VIETNAM ENTERPRISE INVESTMENTS LIMITED (VEIL)

DRAGON CAPITAL

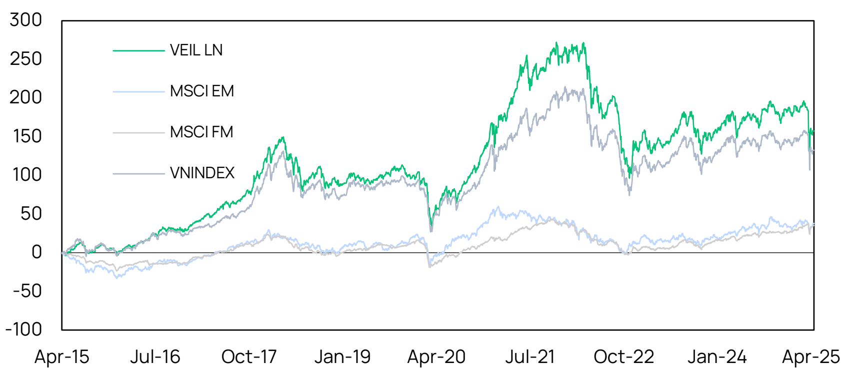
April 2025

Tuan Le
Lead Portfolio Manager

At a Glance

- VEIL's NAV fell 9.8% in April, following a sharp market correction triggered by the US tariff announcement.
- Domestic-focused retail names proved resilient amid volatility, supported by strong Q1 earnings and upbeat AGM guidance.
- Banks were the largest drag on performance, driven by foreign selling amid concerns that tariffs could lead to slower credit growth and economic slowdown.

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)	$1,567.5mn	$8.71	N/A	-10.5	-9.8	-11.4	-1.1	-24.5	63.1	157.7
VNI (Reference Index)	N/A	N/A	N/A	-5.0	-8.4	-6.3	0.6	-16.6	55.7	125.1
VEIL Share Price (GBP)	£935.8mn*	£5.20	-20.1	-15.0	-11.4	-13.9	-11.0	-30.4	33.3	NA
VEIL Share Price (USD)	$1,252.5mn*	$6.96	-20.1	-9.0	-9.7	-7.5	-4.2	-25.6	43.8	NA

**Market capitalisation*

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

Fund Commentary

April was a month of extreme volatility, with an early sell-off triggered by investor anxiety over the US tariff announcement. While the correction was large and broad-based, the market has shown signs of resilience in May, and we are encouraged by the recent US-China 90-day tariff pause.

Banks were the main drag in April, with our top three sector holdings, ACB (-8.8%), TCB (-6.1%) and VCB (-13.0%), contributing to a 3.8% sector-level pullback. Foreign outflows intensified on concerns that tariffs could dampen credit growth and delay economic momentum. While this caution is understandable, we believe the market reaction was excessive. Q1 results from our bank holdings were encouraging, with stable margins, sound asset quality, and steady loan growth. We continue to view the sector as integral to Vietnam's long-term development, particularly as fiscal support, property, and infrastructure spending gain traction. Industrial parks also came under pressure on tariff-driven FDI concerns, but we had already trimmed exposure in Q1 on strength, limiting the impact. While uncertainty remains, we believe their fundamentals remain sound. Leverage is moderate (40–60% debt-to-equity), and each holds sizeable clean residential land banks, providing a buffer in case of any delayed IP sales.

By contrast, retail holdings MWG and FRT proved resilient. Our largest holding, MWG, ended flat against a falling market on upbeat AGM guidance and strong Q1 data (+15% revenue, +71% profit). FRT held steady, supported by the announced private placement of its pharmacy chain, Long Châu, with Creador acquiring 13%. While short-term performance was challenged, we believe the portfolio is aligned well with Vietnam's growth trajectory. We continue to monitor developments and are actively assessing where sentiment dislocation may present selective opportunities.

Stock in Focus: Mobile World Group (MWG)

Established in 2004 and publicly listed a decade ago, Mobile World Group (MWG) began as Vietnam's leading mobile phone retailer. Over the past ten years, it has expanded to become the country's largest overall retailer, dominating not just mobile phones but also consumer electronics and groceries. With over 5,400 stores nationwide and annual revenue exceeding $5bn, MWG remains a core name in Vietnam's retail sector.

