

VinaCapital Vietnam Opportunity Fund

(LSE: VOF.LN)

Mr. Andy Ho (CIO cum Lead Portfolio Manager)

Mr. Khanh Vu (Portfolio Manager)



Investment Banking



David Benda
Head of IC corporate
27 years IC experience
16 years at Numis



Nathan Brown
Managing director
30 years IC experience
16 years at Numis



Hugh Jonathan
Managing director
18 years IC experience
18 years at Numis



Amy Rush
Investor relations
5 years IC experience
8 years at Numis



James Murray
Associate
Joined Feb-23



Vicki Paine
Associate director
12 years IC experience
7 years at Numis



Matt Goss
Associate director
5 years IC experience
5 years at Numis



George Shiel
Associate director
6 years IC experience
6 years at Numis



Amit Wangoo
Associate
2 years IC experience
2 years at Numis

PCFM



Maurice Frank
Co-Head PCFM Sales
15 years PCFM
experience 12 years at
Numis



Elliot Berstock
Associate Director
13 years PCFM exp
2 year at Numis

Research



Ewan Lovett-Turner
Head of IC research
19 years IC experience, 15 years at Numis



Colette Ord
Director
Head of real asset IC research
13 years IC experience, 23 years at Numis



Mudi Onoberhie
Data analyst
36 years IC experience, 11 years at Numis



Andrew Rees
Associate
4 years IC experience, 4 years at
Numis



Gavin Trodd
Associate
2 years IC experience, 2 years at
Numis



Ash Nandi
Associate
Joined Jun-23

Sales



James Glass
Head of IC equities
16 years IC experience, 17 years at Numis



Tod Davis
Director
36 years IC experience, 15 years at Numis



Justin Bell
Director
13 years IC experience, 8 years at
Numis



Sam Murphy
Director
10 years IC experience, 10 years at
Numis



Priyesh Parmar
Associate Director
5 years IC experience, 5 years at
Numis

Trading



David Cumming
Head of IC trading
24 years IC experience, 15 years at Numis



Gary Lockyer
Director
32 years IC experience, 15 years at Numis



Gus Jhaj
Associate Director
6 years IC experience, 6 years at Numis



Shayne Barge
Director
22 years IC experience 3 year at Numis

Contents

1. Why Investment Companies?
2. Why Vietnam?
3. Why VOF?
4. Philosophy and Strategy
5. Portfolio Performance
6. Investments Update
7. Looking Ahead: Vietnam's Challenges, Outlook & Opportunities

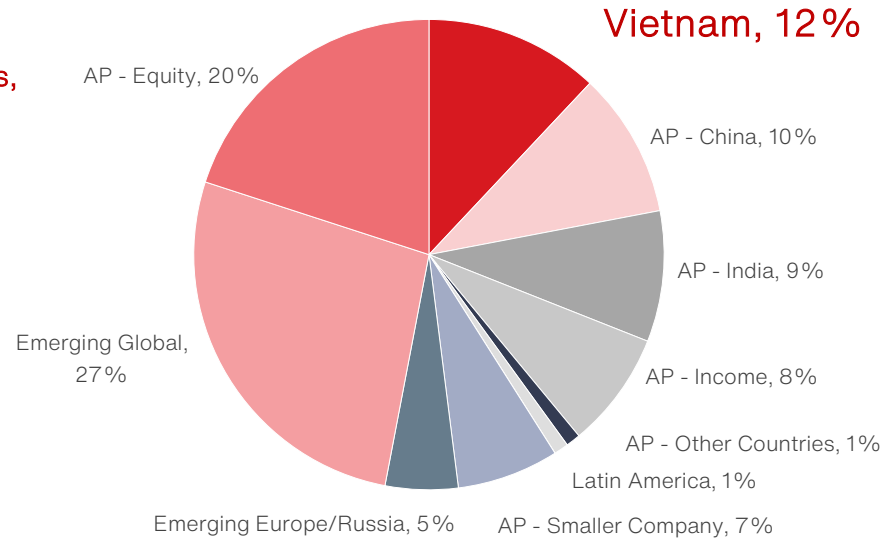
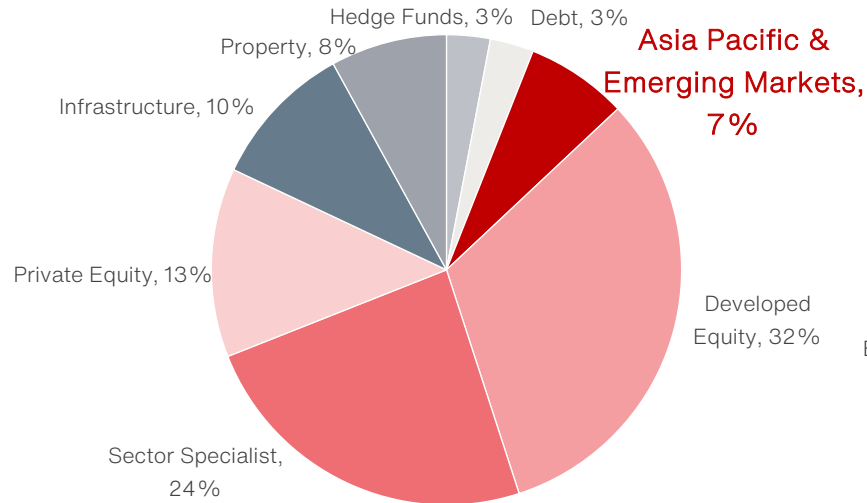
Why Investment Companies?

