

Vietnam Investment Opportunities

4.00pm

Vietnam Investment Opportunities - Sustainable Value Investing in one of Asia's Most Dynamic Markets

With low labour costs (far lower today than those in China), with improving infrastructure, and dynamic development policies, Vietnam is quickly becoming the new workshop for the world as a manufacturing hub for goods ranging from furniture and footwear to home appliances and mobile phones.

This inward shift of manufacturing accelerated during the global pandemic, as international companies have sought to further diversify their production beyond China. But the trend is constant and Vietnam today stands as a truly compelling production centre as costs and labour availability present such a remarkably appealing story for regional and global corporate decision-makers.

The country's middle class of approaching 35 million people is expanding thanks to new work opportunities and rapid urbanisation, creating ever-growing demand across all consumer sectors: from property and construction materials to technology to consumer goods and services. As the economy grows and diversifies apace, so too the capital markets are expanding, and the range of investment opportunities are growing all the time.

To briefly summarise the key appeals that AQUIS Capital's team sees so clearly, the country has robust political stability with broad support for the one-party system. Education is good and improving with a literacy rate of 95% plus. Technology adoption is high and rising. The internet economy is growing at a remarkable pace and as a very young demographic, most of the country are digital natives. Renewable energy is sharply on the rise, and key export sectors include: Smartphones & Accessories, Textiles & Footwear, Computers & Electrical Products and Machinery & Equipment.

Using its expertise to offer investors access to Vietnam, the managers of the Lumen Vietnam Fund UCITS strategy have built a roughly USD250 million fund that AQUIS reports has achieved an annual return of 8.75% since its launch in 2012. The managers take a bottom-up approach in selected and deeply research listed companies in Vietnam, aiming to achieve consistent long-term capital appreciation.

The core of the portfolio consists of small to medium size listed companies that demonstrate attractive growth characteristics and potential, as well as selected tactical allocation to selected undervalued large cap stocks.

The fund is very proud of its strict ESG Investment criteria and only invests in firms that follow a strict rule in harmony with its core values. And the fund is well positioned to capture Vietnam's future transition from frontier to emerging market, which will very probably result in more and more institutional money focusing on the country.

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5.00pm

Webinar Ends