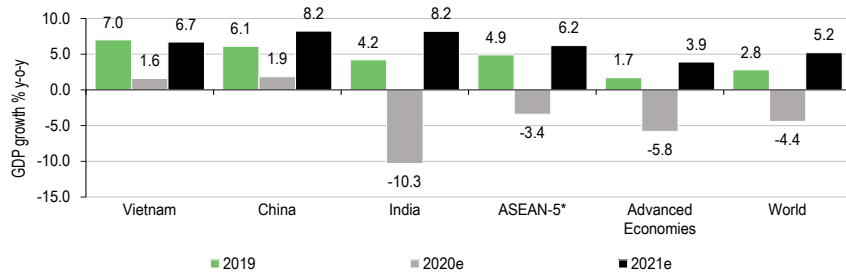


# VietNam Holding

## 'Bun Bo Biden' prospects in Vietnam

July 2020 marked the second anniversary of Dynam Capital (Dynam) taking over the management of VietNam Holding (VNH). Dynam's portfolio team picks a tightly focused selection of businesses set to benefit from positive demographic, industrial and urbanisation trends. Vietnam is a vibrant Asian country with a sizeable population of c 100m, that has surprised the world with its strong economic performance in 2020, which could lead more international investors to take notice. Vietnam has made successful trading alliances in Asia and globally and its ability to attract foreign direct investment should help underpin growth prospects for its companies.

### Vietnam: One of the fastest-growing economies globally pre/post COVID-19



Source: IMF (International Monetary Fund) at end-October 2020, Edison Investment Research. Note: \*Indonesia, Malaysia, Philippines, Thailand and Vietnam.

### The opportunity

Having weathered the COVID-19 storm rather well, Vietnam remains one of the world's fastest-growing economies. In 2019 its GDP grew by 7.0%, exceeding that of China (see the chart above), and this year it is one of the very few world economies that the IMF expects to grow and accelerate into 2021.

### Why consider investing in VNH?

- VNH was restructured by a relatively new and proactive board two and a half years ago, which is committed to promoting shareholders' interests.
- Environmental, social and governance (ESG) considerations are a key part of the manager's approach.
- A very concentrated portfolio (c 20–25 holdings) and mid- to small-cap focus gives investors exposure to less well researched, high-growth companies.

### Wide discount continues to be a good entry point

VNH trades at a 24.6% discount to its NAV, which is the widest among its Vietnam-focused peers, possibly reflecting outdated investor perceptions based on the previous management and the relatively small size of the trust. The new board has implemented several changes over the past two years aimed at restructuring and broadening the appeal of the fund. These have already resulted in improving investment performance and there is further scope for the discount to narrow, particularly as the investment sentiment towards Vietnam improves.

### Investment companies Vietnamese equities

15 December 2020

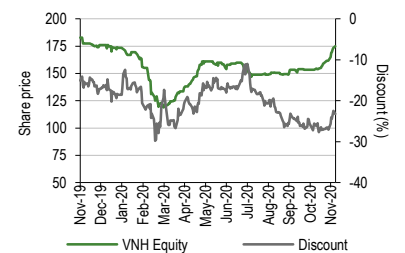
**Price** 175.0p  
**Market cap** £76.2m  
**AUM** £99.6m

NAV\* 232.0p  
Discount to NAV 24.6%

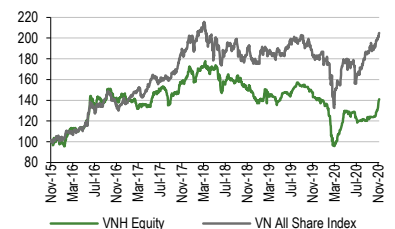
\*As at 14 December 2020

Yield 0.0%  
Ordinary shares in issue 42.9m  
Code VNH  
Primary exchange LSE  
AIC sector Country Specialists: Asia Pacific

### Share price/discount performance



### Three-year performance vs index



52-week high/low 177.5p 119.0p  
NAV\*\* high/low 232.0p 147.0p

\*\*Including income

### Gearing

Net cash\* 1.1%

\*As at 30 November 2020.