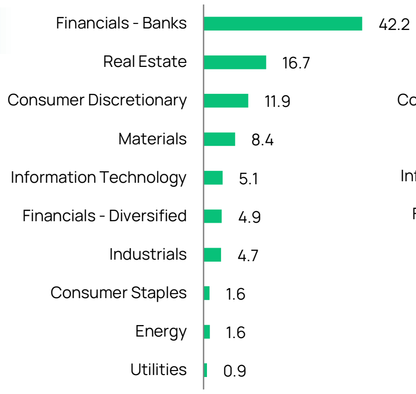
2024 was a turning point for grocery arm Bach Hoa Xanh (BHX) as it delivered its first profit following a multi-year restructuring. The focus has now shifted to expansion, with over 230 new stores opened in Q1, well on track to meet the 400-store 2025 target. The company has guided for $20mn in net earnings for BHX in 2025, a remarkable turnaround from a loss of over $40mn just two years ago. Given the incredibly fragmented nature of the retail market in Vietnam, where modern trade only accounts for roughly 25%, BHX has significant room for growth as the sector matures.

Beyond groceries, MWG is actively exploring new growth drivers. It owns a 45% stake in a joint venture in Indonesia's consumer electronics space, which has reached 100 stores and recently turned profitable. MWG is also developing new retail chains in the pharmaceutical and "mom & baby" segments. Having been a core VEIL holding since its IPO ten years ago, MWG continues to represent our highest-conviction position for capturing Vietnam's growing middle class and rising domestic consumption.

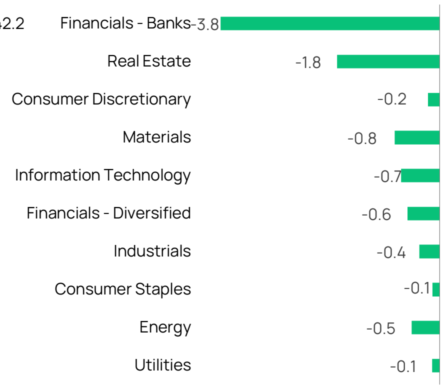
Top Ten Holdings (55.9% of AUM)

Company	Ticker	Sector	VEIL (%)	VNI (%)	CH (%)
Mobile World	MWG	Consumer Discretionary	8.1	1.8	0.0
Asia Com. Bank	ACB	Financials (Banks)	6.2	2.1	-8.8
Techcombank	TCB	Financials (Banks)	6.0	3.6	-6.1
Vietcombank	VCB	Financials (Banks)	5.7	9.4	-13.0
VP Bank	VPB	Financials (Banks)	5.4	2.6	-15.4
FPT Corporation	FPT	Information Technology	5.2	3.1	-13.2
BIDV	BID	Financials (Banks)	5.1	4.7	-13.1
Hoa Phat Group	HPG	Materials	5.0	3.2	-7.6
Vietinbank	CTG	Financials (Banks)	4.9	3.9	-11.5
Vinhomes	VHM	Real Estate	4.4	4.7	12.2

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	14.5
Average Lending Rate	%	8.6	8.5	13.7	8.7	8.4	8.4
5-yr VGB	%	1.1	0.9	4.7	1.6	1.4	1.9
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	18.8
Current Account	$bn	15.1	-7.8	-1.5	17.4	20.7	14.6
Current Account / GDP	%	4.3	-2.1	-0.4	4.0	4.4	2.8
FDI Registered	$bn	28.5	38.5	27.7	36.6	35.0	31.0
FDI Disbursement	$bn	20.0	19.8	22.4	23.2	25.4	23.1
FX Reserves	$bn	98.0	106.5	85.0	89.0	80.0	75.0
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	
	30-Apr-24	30-Apr-25	30-Apr-24	30-Apr-25	30-Apr-24	30-Apr-25	30-Apr-24	30-Apr-25
Market cap ($m)	194,324	197,100	12,159	13,356	49,706	52,581	256,189	263,037
Number of stocks	398	391	322	310	871	889	1,591	1,590
Number of large cap stocks (> $400m)	72	74	9	11	16	15	97	100
Stocks with no room for foreigners	67	62	95	97	254	278	416	437
Market cap of stocks with no room ($m)	30,295	16,770	1,781	2,924	18,047	20,164	50,123	39,858
Share of Market Cap with No Room (%)	15.6	8.5	14.6	21.9	36.3	38.3	19.6	15.2

