



Tuan Le
Lead Portfolio Manager

At a Glance

- VEIL started the year on a positive note, with its NAV rising 1.0%, slightly trailing the VNI's 1.5% (TR\$).
- Market sentiment remained cautious, with the VNI experiencing volatility driven by external factors, mirroring broader global equity market trends.
- Despite the uncertainty, select pockets of strength emerged in January as investors focused on a strong 4Q24 earnings season.

Ten Year NAV Performance



Performance (%)

All reporting on this page is in total return US dollar terms from the last business day in Vietnam (24 Jan 2025) unless otherwise stated

	Net Assets / Market Cap	NAV/share	Disc/Prem	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
VEIL NAV (USD)	\$1,802.3mn	\$9.83	N/A	1.0	1.0	2.8	12.0	-19.6	51.0	183.3
VNI (Reference Index)	N/A	N/A	N/A	1.5	1.5	1.7	7.7	-18.7	35.7	131.7
VEIL Share Price (USD)	\$1,382.4mn*	\$7.53	-23.3	-1.8	-1.8	-0.2	3.6	-23.9	25.3	N/A
VEIL Share Price (GBP)	£1,107.4mn*	£6.06	-23.3	-1.0	-1.0	4.5	6.1	-17.9	32.9	N/A

*Market capitalisation

Past performance cannot be relied upon as a guide to future performance

Fund Commentary

January was marked by cautious sentiment throughout the holiday-shortened month, with liquidity down 40% from January 2024. Despite continued improvements in domestic economic conditions, external headwinds kept local retail investors on the sidelines. Nevertheless, as the earnings season is in full-swing, we observed an emerging divergence in companies with good 4Q24 earnings.

The banking sector delivered solid 4Q24 earnings, with overall growth of 22.6% YoY and 19.1% QoQ. Our overweight holdings performed particularly well, with CTG posting 59.4% YoY earnings growth in 4Q24 and 26.8% for FY24. This was driven by reduced provision expenses of \$100mn, down from an average of \$330mn over the last three quarters, minimal write-offs for the second consecutive quarter, and near-zero NPL formation. VPB also delivered an exceptional 127.5% YoY earnings increase in 4Q24, bringing FY24 growth to 57.0%, supported by strong credit growth of 18.6% YoY, resilient NIM of 6.0%, and a sharp rise in income from bad debt recovery. We maintain our high conviction in our portfolio positions and believe the sector will continue its current growth trajectory, with expectations of sustained credit expansion in 2025 from pro-growth initiatives.

The residential property sector also showed promising results, benefiting from regulatory improvements and better liquidity. This should improve developers' cash flow by alleviating potential bad debts, a positive development for VEIL's overweight positioning in the sector since late 2024. Several developers in our portfolio have successfully navigated legal hurdles for key projects in the past six months, aligning with broader sectoral improvements. A prime example is DXG's 4.3ha Gem Riverside project in HCMC, which could yield 3,000 units, while the nearby Eaton Park project is set to receive its sales permit in 1Q25 ahead of a slated 2Q25 launch - solid proof points that reinforce our confidence in the sectors revival.

Stock in Focus: Kinh Bac City (KBC)

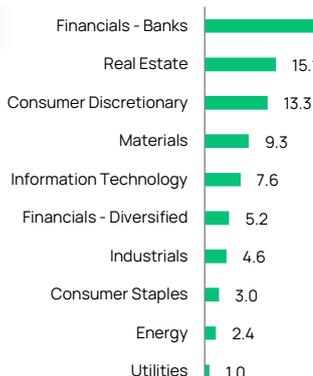
Founded in 2002, KBC was one of the first private enterprises to provide industrial land and services to FDI manufacturers entering Vietnam. Over the past two decades, it has grown into one of the largest private industrial park developers, with a land bank of over 6,000 ha nationwide. KBC has played a key role in attracting major manufacturers such as LG Electronics, Qualcomm, Foxconn, Oppo, and Apple suppliers Luxshare and Goertek.