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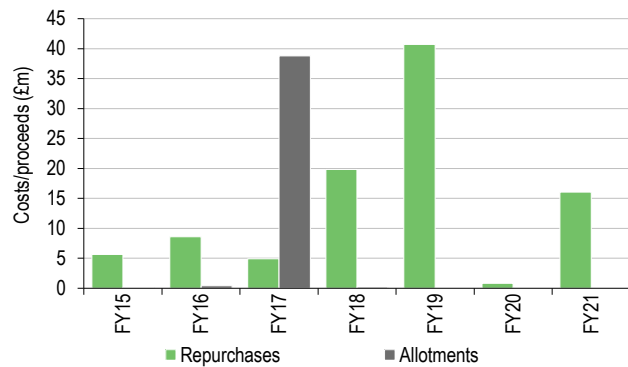
[Edison profile page](#)

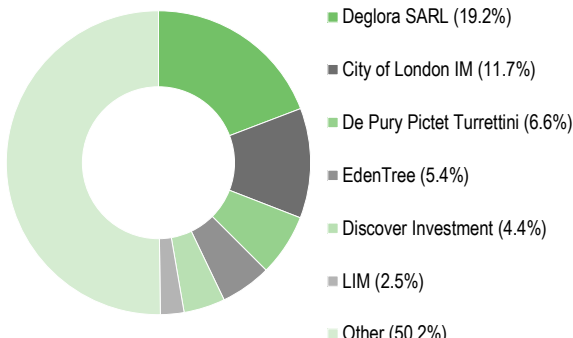
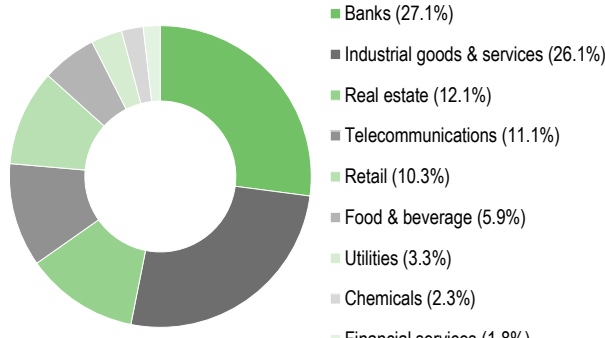
**VietNam Holding is a research  
client of Edison Investment  
Research Limited**

**Exhibit 1: Company at a glance**

Investment objective and fund background				Recent developments	
VietNam Holding's investment objective is to achieve long-term capital appreciation by investing in a diversified portfolio of companies that have high growth potential and an attractive valuation. The fund has experienced several significant changes since September 2017, including a new board and appointment of the current manager, Dynam Capital.				<ul style="list-style-type: none"> <li>30 October 2020: the company held its AGM, where all the resolutions were passed including the authority for a tender offer for 15% of the company's shares.</li> <li>1 October 2020: annual results to end-June 2020 – NAV TR 2.0% in US dollar terms in line with 2.0% for the Vietnam VN All Share Index.</li> <li>8 March 2019: admission to the Main Market of the London Stock Exchange, shares cancelled from trading on AIM.</li> </ul>	
Forthcoming		Capital structure		Fund details	
AGM	November 2021	Ongoing charges	2.48% (FY20)	Group	Dynam Capital Limited (Dynam)
Interim results	March 2021	Net cash	1.1%	Manager	Vu Quang Thinh, Craig Martin & team
Year end	30 June	Annual mgmt fee	Tiered (see page 9)	Address	De Catapan House, Grange Road, St Peter Port, Guernsey. GY1 2QG
Dividend paid	N/A	Performance fee	No (see page 9)	Phone	+8428 38277590
Launch date	30 June 2006	Company life	Indefinite	Website	www.vietnamholding.com
Continuation vote	Five yearly, next in 2023	Loan facilities	None		
Dividend policy and history (financial years)				Share buyback policy and history (financial years)	
VNH's investment objective is to achieve capital growth and there is currently no intention to pay a regular dividend.				VNH's authority (renewable annually) to repurchase shares was increased from 10.00% to 14.99% in July 2018. Allotments are to warrant holders.	

N/A



Shareholder base (as at 30 November 2020)	Portfolio exposure by sector, adjusted for cash (as at 30 November 2020)
 <ul style="list-style-type: none"> <li>Deglora SARRL (19.2%)</li> <li>City of London IM (11.7%)</li> <li>De Pury Pictet Turretini (6.6%)</li> <li>EdenTree (5.4%)</li> <li>Discover Investment (4.4%)</li> <li>LIM (2.5%)</li> <li>Other (50.2%)</li> </ul>	 <ul style="list-style-type: none"> <li>Banks (27.1%)</li> <li>Industrial goods &amp; services (26.1%)</li> <li>Real estate (12.1%)</li> <li>Telecommunications (11.1%)</li> <li>Retail (10.3%)</li> <li>Food &amp; beverage (5.9%)</li> <li>Utilities (3.3%)</li> <li>Chemicals (2.3%)</li> <li>Financial services (1.8%)</li> </ul>

