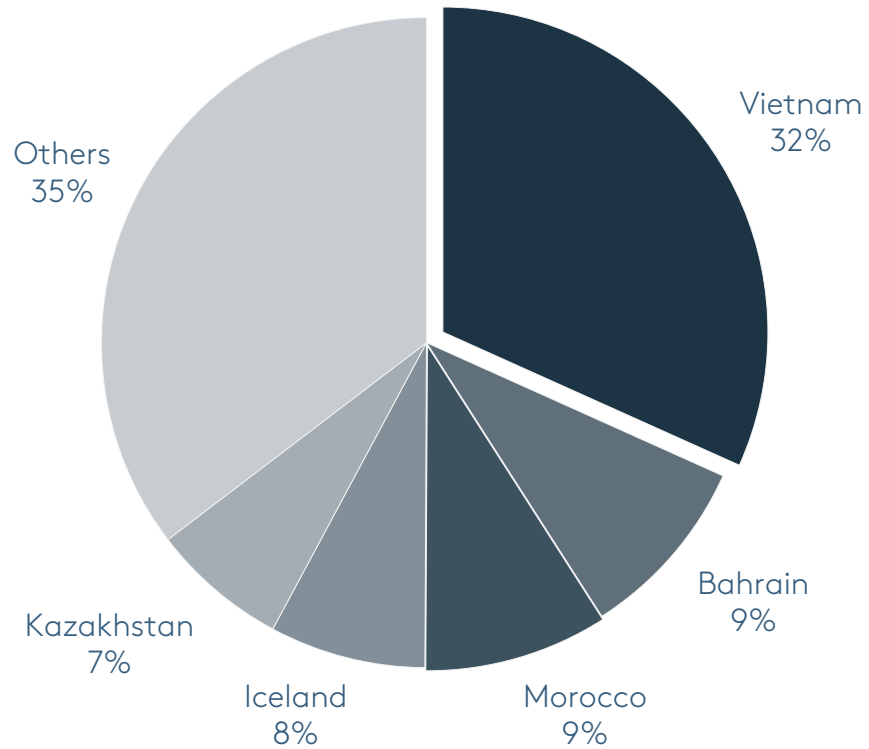
Vietnam Equity Market

Largest market in the MSCI Frontier Market Index



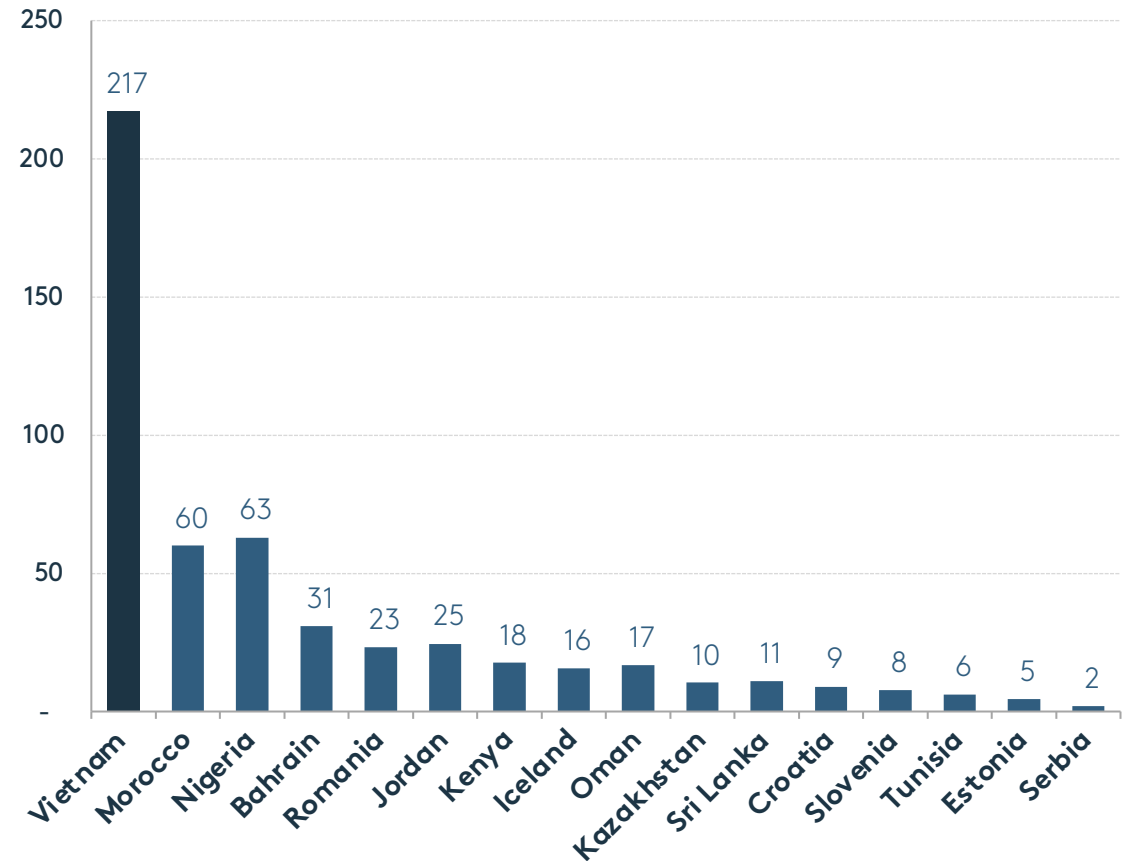
Vietnam is the largest weighting in the MSCI FM Index

