

## MARKET REVIEW

**Support during Mar near 1200, then breakthrough in early Apr**

**Good sentiment, though foreign selling and trading system offset**

**Foreign flows may now start to improve**

**Trading system will get temporary fixes and a new model may come by 4Q**

**If foreign selling and trading problems moderate, upside is waiting to happen**

The market spent most of Mar consolidating in a range of 1160-1200, held back by foreign selling and the overloaded trading system. Nonetheless the Index ended the month up by a respectable +1.8% at 1191. And it seemed to be building possible forward momentum as foreign selling began to decelerate. In early Apr, the VNI finally broke through the 1200 barrier in a way that appeared to be convincing.

Volumes were healthy, up 11% at \$676m on HOSE (and \$839m across the exchanges). Local sentiment was bullish and shrugged off global headlines on rising bond yields and prospective higher inflation. Foreign selling was fully absorbed by domestic investors, in the usual way, even as it hit a monthly record of \$491m. And trading-system freezes may be something that people are getting used to, since they now happen punctually in the early afternoon, every day, as soon as orders hit \$600-650m. But the combined pressures have made it difficult to move past 1200.

Foreign flows seem likely to improve. The exodus has come mostly from Koreans who have now recovered their losses from 1Q18 and are rotating into other markets. The record exit volumes in Mar could prove to be a selling climax: in the final eight days, net flight was clearly waning. Yet it has almost eliminated FOL premiums. Meanwhile there has been a big move into the Diamond ETF, now sitting at \$425m after receiving \$37m in Mar and \$147m ytd. And from early Apr, Fubon's new ETF for Taiwanese investors will start plowing an initial \$350m into stocks.

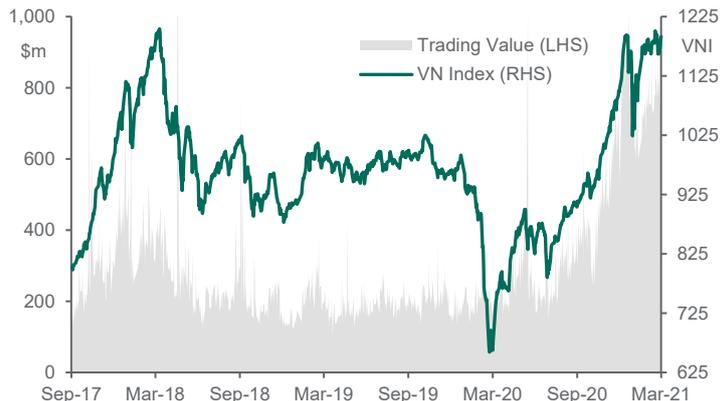
Trading-system problems have persisted. Partial fixes are being proposed, such as bigger lot sizes for stocks under VND 30,000. FPT, the country's top IT company, has been called in for technical upgrades and these could bring some relief in the next month or two. But ultimately what's needed is for the new system from Korea to start operating. Installation is proceeding and it is hoped that the new model can be in place by 4Q.

The positive case is that foreign outflows keep decelerating, and patches are applied to the old trading system while the new one is awaited. If so – and assuming global markets hold up – locals have good reason to be bullish. 1Q21 results are expected to be strong as banks and property stocks keep motoring, while re-opening plays come into their own. AGMs will offer upbeat guidance, as well as investor benefits like stock dividends. Brokers are about to make rights issues that will expand capital for margin lending, which has maxed out at the statutory 2x book. Exciting deals impend in heavyweight names such as NovaLand, VP Bank and VinGroup. And the market continues to feature its exceptional growth/value proposition vs peers.