Investment Companies Universe – c.£250bn market cap

Vietnam punches well above its weight

London Listed IC Universe by Market Cap (£243bn)

Emerging Markets funds by Market Cap (£16bn)



Note: AP = Asia Pacific

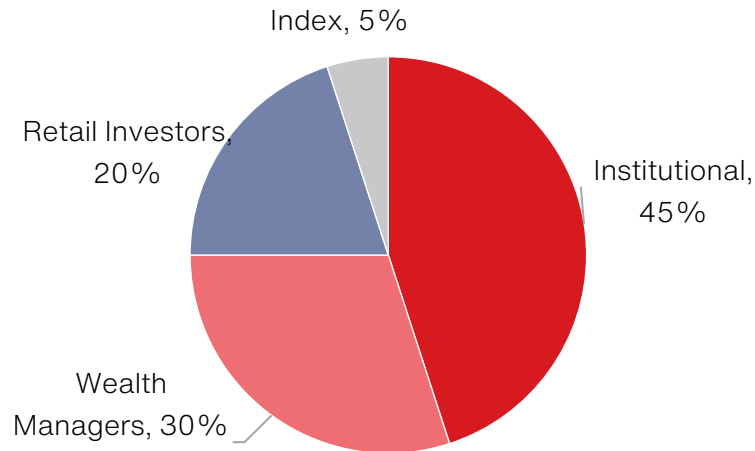
Source: Numis

Classified: Internal

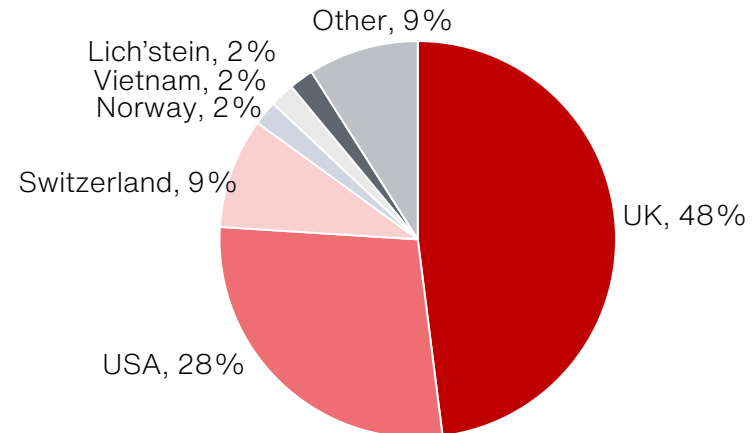
Who owns VOF?

Institutional and Wealth Managers own 75 % of VOF; likewise UK + US own >75 %

Investors Style



Domicile



Source: Numis



Why Vietnam?

A Reminder of Vietnam's Long – Term Growth Drivers



Demographics

Vietnam and India Are Two of the Only Countries in the World With Positive Demographics



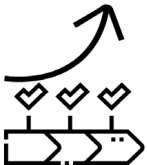
Urbanization

Circa 40% of Vietnam's Citizens Live in Urban Areas vs ~70% in China



Emerging Middle Class

Growing ~ 10% Annually (McKinsey)



Move Up the Value Chain

Complexity of "Made in Vietnam" Products Increasing

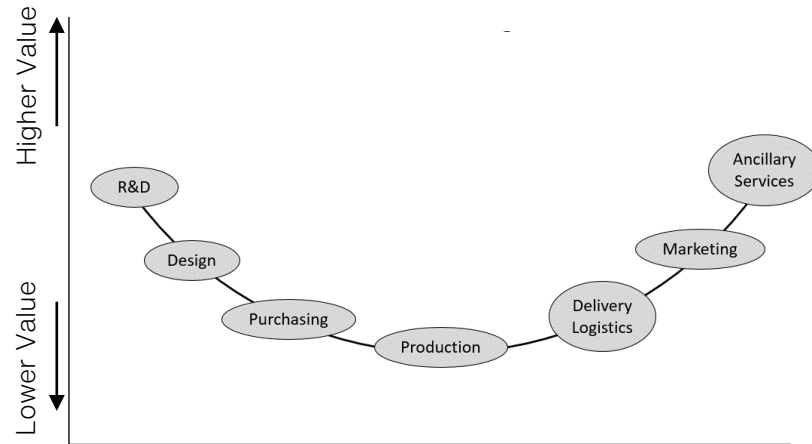
Reminder: Vietnam is Moving Up the Value Chain



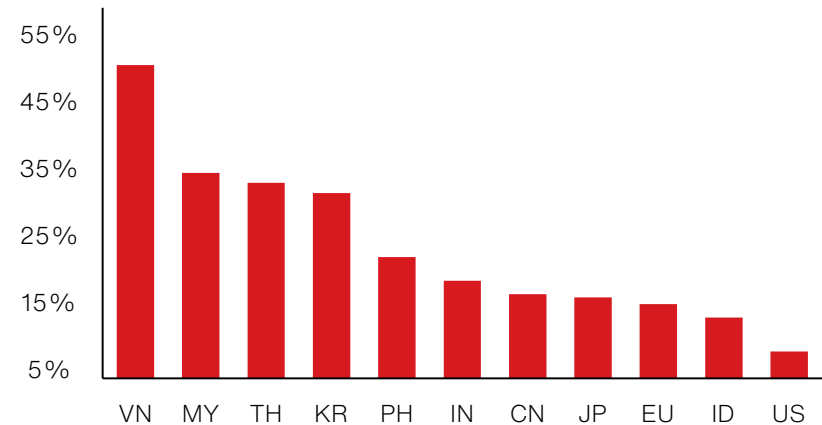
HARVARD
UNIVERSITY

A Developing Economy's Most Powerful Growth Driver is a Rise in the Complexity of the Products it Produces

The Smile Curve...



Import Content of Exports





Why VOF?

VOF provides growth capital to Vietnamese companies that benefit from the rapid development of Vietnam's domestic economy.

We are long-term investors and actively work with strong and trusted management teams.

VOF's differentiated investment approach focuses on private investments and privately negotiated deals in quoted businesses