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: key impediments are being solved



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 but more than 10% of the market remains impacted by FOL
- Foreign room: more than 1% of the index is impacted by FOL - New Security Law (Jan 2021) envisages Non-Voting Depository Receipts (NVDRs) as a way to potentially address this
- Market infrastructure: trading system being improved, to reduce settlement time, and improve central depository
- Information transparency and equality between local and foreign investors: improving – more English language docs
- Liberalization of currency market: unlikely in the near term, no offshore currency market exists

The government supports MSCI EM inclusion and views the stock market as a way to boost reform of state-owned enterprises, but EM inclusion will likely be at least 3 years away.



- **Introduction of the 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) issuance 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 the legal framework for securities offering, public company, and information disclosure
- **Vietnam Stock Exchange will streamline the operation of its two subsidiaries Ho Chi Minh Stock Exchange and Hanoi Stock Exchange**
- **The new KRX trading system expected to go online in late 2022**
- **T+1.5 trading settlement and central depository to be introduced**



1. Vietnam: Asia's Emerging Champion
2. Vietnam Equity Market: More Opportunities After the Correction
3. **Vietnam Holding Portfolio: Sustainable Growth – Strong Track Record**
4. Fund Manager: Responsible Investor and Vietnam Specialist
5. Summary



Fundamental long term investment philosophy

Top down – Bottom up

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

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

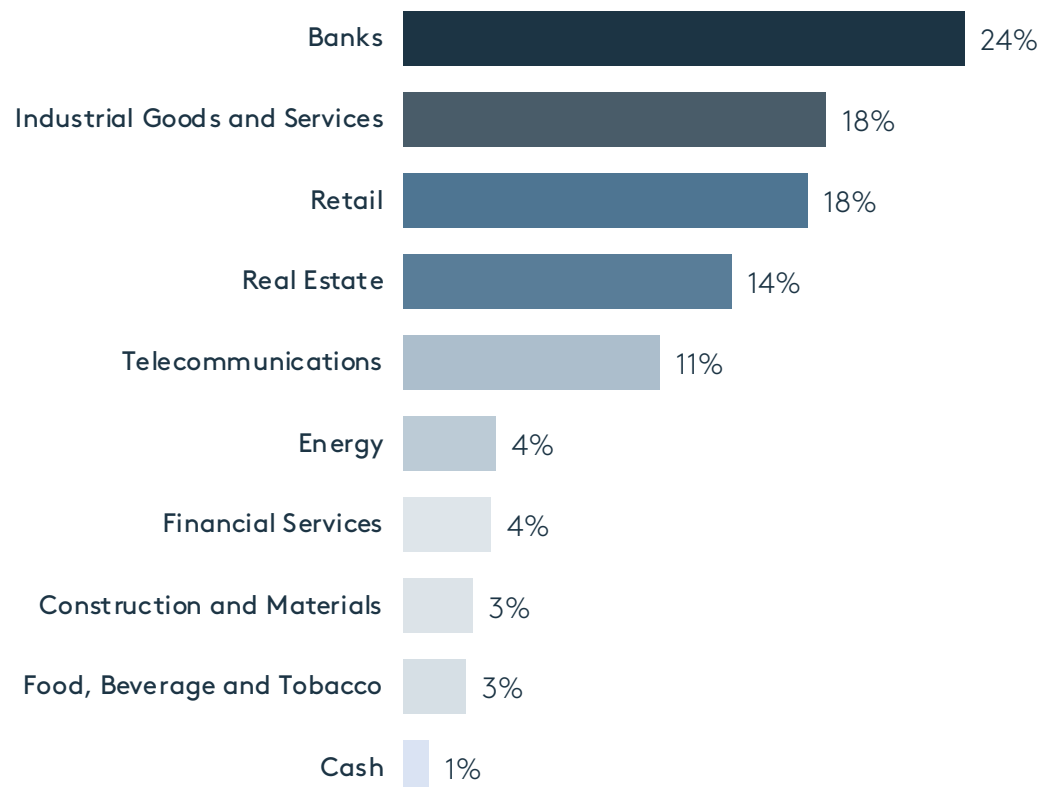
High Conviction/Concentrated Portfolio Across Key Themes of Domestic Consumption, Urbanization and Industrialization