Top 10 holdings (as at 30 November 2020)		Portfolio weight %		
Company	Sector	End-November 2020	End-November 2019*	Change %
FPT Corp	Telecommunications	11.0	12.7	(1.7)
Hoa Phat Group	Industrial goods & services	9.6	N/A	N/A
Vietnam Joint Stock Commercial Bank	Banks	7.8	N/A	N/A
Gemadep	Industrial goods & services	6.0	N/A	N/A
Phu Nhuan Jewelry	Retail	5.5	10.5	(5.0)
Khang Dien House	Real estate	5.2	5.9	(0.7)
Vinhomes JSC	Real estate	5.0	N/A	N/A
ABA Cooltrans	Industrial goods & services	4.7	4.2	0.5
Mobile World	Retail	4.6	7.7	(3.1)
Military Commercial Bank	Banks	4.6	N/A	N/A
<b>Top 10 at each date</b>		<b>64.0</b>	<b>70.8</b>	

Source: VNH, Edison Investment Research, Bloomberg, Refinitiv. Note: \*N/A where not in November 2019 top 10.

## Market outlook: Large discount to broad Asian market

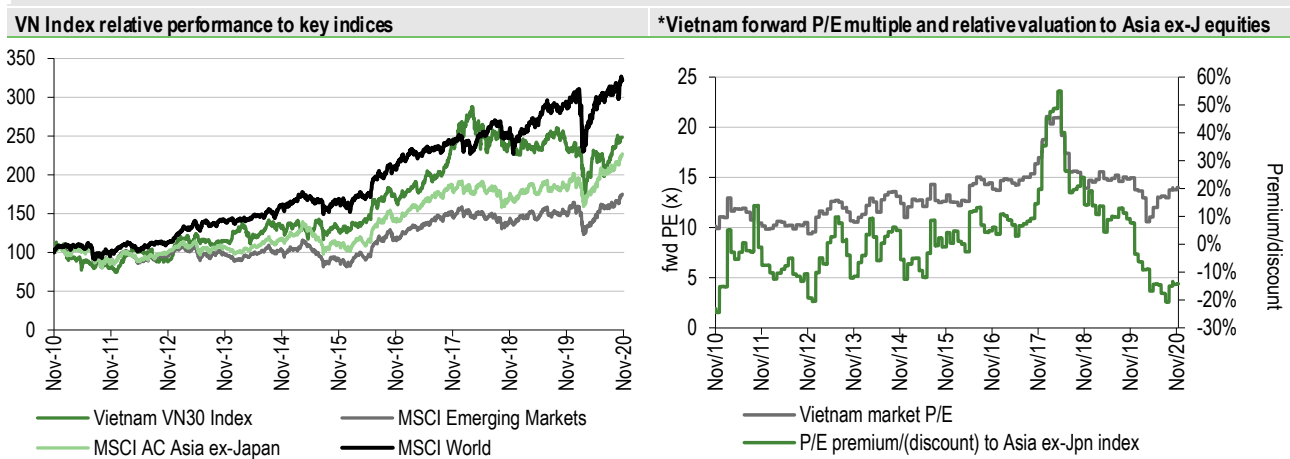
Vietnam is one of the very few countries globally, and one of the two in Asia (of a total 15) set to record positive GDP growth in 2020, despite the setback caused by the COVID-19 outbreak. The IMF expects the Vietnamese economy to grow by 1.6% in 2020, accelerating to 6.7% in 2021 (GDP forecasts on 13 October 2020). This is not far below China's projections of 1.9% and 8.2% GDP growth in 2020 and 2021, respectively. Vietnam's 2019 GDP growth of 7.0% was one of the fastest globally, providing the country with a solid base for further development as US-China trade tensions subsided and global trade showed signs of recovery.

Following its effective handling of the pandemic during the first half of this year, the country appears to be relatively well placed to cope with the virus and its economic consequences. The Vietnamese government, drawing on its experience of the SARS epidemic in 2003, responded rapidly and rigorously with extensive testing and tracking of those infected with the disease. To date, the number of cases in Vietnam has been relatively modest, despite an increase in cases over the summer, with very few deaths. The government has introduced debt relief and monetary easing, and further policies are expected in due course aimed at stimulating economic activity, including an uplift in infrastructure spending. At end-November Vietnam had achieved a trade surplus of \$20.1bn in the first 11 months of 2020, as exports to the US and China increased sharply.

President Obama's popularity in Vietnam was enhanced when he visited a 'Bun Cha' restaurant in Hanoi where he enjoyed noodles and beer prepared by a star American chef. This suggests the Biden presidency could go down well in Vietnam as well and we might see a 'Bun Bo Biden' cafe in the future. Vietnam's economy depends little on tourism, which accounts for c 5% of GDP. Most economic growth in the past few years was underpinned by growth in domestic consumption, as Vietnam has increased its participation in global trade. Limited travelling during 2020 meant that transport capacity was almost fully used by the flow of trading goods, which was not much interrupted by the pandemic.

