

Regulatory Story

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VietNam Holding Limited - VNH Key Information Document - February 2018
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VietNam Holding Limited
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Key Information Document

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 Information

VietNam Holding Limited - Ordinary Shares (ISIN: KYG9361X1043)

This product is admitted to trading on the AIM market of the London Stock Exchange plc and governed by its Board of Directors. The Board has appointed VietNam Holding Asset Management as its investment manager, and to prepare this Key Information Document. VietNam Holding Asset Management is authorized and regulated by the Cayman Islands Monetary Authority. For more information on this product please refer to www.vietnamholding.com or call +44 781 078 5933.

This document was published on 1 January 2018.

What is this product?

Type

This is a closed-ended investment company incorporated in the Cayman Islands.

Objective

Investment objective

The Company's investment objective is to achieve long-term capital appreciation by investing in a diversified portfolio of companies that have high growth potential at an attractive valuation.

Investing policy

The Company attempts to achieve its investment objective by investing in the securities of public companies in Vietnam, and in the securities of foreign companies if a majority of their assets and/or operations are based in Vietnam. The Company may invest in equity securities or securities that have equity features, such as bonds that are convertible into equity. The Company may invest in equity securities of public companies in Vietnam, either through purchases of their shares on the Vietnamese stock exchanges, through purchases on the Unlisted Public Company Market (UPCoM) and OTC Market, or through privately negotiated deals. Securities in which the Company invests are typically quoted in Vietnamese dong.

The Company may invest its available cash in the domestic bond market as well as in international bonds issued by Vietnamese entities. The Company may utilize derivatives contracts for hedging purposes when available.

The Company does not intend to take control of any company or entity in which it has directly or indirectly invested (an Investee Company) or to take an active management role in any such company. However, the Investment Manager may appoint one of its directors, employees or other appointees to join the board of the Investee Company and/or may provide certain forms of assistance to such company, subject to prior approval by the Board.

The Company will not invest in derivative instruments other than for the purposes of efficient portfolio management. The Company integrates ESG factors into its investment analysis and decision-making process. Through its Investment Manager, the Company actively incorporates ESG considerations into its ownership policies and practices, and engages Investee Companies in pursuit of appropriate disclosure and the improvement of material issues.

Intended retail investor

The fund is intended for institutional and sophisticated investors and private clients.

Maturity

Subject to the continuation vote arrangements described below, this product does not have a maturity date.

There are no provisions entitling the manufacturer of this product to terminate the product unilaterally, nor for the automatic termination of the product.

What are the risks and what could I get in return?**Summary Risk Indicator**

1	2	3	4	5	6	7
Lower risk				Higher risk		

Be aware of currency risk. The PRIIP is denominated in a different currency to that at which it is marketed, so the final return will depend on the exchange rate between the currencies. This risk is not considered in the indicator above.

The risk indicator assumes you keep the product for 5 years. The PRIIP holds no capital protection against market risk. The PRIIP holds no capital guarantee against credit risk.

The summary risk indicator is a guide to the level of risk of this 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 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level, and poor market conditions could 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.

Market makers on the AIM market of the London Stock Exchange plc are obliged to provide liquidity. However, trading volumes in each case depend on market conditions and order size.

Performance Scenarios

Investment of USD 10,000				
Scenarios		1 year	3 years	5 years Recommended holding period
Stress scenario	What you might get back after costs	\$7,514	\$5,495	\$4,908
	Average return each year	-24.86%	-18.09%	-13.27%
Unfavourable scenario	What you might get back after costs	\$10,376	\$13,528	\$18,256
	Average return each year	3.76%	10.60%	12.79%
Moderate scenario	What you might get back after costs	\$12,078	\$17,585	\$25,603
	Average return each year	20.78%	20.70%	20.69%
Favourable scenario	What you might get back after costs	\$14,015	\$22,788	\$35,798
	Average return each year	40.15%	31.59%	29.05%

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest USD 10,000 from the outset. The scenarios shown illustrate how your investments could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get back will vary depending on how the market performs and how long you keep the investment. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. The figures shown include all the costs of the product itself but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

Past performance should not be a guide to future returns. Your maximum loss would be that you will lose all your investment.

