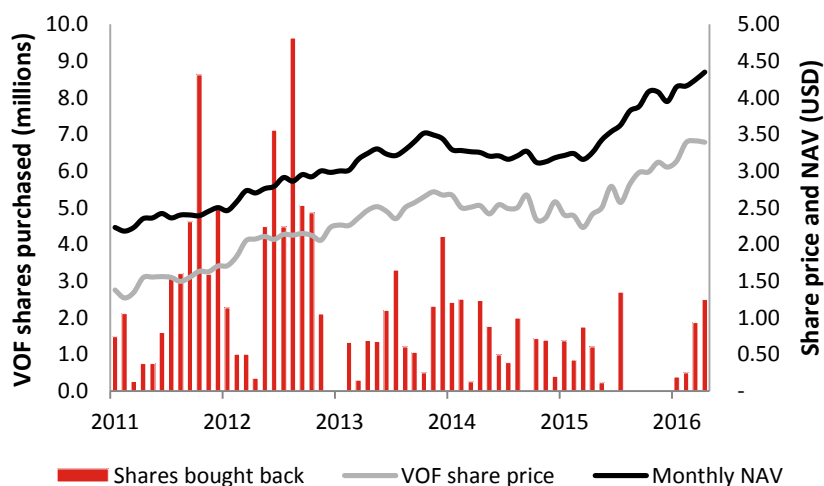


VINACAPITAL VIETNAM OPPORTUNITY FUND LD (VOF.L)

⚡ Vietnamese Play that Outperforms the Market

VinaCapital Opportunity Fund (VOF) is a closed end fund domiciled in Guernsey, and provides exposure to the attractive growth market of Vietnam. We believe it is a very efficient way to gain exposure, and the quality of the fund is underpinned by its strong management team which has international experience, but importantly are Vietnamese who have deep understanding of the markets the fund invests in. Meanwhile, we believe the fund has advantages over directly investing in the Index or listed equities as it looks to invest in companies before they come to market or opportunities not generally available to market participants (and therefore produce excess returns for investors). Finally, the performance has been strong, with the fund booking returns significantly above the VN Index.

The shares trade at a discount to NAV, but this is a feature of the market and is common even for funds limited to listed equity investments. This is likely due to an oversupply of funds/vehicles (though VOF discount to NAV of around 20% is generally consistent with other Vietnam-focused funds). Management have committed to minimising the discount and looking to narrow it over time, and has been buying back shares; we believe management's commitment to narrowing the NAV discount provides further comfort for strong shareholder returns.



ATTRACTIONS OF THE VIETNAMESE MARKET

The Vietnamese market has attractive characteristics, both in terms of growth and relative stability:

- GDP growth has remained attractive, and was 6.2% in 2016 (Source: Government Statistics Office), in the 5-7% range of 2010-2015 (Source: The World Bank). Approximately 57% of the country's 93m population (Source: United Nations) is under 35 years old.
- FX risk is minimised given it has a 'managed float' exchange rate with the dollar.
- There is relative political stability, given the country is a single-party state since 1975.

The stock market has developed exponentially, with currently over 700 stocks listed compared to only around 25 stocks in 2003, though it remains concentrated with 10 constituents accounting for around 85% of the Vietnam equity universe (Source: MSCI). The Vietnamese Market has made strong returns in US Dollar terms, with VOF's NAV per share outperforming the VN Index.