\$1.1+ BN

ASSETS UNDER
MANAGEMENT

200+

INVESTMENTS SINCE
INCEPTION 2003

20%+ IRR

PE INVESTMENTS
OVER 20 YRS

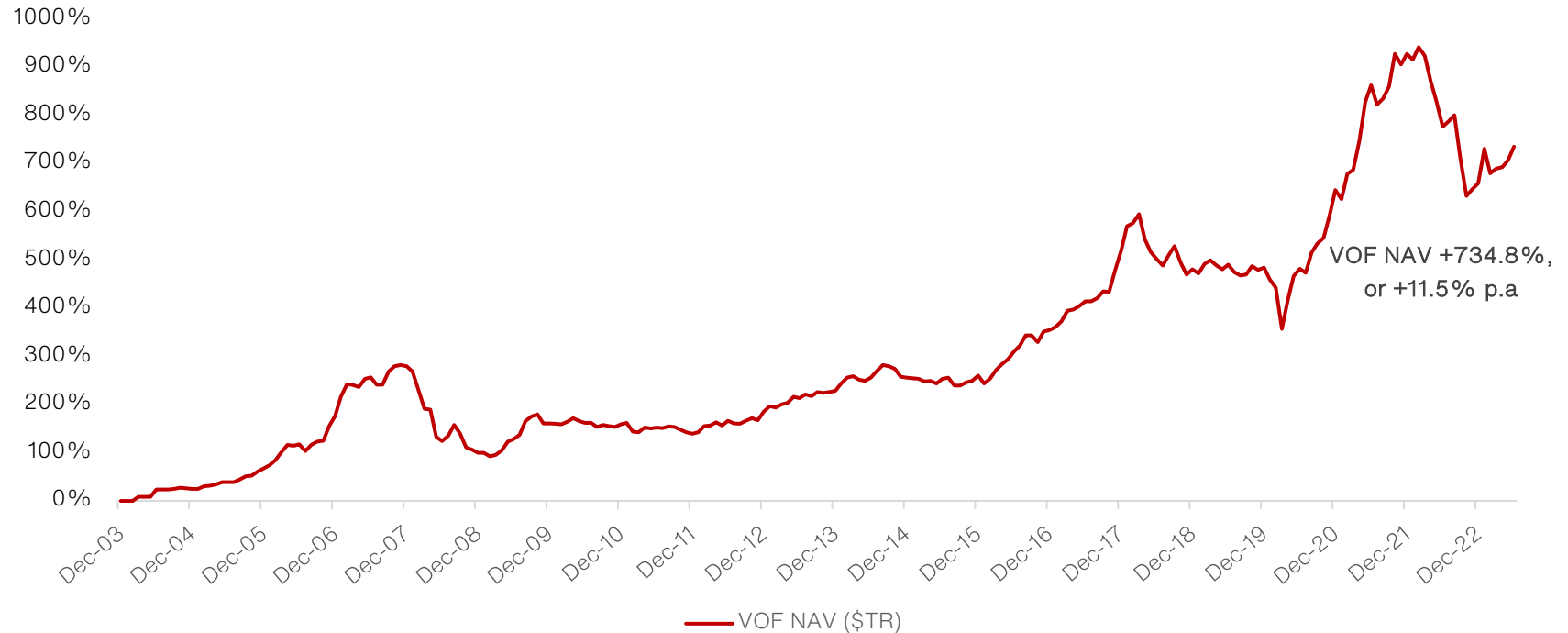
FOCUS

PRIVATE AND PUBLIC
EQUITY



Source: VinaCapital. As of 30 June 2023.

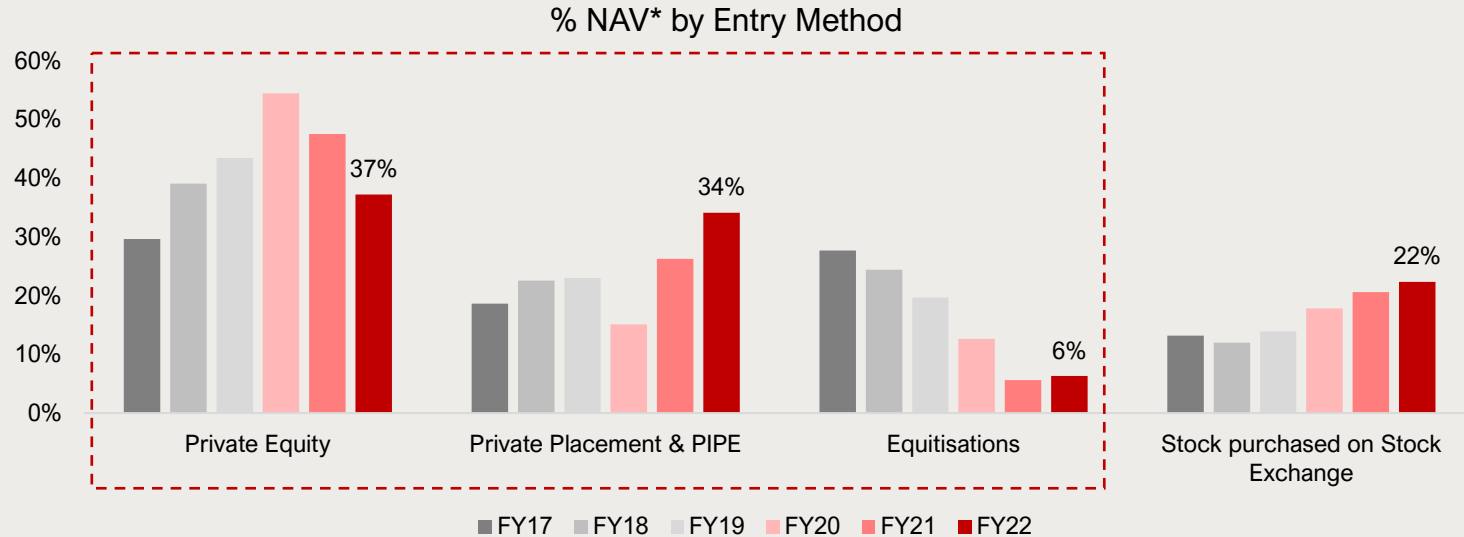
Steady, Long-term Performance Over 19 Years



Source: Bloomberg, VinaCapital. Annualized returns up to 30 June 2023. USD terms.

Philosophy & Strategy

We focus on Privately Negotiated investments



80%

NAV by Entry Method via PE

<15%

Historical portfolio turnover

IRR 20%+

Historical IRR of PE investments

VOF Quickbase Deal Pipeline Dashboard as at 30 June 2022.

As at June 2022, almost 80% of the portfolio by entry method is made up of private equity, equitizations, private placements and pre-IPO investments. The historical 6-year average is 81%.

* Excludes cash and others.

Why Privately Negotiated Investments?

Privately Negotiated Investments (Realized)		VNI Performance (30 June 2023)	3 year	5 year	10 year
IRR	21-23%	Annual Performance	12%	4%	10%
Total Investment Cost	\$773mn	Cumulative Performance	40%	23%	167%
Total Proceeds Return	\$1,493mn				
MOIC	1.93x				
Average Holding	5-6 years				

¹⁶ Source: Bloomberg, VinaCapital. Annualized returns up to 30 June 2023. Total Returns, USD terms.
Privately Negotiated Investments (Realized) include 50 investments fully exited, Gross IRR, USD terms.

Investment Criteria. What we look for in businesses

Scale



Focusing on sectors and industries that present **considerable headroom for growth**, be it in manufacturing scale or market share growth.

Brand



Focus on domestic consumption-related businesses that have **brands that consumers recognize**. Branded market leaders have the best chance for exit to an offshore strategic investor in future.

