VIETNAM ENTERPRISE INVESTMENTS LIMITED (VEIL)

DRAGON CAPITAL

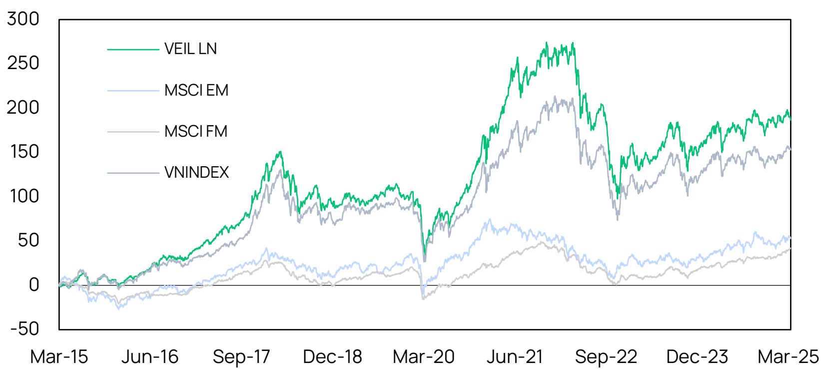
March 2025

Tuan Le
Lead Portfolio Manager

At a Glance

- VEIL declined 1.3% in March, underperforming the VNI by 2.2% as the benchmark rose 0.9%, led by strong gains in VinGroup-related stocks.
- FPT remains one of the main detractors for the portfolio as foreign outflow in the stock hits $267mn YTD despite no change in fundamentals.
- VEIL initiated a new position in VIB, one of the more exciting private banks with a strong retail-focus.

Ten Year NAV Performance



Performance (%)

All reporting on this page is in total return US dollar terms to 28 March due to Singapore public holidays

	Net Assets / Market Cap	NAV/share	Disc/Prem	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
VEIL NAV (USD)	$1,748.8mn	$9.66	N/A	-0.7	-1.3	-0.7	1.1	-21.3	116.1	189.2
VNI (Reference Index)	N/A	N/A	N/A	3.7	0.9	3.7	1.2	-17.1	98.9	149.4
VEIL Share Price (GBP)	£1,062.7mn*	£5.87	-21.3	-4.1	-0.8	-4.1	-0.8	-22.2	75.2	-
VEIL Share Price (USD)	$1,375.9mn*	$7.60	-21.3	0.8	3.6	0.8	3.3	-22.2	86.0	179.9

**Market capitalisation*

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

Fund Commentary

While the sharp early April sell-off technically fell outside this reporting period, the underlying pressure had already begun to build in March. Anticipating increased volatility around the US tariffs, we raised approximately $100mn in cash in the days leading up to the announcement to improve liquidity and preserve flexibility for potential rebalancing. This ensured we were able to respond quickly amid growing uncertainty.

While the scope and magnitude of US tariffs remains uncertain, Vietnam's shift toward domestically led growth - focusing on consumption, infrastructure, monetary easing, and private sector reform - continues to support our positioning in banks, retail, real estate, and infrastructure plays. These allocations reflect our long-term conviction in Vietnam's structural growth story, including urbanisation and supply chain diversification, which should remain intact assuming tariff differentials stay favourable. In response to recent developments we marginally reduced our industrial park exposure to mitigate the risk of a potential slowdown in FDI, but continue to prioritise earnings visibility, pricing power, and sectors set to benefit from pro-growth domestic policy.

FPT was the biggest laggard, with March foreign outflows of $155mn bringing its YTD total to $267mn. This selling occurred despite February reporting showing 20% revenue and 25% profit growth YoY - supporting our view that the move was sentiment-driven, not fundamental. Having trimmed FPT and MWG in late 2024 on high valuations, we remain confident in both as core long-term holdings. We also took advantage of a rare opening to initiate a $20mn position in retail bank VIB via an accelerated book-build, following the exit of strategic shareholder Commonwealth Bank of Australia. The bank's growing digital and consumer lending footprint aligns well with our view of Vietnam's evolving domestic growth model.

Stock in Focus: Vietnam International Bank (VIB)

Established in 1996, VIB is a leading commercial bank with a market cap of ca. $2.3bn. The bank serves over 6 million clients (around 10% of the adult population) through an extensive nationwide network. Its customer base is primarily affluent and in the 25-40 age group, positioning VIB for long-term growth. As of FY24, retail lending made up 80% of total loans vs the sector average of 35-40%, with a balanced portfolio comprising 49% mortgages, 21% business loans, 12% auto loans, and 9% secured loans and cards, underscoring its strong foothold in the retail segment.

