

# HEREFORD FUNDS – VALVERDE ASEAN FUND

MARCH 2025

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# WHY DOES ASEAN MATTER?

THE INCREASING RELEVANCE OF SOUTHEAST ASIA | SIZE, GROWTH...

**3rd**

largest population in the world

680m consumers; the world's 3<sup>rd</sup> largest workforce and a growing middle class → a powerful engine for long-term growth

**5th**

largest economy in the world;  
*on par with India*

ASEAN-10 accounts for 7% of global GDP



**4.6%** GDP growth (FY'24E)

now on par with China

ASEAN's GDP growth is expected to outperform World by 1-2% p.a. It is growing at > 2x Latin America and has consistently been stronger in the past 25 years.

**8%**

share of world exports

ASEAN share of world exports has expanded from 6% in 2010 to 8% in 2022... and growing

Source: IMF, Bloomberg, consensus, Valverde Investment Partners. Information as of October 2023

# WHY DOES ASEAN MATTER?

## THE INCREASING RELEVANCE OF SOUTHEAST ASIA



### Vietnam

*“Aspiring South Korea of Southeast Asia”*

- Strategic partnership with the U.S.
- Manufacturing exports (electronics, textile, agricultural products)
- Beneficiary of China+1 diversification
- Growing discretionary consumption
- Stock market modernization



### Indonesia

*“Southeast Asia’s largest economy & 3<sup>rd</sup> largest democracy in the world”*

- Aspiring “EV Hub of Southeast Asia”; expanding global presence in EV supply chain
- Downstream industrialization driving FDI in commodities and EV
- Rapid digitisation – one of the fastest growing e-commerce markets globally



### Philippines

*“Gradually Fulfilling Potential”*

- Growing Service exports (particularly from BPO)
- Continued growth in overseas remittance inflows
- Tourism recovery
- Growing discretionary consumption



### Thailand

*“Tourism Magnet”*

- Tourist destination of choice; #1 beneficiary of recover in post-COVID arrivals
- Manufacturing exports (machinery and equipment, automobiles)
- Beneficiary of China+1 diversification



### Malaysia

*“Renewed Investment Drive”*

- Singapore’s hinterland → boosting infrastructure, property sectors
- China+1 beneficiary of EMS sector
- Cheap currency driving tourism and new manufacturing investments



### Singapore

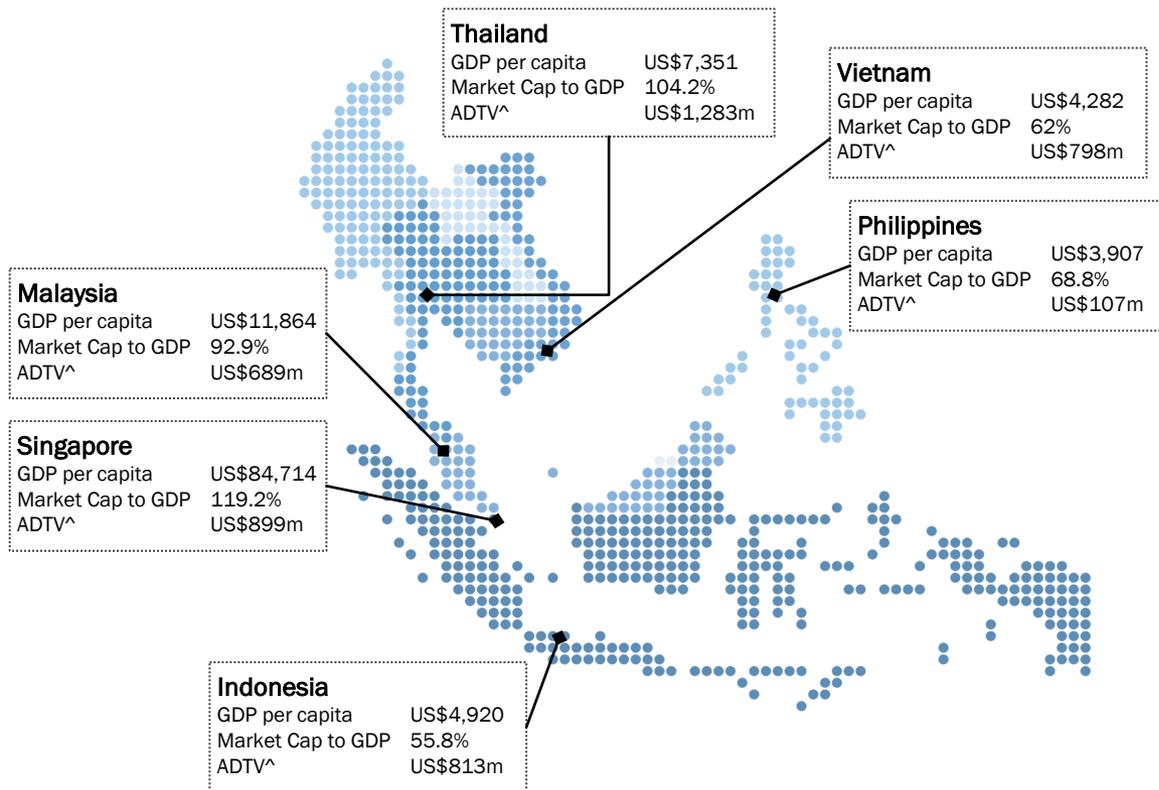
*“Switzerland of Asia”*

- Pro-business, largely neutral state with a huge financial services sector
- Benefiting from global safe-haven flows

Source: Valverde Investment Partners. Information as of September 2024

# ASEAN\*: COMPLEXITY YIELDS OPPORTUNITIES

AN INVESTABLE LIQUID MARKET | DIVERSE REGION, DIFFERENTIATED APPROACH



**680m**  
Total ASEAN  
population (2023)

**US\$4.6b**  
Total Ave Daily  
Turnover

- A diverse region requiring a differentiated investment approach
- Relatively stable politically with robust sovereign and corporate balance sheets
- Growing middle class; increasingly urban population
- Asymmetrical market depth presents further potential for growth

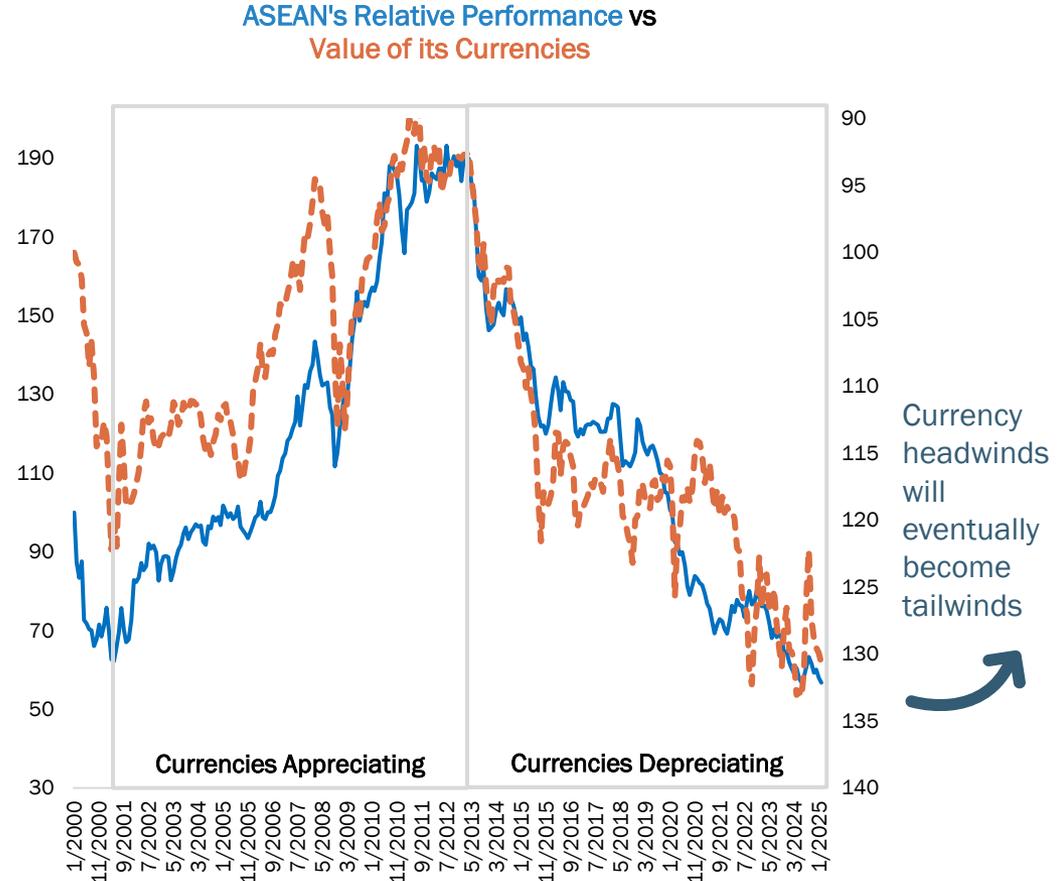
Source: ASEAN Secretariat, ASEANstats, CEIC. Information source as of February 2025.

^ADTV: Average Daily Trading Value

\*ASEAN refers to the six investable markets, out of ten countries, with an investable stock market – Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam

# #1 TAIL-END OF 12 YEARS UNDERPERFORMANCE; U.S. DOLLAR HOLDS THE KEY

MORE THAN A DECADE OF DECLINING ASEAN CURRENCIES HAS DRIVEN INDEX UNDERPERFORMANCE. FED RATE CUTS, LOWER INFLATION AND A WEAKER U.S. DOLLAR ARE CRUCIAL TO REVERSE THE TREND.



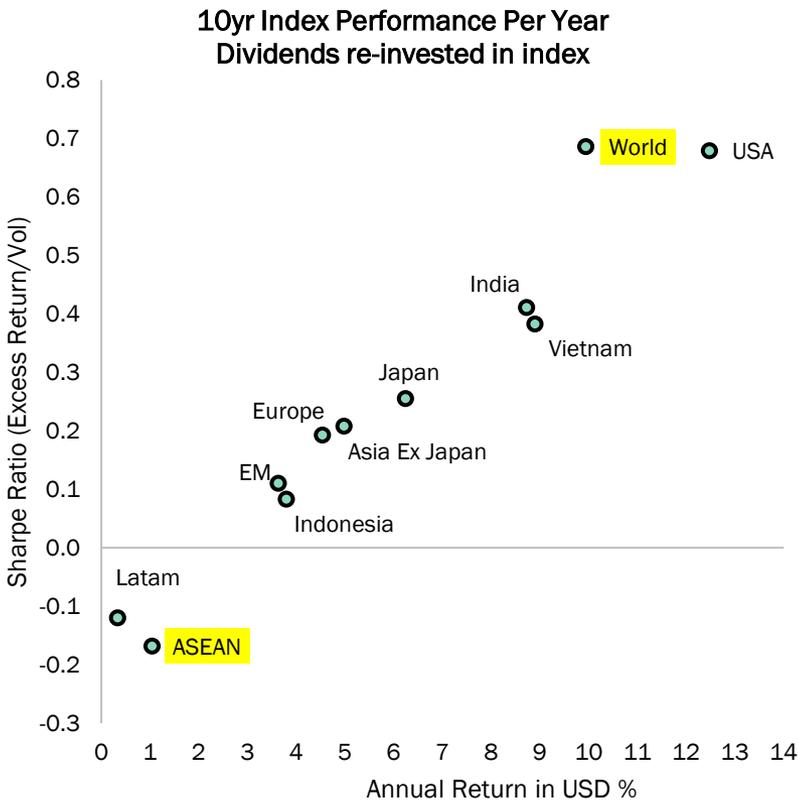
Source: Bloomberg, Valverde Investment Partners. Information as of March 2025

— MSCI ASEAN vs MSCI World Indexed LHS  
 - - - Southeast Asian Currencies (ex VND) vs US\$ Index In Reverse RHS