Top Ten Holdings

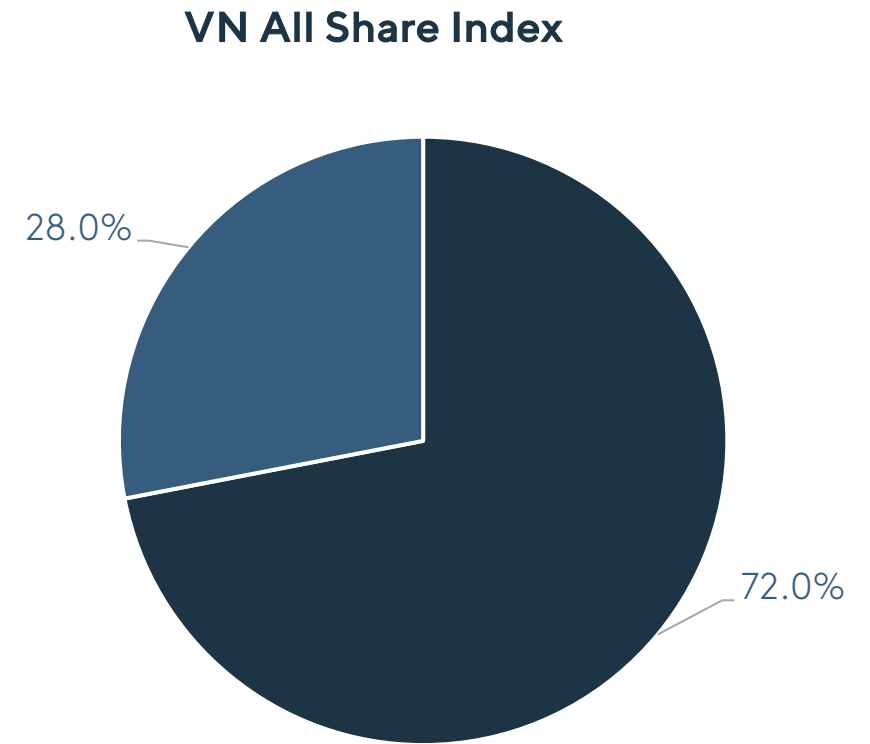
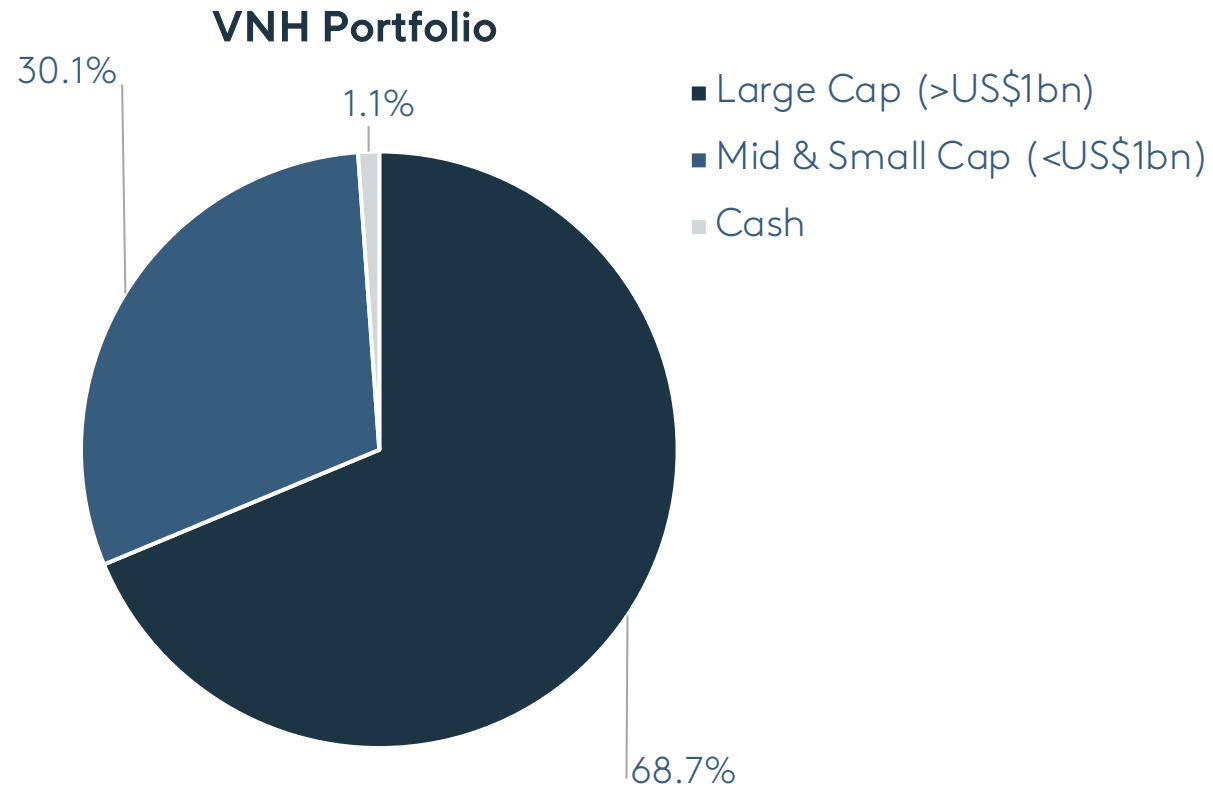
Company	% NAV
FPT Corp	11.1%
Mobile World	9.4%
Gemadept	8.0%
Phu Nhuan Jewelry	7.0%
Saconbank	5.9%
MB Bank	5.7%
Khang Dien House	5.4%
VPBank	5.3%
Hai An Transport	4.6%
VietinBank	4.1%
Total	66.5%