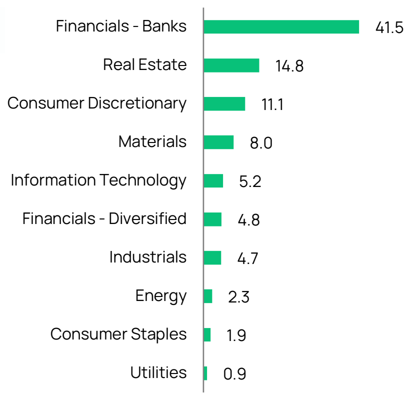
In FY24, customer lending grew 22% YTD, reaching $15.5bn. However, Net Interest Income (NII) fell 10% YoY to $651mn, due to narrower margins from higher funding costs. Total Operating Income (TOI) declined 7% YoY to $799mn, driven by lower fee income and reduced trading gains. Profit Before Tax (PBT) dropped 16% YoY to $350mn, reflecting elevated provisioning levels. While these provisions weighed on short-term profitability, they signal a prudent approach to risk management and should strengthen asset quality over the long term.

For 2025, VIB targets total assets of $21.4bn (+13% YoY) and credit outstanding of $18.9bn (+22% YoY), including loans, corporate bonds, and debt purchases. It also aims to grow PBT by 22% to $432.1mn, broadly in line with our 21% forecast. The bank is currently trading at a FY25 P/E of 6.6x and P/B of 1.2x, representing a 20% discount to its 5-year average and offering an attractive valuation given its retail strength and growth outlook.

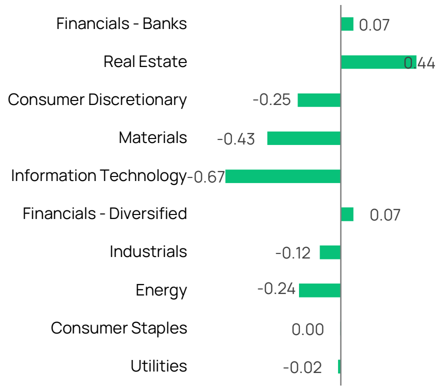
Top Ten Holdings (55.6% of AUM)

Company	Ticker	Sector	VEIL (%)	VNI (%)	CH (%)
Mobile World	MWG	Consumer Discretionary	7.5	1.6	2.5
Vietcombank	VCB	Financials (Banks)	6.2	9.9	3.8
VP Bank	VPB	Financials (Banks)	6.1	2.8	-0.3
Asia Com. Bank	ACB	Financials (Banks)	6.1	2.1	-0.3
Techcombank	TCB	Financials (Banks)	5.9	3.5	5.5
FPT Corporation	FPT	Information Technology	5.5	3.3	-11.7
BIDV	BID	Financials (Banks)	5.2	5.0	-4.6
Vietinbank	CTG	Financials (Banks)	4.9	4.0	-0.4
Hoa Phat Group	HPG	Materials	4.7	3.2	-3.1
MB Bank	MBB	Financials (Banks)	3.6	2.7	3.8

Sector Breakdown



Monthly Contribution



Key Indicators

Item	Unit	2020	2021	2022	2023	2024E	2025F
GDP	$bn	346.6	366.1	408.8	430.0	476.3	529.5
Real GDP Growth	%	2.9	2.6	8.0	5.1	7.1	8.0
Services Growth	%	2.5	1.2	10.0	6.9	7.4	8.9
Agriculture Growth	%	2.8	2.9	3.4	2.6	3.3	5.5
Ind'l and Const'n Growth	%	3.3	4.1	7.8	3.5	8.3	8.7
Retail Sales Growth	%	2.6	-3.8	10.2	8.3	9.0	9.4
Prices							
CPI (Average YoY)	%	3.2	1.8	3.2	3.3	3.6	4.2
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	25,450	26,500
External Sector							
Trade Balance	$bn	19.9	3.3	12.4	28.0	24.4	23.1
Current Account	$bn	15.1	-7.8	-1.5	17.4	20.7	19.3
Current Account / GDP	%	4.3	-2.1	-0.4	4.0	4.4	3.6
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	28.0
FX Reserves	$bn	98.0	106.5	85.0	89.0	80.0	80.0
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	-4.2

All forecasts are Dragon Capital estimates

Key Stock Market Data

	HSX		HNX		UPCoM		Total	
	31-Mar-24	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24	31-Mar-25
Market cap ($m)	210,814	213,555	13,227	14,725	48,976	57,969	273,016	286,249
Number of stocks	398	392	322	310	870	887	1,590	1,589
Number of large cap stocks (> $400m)	75	77	11	11	17	17	103	105
Stocks with no room for foreigners	67	62	94	97	253	276	414	435
Market cap of stocks with no room ($m)	33,251	23,891	1,900	3,009	15,830	22,750	50,981	49,650
Share of Market Cap with No Room (%)	15.8	11.2	14.4	20.4	32.3	39.2	18.7	17.3