# SENTIMENT TAPPED OUT; FOREIGN POSITIONING BOTTOMING

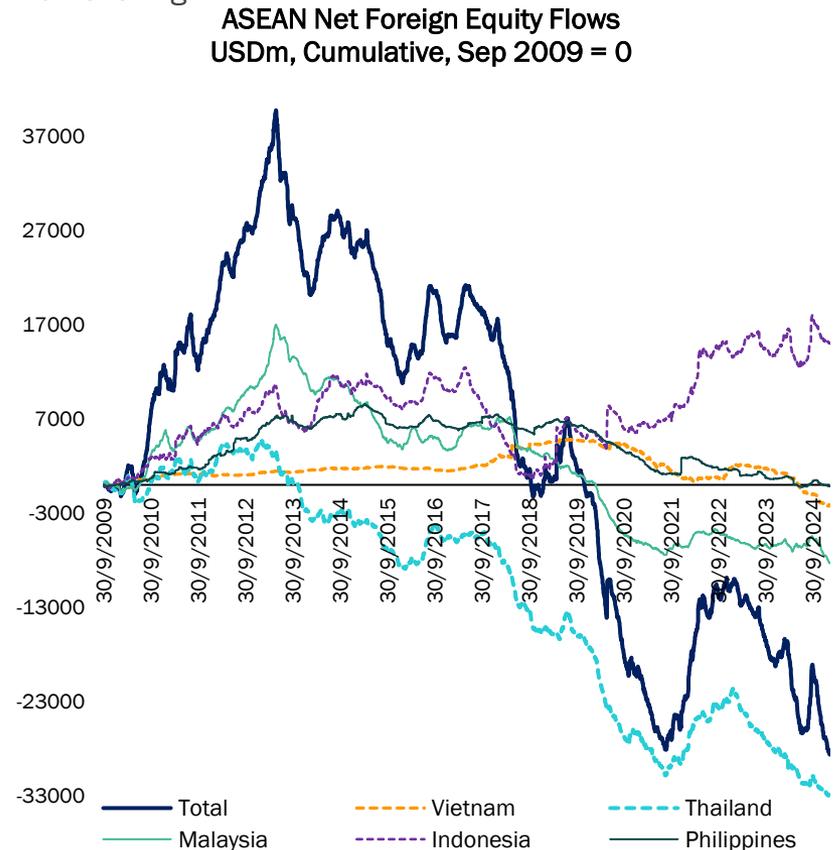
IT WOULD NOT TAKE A BIG SHIFT TO PUSH ASEAN UP SIGNIFICANTLY

More than a decade of underperformance with poor risk-adjusted annual total returns



Source: Bloomberg, various official stock market data, Valverde Investment Partners. Information as of February 2025

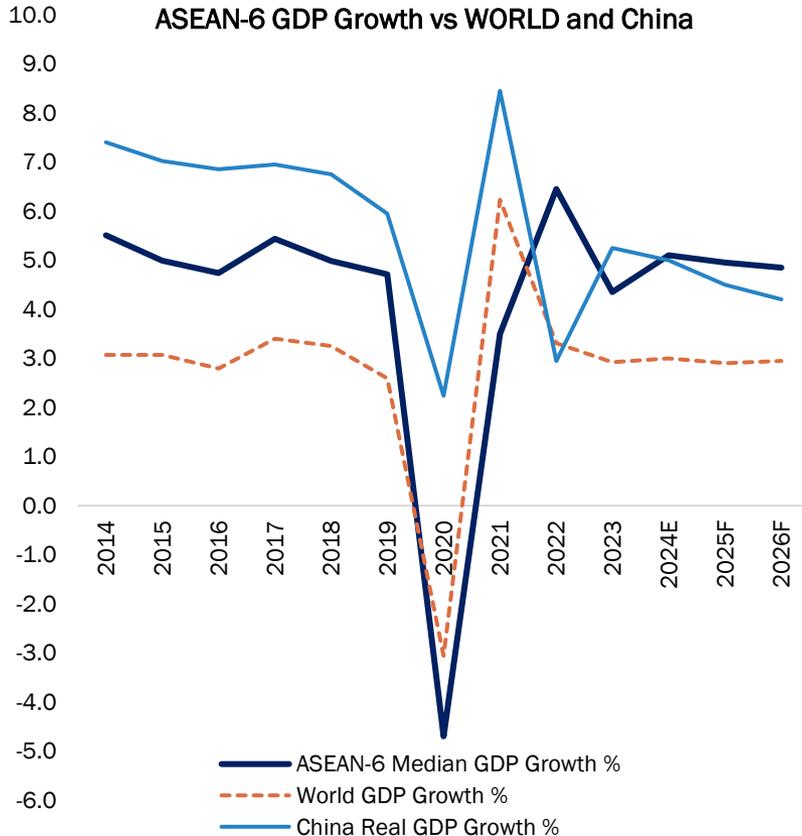
Foreign funds have fled most ASEAN markets. Only Indonesia bucked the trend, although that is now unravelling



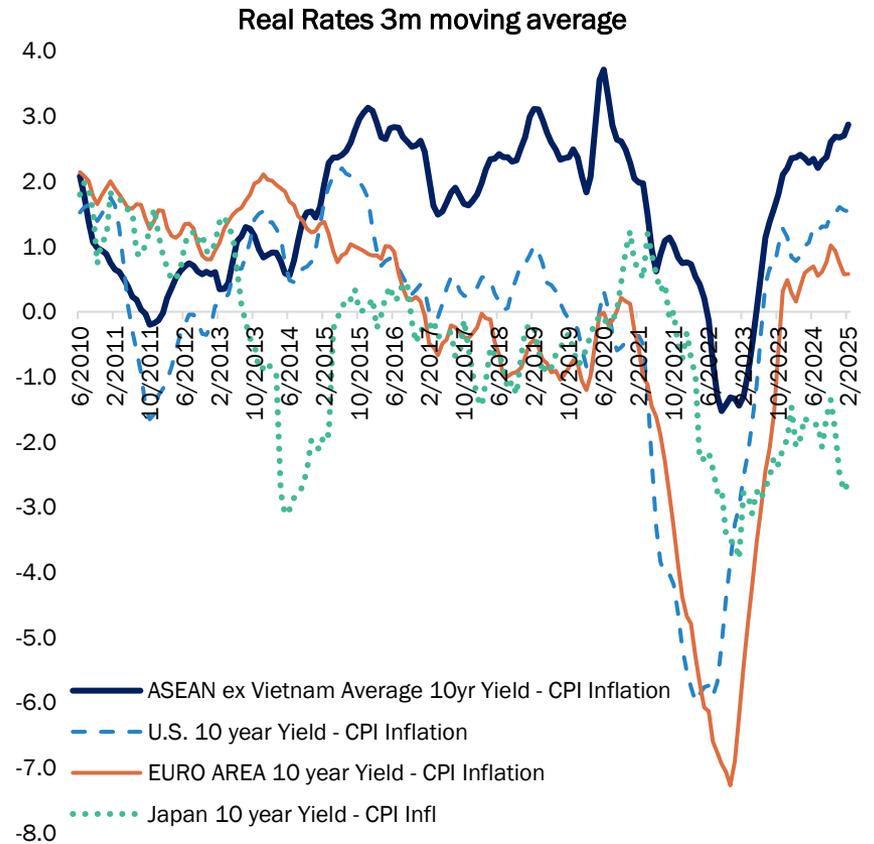
Source: Bloomberg, MSCI, Valverde Investment Partners. Information as of March 2025

## #2 ASEAN ECONOMIES SET TO OUTPERFORM

TRUMP 2.0'S TARIFFS AND INFLATIONARY POLICIES HAVE PUSHED OUT RATE CUTS AND RAISED RISKS TO WORLD GROWTH. EVEN SO, ASEAN'S GROWTH IS SET TO OUTPERFORM. ASEAN'S REAL RATES ARE TOO HIGH, WHICH IS WHERE THE GROWTH LEVERAGE KICKS IN ONCE THE US\$ WEAKENS



Source: Bloomberg (official economic data), Valverde Investment Partners. Information as of March 2025



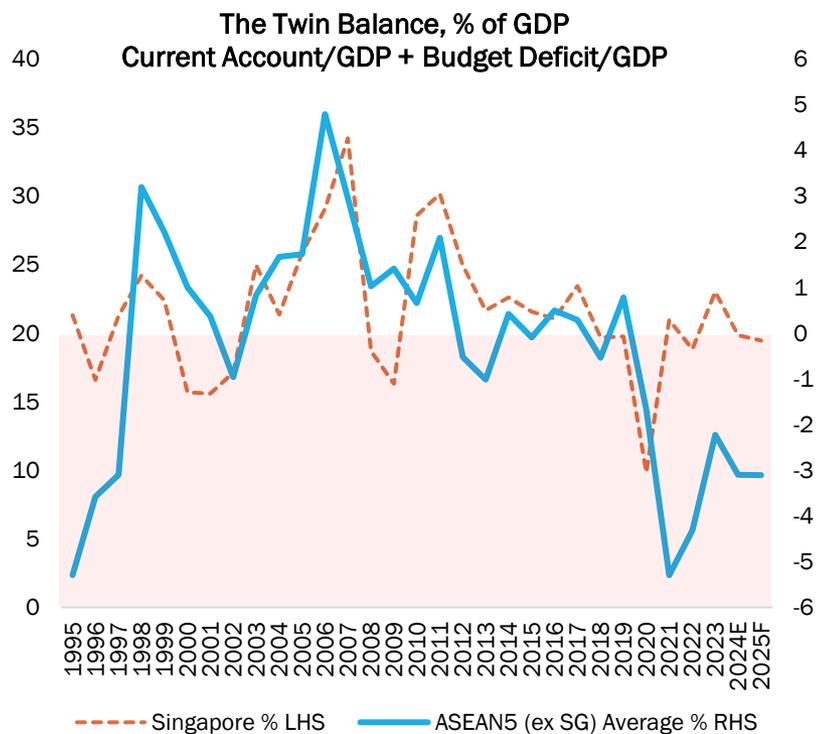
Source: Bloomberg (official economic data), Valverde Investment Partners. Information as of March 2025

# TWIN BALANCE A CONCERN, BUT ON FLIP-SIDE MEANS UPSIDE LEVERAGE

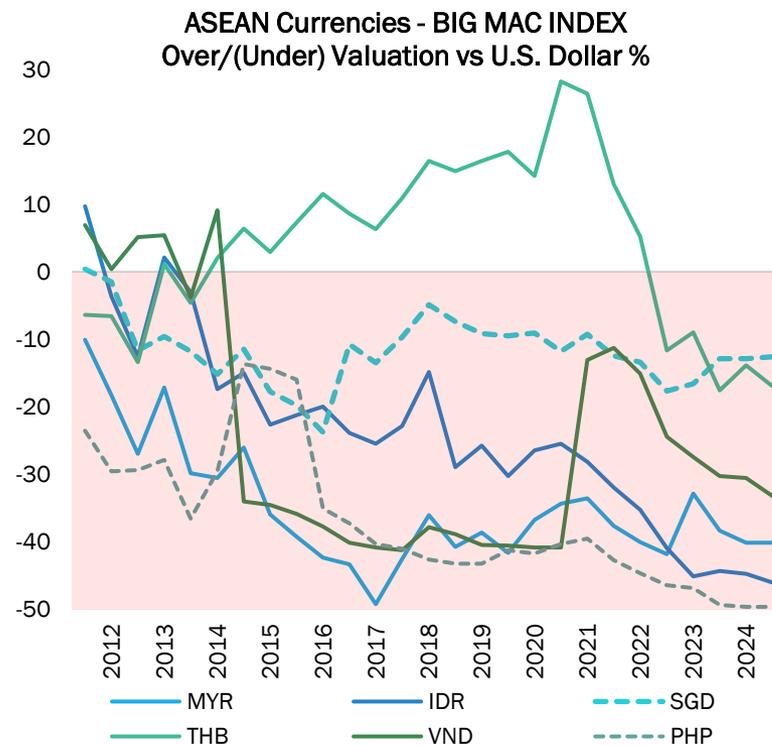
THE KEY SOURCE OF CURRENCY VULNERABILITY TO U.S. RATE CYCLE AND U.S. DOLLAR STRENGTH. ONCE THE DOLLAR TURNS, THERE IS SIGNIFICANT LEVERAGE TO THE UPSIDE FOR REGIONAL CURRENCIES AS RATES CAN FALL

Twin Balances has deteriorated back to pre-Asian Financial Crisis levels, compounded by the pandemic and weak global exports.