Sector Allocation



VNH Portfolio

High Active Weight (70%) with Median Cap of US\$1,337m



VNH Portfolio

Strong outperformance against indices



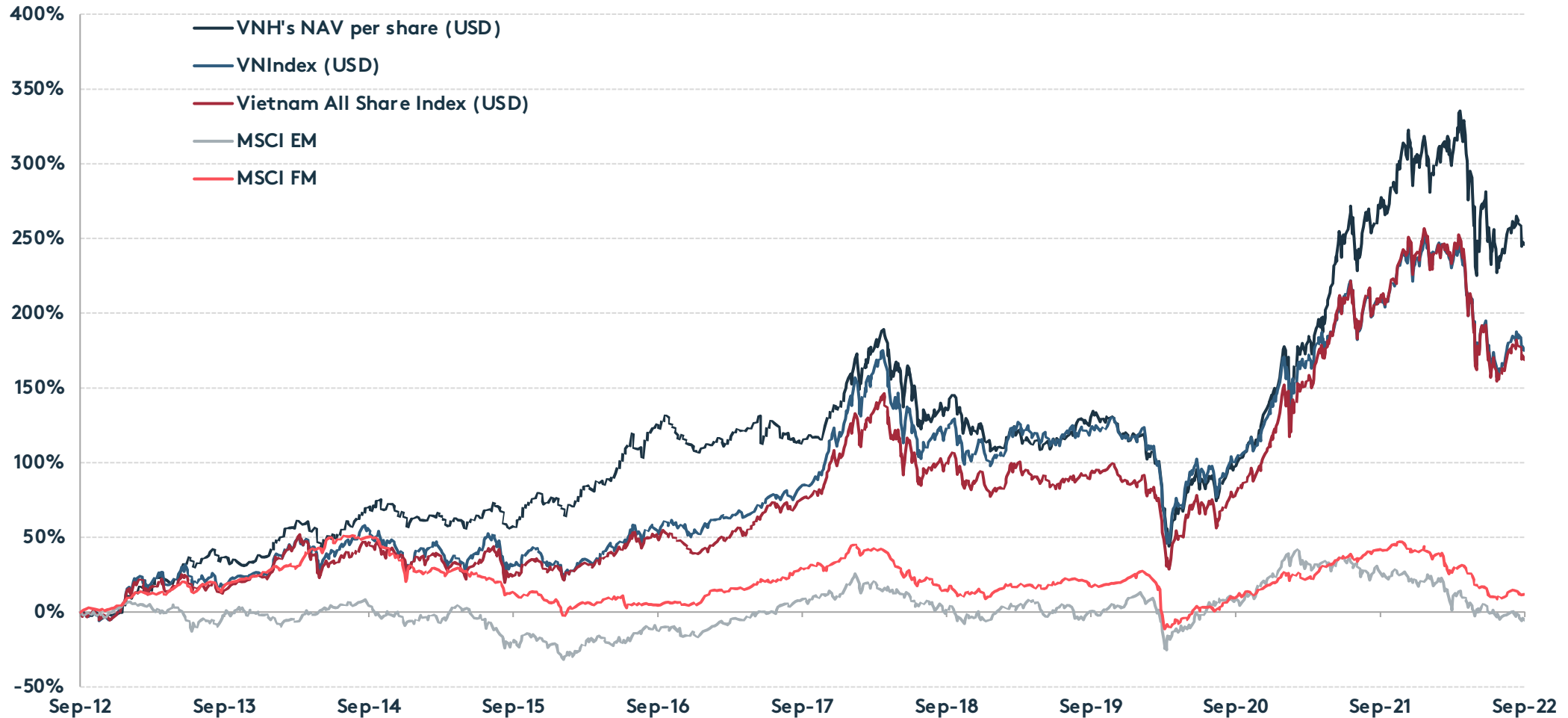
	VNH NAV per Share	VNAS (USD)	MSCI Emerging Market	FTSE All-Share
1 year	-7.4%	-13.1%	-25.6%	-17.8%
3 years	50.2%	39.7%	-6.6%	-9.1%

VNH Portfolio

Low correlation to broader Emerging and Frontier market opportunities



10-year NAV per Share Performance vs. VNAS Index (Sep 2012 – Sep 2022)





1. **Vietnam:** Asia's Emerging Champion
2. **Vietnam Equity Market:** More Opportunities After the Correction
3. **Vietnam Holding Portfolio:** Sustainable Growth – Strong Track Record
4. **Fund Manager:** Responsible Investor and Vietnam Specialist
5. Summary



Craig Martin
Chairman

- 27-years investment experience in Vietnam and Southeast Asia
- Previously Head of Private Equity for Prudential Vietnam (now Eastspring)
- Former co-CEO of CapAsia managing cUSD 350m across Southeast 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