The Vietnamese stock market corrected sharply in March 2020 as investors sold aggressively, but had recovered to the pre-pandemic level by October (see exhibit 2). Over the past 10 years Vietnamese equities have outpaced the MSCI Asia Pacific ex-Japan and Emerging Markets indices by a significant margin. Vietnamese equity valuations lost their premium to Asia Pacific equities at the start of 2019 and currently trade at an unusually large discount of c 18%. The long-term outlook for Vietnam's economy and stock market, however, remains bright, driven by multi-decade secular trends including the ability to attract foreign investment, growing incomes and urbanisation. These trends are unlikely to be derailed by the current COVID-19 disruptions.

**Exhibit 2: Vietnamese market performance and valuation**



Source: Refinitiv, Bloomberg, Edison Investment Research. Note: Index valuations as at 30 November 2020. \*Datastream indexes.

## Fund profile: Third year under new manager

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VNH aims to generate long-term capital growth through investing in companies listed in Vietnam, employing a GARP (growth at a reasonable price) approach. VNH was launched in April 2006 as a closed-ended fund, incorporated in the Cayman Islands and listed on AIM. It changed its legal domicile to Guernsey in February 2019, de-listed from AIM and was admitted to the Main Market of the London Stock Exchange in March 2019. Dynam took over management of the fund in July 2018, replacing the previous manager, VNH Asset Management, which had been in place since VNH's inception.

The fund has undergone significant changes since September 2017, including the appointment of a new board and management company, to address previous governance and performance shortcomings. The wide discount to NAV partly reflects these historical issues.

The manager builds a concentrated portfolio of c 20–25 growth companies, acquired at attractive valuations. Dynam believes its active approach to ESG differentiates VNH from many Vietnamese equity products and that it is a thought-leader within the country. Gearing is permitted up to 25% of NAV; however, VNH has historically not used this capability. Up to 20% of NAV may be invested in private companies. A BA Cooltrans is one unlisted holding that the fund currently has, accounting for less than 5% of the portfolio, and it is due for redemption on 29 March 2021.

## The fund manager: Dynam team

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### The manager's view: Positive prospects enhanced in 2020

Despite the meaningful and negative impact of COVID-19 on Vietnam's GDP growth in 2020, the manager believes the country's long-term prospects are intact, if not enhanced by this year's events. While the coronavirus outbreak has cut expectations for 7.0% growth this year to 1.6%, and uncertainty remains over the duration and impact of the virus, Vietnam is one of a handful of countries globally that coped with the crisis well and will see their GDP grow in 2020. Dynam highlights that when normality returns, there is likely to be a rapid rebound in domestic confidence, which should be reflected favourably in the domestic stock markets. The manager notes that Vietnam's economy was robust prior to the outbreak, with record levels of foreign currency reserves, and this should help provide a buffer to some of the short-term impacts.

The Dynam team is focused on the longer term and believes that Vietnam has outstanding economic prospects. The manager considers the recent Regional Comprehensive Economic Partnership or RCEP trade agreement between 15 Asia-Pacific nations, including Vietnam, to be the largest free trade agreement in history. The Vietnamese economy is one of the fastest growing in the world, and Dynam expects it to be one of the top 20 globally by 2050.

Following a correction in Vietnamese equities, the manager believes that the market is attractively valued at a forward P/E multiple of c 14x (excluding outliers). Dynam also believes there is considerable hidden value in the NAV of VNH because nearly half of the portfolio is held in stocks that have reached their foreign ownership limit (FOL). When this limit is reached, foreign buyers often offer a premium to the listed share price; however, NAVs must use the quoted price. Premiums for FOL companies currently range between c 7% and c 30%.

## Asset allocation

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### Investment process: Rigorous analysis, company engagement

The manager follows a GARP investment process, unconstrained by any index, to invest in a highly concentrated portfolio of 20–25 conviction stocks. Dynam employs both bottom-up and top-down analysis in its investment approach.

The approach remains focused on three core themes: industrialisation (best-in-class manufacturers, international logistics); urbanisation (purposeful real estate, transportation, clean energy and clean water); and domestic consumerism and its enablers (sustainable retail, domestic logistics, products and finance). These themes are interlinked, as industrialisation and urbanisation foster further robust growth in GDP and domestic consumption. The team looks for companies that are well managed industry leaders with strong competitive positions and healthy balance sheets, yet which are attractively valued.