ASEAN currencies are all undervalued



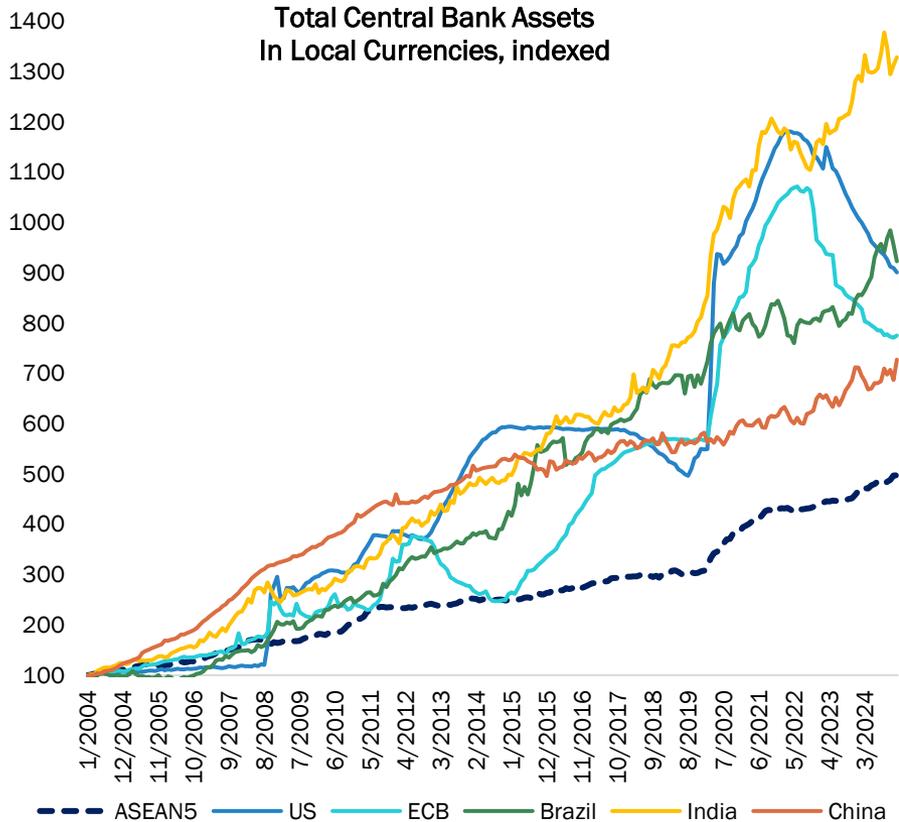
Source: Bloomberg (official economics data), Bloomberg Consensus, Valverde Investment Partners. Information as of February 2025



Source: Bloomberg (official economics data), Bloomberg Consensus, Valverde Investment Partners. Information as of 10 September 2024

# CONSERVATIVE MONETARY POLICIES A PLUS

SCARS OF THE ASIAN FINANCIAL CRISIS - ASEAN DID NOT OVER-STIMULATE DURING THE PANDEMIC, RELATIVE TO G7 & THE REST OF THE WORLD



	% since 2014c	Average M2 growth	Average GDP growth	M2/GDP Ratio
China	10.4	6.1	6.1	1.7
<b>ASEAN-5</b>	<b>7.0</b>	<b>4.0</b>	<b>4.0</b>	<b>1.7</b>
India	11.5	5.69	5.69	2.0
U.S.	6.8	2.26	2.26	3.0
EU	5	1.49	1.49	3.4
Australia	14.4	2.27	2.27	6.3
Japan	3.9	0.45	0.45	8.7
Brazil	10.75	0.29	0.29	37.1

Source: Bloomberg, Respective Central Banks, IMF, Valverde Investment Partners. Information as of February 2025

Source: Bloomberg, Respective Central Banks, IMF, Valverde Investment Partners. Information as of February 2025

# #3 ONGOING GEOPOLITICAL DIVIDEND: FDI BOOM

CHINA+1, FRIENDSHORING AND TARIFF WARS SUPER-CHARGE CHEAP CURRENCIES AND LABOUR

01

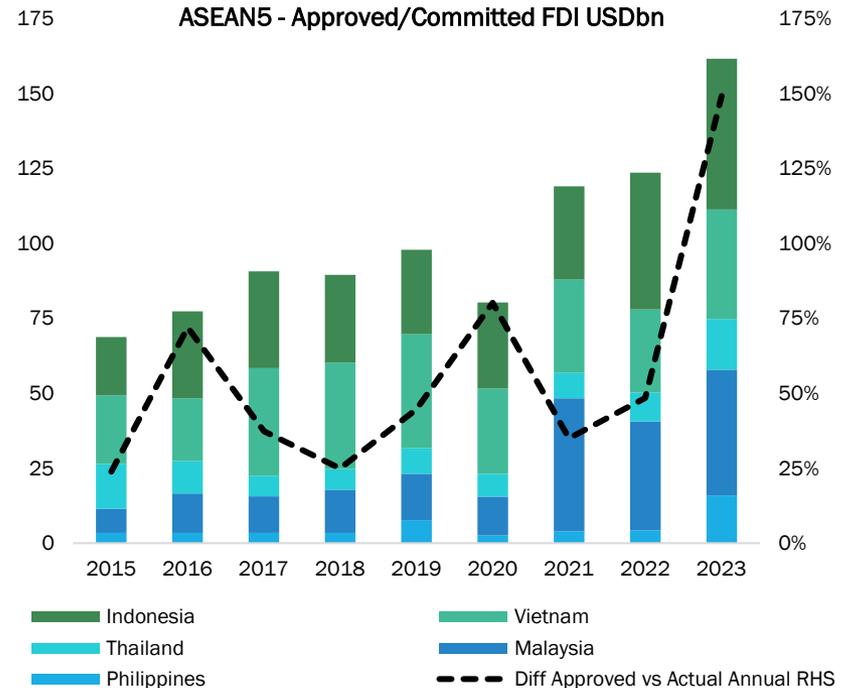
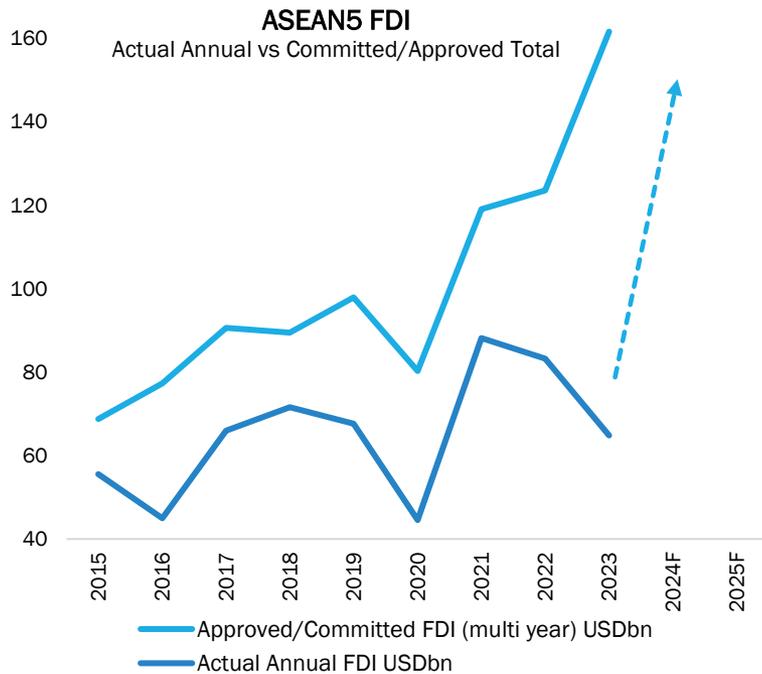
The world's largest recipient of FDI with a 17% share and has overtaken China in the past 2 years

02

A major beneficiary of the ongoing shift in the geopolitical balance and the tussle for markets and influence

03

A strong vote of confidence from long term money. Mismatch on FDI and Foreign Equity Portfolio Flows present opportunities



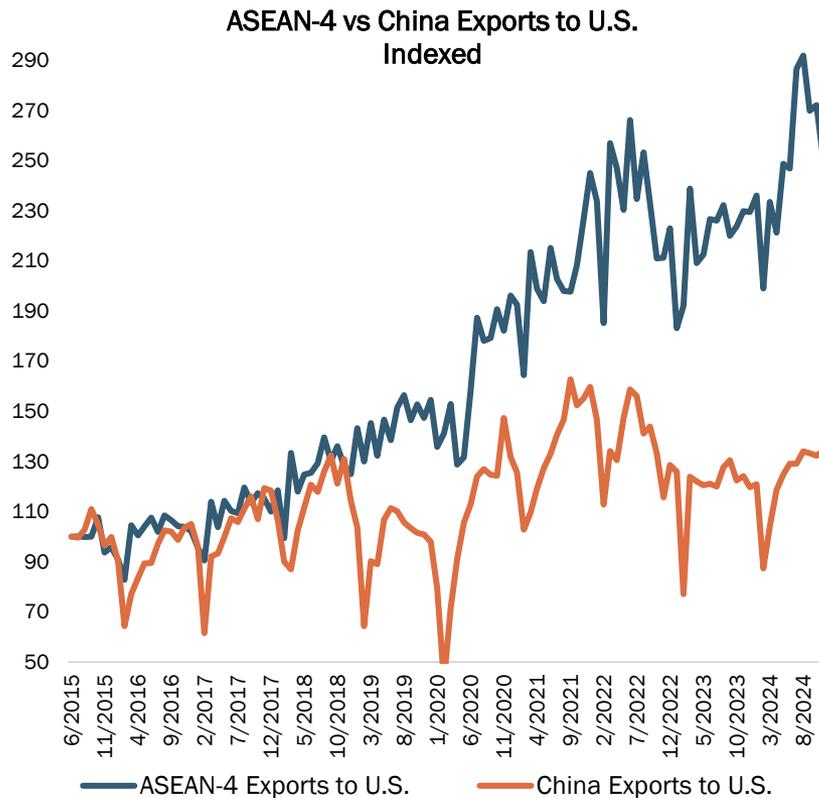
Sources: World Bank, Bank of Indonesia, Vietnam General Statistics Office, various official sources vis press articles, Valverde Investment Partners. Information as of 10 September 2024

Sources: Various official sources via press articles, Valverde Investment Partners. Information as of 10 September 2024

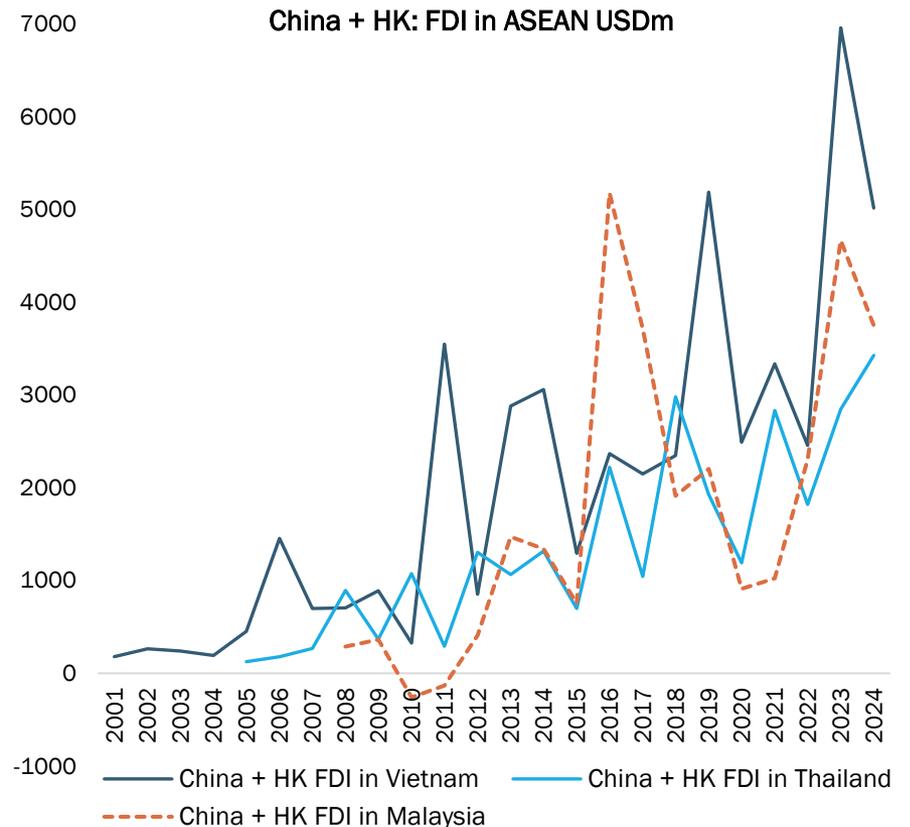
# ASEAN'S EXPORT ENGINE POISED TO CONTINUE GAINING SHARE

AS TARIFF WALLS GET HIGHER. CHINA FDI INTO ASEAN WILL CONTINUE TO RAMP.