Top 25 Companies by Market Cap

No	Company	31-Mar Price (VND)	Price YTD (%)	Mkt Cap ($m)	Wt in VNI (%)	PER 2023 (x)	PER 2024 (x)	PER 2025E (x)	PBV 2023 (x)	PBV 2024 (x)	PBV 2025E (x)	Yield 2023 (%)	Yield 2024 (%)	Yield 2025E (%)
1	Vietcombank	64,000	4.9	20,929	9.80	15.6	17.3	16.4	2.7	2.6	2.3	-	-	-
2	BIDV	38,750	3.2	10,648	4.99	15.2	13.5	13.0	2.1	1.9	1.7	0.1	-	-
3	Vietinbank	41,450	9.7	8,711	4.08	8.5	8.9	8.1	1.2	1.4	1.3	-	-	-
4	Vingroup	58,000	43.0	8,680	4.06	79.1	13.0	42.8	1.5	1.1	1.7	-	0.4	-
5	Airports Corporation VN	99,000	-21.4	8,435	-	22.1	29.1	21.0	2.9	4.6	3.0	-	-	-
6	Vinhomes	51,300	28.3	8,247	3.86	5.6	5.2	7.0	1.0	0.8	0.9	-	0.4	-
7	Techcombank	27,500	11.6	7,604	3.56	6.2	8.4	7.9	0.8	1.2	1.2	-	3.0	2.8
8	FPT Corporation	121,000	-20.7	6,966	3.26	20.4	31.3	20.4	4.8	7.5	5.0	2.4	1.5	3.1
9	Hoa Phat Group	26,750	0.4	6,696	3.14	24.3	14.2	10.8	1.6	1.5	1.3	-	-	2.0
10	PV Gas	66,800	-1.9	6,125	2.87	14.2	15.7	14.8	2.5	2.6	2.5	4.1	8.7	5.6
11	Masan Consumer	144,000	-19.7	5,926	-	7.6	23.7	18.1	2.1	17.3	8.6	0.4	12.4	3.7
12	VP Bank	19,000	-1.0	5,900	2.76	14.5	9.7	7.5	1.1	1.1	0.9	5.2	5.2	4.3
13	MB Bank	24,100	10.4	5,756	2.70	4.7	6.1	5.8	1.0	1.2	1.1	2.3	2.1	-
14	Vinamilk	60,600	-4.4	4,957	2.32	16.9	15.8	15.4	4.2	4.1	3.9	5.8	6.2	6.8
15	Asia Commercial Bank	26,000	0.8	4,545	2.13	5.7	7.0	6.2	1.3	1.4	1.2	3.6	3.4	1.8
16	LienViet Post Bank	33,250	6.4	3,887	1.82	7.2	9.6	9.0	1.2	2.2	1.8	-	-	-
17	Masan Group	66,800	-4.6	3,760	1.76	229.0	50.4	26.6	3.6	3.3	3.0	0.3	1.7	0.3
18	Mobile World Group	59,000	-3.3	3,375	1.58	370.4	24.0	16.1	2.7	3.2	2.7	1.2	0.8	1.9
19	Becamex IDC	74,800	5.5	3,030	1.42	26.5	33.6	20.9	3.5	3.7	4.5	1.3	1.4	-
20	HD Bank	22,100	-13.3	3,023	1.42	5.6	7.0	5.0	1.3	1.6	1.1	4.3	3.3	-
21	Sacombank	38,300	3.8	2,826	1.32	6.8	6.9	6.1	1.2	1.3	1.1	-	-	-
22	Vietnam Airlines	28,900	0.9	2,505	1.17	neg	8.4	10.5	neg	neg	14.6	1.1	0.4	-
23	Sabeco	48,900	-11.9	2,455	1.15	18.3	16.8	14.1	3.0	3.1	2.6	4.2	6.5	7.6
24	VIB	19,850	0.8	2,314	1.08	5.6	8.4	7.0	1.2	1.4	1.2	6.4	5.4	-
25	Binh Son Refining	18,950	-16.9	2,300	1.08	6.5	112.0	34.1	1.0	1.3	1.1	3.8	3.1	3.9

All forecasts are Dragon Capital estimates

FUND INFORMATION

Fund	Bloomberg	ISIN	LEI	SEDOL	CUSIP	Listed
VEIL	VEIL LN (GBP)	KYG9361H1092	213800SYT3T4AGEVW864	BD9X204	G9361H109	London (Main Market)
VEIL	VEID LN (USD)	KYG9361H1092	213800SYT3T4AGEVW864	BP4YTQ1	G9361H109	London (Main Market)

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