The manager typically favours small- and mid-cap companies, as these are often less well researched and more open to engagement. VNH's relatively small size gives it the flexibility to invest in companies further down the market capitalisation spectrum, and around half of the portfolio is held in sub-\$1bn companies.

ESG assessments are integrated into the company analysis process and the manager believes firms that score highly on this front tend to outperform over the long term. Engagement with managements is important and Dynam seeks to add value to a company by advising it in areas such as improving corporate governance, board restructuring and training, and raising awareness of environmental and social initiatives. Chief investment officer Vu Quang Thinh leads Dynam's company engagement process. Thinh helped establish the Vietnam Institute of Directors and served as its founding chairman and remains as a director of the Institute (delivering lectures on corporate governance matters to prospective company directors for listed companies in Vietnam). He is held in high regard in business circles on ESG matters in Vietnam.

The company has been a signatory of the globally acknowledged United Nations Principles for Responsible Investing UNPRI for over a decade and follows its guidelines, which exclude certain investments, including companies with significant revenues from alcohol, tobacco, armaments and gambling. UNPRI has 3000 signatories and close to 100 Trillion in AUM across its members and asset owners who are signatories to the PRI. The fund will also not invest in companies that do not commit, in a measurable way, to reducing pollution and environmental problems caused by their business activities.

### Current portfolio positioning

The portfolio had 25 holdings at 30 November 2020. Three key secular growth trends, defining VNH's portfolio, still stand in the post COVID-19 world – industrialisation, urbanisation and rising incomes. The Dynam team believes these dynamics underpin excellent long-term opportunities for investing in Vietnam.

Exhibit 3 shows VNH's sector exposures as at end-November 2020 and changes over the previous year. During this extraordinary year the portfolio has undergone a number of shifts. Over a quarter of the portfolio is in banks (27.1% at 30 November 2020). The banking sector has jumped to the top of the fund's weightings, from sixth position one year ago (7.1%). In late 2019, the team reviewed the banking sector and broadened the allocation to banks. The overall expansion of the economy is providing opportunities for best-in-class banks and consumer finance companies to grow their franchises. Military Bank (MBB) remains one of the core bank holdings (4.6% of NAV at 30 November 2020).

Over the past 12 months the team has introduced three banks to the portfolio: Vietcombank (VCB), VPBank (VPB) and Vietnam Joint Stock Commercial bank (CTG, 7.8% of NAV at 30 November 2020). In the manager's view, the sector's overall balance sheet health has improved as a result of preparation for compliance with Basel II requirements. VCB and VPB are both large banks and are well managed in their core segments. They have achieved growth despite increasing loan provisions in the face of COVID-19, lower net interest margins and lower credit growth. Both have consumer banking businesses run by industry veterans. For example, the former CEO of HSBC Vietnam is at VCB and the former CEO of Prudential Consumer Finance is at VPB. Dynam believes banks represent a leveraged exposure to Vietnam's economic growth prospects and expects the three banks to have robust earnings growth prospects over the medium term. Other overweight positions are across selected companies within the industrials, telecommunications and retail sectors.

**Exhibit 3: Portfolio sector exposure at 30 November 2020**

% unless stated	Portfolio 30 Nov 2020	Portfolio 30 Nov 2020	Change (pp)	VNAS index weight	Active weight vs index (pp)	Company weight/ index weight (x)
Banks	27.1	7.1	20.0	25.0	1.8	1.1
Industrial goods & services	26.1	19.3	6.7	9.1	16.7	2.8
Real estate	12.1	18.3	(6.2)	26.5	(14.5)	0.5
Telecommunications	11.1	13.0	(1.9)	3.1	7.9	3.5
Retail	10.3	22.4	(12.1)	4.9	5.3	2.1
Food & beverage	5.9	1.0	4.8	13.2	(7.4)	0.4
Utilities	3.3	8.9	(5.6)	1.2	2.1	2.8
Chemicals	2.3	0.0	2.3	1.0	1.3	2.3
Financial services	1.8	0.0	1.8	5.7	(3.9)	0.3
Personal & household goods	0.0	4.1	(4.1)	0.9	(0.9)	0.0
Construction & materials	0.0	0.0	0.0	1.7	(1.7)	0.0
Other sectors	0.0	0.0	0.0	4.0	(4.0)	0.0
Cash	1.1	2.3	(1.2)	0.0		
	<b>100.0</b>	<b>100.0</b>		<b>100.0</b>		

Source: VNH, Edison Investment Research. Note: Figures subject to rounding.

This year and next, the macroeconomic growth story is likely to be supported in the portfolio, with the logistics sector benefiting the most as the COVID-19 crisis has triggered a shift towards B2B and online-based B2C trade.