ASEAN exports to the U.S. outperforming China



Source: Bloomberg, Chad P. Brown (PIIE). Information as of March 2025

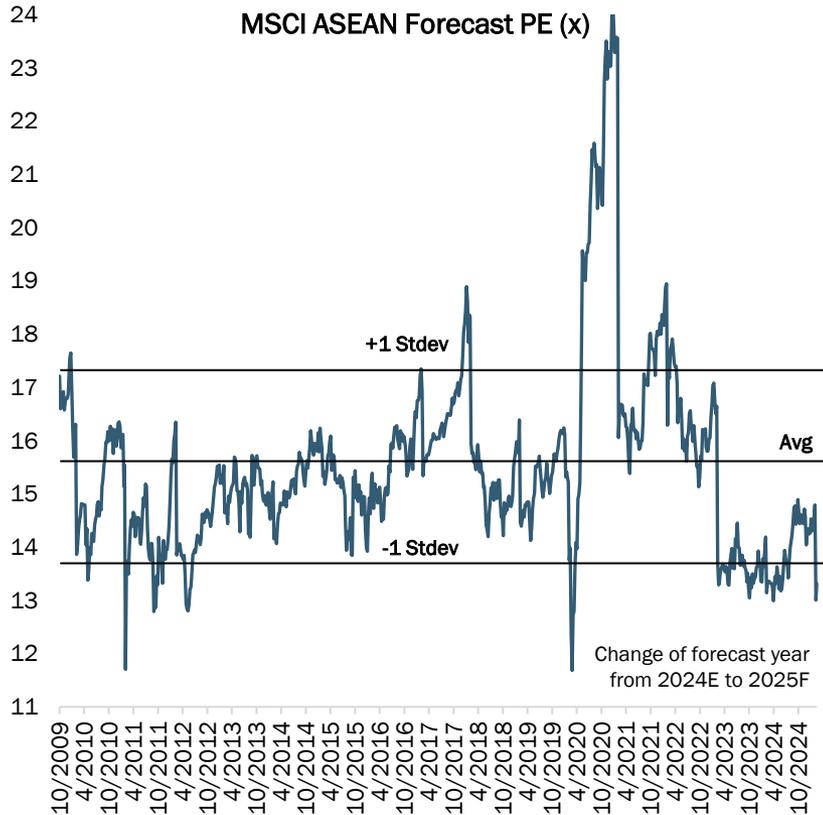


Source: Bloomberg, IMF. Information as of March 2025

# #4 ATTRACTIVELY VALUED AT HISTORICAL LOWS

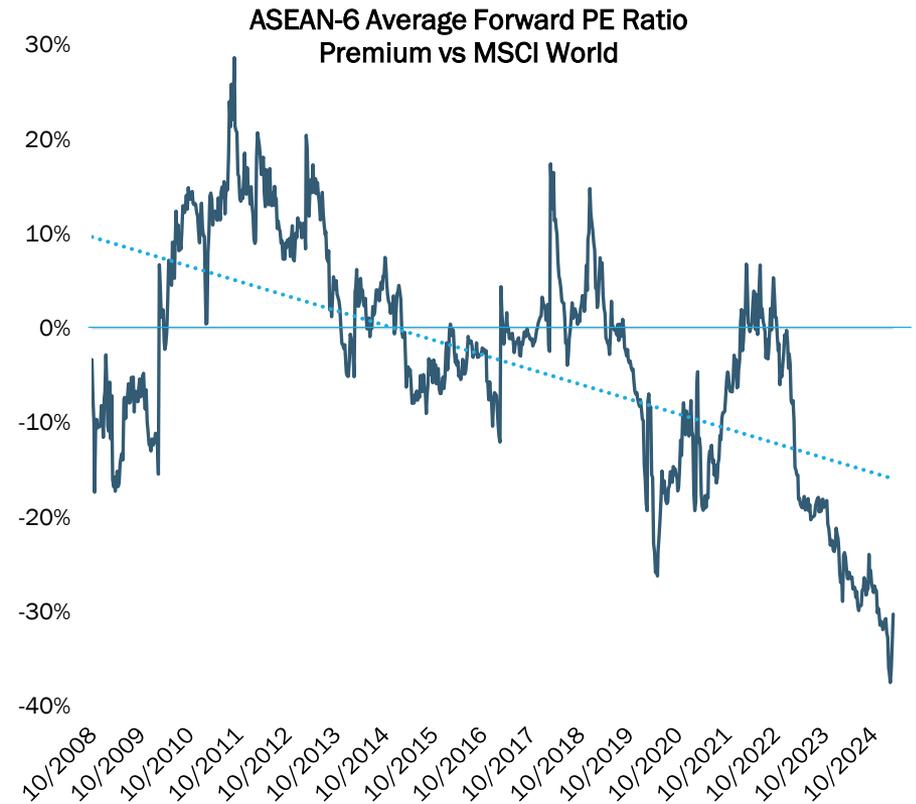
ABSOLUTELY AND RELATIVELY

Forecast PE at lower end of long historical range



Source: Bloomberg, Bloomberg Consensus, MSCI, Valverde Investment Partners. Information as of March 2025

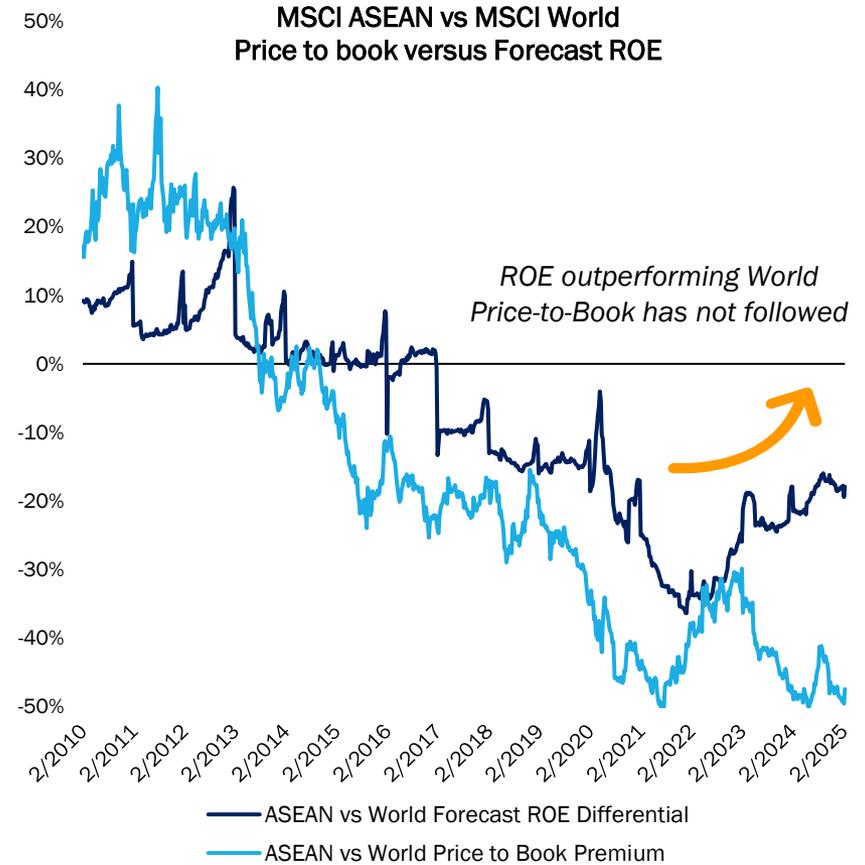
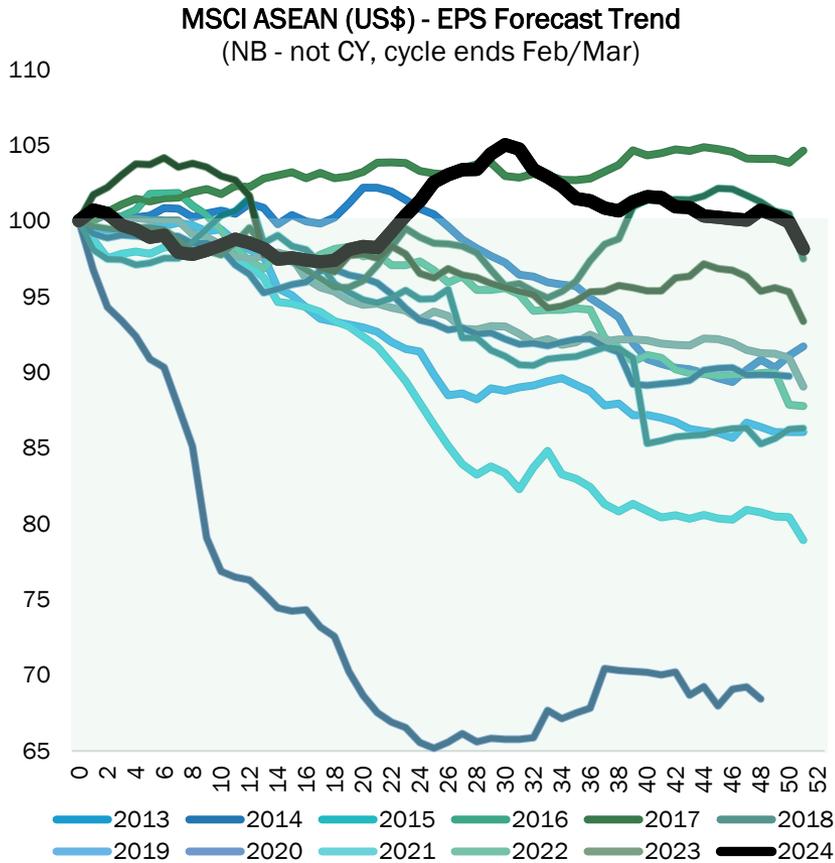
PE discount to MSCI World near all-time highs



Source: Bloomberg, Bloomberg Consensus, Valverde Investment Partners. Information as of March 2025

# LIGHT AT THE END OF THE TUNNEL FOR EARNINGS

EPS FORECASTS HOLDING UP; ROE OUTPERFORMANCE NOT DISCOUNTED



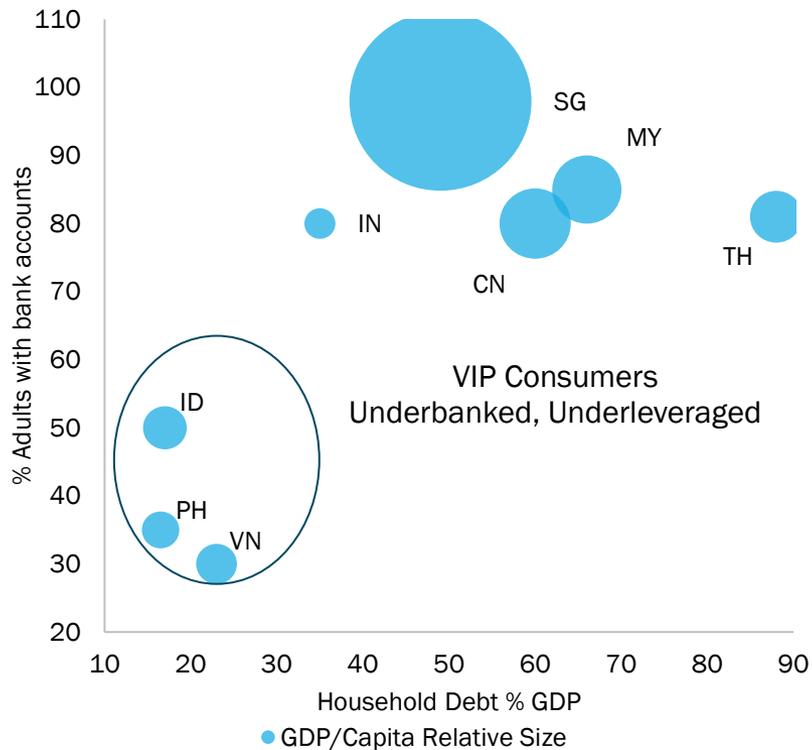
Source: Bloomberg, Bloomberg Consensus, Valverde Investment Partners.  
Information as of February 2025

Source: Bloomberg, Bloomberg Consensus, MSCI, Valverde Investment Partners. Information as of March 2025

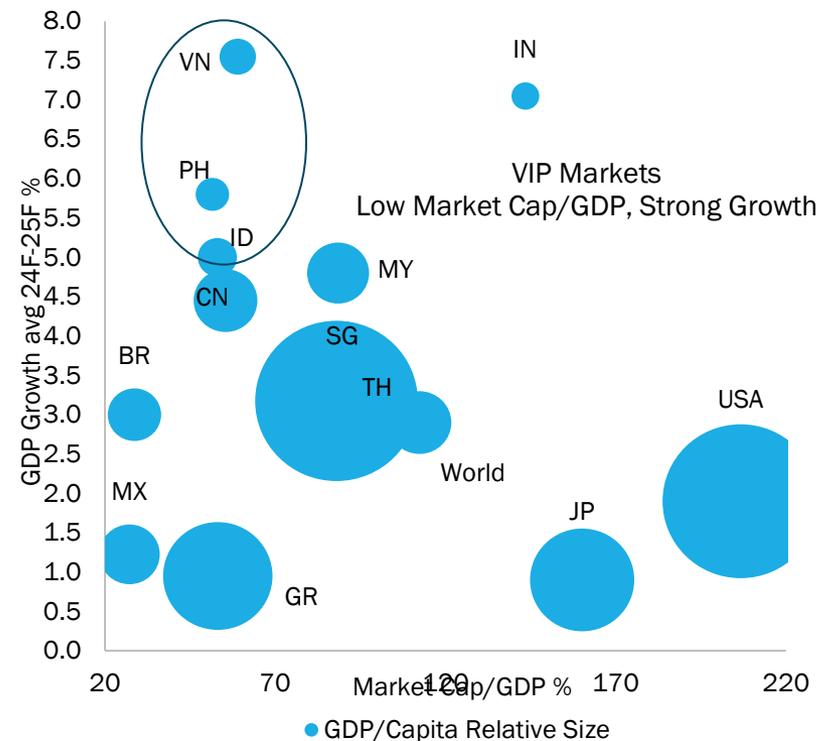
# “V-I-P”\* MARKETS LEADING LONG TERM VALUE AND GROWTH

TWO-TIER OUTLOOK: HIGH GDP & POPULATION GROWTH + LOW VALUATIONS & UNDER-PENETRATED MARKETS

V-I-P\* markets - stand out for consumer and banking potential



Attractive GDP growth and low market cap/GDP, suggesting years of catchup



\*V-I-P markets – Vietnam, Indonesia, Philippines  
Source: World Bank, Valverde Investment Partners. Information as of March 2025