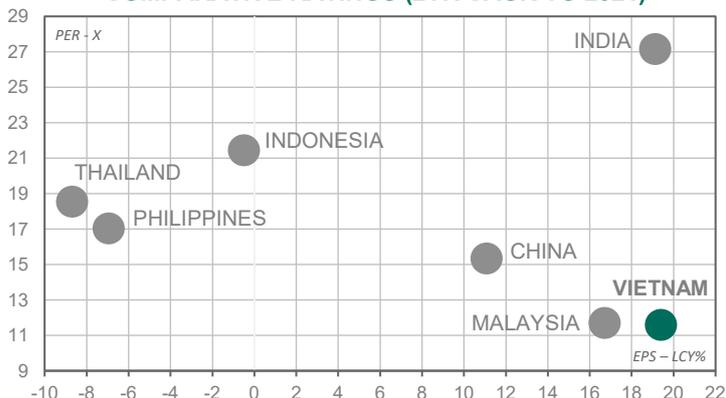
### DC TOP-60 FORECASTS

| 31-Mar-21 | Unit | 2018 | 2019 | 2020F | 2021F |
|-----------|------|------|------|-------|-------|
| PER       | x    | 12.8 | 11.9 | 14.1  | 11.8  |
| EPS Gro   | %    | 24.3 | 11.7 | 5.5   | 35.1  |
| PEG       | x    | 0.5  | 1.0  | 2.6   | 0.3   |
| Sales Gro | %    | 15.0 | 10.0 | 2.2   | 30.8  |
| EBIT Gro  | %    | 19.7 | 15.1 | 2.8   | 41.8  |
| PBT Gro   | %    | 29.5 | 13.2 | 6.2   | 30.4  |
| NPAT Gro  | %    | 25.8 | 12.9 | 5.9   | 35.4  |
| Net DER   | x    | 0.4  | 0.3  | 0.3   | 0.2   |
| Yield     | %    | 2.3  | 1.7  | 1.4   | 1.2   |

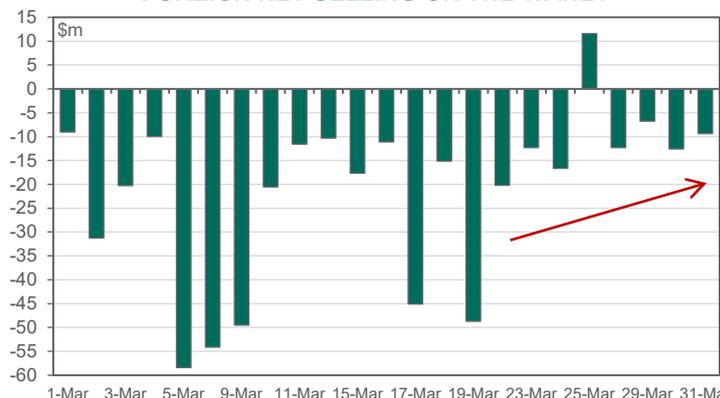
### MARKET PERFORMANCE



### COMPARATIVE RATINGS (2YR CAGR TO 2021)



### FOREIGN NET SELLING ON THE WANE?





## ECONOMY REVIEW

**1Q21 GDP of +4.5% points to fulfillment of DC's 2021 forecast of +7%**

**While domestic economy revives, international trade takes up the slack**

**Inflation not a near-term problem for Vietnam**

**Vietnam's financial strength shown by VND stability, rating-agency upgrades**

Vietnam posted 1Q21 GDP growth of 4.5% yoy, which is well on track to achieve our forecasted +7%. The surge was led by manufacturing, +9.5%, in line with a PMI report of 53.6 for Mar. Services and agri-fisheries lagged at a respective +3.3% and +3.2%, but they would not be expected to pick up as quickly. That awaits a broader recovery of the domestic economy, although a retail sales gain of 4.4% yoy for 1Q showed that is progressing nicely. A key factor in reigniting the domestic economy will be the resumption of international flights. These launched on 1 Apr, albeit cautiously: within Asia only, with inbound routes for Vietnamese citizens or foreign experts only, and with strict 14-day quarantines. But it is a welcome start.

Meanwhile, international trade continues to do the heavy lifting. Total trade rose 22% to an annualized 2x GDP in 1Q21, a new high. Imports outpaced exports, at a respective 28% and 19%, and the trade surplus plunged 65% to \$2.0bn. But this reflected an urgent need to restock inventories of raw materials and semi-finished goods after the hectic activity of 2020 (and to do some shopping in the US). Meanwhile, pledged FDI rose 18.3% to \$10bn, showing that Vietnam remains entrenched as one of the preferred destinations for supply-chain shifts.

Although anxieties over resurgent global inflation continue, we believe this is not an immediate concern for Vietnam. Its 1Q inflation was the lowest in 20 years at +0.29%. Prices may jump in 2Q, but this will be on low-base effects, as transport and logistics costs rebound. And they will be offset by declining food costs. Domestic pork prices, which spiked in 2020 on swine flu, have a pervasive effect throughout the CPI and are now starting to fall on imports and herd re-builds. Our 2021 inflation forecast is still 3.5%, allowing accommodative policy throughout the year.

Vietnam has a strong fiscal position. It can fund its planned five-year \$120bn infrastructure program without recourse to the printing presses or extravagant borrowing. So it has matter-of-factly proposed a second bail-out package, worth \$5bn or 1.5% of GDP, for immediate support of businesses and individuals hit by COVID-19. Reflective of Vietnam's robust financial status was the movement of the VND against the USD in Mar. Namely, none – as other currencies plunged. And it stands to reason. Vietnam's budget deficit has narrowed to 4.7% in 2020 from 7.5% in 2012. Short-term debt over FX reserves fell to 120% from 200% in the same period. And Moodys and Fitch have just confirmed the country's exemplary financial profile by raising its sovereign outlook to "Positive".

