

Key Information Document

ISIN: KYG9361H1092

DRAGON CAPITAL



PURPOSE

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

PRODUCT

Product: Vietnam Enterprise Investments Limited (“VEIL” or the “Company”) – Ordinary Shares

PRIP Manufacturer: Dragon Capital Management (HK) Limited

ISIN: KYG9361H1092

Investment Manager: Dragon Capital Management (HK) Limited (<http://www.veil-dragoncapital.com>) can be contacted at +852 3979 8100 or by emailing enquiriesdcmhk@dragoncapital.com

Regulatory Authority of Investment Manager: Securities and Futures Commission (Hong Kong)

Date of Production: 1 May 2024

You are about to purchase a product which is not simple and may be difficult to understand.

WHAT IS THIS PRODUCT?

Type: This product is the ordinary shares in Vietnam Enterprise Investments Limited, a closed-ended investment company incorporated in the Cayman Islands (the “Company”). The Company’s investment manager is Dragon Capital Management (HK) Limited. The ordinary shares are traded in Sterling on the Main Market of the London Stock Exchange. The Company has an unlimited life and there is no maturity date for the ordinary shares with a recommended holding period of five years. The Company may, but is under no obligation to, repurchase ordinary shares and investors should expect that the primary means of disposing of ordinary shares will be by sales on the secondary market. The price at which an investor may dispose of ordinary shares will depend on the prevailing secondary market price, which may, or may not, reflect the prevailing net asset value per ordinary share. Typically, at any given time on any given day, the price at which an ordinary share can be bought will be higher than the price at which an ordinary share can be sold.

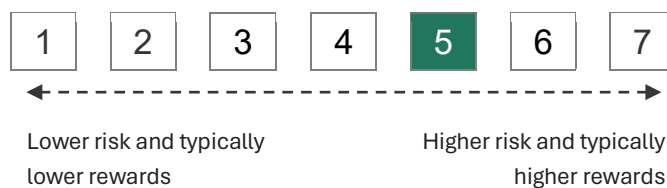
Objectives: The Company’s investment objective is to achieve medium to long-term capital appreciation of its assets. The Company seeks to achieve its investment objective by investing in companies primarily operating in, or with significant exposure to, Vietnam. The majority of the investments comprising the portfolio at any given time are equity securities admitted to trading on the Stock Trading Center of Vietnam in Ho Chi Minh City. The Company may nonetheless invest in equity securities listed on the Hanoi Stock Exchange, or on another stock exchange; or in unlisted equity securities; or listed or unlisted debt securities or loan instruments. The companies in which the Company will invest may have any market capitalisation and may operate in any industry. In respect of the debt securities in which the Company may invest, these may be fixed or floating rate and may have any credit rating or may be unrated. The Company may seek exposure to securities directly or indirectly and the Company may borrow or use derivatives for investment purposes and efficient portfolio management. The Company may invest in investment companies that have, as their main objective, a focus on investing in securities falling within the Company’s investment policy. Investments in other investment companies will not exceed 10% of net asset value at the time of investment. Borrowing may not exceed 20% of the NAV at the time of borrowing.

Intended retail investor: The typical investors for whom the ordinary shares are intended are institutional investors, professional investors and professionally advised private investors. The ordinary shares may also be suitable for non-advised private investors who are capable themselves of evaluating the merits and risks of an investment and who have sufficient resources both to invest in potentially illiquid securities and to be able to bear any losses that may result from the investment. Such investors may wish to consult an independent financial adviser prior to investing.

Maturity Date: The Company does not have a fixed life.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

Risk Indicator



The risk indicator assumes you keep the Product for 5 years. The actual risk can vary significantly if you sell at an early stage and you may get back less. Be aware of currency risk and the performance differences between Vietnamese Dong, US Dollars and UK Sterling, so the final return you get will depend on the exchange rate between these currencies. This risk is not considered in the indicator shown above.

The summary risk indicator is a guide to the level of risk of the Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the market or because we are not able to pay you. We have classified this Product as 5 out of 7, which is the medium-high risk class. This rates the potential losses from future performance at a medium-high level, and poor market conditions are likely to impact our capacity to pay you. This Product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay what is owed, you could lose your entire investment.

PERFORMANCE INFORMATION

The main factors which will affect the performance of the Company, are: (i) the ability of the Investment Manager's judgement and abilities in selecting investments in line with the investment policy; (ii) the performance of the underlying investment portfolio; and (iii) the macroeconomic conditions in Vietnam, Cambodia, and Laos.

The proxy used for the Company is (i) the total return index for VEIL going back until 29 June 2016 (ii) before 29 June 2016 the returns have been back filled with the Ho Chi Minh Vietnam Index, to give a daily performance proxy dating back to 1 May 2002. The volatility of the Company's returns will vary based on prevailing economic conditions, the average volatility observed over a rolling five-year period for the proxy was 23.7% per annum, however, during periods of stress, the volatility rose to 40.6% per annum.