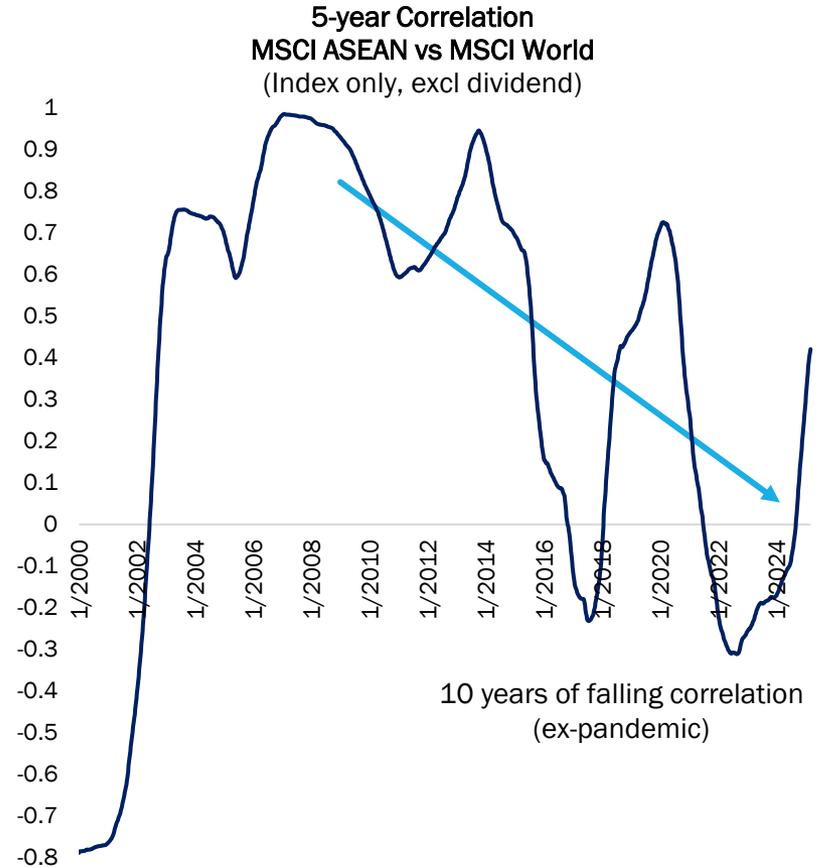
Source: Bloomberg, Bloomberg Consensus, Valverde Investment Partners. Information as of March 2025

# #5 ASEAN: AN ATTRACTIVE PORTFOLIO DIVERSIFIER

RELATIVELY UNCORRELATED EQUITY RETURNS



Source: Bloomberg, MSCI, Valverde Investment Partners. Information as of March 2025



Source: Bloomberg, MSCI, Valverde Investment Partners. Information as of March 2025

# #6 RICH ENVIRONMENT FOR ALPHA GENERATION

PLENTY OF OPPORTUNITIES DESPITE POOR INDEX PERFORMANCE

Regional return dispersion suggest significant upside potential from flexibility to allocate

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>MSCI ASEAN</b>	<b>-4.7%</b>	<b>6.2%</b>	<b>-18.5%</b>	<b>6.0%</b>	<b>29.9%</b>	<b>-8.6%</b>	<b>8.5%</b>	<b>-6.4%</b>	<b>0.0%</b>	<b>-4.3%</b>	<b>0.5%</b>	<b>11.0%</b>
<b>Investable Universe<sup>^</sup> No. of Names</b>	500	454	475	396	456	551	441	458	621	644	495	<b>509</b>
<b>Total Investable Market Capitalization</b>	1.79t USD	1.63t USD	1.75t USD	1.41t USD	1.56t USD	2.10t USD	1.82t USD	1.96t USD	2.02t USD	2.16t USD	1.95t USD	<b>1.97t USD</b>
<b>Investable Universe<sup>^</sup> No. of Names</b>	<b>43</b>	<b>105</b>	<b>32</b>	<b>72</b>	<b>187</b>	<b>22</b>	<b>98</b>	<b>84</b>	<b>152</b>	<b>50</b>	<b>62</b>	<b>94</b>
<b>Total Investable Market Capitalization</b>	81.9b USD	319.6b USD	31.3b USD	199.4b USD	702.3b USD	48.4b USD	268.7b USD	109.7b USD	281.1b USD	138.7b USD	94.6b USD	<b>423.7b USD</b>
<b>Top 3 Countries* by Market Capitalization / No. of Names</b>	<b>MY</b> 40.3% (15)	<b>ID</b> 37.6% (35)	<b>TH</b> 45.1% (15)	<b>TH</b> 52.7% (40)	<b>TH</b> 25.5% (57)	<b>VN</b> 34.9% (5)	<b>TH</b> 30.3% (37)	<b>MY</b> 23.0% (20)	<b>SG</b> 25.6% (16)	<b>TH</b> 44.3% (23)	<b>VN</b> 32.4% (30)	<b>SG</b> 37.8% (9)
	<b>PH</b> 18.5% (5)	<b>TH</b> 37.1% (33)	<b>VN</b> 29.8% (5)	<b>ID</b> 38.9% (16)	<b>SG</b> 22.5% (39)	<b>MY</b> 24.1% (5)	<b>ID</b> 25.7% (16)	<b>TH</b> 21.1% (19)	<b>VN</b> 23.6% (58)	<b>ID</b> 35.2% (16)	<b>ID</b> 29.6% (7)	<b>TH</b> 18.3% (13)
	<b>SG</b> 15.0% (7)	<b>PH</b> 19.1% (20)	<b>MY</b> 12.2% (7)	<b>MY</b> 3.0% (6)	<b>ID</b> 19.6% (23)	<b>ID</b> 19.9% (5)	<b>SG</b> 24.2% (22)	<b>VN</b> 19.1% (15)	<b>TH</b> 23.5% (39)	<b>SG</b> 15.4% (5)	<b>SG</b> 15.8% (4)	<b>MK</b> 17.4% (36)

Past performance is no indication or guarantee of future performance.

<sup>^</sup>Investable universe refers to stocks, with market capitalization of over US\$250 million and ADTV of more than US\$500,000, listed on the respective country stock exchanges

\*Note: MY - Malaysia, ID - Indonesia, SG - Singapore, TH - Thailand, PH - Philippines, VN - Vietnam

Source: Bloomberg. Information as of 31 December 2024, in USD terms.

# COUNTRY SELECTION MATTERS

## HIGH DISPERSION OF COUNTRY RETURNS

Annual return dispersion by countries in MSCI ASEAN\* Index (total return basis, USD)

Rank	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1	MY 7.7%	ID 26.6%	VN -5.4%	TH 26.6%	VN 64.9%	TH -5.5%	SG 15.0%	VN 15.0%	VN 24.8%	TH 5.0%	ID 7.3%	SG 32.3%
2	VN 7.2%	PH 25.6%	PH -6.8%	ID 17.0%	SG 35.6%	MY -6.0%	PH 10.5%	MY 3.7%	SG 5.7%	ID 3.6%	VN 5.9%	MY 20.8%
3	SG 1.7%	TH 16.5%	SG -17.7%	SG 1.4%	TH 34.5%	ID -9.2%	TH 9.5%	PH -3.4%	ID 2.1%	MY -5.8%	SG 5.3%	TH 1.3%
4	PH -2.7%	VN 5.6%	ID -19.5%	MY -3.9%	MY 25.1%	SG -9.4%	ID 9.1%	SG -7.5%	TH -1.4%	SG -11.0%	PH 3.5%	PH -0.7%
5	TH -14.6%	SG 3.0%	MY -20.1%	PH -6.6%	PH 24.6%	VN -12.7%	VN 7.8%	ID -8.1%	PH -3.9%	PH -13.9%	MY -3.5%	VN -6.0%
6	ID -23.5%	MY -10.7%	TH -23.5%	VN -7.8%	ID 24.2%	PH -16.5%	MY -2.0%	TH -11.7%	MY -6.2%	VN -43.9%	TH -10.5%	ID -13.0%
MSCI ASEAN	-4.7%	6.2%	-18.4%	6.0%	29.9%	-8.6%	8.5%	-6.4%	0.0%	-4.3%	0.5%	11.0%

Best performing market (Top 2)

Outperform the MSCI ASEAN Index

Past performance is no indication or guarantee of future performance.

\*Note: The MSCI ASEAN Index captures large and mid cap representation across 4 Emerging Markets countries, 1 Developed Market country and 1 Frontier Market country.

Emerging Markets countries include: Indonesia (ID – MSCI Indonesia Index), Malaysia (MY – MSCI Malaysia Index), the Philippines (PH – MSCI Philippines Index) and Thailand (TH – MSCI Thailand Index). Developed Market country include: Singapore (SG – MSCI Singapore Index). Frontier Market country include: Vietnam (VN – MSCI Vietnam Index).

^Investable universe refers to stocks with market capitalization of over US\$250 million and ADTV of more than US\$500,000

Source: Bloomberg, MSCI. Information as of 31 December 2024, in USD terms.

# ASEAN IS STILL UNDER-RESEARCHED

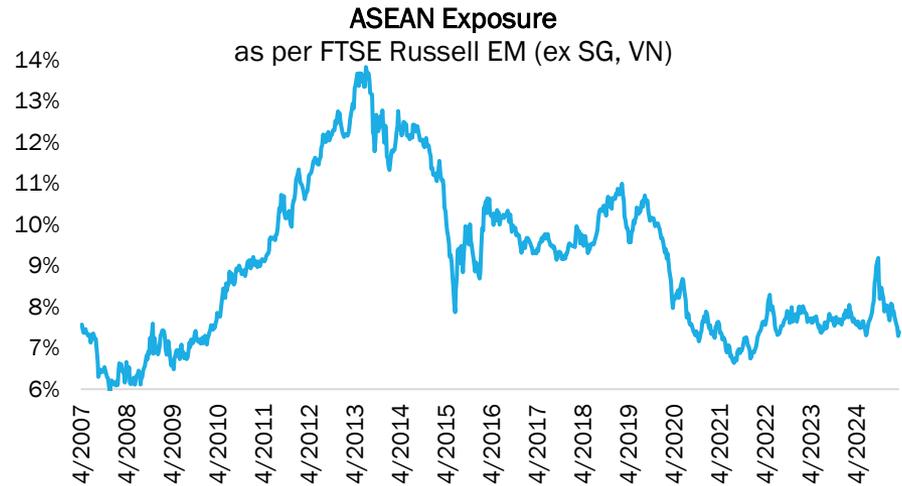
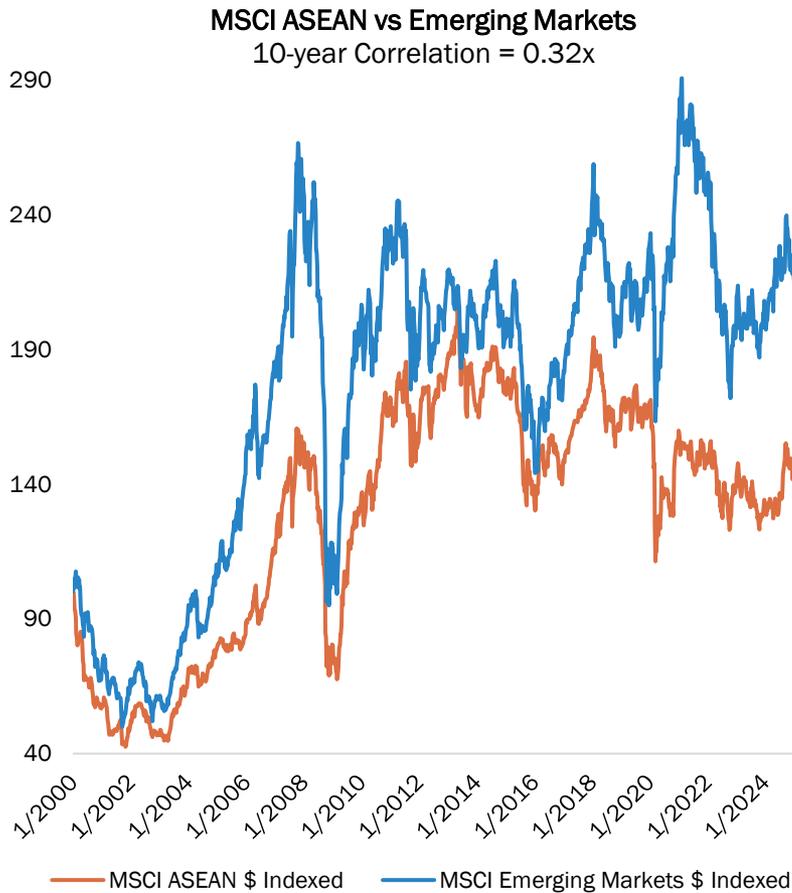
PLENTY OF OPPORTUNITIES FOR A MORE COMPREHENSIVE ON-THE-GROUND RESEARCH