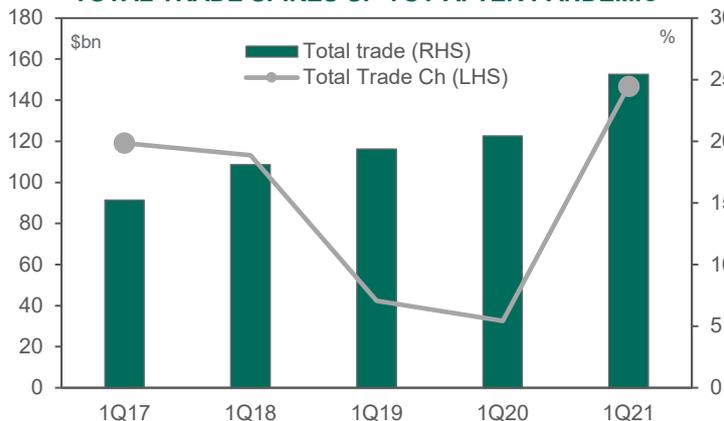
### ECONOMIC FORECASTS

|                     | unit | 2018   | 2019   | 2020   | 2021F  |
|---------------------|------|--------|--------|--------|--------|
| Real GDP Growth     | %    | 7.1    | 7.0    | 2.9    | 7.0    |
| Nominal GDP         | \$bn | 313.3  | 335.2  | 344.3  | 368.4  |
| CPI                 | %    | 3.0    | 5.2    | 3.2    | 3.5    |
| Export Growth (cif) | %    | 13.8   | 9.1    | 6.5    | 6.3    |
| Import Growth (cif) | %    | 11.5   | 7.7    | 3.7    | 7.8    |
| Trade Balance (cif) | \$bn | 6.8    | 9.4    | 19.8   | 17.1   |
| FX Reserves         | \$bn | 61.0   | 80.0   | 98.0   | 108.0  |
| FDI Disbursed       | \$bn | 19.1   | 20.4   | 20.0   | 21.1   |
| VND:\$ (interbank)  | 1    | 23,235 | 23,150 | 23,085 | 22,655 |

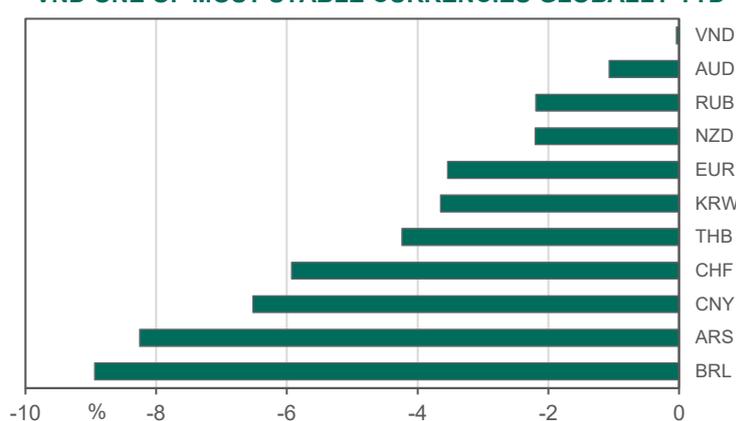
### 1Q21 GDP GROWTH NEARS 10YR HISTORICAL AVERAGE



### TOTAL TRADE SPIKES UP YOY AFTER PANDEMIC



### VND ONE OF MOST STABLE CURRENCIES GLOBALLY YTD





## VIETNAM EQUITY (UCITS) FUND – VEF

The VN Index approached its historic high of 1200 in Mar but was unable to break through that strong psychological barrier. Still, VEF managed to gain 0.9% while the FTSE VN Index fell by 0.2%. For 1Q21, the Fund added 9.6%, outperforming the FTSE VN Index by 352 bps. Contributing the most to the Fund's performance in Mar and 1Q were the banking and brokerage sectors, followed by the steel sector, with Hoa Phat Group (HPG) being the largest contributor.