Distribution



In the **fragmented and disorganized Vietnam market**, a distribution network and customer reach is what separates the winners from the losers.

Management Alignment



Capability and integrity of sponsors, and alignment of interest are key. Trusted management is one that can set a reasonable business plan and deliver against that plan and be trusted to not impair the assets of the business.

Competitive Advantage



The moat. Seek businesses that have sustainable competitive advantages that can **preserve value over our investment horizon**:

- (i) High barriers to entry;
- (ii) Lower cost structures;
- (iii) Exclusivity with suppliers/vendors.

Sustainability



As a responsible investor, we invest in businesses that are **safe for the environment and supportive of their people and local communities**.

ESG is built into our investment process.

What do our typical investments look like?

\$25 - \$75 million

TICKET SIZE

Fewer investments, larger in ticket size, accretive to NAV.

5% – 40%

EQUITY STAKE

Minority stake significant enough to exert influence and board representation with downside protections.

4 – 7 years

INVESTMENT HORIZON

Long enough to grow and impact change, catalyst events include IPO or strategic sale.

15%+

EXPECTED (MODEL) IRR

Individual investments are priced to yield at least this much. However, the portfolio as a whole, is expected to yield over 12% IRR.

< 15%

OF FUND NAV

Exposure limit to any one company. Furthermore, the exposure limit to any one sector is 25% of NAV.

3 – 6 months

FROM NDA TO CLOSING

Our rigorous and exhaustive due diligence leveraging internal and external expertise requires this much to close an investment.

VOF: 200+ Investments

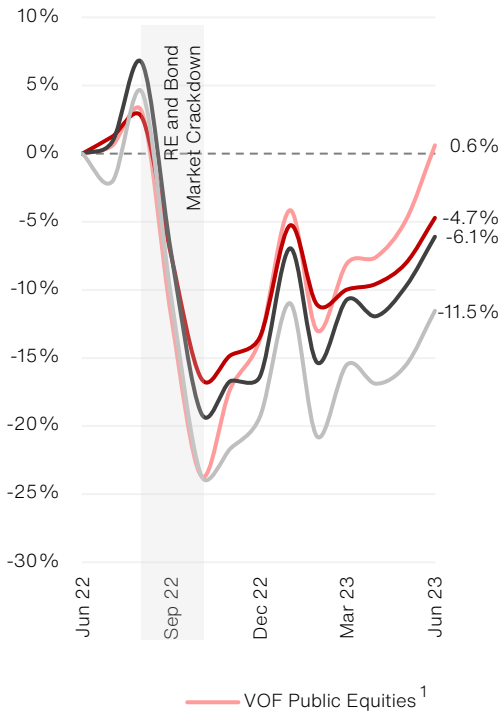




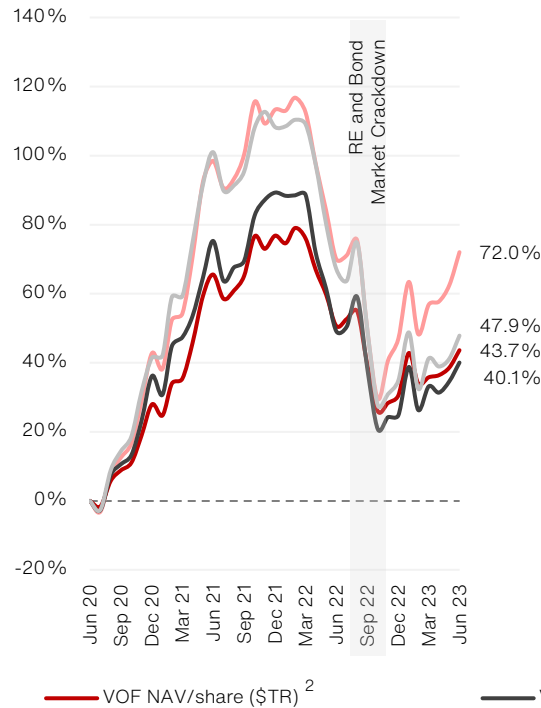
Portfolio Performance

VOF outperforms VNI and Peers over the long-term, particularly during periods of volatility