Source: Bloomberg, Valverde Investment Partners. Information as of 10 September 2024

# GLOBAL EM FOR ASEAN EXPOSURE? NOWHERE NEAR A PROXY

ASEAN IS ONLY 8% OF EMERGING MARKET | VALVERDE'S ASEAN UCITS ALSO GIVES EXPOSURE TO SINGAPORE AND VIETNAM, HIGHLY LIKELY DUE FOR INCLUSION INTO BOTH FTSE AND MSCI EM INDEXES

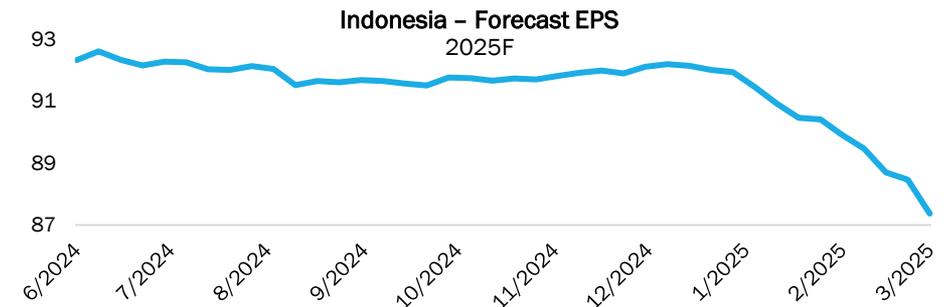
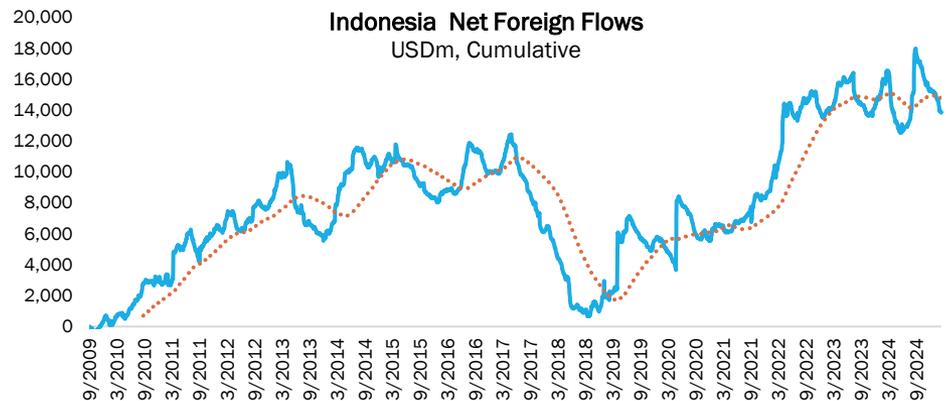
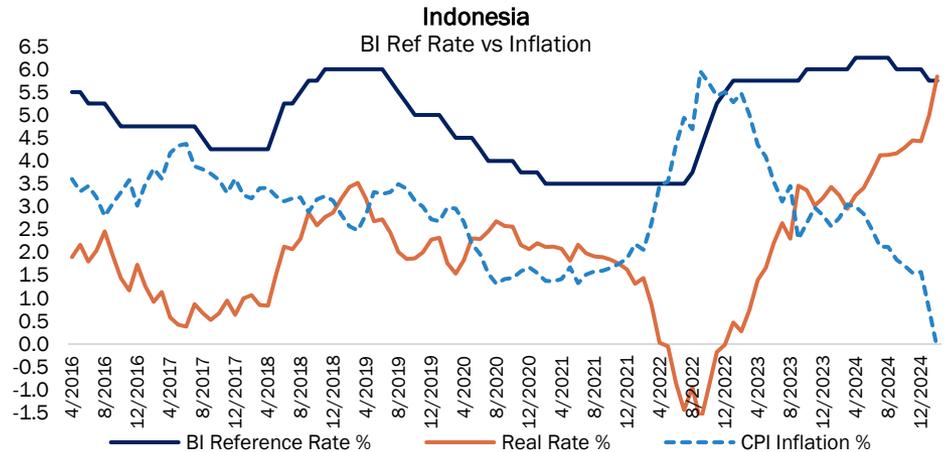


Source: Bloomberg, MSCI, Valverde Investment Partners.  
Information as of March 2025

# INDONESIA

## LEAST FAVOURED MARKET

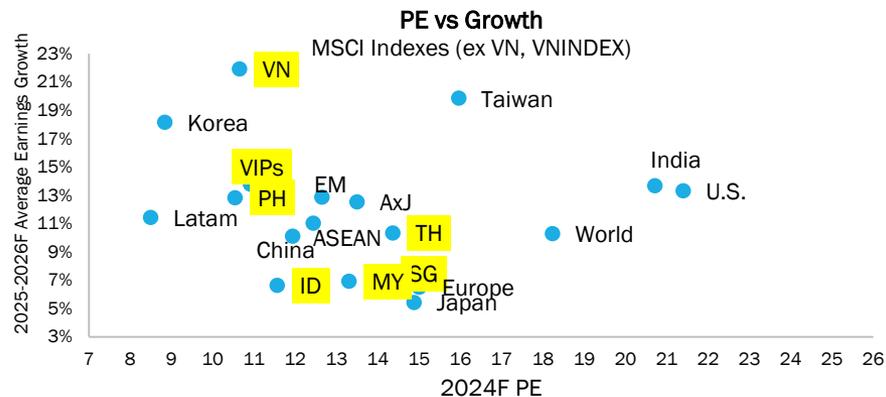
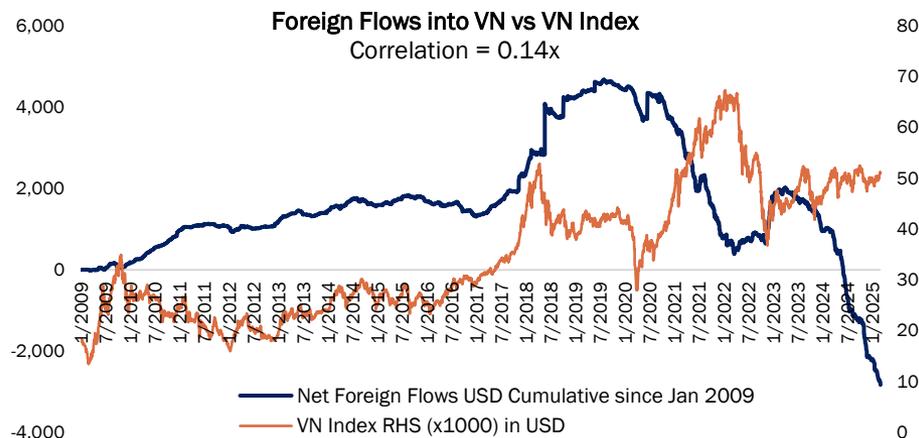
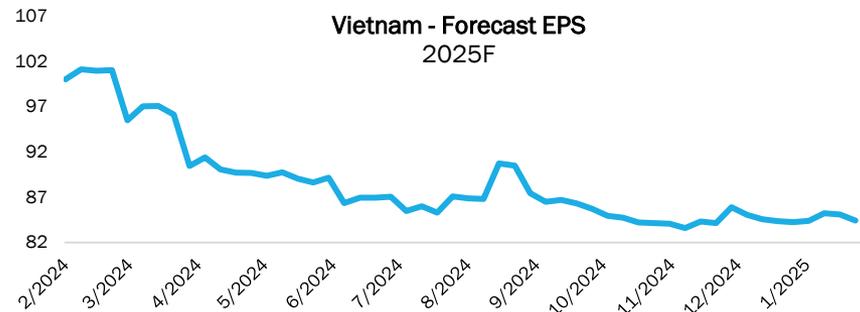
- **Economic momentum is weakening** - The upper and lowest ends of consumer spectrum are holding up well – it is the middle that is getting squeezed
- **Real rates are too high and need to be cut, but the IDR would suffer**
- **Visibility on fresh government policies is low** – Lack of policies to encourage FDI and private sector investment are of concern
- **A key risk is reversal in foreign flows**, which have been positive and held up the best in ASEAN. Foreign funds are concentrated in the very big caps, heavy on the banks
- **Market valuation is cheap on long term metrics, but there is a lack of catalysts in the short term**



# VIETNAM

## MOST FAVOURED MARKET

- **Vietnam is on the cusp of a new 3-year growth cycle** - (1) Political stability after years of turbulence and anti-corruption efforts; (2) Strengthening partnerships with China, the U.S., Japan, and Korea; (3) Rising FDI, spurred by manufacturing shifts from China; (4) A 2024 legislative overhaul to streamline regulations and boost business appeal
- **The legislative overhaul involves 6 key new laws** that target (1) greater certainty for large power projects, (2) greater local autonomy for investment approvals, (3) improved digital governance, (4) a more effective VAT framework with zero VAT for wholly export focused firms, (5) improved capital markets transparency and (6) enabling fast track approvals for projects in Hanoi
- **GDP has beaten expectations** – 2024 GDP growth at 7.1%, beating consensus at 6-6.7%, highest in ASEAN and 2nd highest since joining WTO
- **Most indicators are strong**
- **Property market prospects have brightened of late** with a surge in property launches from a three-year politically driven impasse
- **Risks remains on the currency and tariffs**
- **FTSE will likely raise Vietnam to emerging market status**
- **Market is cheap** versus history and cheapest in the region given the strongest EPS growth outlook
- **Foreign flows have collapsed**



# PLUGGING THE GAP...

## WHAT THE MARKET LACKS



### Investing in an actively managed ASEAN Fund where...

- ❑ there is **flexibility to vary allocations within ASEAN** depending on the country's situation, and
- ❑ opportunity to **take off-index bets** where alpha can be derived;
- ❑ the fund is managed by **dedicated ASEAN and local specialists** (Thailand, Vietnam and Indonesia).

## Why Valverde

### Differentiated Experience in ASEAN Investing



Investment team led by **Brook Tellwright** with over 30 years experience as a portfolio manager investing in Asia and across strategies



**Locally based team in ASEAN markets (Singapore, Kuala Lumpur, Ho Chi Minh, Bangkok)** – maximizing alpha generating opportunities; strong understanding of ASEAN political situation and business motivations



Dedicated professional investment team with over **100 years of collective experience** investing in ASEAN

# THE OPPORTUNITY

## HEREFORD FUNDS - VALVERDE ASEAN FUND

### Investment Objective & Strategy

- To deliver long-term capital growth by investing primarily in listed equities in ASEAN countries
- Investment universe: ASEAN markets, including Vietnam, Thailand, Singapore, Philippines, Malaysia and Indonesia. The Fund may also invest in companies listed outside the above countries which have significant exposure to the ASEAN region.
- To deliver strong earnings growth and above average return on capital over a 3 to 5-year time horizon; identifying companies with i) a track record of good corporate governance, ii) attractive valuations, and iii) reasonable risk/reward dynamics

### Investment Restrictions

- No more than 20% of the Net Asset Value in companies listed outside ASEAN stock exchanges
- No more than 50% of the Net Asset Value in companies listed on any of the 4 largest markets in ASEAN (Singapore, Indonesia, Thailand and Vietnam), and no more than 35% of the Net Asset Value in companies listed on either of the 2 smaller markets (Philippines and Malaysia)

Please refer to the Hereford Funds Prospectus dated [Date] [Month] 2025 for details.