KBC's industrial park business, which is less reliant on domestic demand, allowed the company to deliver strong results in 2022 and 2023 – two difficult years for Vietnam's economy and equity markets, with EPS growth of 38% and 33%, respectively. However, 2024 proved more challenging, as legal delays impacted revenue bookings. Nevertheless, KBC made significant progress on two of its largest long-term growth drivers: Trảng Cát Urban Zone and Trảng Duệ 3 Industrial Zone. Both projects have been under development for some time, and in January 2025, they received their investment certificates from the government. This long-awaited approval serves as a major catalyst for investor sentiment and stock performance. KBC's earnings are expected to rebound sharply, with 2025 NPAT forecast to grow by over 200% following a 79% decline in 2024. With legal approvals secured and a strong pipeline of industrial land development, KBC is well-positioned for a renewed phase of growth.

Top Ten Holdings (56.1% of AUM)

Company	Ticker	Sector	VEIL (%)	VNI (%)	CH (%)
Mobile World	MWG	Consumer Disc.	8.0	1.7	0.1
FPT Corporation	FPT	IT	7.6	4.3	2.2
VP Bank	VPB	Financials (Banks)	6.8	2.8	0.0
Vietcombank	VCB	Financials (Banks)	5.9	9.8	3.2
Asia Com. Bank	ACB	Financials (Banks)	5.9	2.2	-0.2
Techcombank	TCB	Financials (Banks)	5.2	3.3	2.0
Hoa Phat Group	HPG	Materials	5.0	3.2	1.2
Vietinbank	CTG	Financials (Banks)	4.2	3.9	2.1
Khang Dien House	KDH	Real Estate	3.8	0.7	-2.2
Duc Giang Chemicals	DGC	Materials	3.6	0.8	-2.9

Sector Breakdown



Monthly Contribution



Key Indicators

Item	Unit	2020	2021	2022	2023	2024F	2025F
GDP	\$bn	346.6	366.1	408.8	430.0	476.3	502.1
Real GDP Growth	%	2.9	2.6	8.0	5.1	7.1	6.8
Services Growth	%	2.5	1.2	10.0	6.9	7.4	8.2
Agriculture Growth	%	2.8	2.9	3.4	2.6	3.3	2.8
Ind'l and Const'n Growth	%	3.3	4.1	7.8	3.5	8.3	7.5
Retail Sales Growth	%	2.6	-3.8	10.2	8.3	6.4	7.2
Prices							
CPI (Average YoY)	%	3.2	1.8	3.2	3.3	3.6	4.0
Money, FX and Interest Rates							
Money Supply M2	%	14.5	8.9	6.2	12.5	12.7	13.0
Average Lending Rate	%	8.6	8.5	13.7	8.7	8.2	8.7
5-yr VGB	%	1.1	0.9	4.7	1.6	1.4	1.7
VND : \$	\$1	23,085	22,800	23,550	24,250	25,300	25,800
External Sector							
Trade Balance	\$bn	19.9	3.3	12.4	28.0	24.4	30.2
Current Account	\$bn	15.1	-7.8	-1.5	17.4	20.7	22.4
Current Account / GDP	%	4.3	-2.1	-0.4	4.0	4.4	4.5
FDI Registered	\$bn	28.5	38.5	27.7	36.6	35.0	38.0
FDI Disbursement	\$bn	20.0	19.8	22.4	23.2	25.4	25.0
FX Reserves	\$bn	98.0	106.5	85.0	89.0	80.0	90.0
Public Debt Fiscal Balance							
External Debt	\$bn	130.1	138.8	141.2	138.0	140.3	151.0
Government	\$bn	49.0	47.9	48.8	44.4	44.5	47.8
Enterprises (incl. FDI)	\$bn	81.1	90.9	92.4	93.6	95.8	103.2
External Debt (% GDP)	%	37.5	37.9	34.5	30.3	30.3	30.1
Fiscal Balance (% GDP)	%	-3.9	-4.0	-4.0	-3.6	-3.6	-3.8

