

VIETNAM ENTERPRISE INVESTMENTS LIMITED

Release Date: 15 April 2019

INVESTMENT OBJECTIVE

The Fund seeks long-term capital appreciation via holdings in listed and pre-IPO companies. Investment criteria are attractive growth and value metrics, good corporate governance, and alignment with Vietnam's underlying growth drivers. The Fund may also hold equity-linked instruments and private equity. VEIL maintains a broad universe, which includes companies operating and/or listed outside of Vietnam, and it looks to outperform the VN Index on a rolling three-year basis.

MANAGEMENT COMPANY

The Fund is managed by Dragon Capital, which was established in 1994 and is the biggest foreign investor in the Vietnamese stock market. Portfolio manager is Vu Huu Dien who has worked for Dragon Capital for 17 years at various positions including research analyst and portfolio manager. Supporting the manager are two deputy managers, a research team of 10 analysts and an execution team of 2 traders.

STOCK SELECTION

Being a closed ended fund VEIL can invest in more illiquid strategies than open ended peers. This is restricted to a self imposed maximum of 15% NAV and is largely focused on the public offerings (IPO) and privatisations as well as secondary offerings/placements which have historically spent many months on the OTC market and UPCOM (Unlisted Public Companies Market) before full listing on the main board of Ho Chi Minh Stock Exchange or Hanoi Stock Exchange.

FUND INFORMATION

| | | | |
|-------------------------------|--|--|---|
| Legal Form | Cayman registered closed-end fund | NAV per Share | US\$6.70 or GBP5.14 |
| Listed | London Stock Exchange (LSE) | Total Net Assets | US\$1,471.19m or GBP1,129.03m |
| Fund Manager | Dragon Capital Management HK (*) | Issued Shares | 219,579,878 |
| Inception Date | 11 August 1995 | ISIN | KYG9361H1092 |
| Fund Currency | US Dollar (US\$) | Reuters Symbol | LP60078461 |
| Valuation of the Fund | Daily | Bloomberg Symbol | VEIL LN |
| Administrator & Custodian | Standard Chartered Bank | Management Fee (Effective 1 August 2017) | (a) 2.00% per annum on the first US\$1,250,000,000 of the Net Asset Value; and (b) 1.75% per annum on the portion of the Net Asset Value in excess of US\$1,250,000,000 and less than or equal to US\$1,500,000,000; and (c) 1.50% per annum on the portion of the Net Asset Value above US\$1,500,000,000. |
| Auditor | KPMG Limited | Trading | Traded on the LSE |
| Use of Profits | Dividend reinvested | Clearing | CREST |
| Legal Entity Identifier (LEI) | 213800SYT3T4AGEVW864 | Settlement | CREST Participant ID: 393 (UK Equity) BIC Code: JEFFGB2X |
| Benchmark | VN Index / MSCI EM Index / VN 30 Index | Quotation | Daily in Financial Times/LSE direct feed VEIL LN |

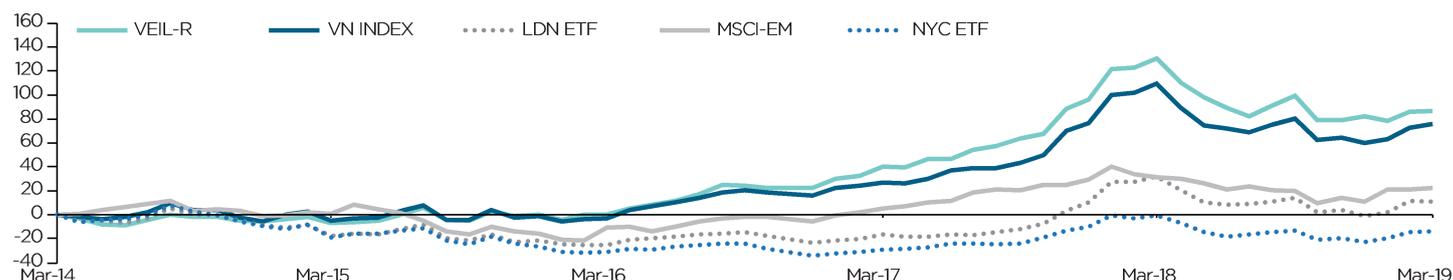
(*) Enterprise Investment Management Limited is the investment manager on record, but has delegated some of the investment management responsibilities to Dragon Capital Management (HK) Ltd. Information specific to UK investors in VEIL: Based on analysis undertaken on behalf of the fund by KPMG, they state that they consider that 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 the this the Offshore Fund Regulations do not apply to VEIL and therefore the reporting fund status regime is not relevant to the fund or its UK investors. Please contact a member of the client group if you require the full report from KPMG.