We have used an ex-ante moderate performance scenario return of 3.0% for the recommended holding period of five years, this return is used in our reduction in yield calculations in the 'What are the costs?' section below.

What could affect my return positively?

Specific factors which could affect returns of the Company positively would be good performance of the underlying investment portfolio as well as the ability of the Investment Managers to implement their investment policy efficiently. Improvements in the valuations of the Banking, Real Estate & Construction, and Material & Resources sectors will likely increase returns since 72% of the investment portfolio is exposed to these sectors as at 31 December 2023. General factors that would positively impact returns would be favourable economic performance from the Vietnamese, Cambodian, and Laotian markets, and favourable currency movements between the Vietnamese Dong and the United Kingdom Sterling will also positively impact returns. VEIL's best performance over a rolling one-year was 90.5%, and VEIL's best performance over a rolling five-year period was 22.7%. The longer history of the proxy gave a best rolling one-year return of 208.5%, and a best rolling five-year return of 35.2% per annum.

What could affect my return negatively?

Specific factors which could affect returns of the Company negatively would be underperformance of the underlying investment portfolio, as well as the inability of the Investment Managers to select of favourable investments in the Vietnamese, Cambodian and Laos markets. A decrease in valuations of the Banking, Real Estate & Construction, Material & Resources will likely affect returns negatively due to the portfolio's high exposures to these sectors. General factors which would negatively impact returns would be poor economic performance from the Vietnamese, Cambodian, and Laotian markets; and unfavourable currency movements between the Vietnamese Dong and United Kingdom Sterling will negatively impact returns. VEIL's worst performance over a rolling one-year was -35.9%, and over a longer rolling five-year period, VEIL's worst return was 2.5% per annum. Over a longer history, the proxy experienced a one-year return of -65.7% and a rolling five-year return of -19.4% per annum.

What could happen under severely adverse market conditions?

A severe experience was a loss of 75.4% which occurred in the proxy from March 2007 to Feb 2009 during the financial crisis: under severely adverse market conditions, there is a risk that the portfolio companies deteriorate and the capital value of an investment in the Company's shares could reduce significantly, potentially down to zero.

WHAT HAPPENS IF THE COMPANY IS UNABLE TO PAY OUT?

The Company is not required to make any payment to you in respect of your investment. If the Company were liquidated, you would be entitled to receive a distribution equal to your share of the Company's assets, after payment of all of its creditors. The Investment Advisor has no obligation to make any payment to you. Investors do not have protection from an Investor compensation or guarantee scheme.

WHAT ARE THE COSTS?

The Reduction In Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They would include potential early exit penalties, although not applicable with this product. The figures assume you invest £10,000. The figures are estimates and may change in the future.

Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact which all costs will have on your investment over time.

Investment of £10,000			
Scenarios	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Total Costs	£243	£801	£1,436
Reduction In Yield (RIY) per year	2.43%	2.43%	2.43%

Composition of costs

The Table below shows: the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period; and the meaning of the different costs categories.

This table shows the impact on return per year			
One-off costs	Entry costs	N/A	No entry costs are payable when you acquire ordinary shares, although you may be required to pay brokerage fees or commissions.
	Exit costs	N/A	No exit costs are payable when you dispose of ordinary shares, although you may be required to pay brokerage fees or commissions.
Ongoing costs	Portfolio transaction costs	0.23%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing fees	2.20%	The impact of the management fee payable to the Company's investment manager and the fees and expenses of the Company's other service providers.
Incidental costs	Performance fees	N/A	The product does not have a performance fee and there are no other incidental fees.
	Carried interests	N/A	No carried interest is payable.

HOW LONG SHOULD I HOLD IT, AND CAN I TAKE MONEY OUT EARLY?

Recommended Holding Period (RHP): 5 years.

This product has no required minimum holding period but is designed for medium to long-term investment; you should be prepared to stay invested for at least five years. Investors are able to offer their investment for sale at will on the London Stock Exchange. The Company is not obliged to acquire any of the Company's ordinary shares. You may sell your ordinary shares on any day which is a dealing day on the London Stock Exchange. No fees or penalties are payable to the Company or the PRIIPs manufacturer on the sale of your investment, but you may be required to pay fees or commissions to any person arranging the sale on your behalf.

HOW CAN I COMPLAIN?

If you have any complaints about the product or conduct of the product manufacturer, you may lodge your complaint by sending an email to ir@dragoncapital.com or with the Company's Administrator, Standard Chartered Bank, on +65 6596 1229. You do not have the right to complain to the UK Financial Ombudsman Service (FOS) about the management of the Company. If you have a complaint about a person who is advising on, or selling, the product you should pursue that complaint with the relevant person in the first instance.

OTHER RELEVANT INFORMATION

Further documentation, including the Company's annual and semi-annual reports and regulatory disclosures, is available on the Company's website at <http://www.veil-dragoncapital.com>. This documentation is made available in accordance with the Listing Rules and the Disclosure Guidance and Transparency Rules of the United Kingdom Listing Authority and the Alternative Investment Fund Managers Directive (2011/61/EU).