All forecasts are Dragon Capital estimates

Key Stock Market Data

	HSX		HNX		UPCoM		Total	
	31-Jan-24	31-Jan-25	31-Jan-24	31-Jan-25	31-Jan-24	31-Jan-25	31-Jan-24	31-Jan-25
Market cap (\$m)	192,772	210,147	12,590	13,997	45,776	61,974	251,139	286,119
Number of stocks	396	393	322	309	868	887	1,586	1,589
Number of large cap stocks (> \$400m)	72	77	10	11	18	17	100	105
Stocks with no room for foreigners	66	65	94	92	249	269	409	426
Market cap of stocks with no room (\$m)	27,627	27,728	1,866	2,744	14,070	25,398	43,563	55,870
Share of Market Cap with No Room (%)	14.3	13.2	14.8	19.6	30.7	41.0	17.3	19.5

Top 25 Companies by Market Cap

No	Company	31-Jan Price (VND)	Price YTD (%)	Mkt Cap (\$m)	Wt in VNI (%)	PER			PBV			Yield		
						2023 (x)	2024 (x)	2025E (x)	2023 (x)	2024 (x)	2025E (x)	2023 (%)	2024 (%)	2025E (%)
1	Vietcombank	92,600	1.5	20,633	9.80	15.6	17.3	16.1	2.7	2.6	2.3	-	-	-
2	BIDV	40,000	6.5	10,999	5.20	15.2	13.8	13.5	2.1	1.9	1.8	0.1	-	-
3	Airports Corporation VN	121,500	-3.5	10,545	-	22.1	29.4	27.3	2.9	4.6	3.6	-	-	-
4	FPT	153,400	0.6	8,996	4.30	20.4	31.3	25.9	4.8	7.5	6.4	2.4	1.5	2.3
5	Vietinbank	38,000	0.5	8,135	3.90	8.5	8.9	7.5	1.2	1.4	1.2	-	-	-
6	Techcombank	24,750	0.4	6,971	3.30	6.2	8.4	6.8	0.8	1.2	1.0	-	3.0	3.0
7	Hoa Phat Group	26,550	-0.4	6,770	3.20	24.3	14.1	10.7	1.6	1.5	1.4	-	1.3	1.7
8	Vinhomes	39,500	-1.3	6,468	3.10	5.6	5.2	5.4	1.0	0.8	0.7	-	0.4	-
9	PV Gas	67,900	-0.3	6,341	3.00	14.2	15.7	16.2	2.5	2.4	2.3	4.1	4.3	4.3
10	Masan Consumer	216,700	-15.0	6,260	-	7.6	23.7	18.2	2.1	17.3	3.7	0.4	12.4	-
11	Vingroup	40,400	-0.4	6,158	2.90	79.1	13.2	29.8	1.5	1.1	1.2	-	0.4	-
12	VP Bank	18,900	-1.6	5,978	2.80	14.5	9.7	8.3	1.1	1.1	0.9	5.2	5.2	3.6
13	Military Bank	22,400	2.6	5,449	2.60	4.7	6.1	5.4	1.0	1.2	1.0	2.3	-	-
14	Vinamilk	62,200	-1.9	5,182	2.50	16.9	14.1	12.9	4.2	4.1	3.9	5.8	6.2	6.2
15	ACB	25,350	-1.7	4,514	2.10	5.7	7.0	6.1	1.3	1.4	1.1	3.6	3.4	1.7
16	LienViet Post Bank	35,850	14.7	4,269	2.00	7.2	9.6	9.8	1.2	2.2	2.0	-	-	-
17	Masan Group	68,000	-2.9	3,899	1.90	229.0	50.4	27.1	3.6	3.3	3.1	0.3	1.7	0.3
18	Mobile World	60,100	-1.5	3,502	1.70	370.4	24.0	16.5	2.7	3.2	2.8	1.2	0.8	1.8
19	HD Bank	22,650	-11.2	3,156	1.50	5.6	6.9	5.1	1.3	1.6	1.1	4.3	-	-
20	Becamex IDC	69,300	-2.3	2,859	1.40	26.5	34.8	28.4	3.5	3.8	3.3	1.3	1.4	-
21	Sacombank	37,000	0.3	2,781	1.30	6.8	6.9	6.0	1.2	1.3	1.1	-	-	-
22	Sabeco	53,800	-3.1	2,751	1.30	18.3	16.8	15.5	3.0	3.1	2.9	4.2	6.5	6.5
23	Binh Son Refining	20,300	-11.0	2,509	1.20	6.5	113.0	36.5	1.0	1.3	1.1	3.8	3.1	3.5
24	VIB	20,650	4.8	2,453	1.20	5.6	8.4	7.3	1.2	1.4	1.3	6.4	5.4	-
25	Vietnam Airlines	26,850	-6.3	2,370	1.10	neg	9.6	11.6	neg	neg	neg	1.1	-	-