The strong rise of the banking sector so far this year has mostly been driven by the high earnings growth outlook for 1Q21. Furthermore, in the upcoming AGM season, many banks are expected to announce dividend increases, which appeal to retail investors. Vietinbank (CTG) rose 7.5% in Mar on impressive preliminary 1Q results. During its recent analyst meeting, the bank's chairman confidently estimated 1Q PBT at VND 7,500bn (+152% yoy), which is well above market consensus. The strong earnings growth was thanks to a better NIM and no longer needing to make provisions for the VAMC bond. And Vietnam Prosperity Bank (VPB) maintained its strong momentum, rising 11.3% in Mar. The bank is still processing the sale of its major stake in its subsidiary FE Credit, which is the key catalyst for its share price in 2021.

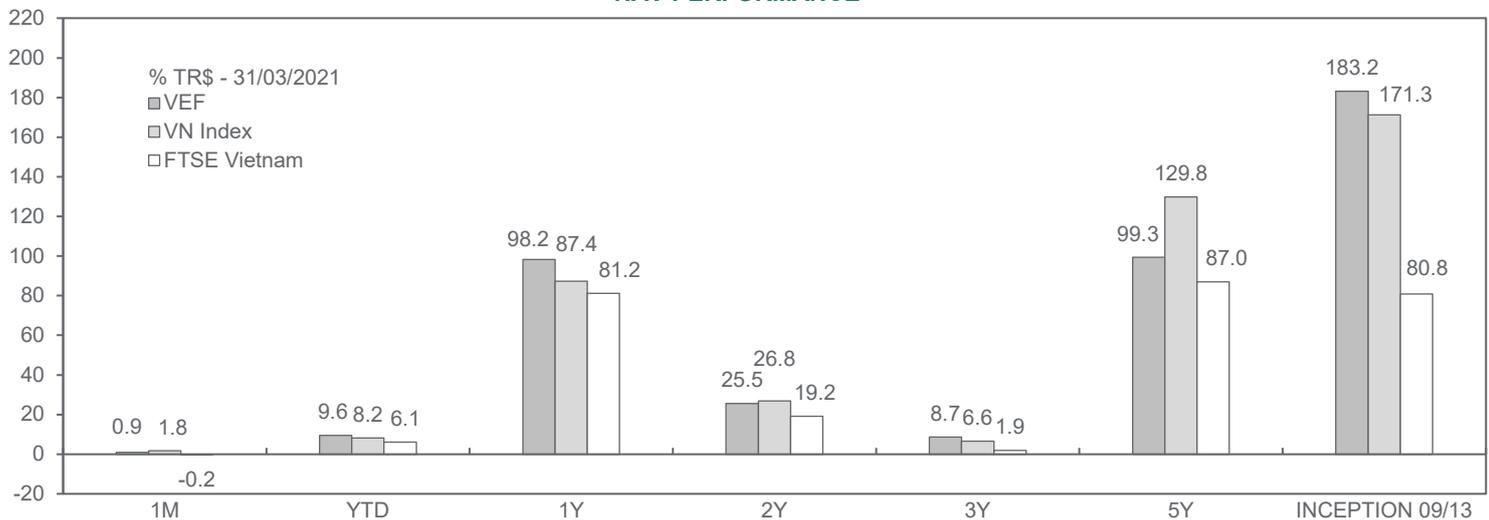
Viet Capital Securities (VCI) shot up by 18.5% on brighter prospects for the brokerage sector given significantly higher trading volumes and the potential resumption of M&A, IPO, and capital raising deals. VCI posted 2020 PBT up 11%, a mediocre increase during the COVID-plagued year as the pandemic delayed most mega IB deals. However, looking forward to 2021, we are optimistic about the company's backlog and the likelihood that it will complete some important transactions.

HPG rose 2.4% in Mar and is up 13.0% ytd. After a relatively quiet first two months of the year, demand for steel products picked up strongly in Mar. The leading steel maker recently announced solid sales volume growth throughout their product portfolio, especially in hot rolled coil (HRC) (+75% yoy) and construction steel (+17% yoy). Furthermore, the recent dynamics of input coke/coal prices and output steel prices indicate a very strong 1Q21. We expect growth momentum to remain strong for the rest of 2021, underpinned by continuing strong construction steel volume and a larger contribution by HRC, which is now in a favorable upswing in selling price.