The team initiated positions in three logistics companies: Gemadept (GMD), 6.0% of NAV at 30 November 2020; ABA Cooltrans (ABA), 4.7%; and Viettel Post (VTP). VTP is a parcel delivery business. The company continues to benefit from the growth in online shopping and the upsurge in goods delivery in Vietnam, particularly given its extensive postal coverage and large client base. It has a critical competitive advantage since it manages Viettel Telecom's stores and points of sale, which had a subscriber base of around 67 million as of year-end 2019 (almost 70% of the country's population). GMD engages in the port operation and logistics business in Vietnam as well as internationally, while ABA is a leading service provider of integrated cold-chain logistics supporting modern trade. VNH invested in ABA through a convertible note, which has a coupon of 9% in Vietnamese dong and a conversion option into equity, with a put/redemption right. Dynam slightly reduced its holding in Saigon Cargo Service (SCS) to rebalance its logistics exposure, as GMD owns approximately 36.4% of SCS.

The retail sector exposure was reduced the most, by 12.1pp to 10.3%. During the year, the team reduced the position in jeweller Phu Nhuan Jewelry (PNJ) and exited from office supplies manufacturer Thien Long Group (TLG), making a realised return of 50.1%. The team believed that growth would be hindered during the rest of 2020 and may not see the benefits of new product introductions until 2021-22.

## Performance: The new manager begins to outperform

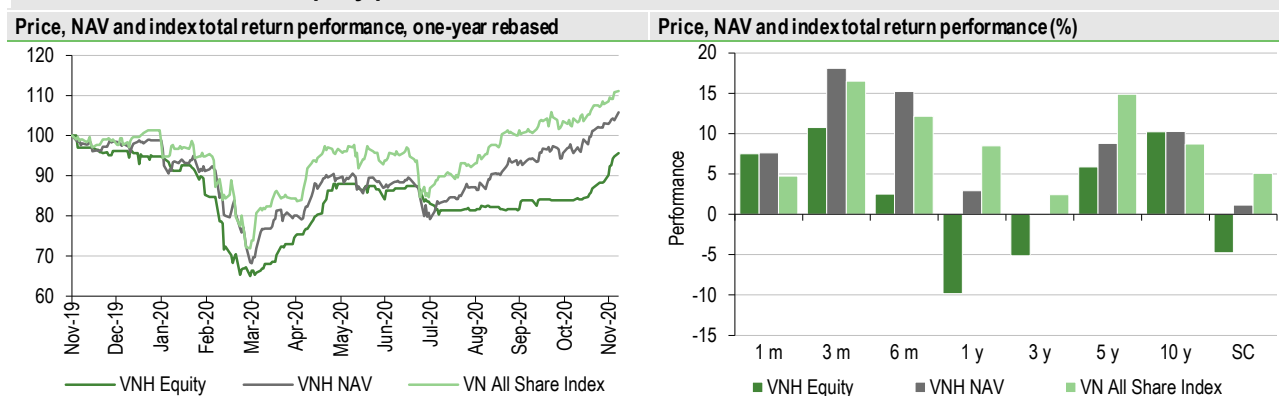
Dynam was appointed manager in July 2018, therefore the most relevant performance numbers to consider are for two years and less, and since change (SC). As shown in Exhibits 5 and 6, VNH's performance has materially improved over the past six months. The fund has outperformed the VN All-Share Index over three and six months by 1.4% and 2.7%, respectively, on a NAV total return basis. VNH still lags the index over the period of Dynam's tenure, as shortly after the manager's appointment, the fund was restructured. The board conducted a tender offer for up to 15% of issued equity, requiring the manager to provide liquidity to accommodate repurchases. The new manager disposed of two inherited illiquid holdings – Yeah1 and VietCapital Securities, which negatively affected the performance – and refocused the portfolio. While Dynam is encouraged by the recent improvement in performance, the team has a long-term time horizon and is focused on generating sustainable performance.

**Exhibit 4: Five-year discrete performance data**

12 months ending	Total share price return (%)	Total NAV return (%)	Vietnam VN All Share Index (%)	Vietnam VN30 Index (%)	MSCI Emerging Markets (%)
30/11/16	42.6	48.0	35.5	33.0	31.2
30/11/17	9.4	3.4	37.3	43.9	23.0
30/11/18	(3.1)	(2.1)	1.6	1.9	(3.2)
30/11/19	(2.3)	(1.2)	(2.5)	(4.7)	6.2
30/11/20	(9.8)	2.9	8.5	9.0	15.1

Source: VNH, Refinitiv, Bloomberg. Note: All % on a total return basis in GBP.