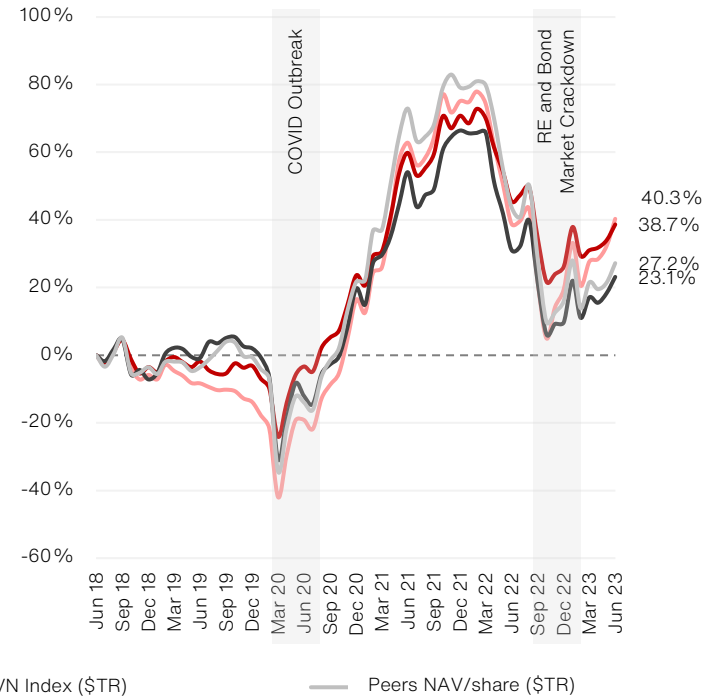
1-year performance



3-year performance



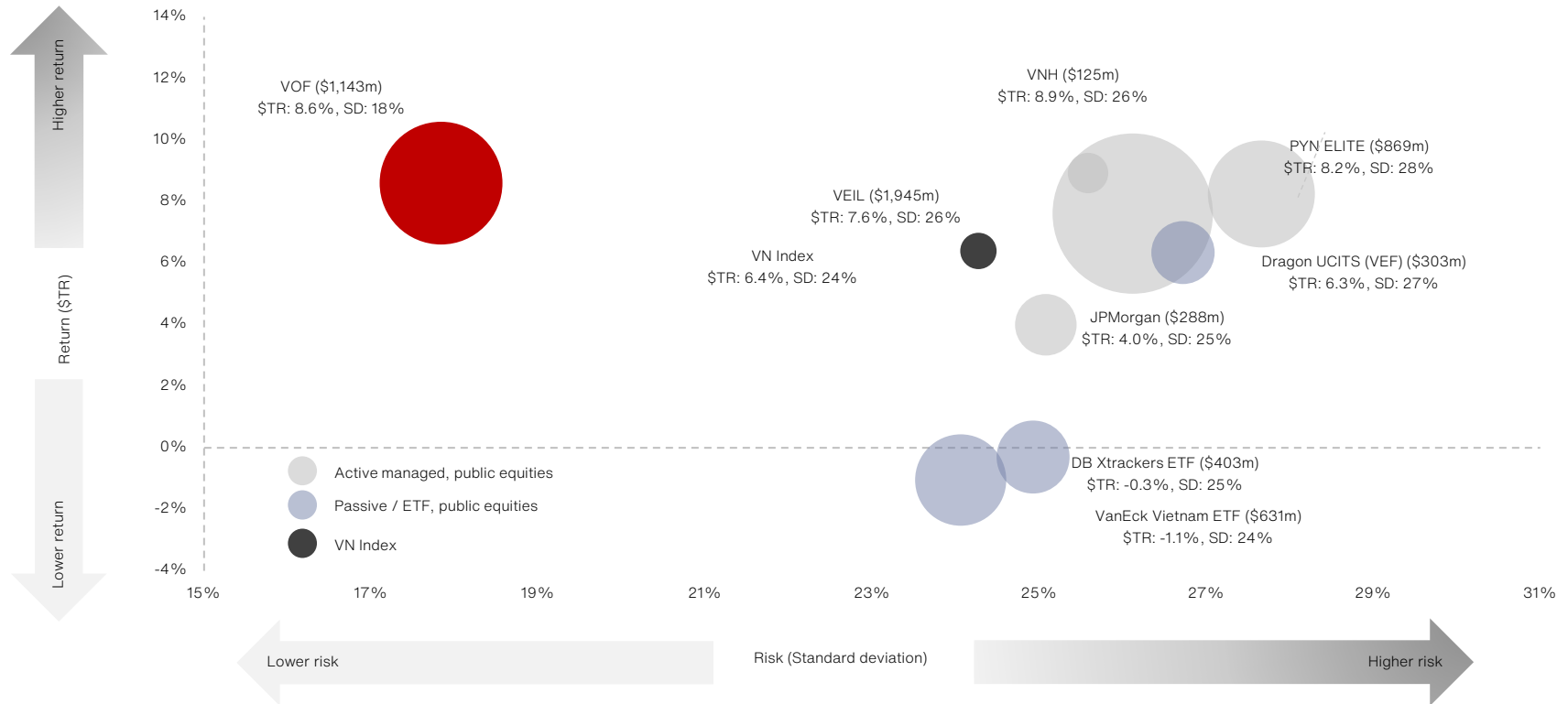
5-year performance



¹ Assuming the TER of approximately 1.3% per annum

² Unaudited NAV as of 30 Jun 2023

VOF continues to outperform VNI and Peers over the long-term, particularly during periods of volatility



Note: The data is based on the monthly NAV in USD terms, over the last 5 years from 1 Aug 2018 to 31 Jul 2023.

Return: 5-year CAGR in USD terms, total return basis. Risk: NAV volatility, which is annualised standard deviation of the monthly NAV return over the past 5 years.

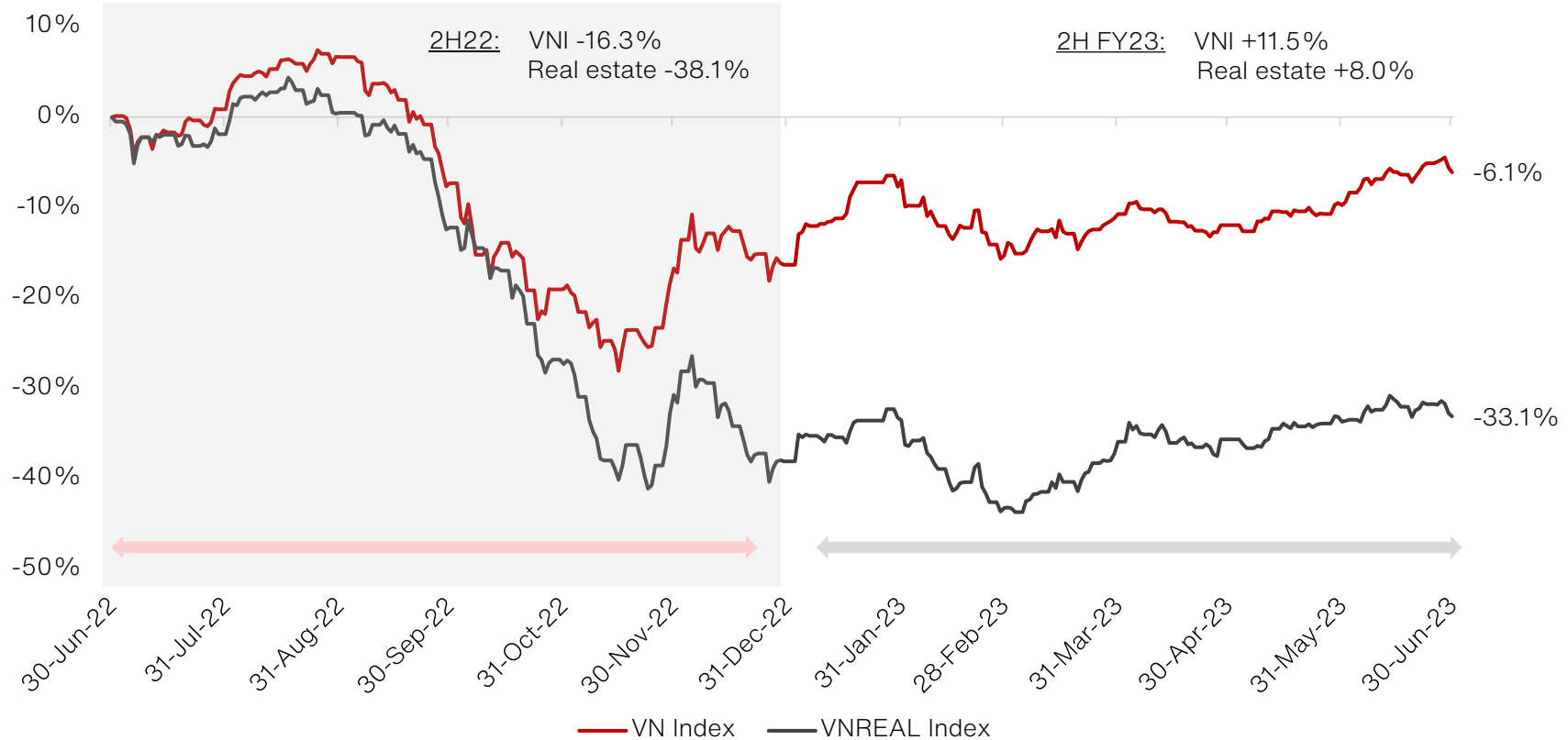
The size of the bubble denotes the fund size, which is total net asset value or total asset under management.