EQUITY INVESTMENT INSTRUMENTS

23/03/2017

SHARE PRICE

▲ **£2.81p**

52 WEEK LOW

▲ **£1.74p**

MARKET CAP

▲ **£570m**

52 WEEK HIGH

▲ **£2.87p**

SHARES IN ISSUE

▲ **202M**

AVG TRADING VOLUME

▲ **405K**

MAJOR SHAREHOLDERS

- 1) **Lazard Asset Management – 12.04%**
- 2) **Lynchwood Nominees Ltd – 10.76%**
- 3) **SMBC Nikko Bank – 5.96%**

Shares in Issue

n/a

Avg Volume

405.32k

Primary index

MAIN

EPIC

VOF.L

Next Key

Announcement

Sector

Equity Investment
Instruments

SHARE PRICE CHART



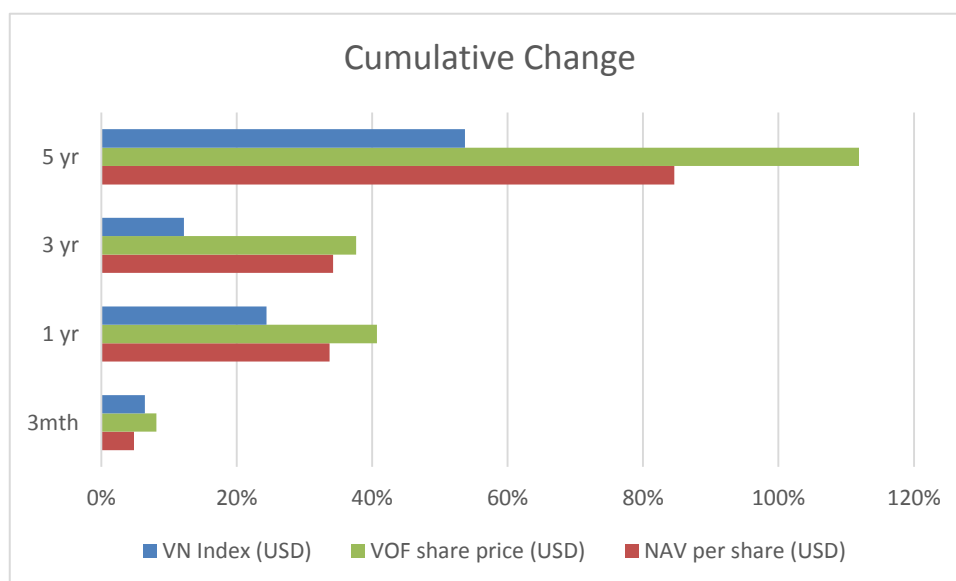
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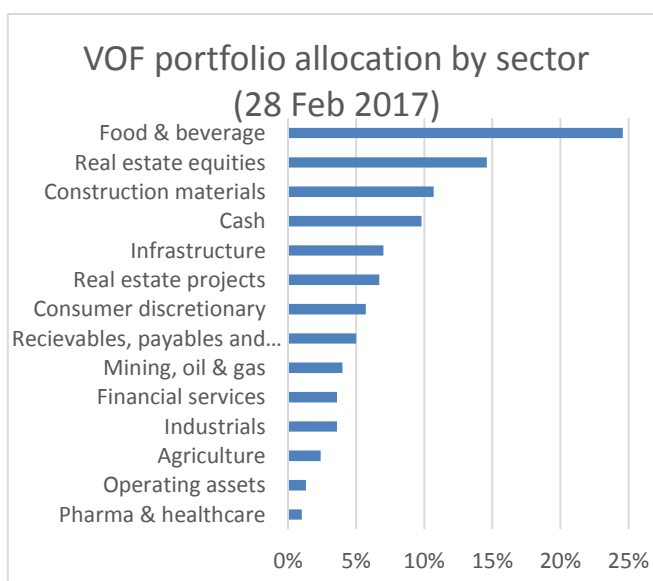
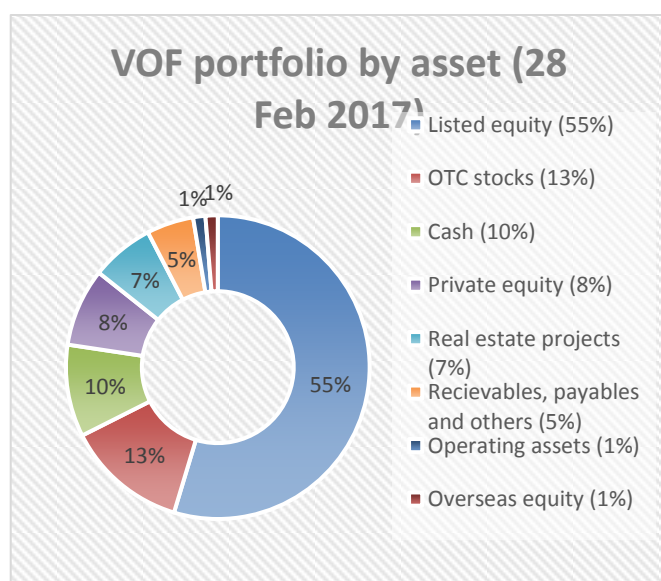
Source: Vina Capital