**Exhibit 5: Investment company performance to 30 November 2020**



Source: Refinitiv, Edison Investment Research. Note: Three-, five- and 10-year and since change (SC) performance figures annualised.

**Exhibit 6: Share price and NAV total return performance, relative to indices (%)**

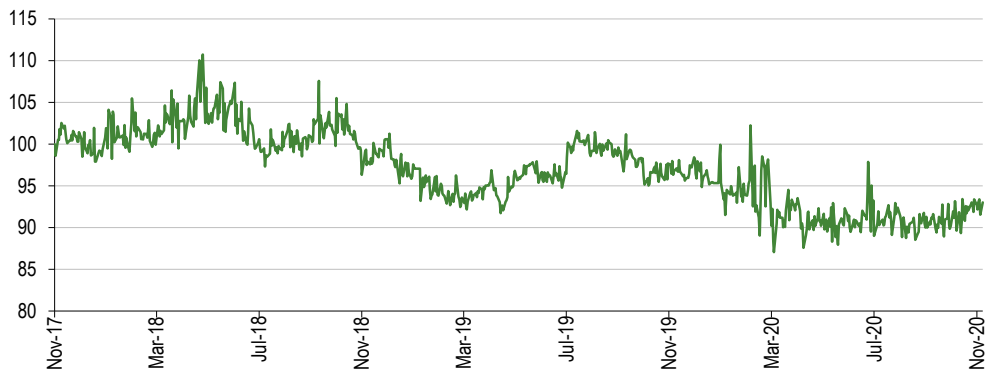
	Three months	Six months	One year	Three years	Five years	10 years	SC*
Price relative to Vietnam VN All Share index	(4.9)	(8.6)	(16.9)	(20.6)	(33.5)	14.7	(20.9)
NAV relative to Vietnam VN All Share index	1.4	2.7	(5.1)	(7.3)	(23.8)	15.1	(8.7)
Price relative to Vietnam VN30 index	(5.9)	(8.6)	(17.3)	(19.4)	(34.3)	2.7	(18.8)
NAV relative to Vietnam VN30 index	0.3	2.8	(5.6)	(5.9)	(24.7)	3.1	(6.3)
Price relative to MSCI Emerging Markets	0.6	(15.8)	(21.7)	(27.9)	(30.4)	53.5	(24.5)
NAV relative to MSCI Emerging Markets	7.3	(5.3)	(10.6)	(15.9)	(20.2)	54.1	(12.9)

Source: Bloomberg, Dynam Capital, Edison Investment Research. Note: Data to end-November 2020. Note: Geometric calculation.

\*SC denotes the performance since the start date of the current manager on 16 July 2018.



**Exhibit 7: NAV total return performance relative to VN All Share Index over three years**



Source: Refinitiv, Edison Investment Research

## Discount: Significant discount has scope to narrow

VNH trades at a 24.6% discount to its total return NAV, which is wider than its three-year average of 16.8%. The double-digit average discount partly reflects the still relatively short tenure of the new manager, and historical governance issues associated with the fund's previous board and management company (discussed in our [initiation report](#)).

A new board was appointed in September 2017 and is committed to narrowing VNH's discount and promoting the interests of shareholders. It has made significant changes to address the fund's previous shortcomings and broaden its appeal to shareholders; these include the appointment of the current manager, a reduction in the management fee, the change of the fund's domicile, and re-listing on the Main Market of the London Stock Exchange. The discount has narrowed in the past month alongside the improvement in performance, possibly reflecting both the management and marketing efforts of the new team and the recent shift in sentiment towards Vietnam. As mentioned in the market outlook section, Vietnam is in a relatively strong position economically post the COVID-19 crisis both in Asia and in a global context.

The board has the authority (renewed annually) to repurchase up to 14.99% of shares outstanding.

**Exhibit 8: Share price discount to NAV over three years (%)**



Source: Refinitiv, Edison Investment Research



## Capital structure and fees

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VNH is a closed-ended, Guernsey-domiciled investment company with one class of shares; there are 42.9m shares in issue and none held in treasury. During FY20 and FY19 the company did tender offers for the total of \$16.1m and \$40.7m, respectively. Gearing is permitted up to 25% of the NAV but has not historically been used, and no loan facility is in place at present. As at end-November 2020, the fund had a net cash position of 1.1% of NAV.

In 2020 the board removed the incentive fee from the investment management agreement (at 12% of any profits the company makes after clearing a hurdle rate of 8% and a high water mark). In return the board has also agreed to modify the management fee, on a new sliding scale as follows: 1.75% per annum on NAV below \$300m, 1.5% per annum on NAV between \$300–600m, and 1.0% per annum on NAV above \$600m. The previous arrangements were an annual management fee of 1.5% of NAV for assets up to \$300m, reduced to 1.25% on assets between \$300m and \$600m, and then 1.0% on assets above \$600m.