Source: VinaCapital, Bloomberg, 31 July 2023

Investments Update

VN Index vs Real Estate Sector Performance 12 months

RE Sector: June to December 2022 -38.1% vs January to June 2023 +8.0%



Source: Bloomberg, VinaCapital Research.

VN Index versus VN Real Estate Index performance (USD, total return terms), period 30 June 2022 to 30 June 2023.

Addressing the Real Estate market challenges...

- **Restructuring:** Extending and negotiating corporate bond repayments
- **Pivot:** Impact of declining interest rates
- **Liquidity:** New issuances expected
- **Wholesale sales:** Land / project vs just retail
- **Infrastructure:** Roads, transport and other developments support development
- **Refinancing:** With other banks allowed

... And how it affects VOF's Public Equity with Private Terms

- **Restructuring:** Extending terms and negotiating repayments: Norfolk, HTL, DXS
- **Collateral:** Complementing and improving security through additional assets
- **Asset swap:** Identify and swap NCG with F&B portfolio of 50 restaurants
- **Valuations:** Conservative revaluations on PEPT investments (Nov and Dec 2022)
- **Recovery:** Seek to recover investment cost and expected returns over time

Highlights of Investment and Divestment Activities

IN Holdings + IN Dining

Support F&B portfolio growth



Tam Tri Medical + Thai Hoa Hospital



Roll up strategy and expansion



Tam Tri Medical Platform Expansion



New Acquisitions

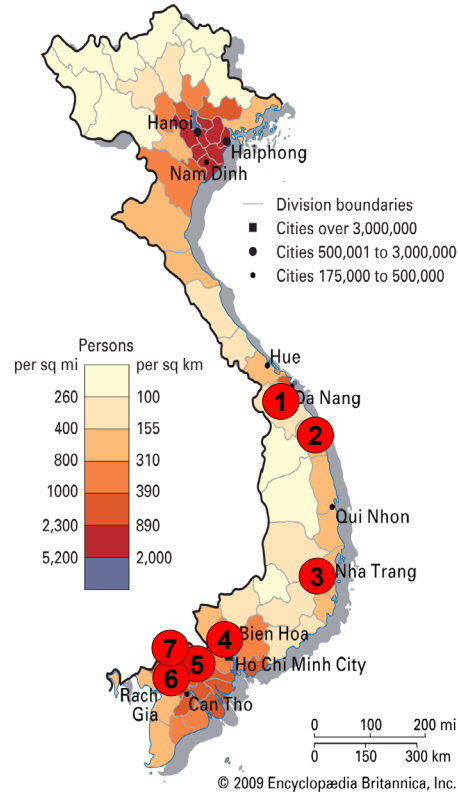
Thai Hoa
International Hospital



Binh An Quang Nam
General Hospital



Van Phuc Saigon
Hospital





Vietnam's Challenges, Outlook & Opportunities

Vietnam in 2023

GDP Growth: 4.7% (vs 8% in 2022)



- Exports -10% yoy, Exports to US -20% yoy
Weak Demand for “Made in Vietnam” Products

- Weak Domestic Demand
Consumption by Local Vietnamese +2-3%, vs. 8-9% Average



- Continued Difficulties For Real Estate Developers
- Modest Infrastructure Spending



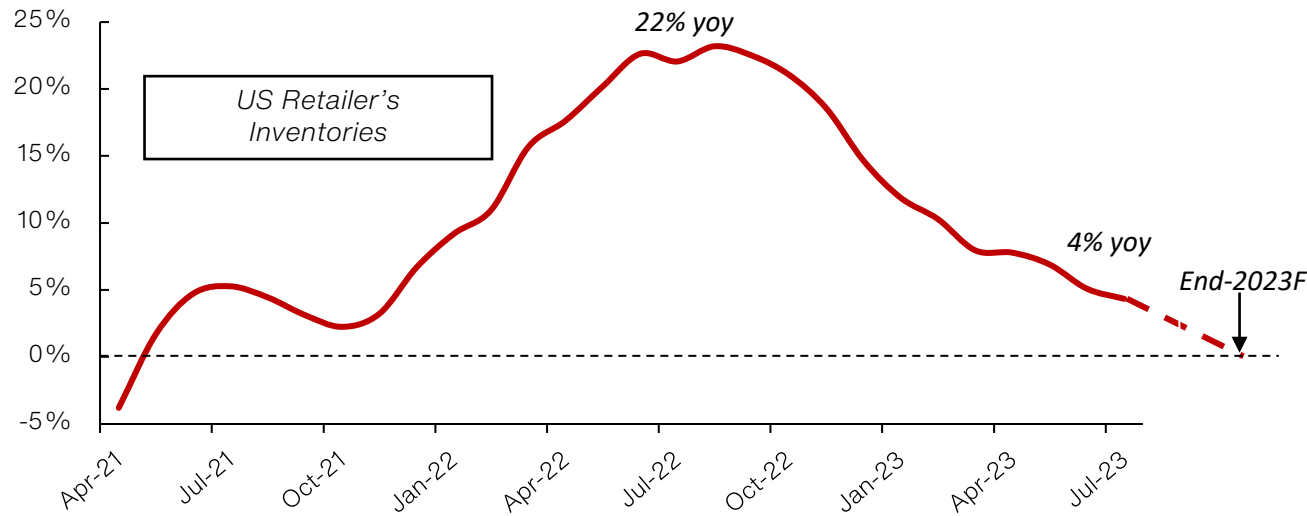
- Foreign Tourism Recovery, ~70% of Pre-Covid Levels
- Government Measures To Support GDP Growth

Vietnam in 2024F

GDP Growth: 6.5%

The Plunge in Vietnam / Asia Exports To The US is Over

Excess Inventories in the US = Falling VN Exports / Mfg.