What happens if VietNam Holding Limited is unable to pay out?

You may sell your shares at any time on the AIM market of the London Stock Exchange using your broker. Your shares would be sold to a buyer in the market without recourse to the Company. If the Company goes into liquidation the investments will be sold and you will receive your pro rata share of the proceeds after settlement of the Company's liabilities, in accordance with the articles of association of the Company. You will not be entitled to compensation from the Financial Services Compensation Scheme or any other compensation scheme and no guarantee scheme applies to an investment in the Company.

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 include potential exit penalties. The figures assume you invest USD 10,000. The figures are estimates and may change in the future.

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 that all costs will have on your investment over time.

Costs over time

Investment of USD 10,000			
	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Total costs	\$433	\$1,919	\$4,719
Reduction in Yield (RIY) per year	4.33%	4.33%	4.33%

Costs composition

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 cost categories.

This table shows the impact on return per year			
One-off costs	Entry costs	0.00%	The impact of the costs you pay when entering your investment.
	Exit costs	0.00%	The impact of the costs of exiting your investment.
Ongoing costs	Portfolio transaction costs*	0.15%	The impact of the costs of us buying and selling underlying investments for the product
	Other ongoing costs	2.72%	The impact of the costs that we take each year for managing your investments and the fees and expenses of other service providers
Incidental costs	Performance fees**	1.46%	The impact of the performance fee. We take these from your investment if the product outperforms its benchmark.

*The daily bid-offer spread for VietNam Holdings has a median of 1.75% over the three-year period ending December 2017, this equates to an indirect entry and exit cost of 0.87% per share, for bid-mid and mid-offer spreads.

**The performance fees reflect historic costs based on the fee structure introduced on 1st October 2013, which is capped at 3%.

How long should I hold it and can I take money out early?

An investment in the Company should be regarded as a long-term investment. In order to seek to minimize the effect of shorter term fluctuations in the market, the recommended minimum holding period for an investment in the Company is at least five (5) years.

In 2018, the Board will propose at the Company's annual general meeting a shareholder resolution that the Company will continue in existence. If such resolution is passed, the Company will continue its operations and a similar resolution will be put to Shareholders in 2021. If a continuation resolution is not passed the Board will, at that annual general meeting or at an extraordinary general meeting held within 6 months of that annual general meeting, propose a resolution to wind-up the Company or one or more resolutions to implement a reconstruction, amalgamation or other material alteration to the Company or its activities or any other appropriate alternative based upon current circumstances, as the Board thinks fit.

Shares in the Company may be bought and sold at any time (subject to usual trading hours and conditions) on the AIM market of the London Stock Exchange using your broker.

How can I complain?

Should you wish to complain about your investment in the Company or any aspect of the service provided to you by the Company or VietNam Holding Asset Management as investment manager, please write to the Board c/o Carey Olsen Services Cayman Limited, P.O. Box 10008, Willow House, Cricket Square, Grand Cayman KY1-1001, Cayman Islands, or send an email to investorelations@vnham.com.

If you have a complaint about the financial advice you have received in relation to the Company or the service you have received when placing transactions in the Company through a third party, please direct your complaint to your adviser or third party accordingly.

Other relevant information

You can obtain further information about the Company, details of the Company's net asset value, its shares and copies of the financial reports, investor reports and other documents published by the Company, as well as information on the Directors and governance arrangements, from www.vietnamholding.com. Hard copies of these documents are available free of charge upon request. You can also refer to this website for additional information such as announcements made by the Company to the market.

Tax legislation: The Company is subject to Cayman Islands tax legislation which may have an impact on your personal tax position.

This key information is updated at least every 6 months.

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