### PRICE AND NAV DATA

| NAV/Share | NAV Change (%) |     | Net Assets |                     | Std. Dev. | Sharpe Ratio |
|-----------|----------------|-----|------------|---------------------|-----------|--------------|
|           | Monthly        | YTD | Total      | Net Cash (% of NAV) |           |              |
| \$28.32   | 0.87           | 9.6 | \$152.2m   | 5.4                 | 27.59     | 0.05         |

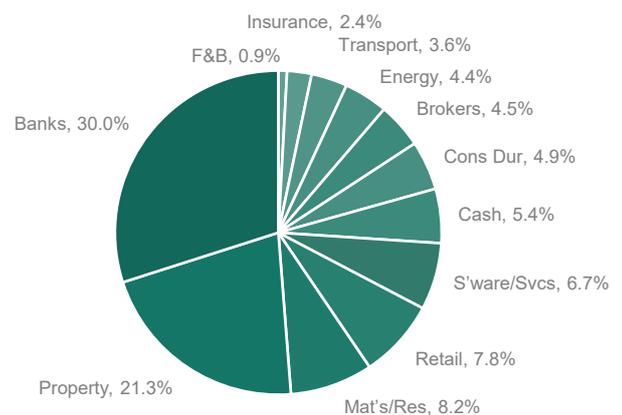
### NAV PERFORMANCE



### TOP 10 HOLDINGS (59.4% of NAV)

| COMPANY              | SECTOR      | FTSE % | NAV % | CH % |
|----------------------|-------------|--------|-------|------|
| 1 Hoa Phat Group     | Mat's/Res   | 13.19  | 8.20  | 2.4  |
| 2 Mobile World       | Retail      | -      | 7.84  | -4.2 |
| 3 Asia Comm'l Bank   | Banks       | -      | 7.42  | 0.5  |
| 4 MB Bank            | Banks       | -      | 7.20  | 1.6  |
| 5 FPT Corp           | S'ware/Svcs | -      | 6.68  | 1.7  |
| 6 Vingroup           | Property    | 15.23  | 4.77  | 7.9  |
| 7 VN Prosperity Bank | Banks       | -      | 4.74  | 11.3 |
| 8 Vietcombank        | Banks       | 4.82   | 4.51  | -3.7 |
| 9 Vietinbank         | Banks       | -      | 4.23  | 7.5  |
| 10 Phu Nhuan Jewelry | Cons Dur    | -      | 3.85  | 0.2  |

### SECTOR BREAKDOWN





## APPENDIX 1: MACRO

### Key Indicators

| Item                           | Unit | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021F  |
|--------------------------------|------|--------|--------|--------|--------|--------|--------|--------|--------|
| GDP                            |      |        |        |        |        |        |        |        |        |
| GDP                            | \$bn | 241.7  | 257.9  | 273.9  | 292.5  | 313.3  | 335.2  | 344.3  | 368.4  |
| Real GDP Growth                | %    | 6.0    | 6.7    | 6.2    | 6.8    | 7.1    | 7.0    | 2.9    | 7.0    |
| Services Growth                | %    | 6.2    | 6.3    | 7.0    | 7.4    | 7.0    | 7.3    | 2.5    | 7.8    |
| Agriculture Growth             | %    | 3.4    | 2.4    | 1.4    | 2.9    | 3.8    | 2.0    | 2.8    | 2.9    |
| Ind'l and Const'n Growth       | %    | 6.4    | 9.6    | 7.6    | 8.0    | 8.9    | 8.9    | 3.3    | 10.5   |
| Retail Sales Growth            | %    | 10.6   | 9.5    | 10.2   | 10.9   | 11.7   | 11.8   | 0.8    | 12.5   |
| Prices                         |      |        |        |        |        |        |        |        |        |
| CPI (year-end)                 | %    | 1.8    | 0.9    | 4.7    | 2.6    | 3.0    | 5.2    | 3.2    | 3.5    |
| Money, FX & Interest Rates     |      |        |        |        |        |        |        |        |        |
| Money Supply M2                | %    | 16.0   | 18.0   | 18.0   | 18.0   | 11.3   | 13.1   | 13.2   | 12     |
| Average Lending Rate           | %    | 9.7    | 8.6    | 9.0    | 9.3    | 9.5    | 9.7    | 8.6    | 9.0    |
| 5-yr VGB                       | %    | 5.2    | 6.6    | 5.5    | 4.3    | 4.5    | 1.9    | 1.1    | 1.3    |
| VND : \$                       | \$1  | 21,390 | 22,540 | 22,750 | 22,750 | 23,235 | 23,150 | 23,085 | 22,655 |
| External Sector                |      |        |        |        |        |        |        |        |        |
| Trade Balance                  | \$bn | 1.9    | -3.5   | 1.8    | 2.9    | 6.8    | 9.4    | 19.8   | 17.1   |
| Current Account                | \$bn | 6.0    | 3.0    | 3.8    | 6.0    | 9.4    | 7.1    | 9.9    | 9.0    |
| Current Account / GDP          | %    | 2.5    | 1.2    | 1.4    | 2.1    | 3.0    | 2.1    | 2.9    | 2.4    |
| FDI Registered                 | \$bn | 20.3   | 22.8   | 24.3   | 35.9   | 35.5   | 36.0   | 28.5   | 34.2   |
| FDI Disbursement               | \$bn | 12.5   | 14.5   | 15.8   | 17.5   | 19.1   | 20.4   | 20.0   | 21.1   |
| FX Reserves                    | \$bn | 34.2   | 31     | 41.1   | 52.0   | 61.0   | 80.0   | 98.0   | 108.0  |
| Public Debt & Fiscal Balance   |      |        |        |        |        |        |        |        |        |
| External Debt                  | \$bn | 70.5   | 78.1   | 88.5   | 107.6  | 111.5  | 110.0  | 112.0  | 113.5  |
| <i>Government</i>              | \$bn | 38.1   | 39.6   | 42.9   | 46.3   | 47.7   | 49.1   | 51.5   | 53.5   |
| <i>Enterprises (incl. FDI)</i> | \$bn | 32.4   | 38.5   | 45.6   | 61.3   | 63.8   | 60.9   | 60.5   | 60.0   |
| External Debt (% GDP)          | %    | 29.2   | 30.3   | 32.3   | 36.8   | 35.6   | 32.8   | 32.5   | 30.8   |
| Fiscal Balance (% GDP)         | %    | -3.6   | -3.3   | -3.0   | -2.6   | -2.9   | -2.6   | -3.9   | -4.0   |