Top 25 Companies by Market Cap

No	Company	30-Apr 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	57,300	-6.1	18,422	9.30	15.6	17.3	15.6	2.7	2.6	2.1	-	-	-
2	Vingroup	68,000	67.7	10,004	5.10	79.1	13.0	22.1	1.5	1.1	1.7	-	0.4	-
3	BIDV	34,550	-8.0	9,334	4.70	15.2	13.5	11.7	2.1	1.9	1.5	0.1	-	-
4	Vinhomes	58,400	46.0	9,229	4.70	5.6	5.2	5.8	1.0	0.8	1.0	-	0.4	-
5	Airports Corporation VN	94,100	-25.3	7,882	-	22.1	29.1	20.0	2.9	4.6	2.8	-	-	-
6	Vietinbank	37,200	-1.6	7,686	3.90	8.5	8.9	7.5	1.2	1.4	1.2	-	-	-
7	Techcombank	26,300	6.7	7,149	3.60	6.2	8.4	7.9	0.8	1.2	1.1	-	3.0	2.6
8	Hoa Phat Group	25,500	-4.3	6,276	3.20	24.3	14.2	10.3	1.6	1.5	1.3	-	-	2.0
9	FPT	109,400	-28.3	6,192	3.10	20.4	31.3	18.8	4.8	7.5	4.5	2.4	1.5	2.4
10	MB Bank	23,550	7.9	5,529	2.80	4.7	6.1	6.0	1.0	1.2	1.1	2.3	2.1	-
11	PV Gas	58,300	-14.4	5,255	2.70	14.2	15.7	12.9	2.5	2.6	2.2	4.1	8.7	6.0
12	VP Bank	16,550	-13.8	5,052	2.60	14.5	9.7	7.1	1.1	1.1	0.8	5.2	5.2	4.2
13	Masan Consumer	119,600	-33.3	4,839	-	7.6	23.7	15.1	2.1	17.3	7.2	0.4	12.4	3.8
14	Vinamilk	57,600	-9.1	4,632	2.30	16.9	15.8	15.2	4.2	4.1	3.9	5.8	6.2	7.6
15	Asia Commercial Bank	24,050	-6.8	4,133	2.10	5.7	7.0	6.0	1.3	1.4	1.1	3.6	3.4	1.7
16	LienViet Post Bank	32,550	4.2	3,741	1.90	7.2	9.6	8.8	1.2	2.2	1.8	-	-	-
17	Mobile World	60,800	-0.3	3,460	1.80	370.4	24.0	16.8	2.7	3.2	2.8	1.2	0.8	1.7
18	Masan Group	62,500	-10.7	3,459	1.80	229.0	50.4	24.9	3.6	3.3	2.8	0.3	1.7	0.3
19	HD Bank	21,450	-15.9	2,885	1.50	5.6	7.0	5.1	1.3	1.6	1.1	4.3	3.3	-
20	Sacombank	39,100	6.0	2,836	1.40	6.8	6.9	6.5	1.2	1.3	1.1	-	-	-
21	Vietnam Airlines	31,600	10.3	2,692	1.40	neg	8.4	11.4	neg	neg	15.9	1.1	0.4	-
22	Sabeco	48,100	-13.3	2,374	1.20	18.3	16.8	14.3	3.0	3.1	2.9	4.2	6.5	10.4
23	Becamex IDC	55,000	-22.4	2,190	1.10	26.5	33.6	26.2	3.5	3.7	3.3	1.3	1.4	-
24	Vincom Retail	23,650	37.9	2,068	1.00	12.0	9.5	11.9	1.4	0.9	1.2	-	-	-
25	VEAM Corp	38,900	-2.3	1,989	-	6.6	7.2	6.7	1.6	2.0	1.9	12.3	12.9	12.0

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)

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

DISCLAIMER

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.