VOF's APPROACH TO INVESTING

The current VOF portfolio is diversified, giving exposure to not only listed equities, but other asset classes as well, providing more opportunities for exposure to the Vietnamese market and economy. Importantly, VOF's remit allows it to take stakes in private/government companies before they come to market.

It should be noted that even the listed equities in the portfolio (55%) started off life as private investments by VOF. The investment team has a deep understanding of across asset classes and industries in the market, and in conjunction with local experts and management teams, looks to invest in quality companies that will eventually go down the route of an IPO or a trade sale. This allows investors to gain exposure to excess returns before an IPO takes place. We believe this is a unique selling point of the fund in the market, and although there could be competition from other funds looking to replicate VOFs approach, we note CS helped launch Indochina Capital Vietnam Holdings in 1999 and announced its liquidation ten years later.

Even as the investments have grown, the fund has not been constrained by index weighting considerations, and hence around 50% of VOF is in a high conviction portfolio of c20 quoted investments. Listed equities are focused on domestic consumption growth with little exposure to import/export related companies, which reduces risk from macroeconomic variables such as FX and/or trade policies. Meanwhile, the Vietnam market is expecting further growth in IPOs (of 208% in 2015-2020 according to law firm Baker & McKenzie), largely driven by state owned enterprises' privatisation, which means there is ample opportunity for VOF to continue to utilise its strategy of investing in companies before they come to market.



Source: Vina Capital

STRONG MANAGEMENT TEAM

The management has a wealth of international experience, but importantly are Vietnamese and have extensive experience in investing in Vietnam:

Andy Ho – CIO

- 10 years at VinaCapital, currently MD of VOF and Chief Investment Officer of VinaCapital.
- Former Director of Investments at Prudential Vietnam, management positions at Dell Ventures and Ernst & Young in both the US and Vietnam.
- MBA from MIT Sloan School of Management, BS from the University of Colorado, USA Certified Public Accountant.

Khanh Vu – Investment Director

- 6 years at VinaCapital, currently investment director (PIPEs) and member of VOF's investment committee.
- Over 14 years of managerial experience in corporate finance, asset management, investment banking, and risk and compliance.
- Previously at Macquarie Bank based in New York and Sydney. Prior to that, he was with Deloitte and Arthur Andersen based in Sydney.
- Master's degree from University of New South Wales, Sydney.

Duong Vuong – Deputy Managing Director, Capital Markets

- 3 years at VinaCapital, currently responsible for VOF's capital market and PIPE investments.
- 20 years of experience including the last 9 years in Vietnam.
- Former Research Head at PXP Vietnam Asset Management, Senior Investment Analyst at ADIA in Abu Dhabi and Banks Analyst for Merrill Lynch in London.

Loan Minh Dang - Deputy Managing Director, Private Equity

- 11 years at VinaCapital, responsible for private equity investments and sourcing.
- Former Audit Manager for KPMG Vietnam and on the Management and Financial Accounting team at Unilever Vietnam.
- MBA from University of Hawaii, Vietnamese Certified Public Accountant and UK ACCA member.
- Supported by a director and two managers.

The portfolio management team is supported by a 10 member research team, including CFA charter holders or MBA qualified.

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