# INDICATIVE FUND TERMS – SUBJECT TO REGULATORY APPROVAL

(CONFIDENTIAL AND PROPRIETARY. THIS TERM SHEET IS FURNISHED TO PROSPECTIVE PARTNERS ON A CONFIDENTIAL BASIS FOR CONSULTATIVE PURPOSES ONLY AND MAY NOT BE REPRODUCED OR DISTRIBUTED, IN WHOLE OR IN PART, NOR ITS CONTENTS DISCLOSED OR USED FOR ANY PURPOSE WITHOUT THE PRIOR WRITTEN CONSENT OF VALVERDE INVESTMENT PARTNERS)

<b>Fund Name</b>	Hereford Funds – Valverde ASEAN Fund		
<b>Fund Structure</b>	UCITS		
<b>Manager</b>	Valverde Investment Partners Pte. Ltd.		
<b>UCI Administrator</b>	FundPartner Solutions (Europe) S.A.		
<b>Depository Bank</b>	Bank Pictet & Cie (Europe) AG		
<b>Legal Advisor</b>	Elvinger Hoss Prussen		
<b>Auditor</b>	Deloitte Audit S.à r.l.		
<b>Fund Inception Date</b>		<b>Fund Currency</b>	USD
		<b>Accounting Year End</b>	30 September

	<b><u>Class L</u></b> <i>Cornerstone Investor Class: up to 1<sup>st</sup> US\$35m of total subscription amount received</i>	<b><u>Class A</u></b>
<b>Minimum Subscription</b>	100,000	100,000
<b>Management Fee (per annum)</b>	L1 – 0.25%   L2 – 0.5%	1.25%

Please refer to the Hereford Funds Prospectus dated [Date] [Month] 2025 for details.

# WHY VALVERDE

## DIFFERENTIATED EXPERIENCE IN ASEAN INVESTING



### ACTIVE

Stock-picking in volatile, inefficient markets



### LOCAL

On-the-ground presence



### CONCENTRATED

c. 25 – 35 (All Cap) “best ideas”



### LONG TERM

3 – 5-year time horizon

### Unique Proposition

- ASEAN focus – regional perspective, local expertise
- Partner-owned
- Institutional quality

# WHY VALVERDE

## DIFFERENTIATED EXPERIENCE IN ASEAN INVESTING

REGIONAL PERSPECTIVE +  
LOCAL EXPERTISE

Focus on providing discretionary investment services for **commingled funds and SMAs** investing in ASEAN

EXTENSIVE EXPERIENCE IN  
ASEAN

**100+ Years**  
Of Collective Experience

INSTITUTIONAL QUALITY

**Partner-owned;**  
Singapore Registered &  
Licensed Fund Manager; HK  
Type 9 license (pending)

GOVERNANCE

**Durable Investment Approach +**  
Experienced & **Credible Advisory Board**

SUSTAINABILITY

**ESG Integration**



Main Office

Singapore

Research

Malaysia

Research

Indonesia

Research

Vietnam

Research

Thailand

Source: Valverde Investment Partners. Information as of January 2025

# OUR PEOPLE

ON-THE-GROUND, EXPERIENCED AND DEDICATED PROFESSIONALS

## PORTFOLIO TEAM



**Brook Tellwright**  
Lead Manager  
*Bangkok, Thailand*



**John Foo**  
CIO  
*Singapore*



**Geak Sheng Ming**  
Trading  
*Singapore*

## RESEARCH TEAM



**Niklas Olausson**  
Group Head of Research  
*Kuala Lumpur, Malaysia*



**Hanel Topada**  
Research  
*Jakarta, Indonesia*



**Duy Nguyen**  
Research  
*Ho Chi Minh, Vietnam*



**Piriya Siddhiwong**  
Research Support  
*Bangkok, Thailand*

## OPERATION

**Tan Hock Meng**  
COO  
*Singapore*

**Chris Low**  
Operations Manager  
*Singapore*

## INVESTOR RELATIONS

**Chang Ruiling**  
Client Services & Product  
Development  
*Singapore*

# INVESTMENT PHILOSOPHY

CONVICTION DRIVEN | ACTIVE DUE DILIGENCE & STOCK SELECTION

## INVESTMENT OBJECTIVE

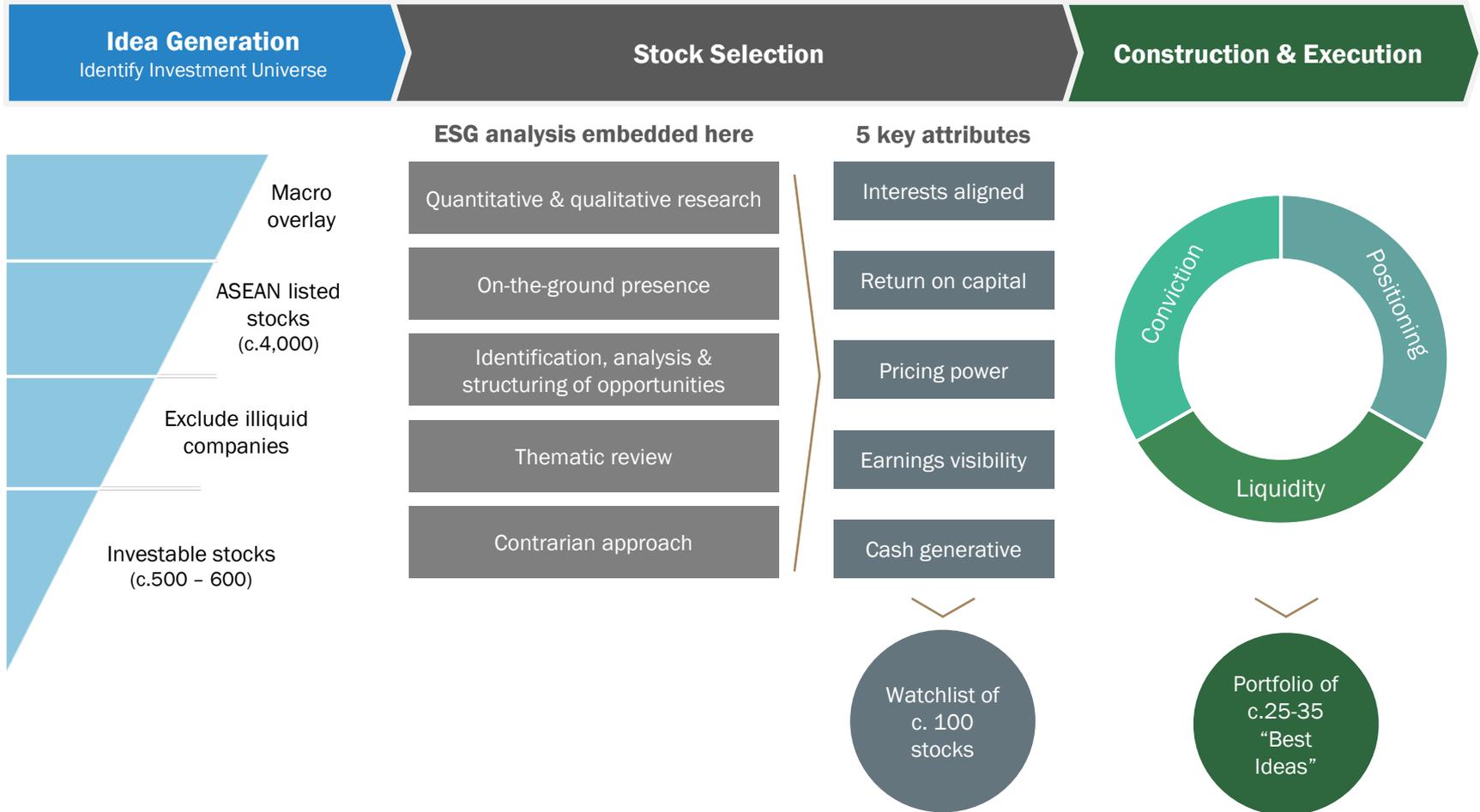
To generate **long term capital growth** by investing in a **concentrated portfolio** of listed **Southeast Asian Equities**

## INVESTMENT PHILOSOPHY

Stock-picking in inefficient emerging markets  
On-the-ground presence central to investment process  
High-conviction portfolio with long term view

# INVESTMENT PROCESS: SCREENING

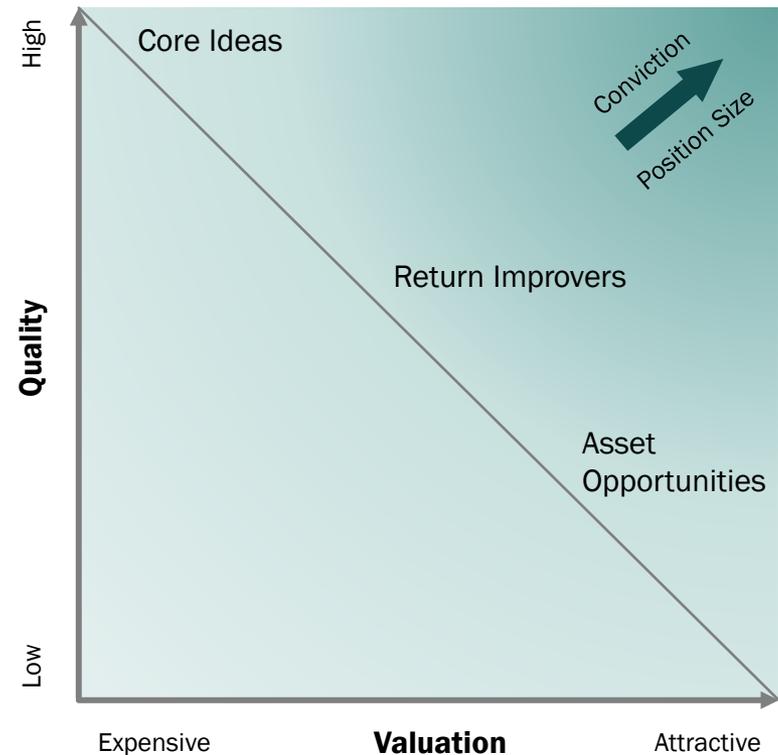
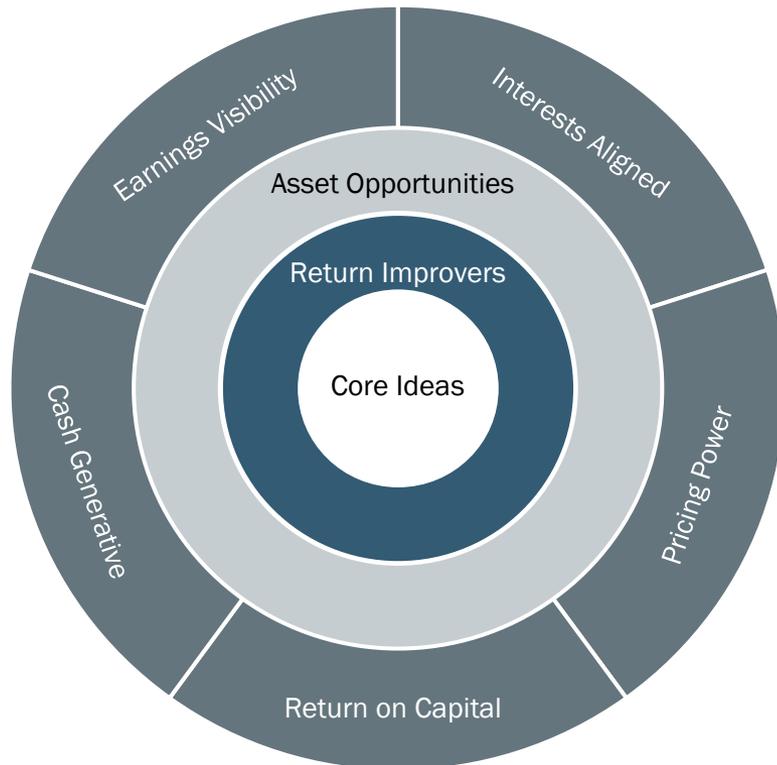
CONVICTION DRIVEN | ACTIVE DUE DILIGENCE & STOCK SELECTION



# INVESTMENT PROCESS – 5 KEY ATTRIBUTES

HOLDINGS DRAWN FROM THREE SEPARATE CATEGORIES

## Qualitative Framework



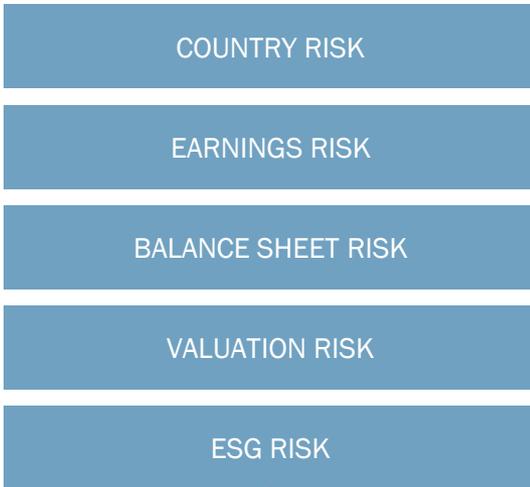
## Outperformance from under-researched companies through the cycle