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

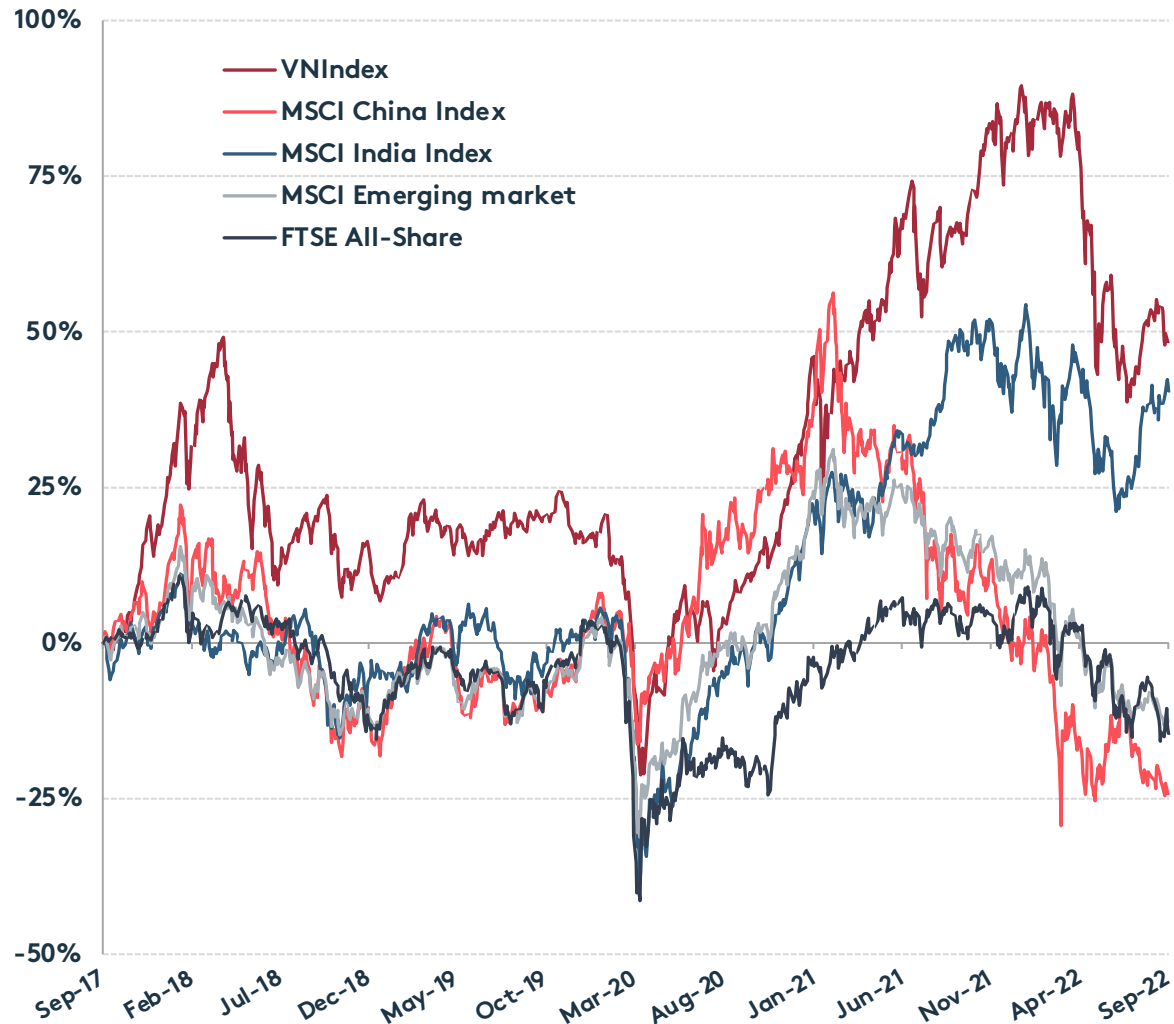




1. **Vietnam:** Asia's Emerging Champion
2. **Vietnam Equity Market:** More Opportunities After the Correction
3. **Vietnam Holding Portfolio:** Sustainable Growth – Strong Track Record
4. **Fund Manager:** Responsible Investor and Vietnam Specialist
5. **Summary**

Why now?

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



- **Top Performing Stock Market Globally:** Vietnam's stock market has outperformed China and India over the last five years.
- **Attractive Valuations:** Portfolio trades at 11x 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 three 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



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 June 2022)	USD 128.8 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

Contact us



Craig Martin
Chairman
craig@dynamcapital.com

Vu Quang Thinh
CIO
thinh.vu@dynamcapital.com

 www.dynamcapital.com
  