All forecasts are Dragon Capital estimates

Fund	Bloomberg	ISIN	LEI	SEDOL	CUSIP	Listed
VEIL	VEIL LN	KYG9361H1092	213800SYT3T4AGEVW864	BD9X204	G9361H109	London (Main Market)

Price Providers	Funds	Bloomberg	Contact
Jefferies International	VEIL	JCEF	Michele White / Trevor Hunt +44 207 898 7127 invcos@jefferies.com

Marketing / Investor Relations	
Will Ross	willross@dragoncapital.com
Rachel Hill	rachelhill@dragoncapital.com
Thuy Anh Nguyen	thuyanhnguyen@dragoncapital.com
Ailsa Cuthbert	ailsacuthbert@dragoncapital.com
Kenji Hamada	kenjihamada@dragoncapital.com
Steven Mantle	stevenmantle@dragoncapital.com
Thanh Le	thanhle@dragoncapital.com

This document has been prepared by Dragon Capital Management (HK) Limited for the general information of professional investors and other eligible recipients. It has been provided to you following your express request to receive such communications, and your confirmation of eligibility. If you wish to unsubscribe from future updates at any time, please email unsubscribe@dragoncapital.com.

This document does not constitute or form part of, and should not be construed as, an offer to sell or issue, or the solicitation of an offer to purchase, subscribe to or acquire, securities of any entity, or any vehicle to be incorporated in connection with any possible transaction, or an inducement to enter into investment activity in any country, or in any other jurisdiction in which such offer, solicitation, inducement or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of such jurisdiction. No part of the document, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

No disclosure, reference or other information included in this document shall be considered as offering or solicitation of any product or service. Nothing in this document shall be construed as investment advice or a recommendation to acquire or invest in any securities or other instrument or financial product. Any investment performance and market information provided in this presentation, including information about any particular companies, are provided for illustrative purposes only and are not investment recommendations.

No person is promulgating or providing any financial or other advice to any person, and is not making and does not intend to make an offer or solicitation in relation to any product, whether referred to in this document or otherwise. Any person requiring investment advice should consult a suitably qualified professional adviser prior to taking any investment decision.

Past performance is not necessarily a guide to future performance. Certain statements included in this document are forward-looking and are therefore subject to risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied because they relate to future events. Consequently, the actual performance and results of the market or companies could differ materially from the expectations set out herein. Accordingly, no assurance can be given that any particular expectation will be met, and you are cautioned not to place undue reliance on forward-looking statements which speak only at their respective dates.

The information and opinions contained in this document (which includes information drawn from public sources) is subject to updating, and the accuracy, certainty or completeness of such information is not guaranteed. No representation or warranty, express or implied, is made, and no liability whatsoever is accepted by any other person, in relation thereto.

This document must not be distributed or otherwise made available to third parties without the consent of Dragon Capital, and then only to such recipients who have confirmed that distribution of such information is in compliance with the securities laws and regulations which apply to them.

For UK investors in VEIL: According to an analysis performed on behalf of VEIL by KPMG, VEIL does not meet the definition of an “offshore fund” for the purposes of the Offshore Fund Regulations in the UK. On the basis of this analysis, the Offshore Fund Regulations do not apply to VEIL, and therefore the reporting fund status regime is not relevant to VEIL or its UK investors. Please contact us if you require the full analysis from KPMG.