FUND STATISTICS

| Data/Ratio | VEIL | VNI | Data/Ratio | VEIL | VNI |
|--------------------------|-------|--------|-----------------------|--------|-------|
| Annualised return (%) | 22.89 | 21.95 | Sharpe Ratio | 1.32 | 1.23 |
| Minimum (%) | -9.92 | -10.45 | Treynor Ratio (%) | 23.93 | 20.62 |
| Maximum (%) | 13.03 | 13.61 | Jensen's Alpha | 2.97 | 0.00 |
| Stand Dev (%) | 16.39 | 16.76 | Information Ratio | 0.14 | |
| Tracking Error (%) | 6.56 | | Beta | 0.90 | 1.00 |
| Active Share Measure (%) | 59.93 | | Premium/ Discount (%) | -16.27 | |

All calculations based on 36 historic monthly time weighted returns of the portfolio. Data annualized.

FUND PERFORMANCE



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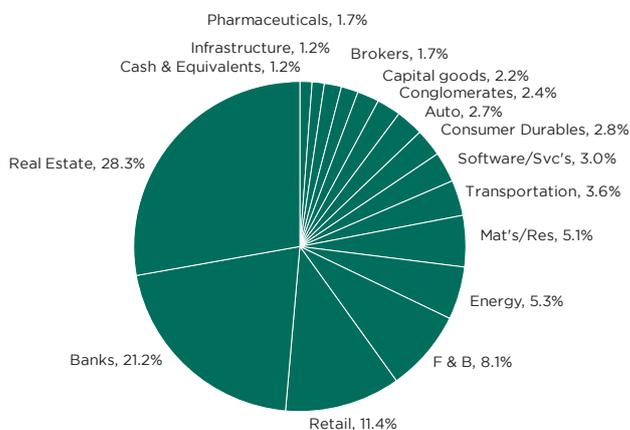
PERFORMANCE

| All in US\$ - % | 1 Month | YTD | 6 Months | 1 Year | 3 Years | 5 Years |
|-----------------|---------|-------|----------|--------|---------|---------|
| VEIL | 0.15 | 2.13 | -6.42 | -19.18 | 85.60 | 86.11 |
| VN Index TR | 1.73 | 10.06 | -2.46 | -15.95 | 81.48 | 76.13 |

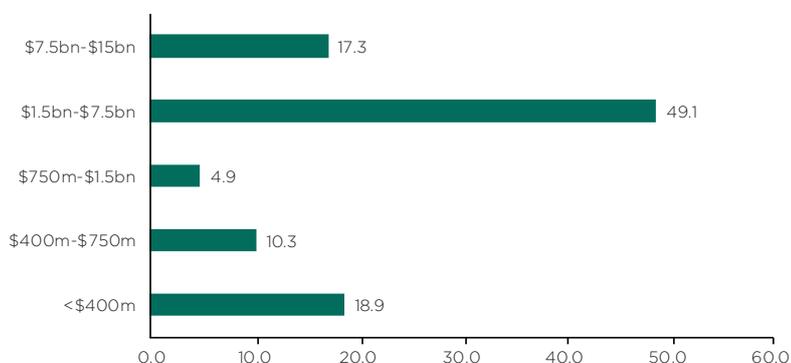
TOP 10 HOLDINGS

| Name | Ticker | Sector | NAV (%) | Name | Ticker | Sector | NAV (%) |
|--------------------|--------|-------------|---------|------------|--------|---------------------|---------|
| 1 Mobile World | MWG | Retail | 8.05 | 6 Sabeco | SAB | F&B | 4.97 |
| 2 ACB | ACB | Banks | 7.08 | 7 Hoa Phat | HPG | Materials/Resources | 4.42 |
| 3 Khang Dien House | KDH | Real Estate | 6.50 | 8 Vinamilk | VNM | F&B | 3.15 |
| 4 Vinhomes | VHM | Real Estate | 6.31 | 9 Dat Xanh | DXG | Real Estate | 3.09 |
| 5 Military Bank | MBB | Banks | 5.19 | 10 FPT | FPT | Software/Svc's | 2.99 |

SECTOR ALLOCATION



MARKET CAP DISTRIBUTION



PERFORMANCE ATTRIBUTION

VEIL gained 0.1% in Mar, while the VN Index added 1.7% (TR\$). The main drag on the fund's relative performance was the banking sector. Although the fund's biggest bank holdings rose more than the market as a whole, they still severely underperformed the three State-owned commercial banks that are heavily weighted in the VN Index which are Vietcombank (VCB, +11.3%), BIDV (BID, +10.2%) and Vietinbank (CTG, +8.0%). In property, one of VEIL's big overweights, Dat Xanh (DXG) fell 9.0% while underweight Vincom Retail (VRE, +8.8%) and Vinhomes (VHM, +4.9%) led the sector. Finally FPT retail (FRT) plunged by 19.2%.

DRAWDOWNS

Over the past 5 years, there has been only one drawdown of over 10%, in November 2012 and a drawdown of 10% in September 2015. In one of the worst months for equities in the past 2 and a half years, January 2016, there was a drawdown of 9%.

BORROWING

VEIL's board has approved borrowing of up to 10% of NAV or US\$100m, whichever is the lower. As at this date, VEIL has a facility of US\$60m of which \$20m has been drawn down. The purpose of borrowing is to facilitate the cash management of VEIL.

PEER PERFORMANCE (31 December 2015 - 31 December 2018)



Source: Bloomberg

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