Vietnam Exports to the US

9M22 +24%

9M23 -17%

US – Vietnam Comprehensive Strategic Partnership

Not Much Impact

2023 - 2024

A Few Modest Deals Announced:

- *Business Week Magazine in Vietnamese Language*
- *\$2m to train semi-conductor engineers*
- *Various MOUs*

Huge Impact

2024 - 2034

Will Unleash a Torrent of US FDI:

- *The US currently accounts for <3% of Vietnam's FDI*
- *The US currently ranks #8 for FDI into Vietnam*

Risks To The Market

▪ Exogenous risks

- Deeper global economic slowdown
- Fed's "higher-for-longer" interest rates
- Geopolitical tensions

▪ Country risks

- Corporate bond overhang
- Slower than expected recovery of real estate markets
- Higher inflation threatening by higher food, commodity and electricity prices
- FX volatility driven by USD strength

▪ Market risks

- Retail investors as the main factor contributing to market volatility
- Delays of KRX's implementation plan

Two Non-Risks For Vietnam FDI

India

- Multinationals set up Factories in India to sell to Local Consumers
- Enormous “Ease of Doing Business” Issues

Global Minimum Tax

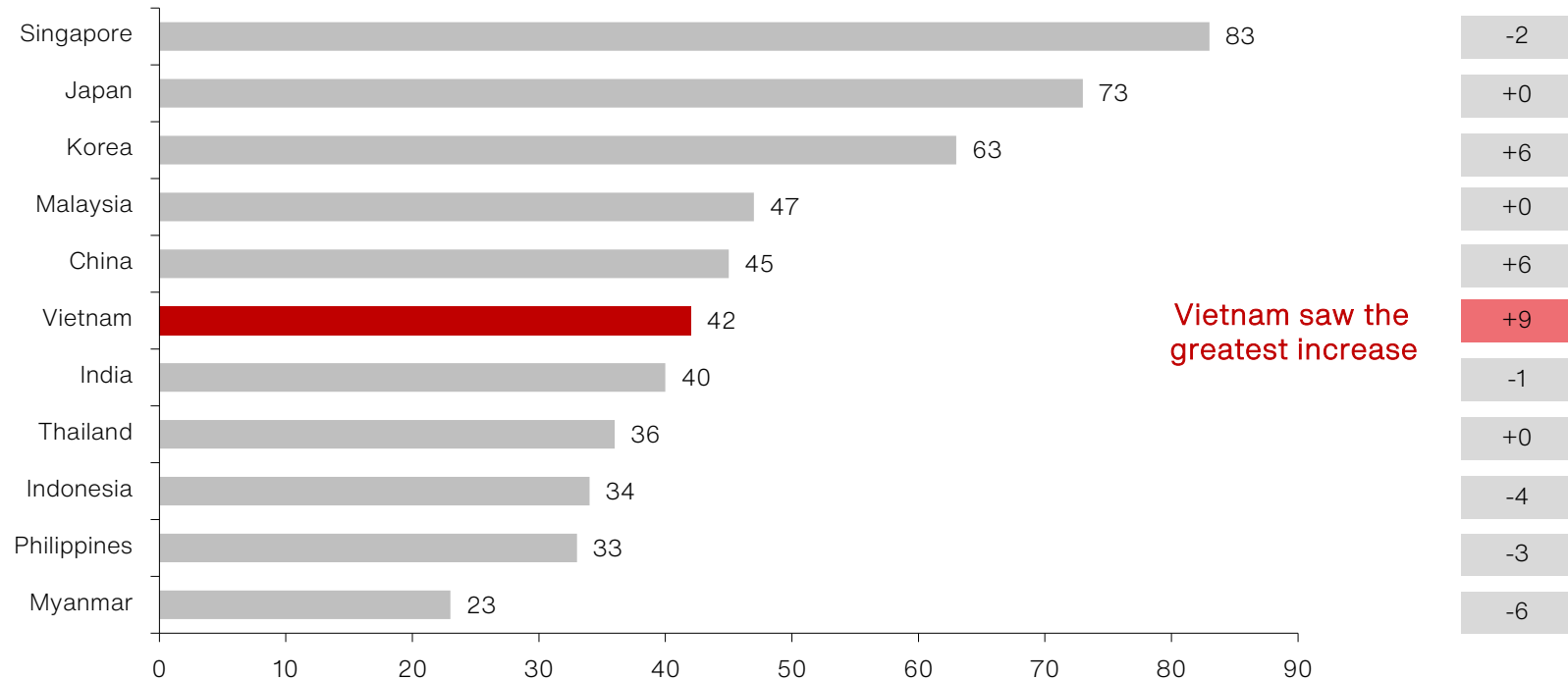
- VN Government to Rebate Higher Taxes to Multinationals
- Tax Incentives are Not a Major FDI Driver for EM Countries

(But They are Very Important Driver of DM FDI Inflows)