## APPENDIX 2: MARKET

### Key Stock Market Data

|   | HSX       |           | HNX       |           | UPCoM     |           | Total     |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|   | 31-Mar-20 | 31-Mar-21 | 31-Mar-20 | 31-Mar-21 | 31-Mar-20 | 31-Mar-21 | 31-Mar-20 | 31-Mar-21 |
| Market Cap (\$m)                        | 97,645    | 193,730   | 7,568     | 14,697    | 28,721    | 47,262    | 133,934   | 255,689   |
| Number of Stocks                        | 381       | 397       | 367       | 356       | 886       | 907       | 1,634     | 1,660     |
| Number of Large Cap Stocks (> \$400m)   | 32        | 61        | 3         | 6         | 14        | 18        | 49        | 85        |
| Stocks with No Room for Foreigners      | 18        | 15        | 7         | 2         | 32        | 1         | 57        | 18        |
| Market Cap of Stocks with No Room (\$m) | 10,301    | 25,670    | 1,265     | 32        | 1,135     | 361       | 12,702    | 26,064    |
| Share of Market Cap with No Room (%)    | 10.5      | 13.3      | 16.7      | 0.2       | 4.0       | 0.8       | 9.5       | 10.2      |

### Top 25 Companies

| No | Company                 | 31-Mar Price (VND) | Price YTD (%) | Mkt Cap (\$m) | Wt in VNI (%) | PER      |          |           | PBV      |          |           | Yield    |          |           |
|----|-------------------------|--------------------|---------------|---------------|---------------|----------|----------|-----------|----------|----------|-----------|----------|----------|-----------|
|    |                         |                    |               |               |               | 2019 (x) | 2020 (x) | 2021F (x) | 2019 (x) | 2020 (x) | 2021F (x) | 2019 (%) | 2020 (%) | 2021F (%) |
| 1  | Vingroup                | 117,900            | 9.0           | 17,282        | 8.91          | 51.3     | 71.4     | 68.3      | 5.1      | 4.6      | 4.7       | 0.6      | -        | -         |
| 2  | Vietcombank             | 94,800             | -3.2          | 15,237        | 7.85          | 20.7     | 22.6     | 16.8      | 4.1      | 3.7      | 2.9       | 0.7      | 0.8      | -         |
| 3  | Vinhomes                | 97,300             | 8.7           | 13,870        | 7.28          | 12.8     | 10.6     | 10.4      | 5.0      | 3.4      | 2.6       | 1.3      | 0.1      | -         |
| 4  | Vinamilk                | 98,400             | -8.7          | 8,912         | 4.59          | 20.5     | 22.5     | 20.0      | 7.1      | 7.2      | 6.4       | 4.0      | 3.5      | 4.0       |
| 5  | BIDV                    | 42,950             | -10.3         | 7,486         | 3.86          | 17.6     | 22.1     | 13.3      | 2.4      | 2.4      | 2.0       | 2.7      | 1.4      | -         |
| 6  | PV Gas                  | 89,700             | 3.6           | 7,440         | 3.83          | 14.7     | 21.6     | 18.3      | 3.5      | 3.4      | 3.3       | 4.8      | 4.1      | 3.9       |
| 7  | Airports Corporation VN | 73,800             | -8.9          | 6,962         | -             | 22.2     | 113.6    | 58.8      | 4.4      | 4.7      | 3.9       | 1.2      | -        | -         |
| 8  | Hoa Phat Group          | 46,800             | 12.9          | 6,720         | 3.46          | 8.9      | 10.2     | 6.2       | 1.3      | 2.3      | 1.9       | 0.0      | 1.0      | 2.2       |