As at end-June 2020, VNH's ongoing charges ratio was 2.48% (2.23% at end FY19).

## Dividend policy and record

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VNH's objective is to generate capital growth over the medium and long term, rather than income. No dividends have been paid by the fund since its inception.

## Peer group comparison

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Exhibit 9 shows the 12 members of the AIC Country Specialist – Asia Pacific sector (funds with a market capitalisation above £70m). This is a diverse group of funds, investing in countries across a wide range of economic development stages. Therefore, we also present the averages for the Vietnam subgroup. VNH is the smallest among its Vietnam peers and funds in the Asia specialist sector. As the current manager was appointed in July 2018, the one-year NAV total return is the most relevant, where it ranks 10th. Its ongoing charges are the highest and it is one of eight funds that do not pay a dividend, reflecting its focus on capital growth. VNH's discount to its cum-fair NAV is the widest in the peer group and among the three Vietnam funds. The wide discount arguably reflects the small size of the fund and lower liquidity of the shares, as well as the relatively recent appointment of the new management and board. The VNH discount has narrowed visibly in the past few weeks, possibly signalling a more sustainable narrowing trend.

**Exhibit 9: Country specialist – Asia Pacific peer group\***

% unless stated	Market cap £m	NAV TR 1 year	NAV TR 3 year	NAV TR 5 year	NAV TR 10 year	Discount (cum-fair)	Ongoing charge	Perf. fee	Net gearing	Dividend yield (%)
VietNam Holding	75.3	2.9	(0.2)	53.0	184.3	(23.0)	2.5	No	100	0.0
Aberdeen New India	292.1	3.2	10.9	65.7	107.6	(15.0)	1.1	No	109	0.0
Aberdeen New Thai	77.1	(16.1)	(9.6)	36.3	110.6	(14.0)	1.2	No	110	4.0
Ashoka India Equity Investment	91.4	16.5				3.2	0.9	Yes	107	0.0
Baillie Gifford China Growth	260.8	19.7	20.9	78.5	111.8	19.3	1.0	Yes	100	0.0
Fidelity China Special Situations	1,966.5	67.0	54.0	157.9	276.1	0.3	1.0	No	129	0.0
India Capital Growth	92.4	4.9	(22.5)	31.5	32.2	(16.1)	1.9	No	100	0.0
JPMorgan China Growth & Income	469.1	76.1	88.4	232.0	299.1	0.2	1.3	No	100	3.6
JPMorgan Indian	521.8	(5.9)	(8.7)	35.2	54.0	(14.3)	1.1	No	100	0.0
Vietnam Enterprise Investments	1,167.1	9.9	15.4	144.4	322.1	(8.5)	2.2	No	100	0.0
VinaCapital Vietnam Opportunity Fund	653.5	15.8	21.1	122.4	217.0	(14.6)	1.7	Yes	100	2.2
Weiss Korea Opportunity	172.2	52.7	27.5	77.7		(5.5)	1.8	No	100	1.9
<b>Peer group average (12 incl VNH)</b>	<b>486.6</b>	<b>20.6</b>	<b>17.9</b>	<b>94.1</b>	<b>171.5</b>	<b>(7.3)</b>	<b>1.5</b>		<b>105</b>	<b>1.0</b>
<b>Rank in peer group</b>	<b>12</b>	<b>10</b>	<b>8</b>	<b>8</b>	<b>5</b>	<b>12</b>	<b>1</b>		<b>5</b>	<b>6</b>
<b>Vietnam subgroup average</b>	<b>632.0</b>	<b>9.6</b>	<b>12.1</b>	<b>106.6</b>	<b>241.1</b>	<b>(15.4)</b>	<b>2.3</b>		<b>100</b>	<b>0.7</b>
<b>Rank in subgroup</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>1</b>		<b>1=</b>	<b>2</b>

Source: Morningstar, Bloomberg, Edison Investment Research. Note: \*Performance data to end-November 2020. TR = total return. Net gearing is total assets less cash and equivalents as a percentage of net assets.

## The board

Since September 2017, the company has undergone significant corporate governance changes, including the appointment of a new board, in response to shareholder concerns over historic failings of the former board. The VNH board consists of five independent non-executive directors, four of whom were appointed in September 2017. Hiroshi Funaki was appointed chairman in November 2019, taking over from Sean Hurst, who now serves as the senior independent director. Damien Pierron and Philip Scales were also appointed in 2017. Saiko Tajima was appointed in May 2019. The board has a breadth and depth of skills, including asset management, private equity and investment banking.

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