Notable gains in global transparency

Corruption Perception Index (CPI) score, 2022

Δ CPI score, 2018 - 2022

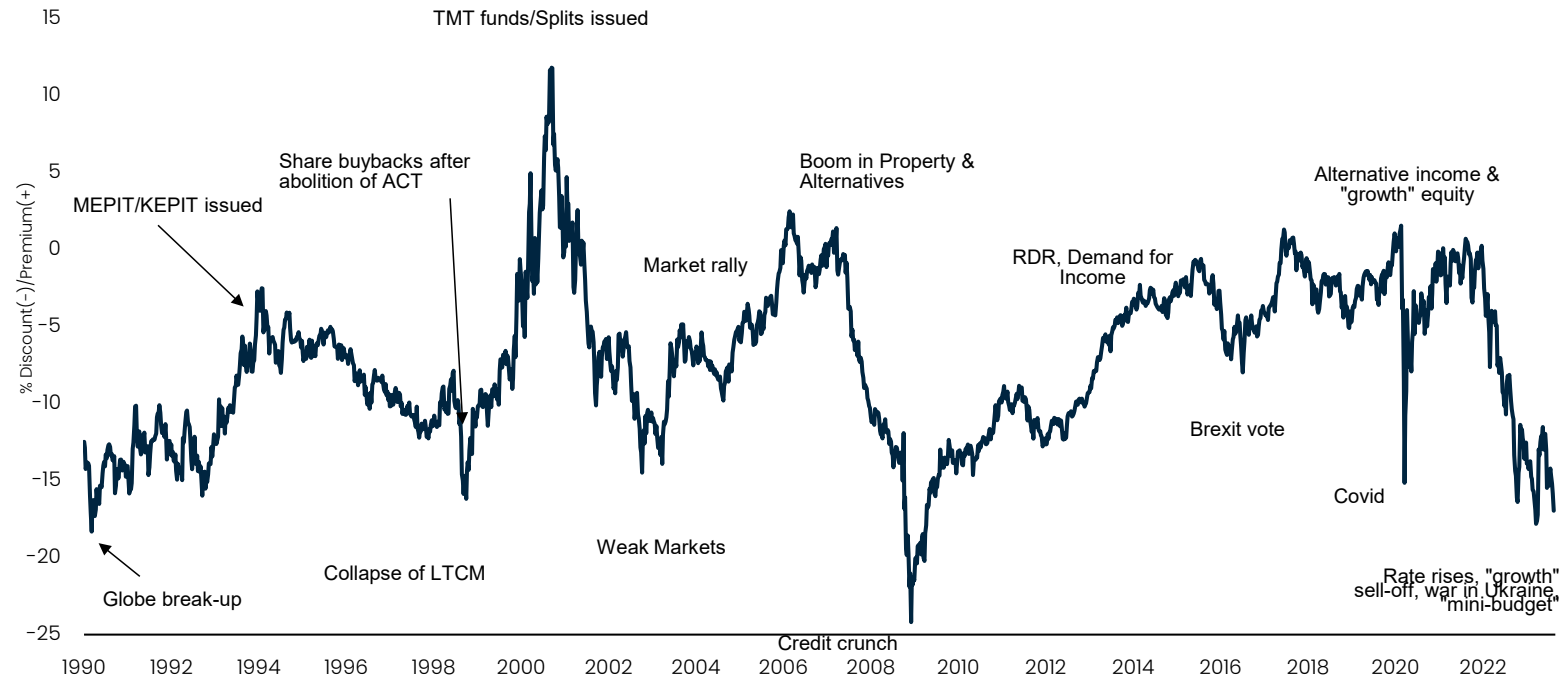


Source: Transparency International, VinaCapital

Appendix

Long-term Discount History

Geopolitical Conflict, Political Turmoil and Rising Interest Rates Impact Current Sentiment

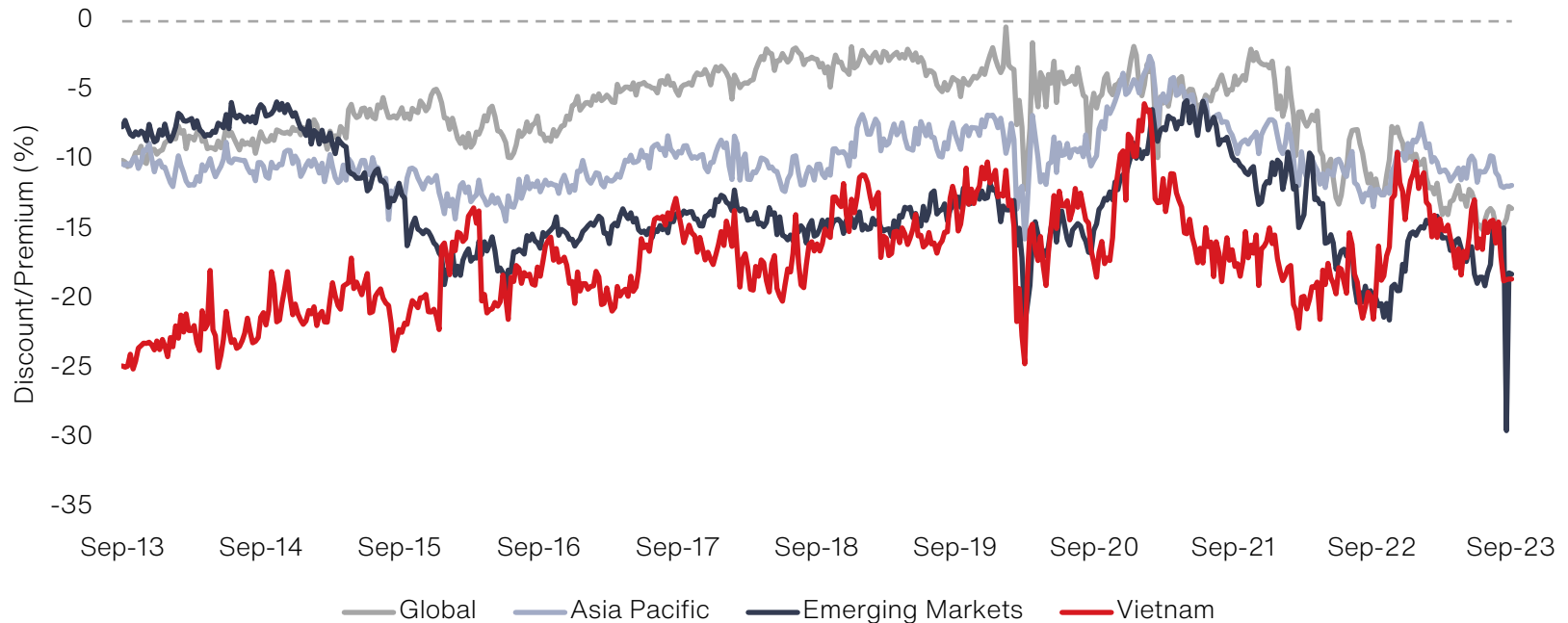


Source: Numis. As of September 2023.

Premium / Discount trends

Vietnam not out of kilter with wider trends

Emerging Market & Global ICs– Discount History



Source: Numis. As of September 2023.



ANDY HO
Managing Director and
Chief Investment Officer

andy.ho@vinacapital.com



KHANH VU
Deputy Managing Director
Portfolio Manager - VOF

khanh.vu@vinacapital.com

17th Floor, Sun Wah Tower
115 Nguyen Hue, District 1, Ho Chi Minh City, Vietnam

Tel: +84 (0) 28 3821 9930

Email: ir@vinacapital.com

Website: www.vinacapital.com

Ho Chi Minh City

Hanoi

Singapore

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