| 9  | Vietinbank              | 40,150             | 16.2          | 6,478         | 3.34          | 10.1     | 11.5     | 10.8      | 1.0      | 1.5      | 1.4       | 0.0      | 1.5      | -         |
| 10 | Techcombank             | 40,400             | 28.3          | 6,136         | 3.16          | 7.9      | 8.7      | 8.5       | 1.3      | 1.5      | 1.6       | -        | 0.1      | -         |
| 11 | Sabeco                  | 180,000            | -6.9          | 5,002         | 2.58          | 29.5     | 28.0     | 20.4      | 7.5      | 6.2      | 5.6       | 0.8      | 3.0      | 3.4       |
| 12 | VP Bank                 | 44,650             | 37.4          | 4,750         | 2.45          | 5.9      | 7.7      | 8.5       | 1.2      | 1.5      | 1.7       | -        | -        | -         |
| 13 | Masan Group             | 92,500             | 4.0           | 4,709         | 2.43          | 11.7     | 84.6     | 53.3      | 1.5      | 6.6      | 6.0       | 0.6      | 1.3      | -         |
| 14 | Novaland                | 80,500             | 23.4          | 3,728         | 1.77          | 16.5     | 16.6     | 13.3      | 2.5      | 2.5      | 2.7       | 0.0      | 0.1      | -         |
| 15 | Military Bank           | 28,150             | 22.4          | 3,414         | 1.76          | 5.9      | 7.4      | 6.6       | 1.2      | 1.3      | 1.3       | 2.7      | -        | -         |
| 16 | Vincom Retail           | 32,700             | 4.1           | 3,220         | 1.70          | 27.1     | 30.0     | 23.6      | 2.9      | 2.4      | 2.4       | 3.2      | -        | 1.5       |
| 17 | ACB                     | 33,300             | 18.5          | 3,119         | 1.61          | 6.6      | 7.9      | 7.3       | 1.4      | 1.7      | 1.6       | -        | -        | -         |
| 18 | Petrolimex              | 55,100             | 0.9           | 2,970         | 1.59          | 15.0     | 68.9     | 18.0      | 2.7      | 3.1      | 2.8       | 5.4      | 3.6      | 5.3       |
| 19 | Vietjet Air             | 129,700            | 3.8           | 2,944         | 1.57          | 20.1     | 935.7    | 59.7      | 5.1      | 4.4      | 4.1       | 0.7      | -        | -         |
| 20 | FPT                     | 77,700             | 31.5          | 2,640         | 1.36          | 13.5     | 14.6     | 15.7      | 2.7      | 2.9      | 3.5       | 3.9      | 4.1      | 3.6       |
| 21 | Mobile World            | 129,700            | 9.1           | 2,620         | 1.35          | 13.0     | 13.7     | 12.6      | 4.1      | 3.5      | 3.1       | 1.3      | 1.3      | 1.2       |
| 22 | VEAM Corp               | 44,100             | -11.5         | 2,539         | -             | 7.4      | 11.8     | 8.6       | 2.0      | 2.6      | 2.4       | 0.0      | 17.1     | -         |
| 23 | Binh Son Refining       | 17,700             | 78.8          | 2,378         | -             | 9.6      | neg      | 9.3       | 0.7      | 1.0      | 1.6       | 2.0      | 0.0      | 0.6       |
| 24 | VIB                     | 48,400             | 49.4          | 2,327         | 1.20          | 4.9      | 7.7      | 8.7       | 1.2      | 2.0      | 2.2       | 2.7      | -        | -         |
| 25 | Vietnam Airlines        | 32,650             | 15.4          | 2,007         | 1.03          | 25.3     | neg      | neg       | 2.6      | 6.3      | 24.7      | 3.6      | 1.0      | -         |

# VIETNAM MONTHLY REPORT

31 March 2021

DRAGON CAPITAL



| Fund   | Bloomberg  | ISIN         | SEDOL   | CUSIP     | Listed               |
|--------|------------|--------------|---------|-----------|----------------------|
| VEIL   | VEIL LN    | KYG9361H1092 | BD9X204 | G9361H109 | London (Main Market) |
| VEF-A  | VIETNAM ID | IE00BD5HPH84 | n/a     | n/a       | n/a                  |
| VEF-B  | VIETEUR ID | IE00BV8WVB25 | n/a     | n/a       | n/a                  |
| VDeF-B | VNDEBTB    | KYG936151136 | B3K9234 | G93615113 | Ireland              |

| Price Providers         | Funds | Bloomberg | Reuters | Contact   |
|-------------------------|-------|-----------|---------|---|
| Jefferies International | VEIL  | JCEF      | n/a     | Michele White / Trevor Hunt<br>+44 207 898 7127<br><a href="mailto:invcos@jefferies.com">invcos@jefferies.com</a> |
| SEI Investments         | VEF   | -         | -       | Transfer Agency Department<br><a href="mailto:TADublin@seic.com">TADublin@seic.com</a>                            |

| Operational VEIL              |   |
|-------------------------------|---|
| Trading                       | Shares trade as depositary interests on the London Stock Exchange |
| Clearing                      | CREST Participant ID 393 (UK Equity)                              |
| Settlement                    | BIC Code: JEFFGB2X  |
| Legal Entity Identifier (LEI) | 213800SYT3T4AGEVW864  |

| VEF  |       |
|--|-------|
| Subscription & Withdrawals   | Daily |
| The Fund has appointed <b>SEI Investments – Global Fund Services Limited</b> as its fund administrator and transfer agent, and <b>SEI Investments – Depositary and Custodial Services (Ireland) Limited</b> as its depository. A range of third-party fund platforms also include VEF in their product offerings, including Clearstream ( <a href="http://www.clearstream.com">www.clearstream.com</a> ), Fundsettle ( <a href="http://www.euroclear.com">www.euroclear.com</a> ), Banco Inversis ( <a href="http://www.inversis.com">www.inversis.com</a> ), IFSAM ( <a href="http://www.ifsam.lu">www.ifsam.lu</a> ), Pareto Securities ( <a href="http://www.paretosec.com">www.paretosec.com</a> ), Attrax ( <a href="http://www.attrax.lu">www.attrax.lu</a> ), MFEX ( <a href="http://www.mfex.com">www.mfex.com</a> ), and Allfunds ( <a href="http://www.allfunds.com">www.allfunds.com</a> ). |       |

| VDeF                       |  |
|----------------------------|--|
| Subscription & Withdrawals | Monthly  |
| Contact:                   | <a href="mailto:info@dragoncapital.com">info@dragoncapital.com</a> |

## DISCLAIMER

This is an advertising document. It has been prepared by Dragon Capital Markets Limited ("Dragon Capital") on behalf of: Dragon Capital Management (HK) Limited; Dragon Capital Management (HK) Limited (for VEF and VDeF), for the information of their respective shareholders and other eligible recipients.

This document contains a review of the investment case for Vietnam and is neither a prospectus nor an offer or a solicitation to sell or buy or subscribe for securities, investment products or other financial instruments, nor does this document contain any advice or recommendation with respect to such securities, investment products or other financial instruments.

You are advised to exercise caution in relation to this document. Past performance is no guarantee of future performance, and the value of shares in the funds (and any income derived therefrom) may go down as well as up. The NAV of the funds are calculated by reference to the closing price of the relevant shares on the Vietnamese stock exchanges. Funds domiciled outside of Vietnam are subject to certain foreign ownership limits, therefore the price at which the funds can trade shares may be different from the price at which shares are traded locally. If you have any doubt about any information contained in this document, then you should obtain independent professional advice.

All information in this document remains subject to revision and amendment at any time. Dragon Capital makes no representation or warranty as to the accuracy, completeness or context of the document, and expressly disclaims all liability whatsoever arising from reliance upon this document or any part of it.

All rights reserved. The information contained in this document may be confidential and 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 all securities laws and regulations which apply to them.

**Information specific to 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 a member of the client group if you require the full analysis from KPMG.

**Representative and Paying Agent in Switzerland:** The representative for VEF in Switzerland is Waystone Fund Services (Switzerland) SA, Av. Villamont 17, 1005 Lausanne, Switzerland, and the paying agent is Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich, Switzerland. The VEF prospectus, the key investor information documents (KIIDs), the articles of incorporation as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.

UCITS HAVE NO GUARANTEED RETURN AND PAST PERFORMANCE DOES NOT GUARANTEE FUTURE PERFORMANCE.