# INVESTMENT DECISION

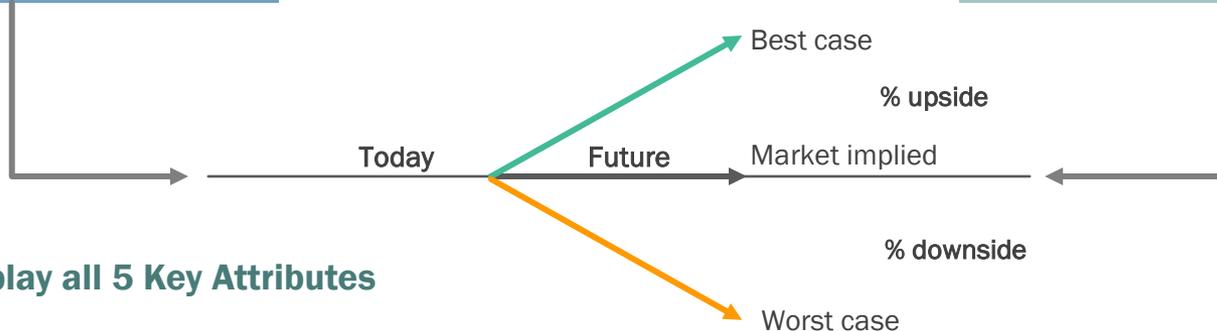
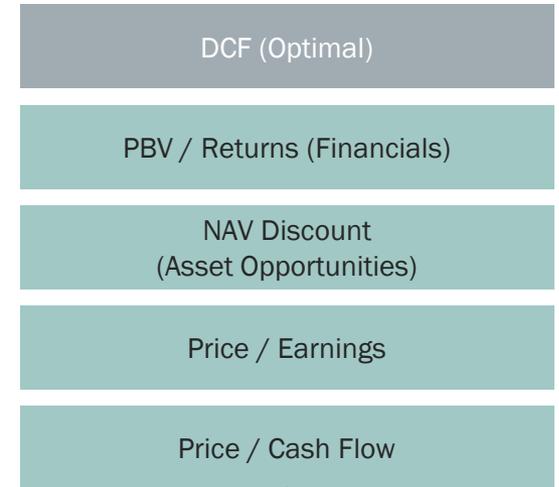
DISCIPLINED RISK / REWARD ANALYSIS

## Valuing Risk Adjusted Expected Future Cash Flows

### RISK FACTORS



### FLEXIBLE VALUATION



**Core Ideas display all 5 Key Attributes**

# PORTFOLIO CONSTRUCTION

## MANAGING CONVICTION

### Buy Discipline Characteristics

#### High Conviction

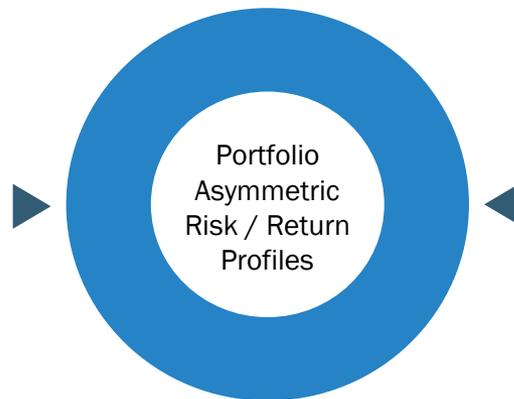
Top 10 positions between 50% - 60% of portfolio

#### Liquidity

Within redemption parameters

#### Diversification

Country and sector limits



### Sell Discipline Characteristics

Price Appreciation / Over Valuation

Thesis Completion

Thesis Break

Poor Risk / Reward

# MANAGER PRIOR PERFORMANCE

## SOUTHEAST ASIAN ALL CAP STRATEGY | SEGREGATED MANDATE ACCOUNT

### Waverton SEA All-Cap Strategy: SMA,

Managed by Brook Tellwright (31 March 2020 - 30 April 2024, USD, net of fees)

Figures to 30/04/2024	1 Month	3 Months	6 Months	YTD	1 Year	3 Years (Ann.)	Since Inception (Cum.)	Since Inception (Ann.)
<b>Southeast Asia All Cap Strategy</b>	<b>-6.45%</b>	<b>-4.08%</b>	<b>3.46%</b>	<b>-4.09%</b>	<b>-2.73%</b>	<b>0.59%</b>	<b>45.04%</b>	<b>9.53%</b>
MSCI EM ASEAN Index	-3.59%	-1.02%	4.13%	-4.02%	-7.15%	-5.71%	25.45%	5.71%
Relative	-2.86%	-3.06%	-0.67%	-0.06%	4.42%	6.30%	19.59%	3.82%

\*The reference Southeast Asia All Cap Strategy was a segregated mandate managed by Brook Tellwright at Waverton as Portfolio Manager from 31 March 2020 to 30 April 2024

Source: Waverton, MSCI. Information as of 30 April 2024

Performance is calculated monthly by taking a market value weighted average of the underlying accounts (net of fees) return.

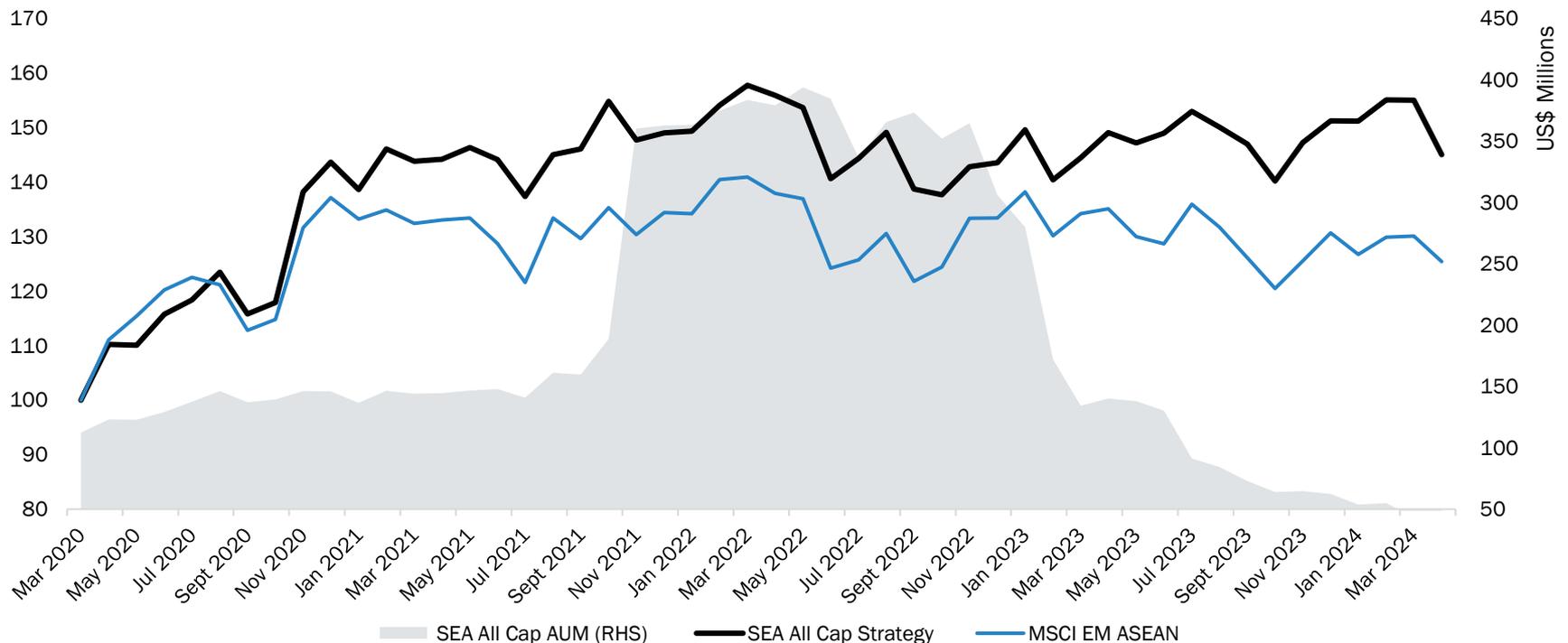
Risk Warning: Past performance is no guarantee of future results and the value of such investments, and their strategies may fall as well as rise.

# MANAGER PRIOR PERFORMANCE

## SOUTHEAST ASIAN ALL CAP STRATEGY | SEGREGATED MANDATE ACCOUNT

### Southeast Asian All Cap Strategy Performance vs MSCI EM ASEAN Index

(March 2020 – April 2024, USD, net of fees)



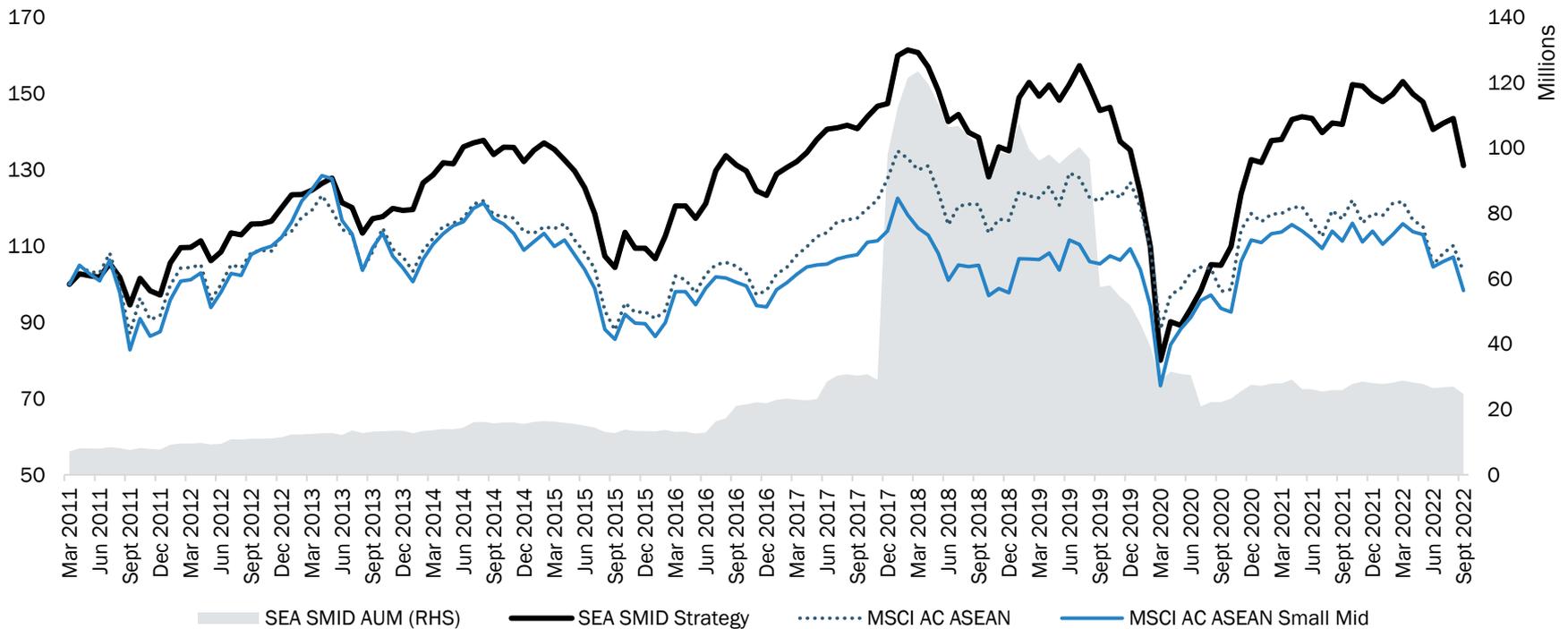
\*The reference Southeast Asia All Cap Strategy was a segregated mandate managed by Brook Tellwright at Waverton as Portfolio Manager from 31 March 2020 to 30 April 2024  
 Source: Waverton. As of 30 April 2024  
 Performance is calculated monthly by taking a market value weighted average of the underlying accounts (net of fees) return.  
 Risk Warning: Past performance is no guarantee of future results and the value of such investments, and their strategies may fall as well as rise.

# MANAGER PRIOR PERFORMANCE

SOUTHEAST ASIAN SMALL / MID-CAP (SMID) STRATEGY | SEGREGATED MANDATE ACCOUNT

## Southeast Asian SMID Cap Strategy Performance vs MSCI AC ASEAN NR indices

(March 2011 – September 2022, USD, net of fees)



\*The reference Southeast Asia SMID Cap Strategy was a segregated mandate managed by Brook Tellwright at Waverton as Portfolio Manager from 31 March 2011 until mandate closure on 30 September 2022.

Source: Waverton. As at 30 April 2024

Performance is calculated monthly by taking a market value weighted average of the underlying accounts (net of fees) return.

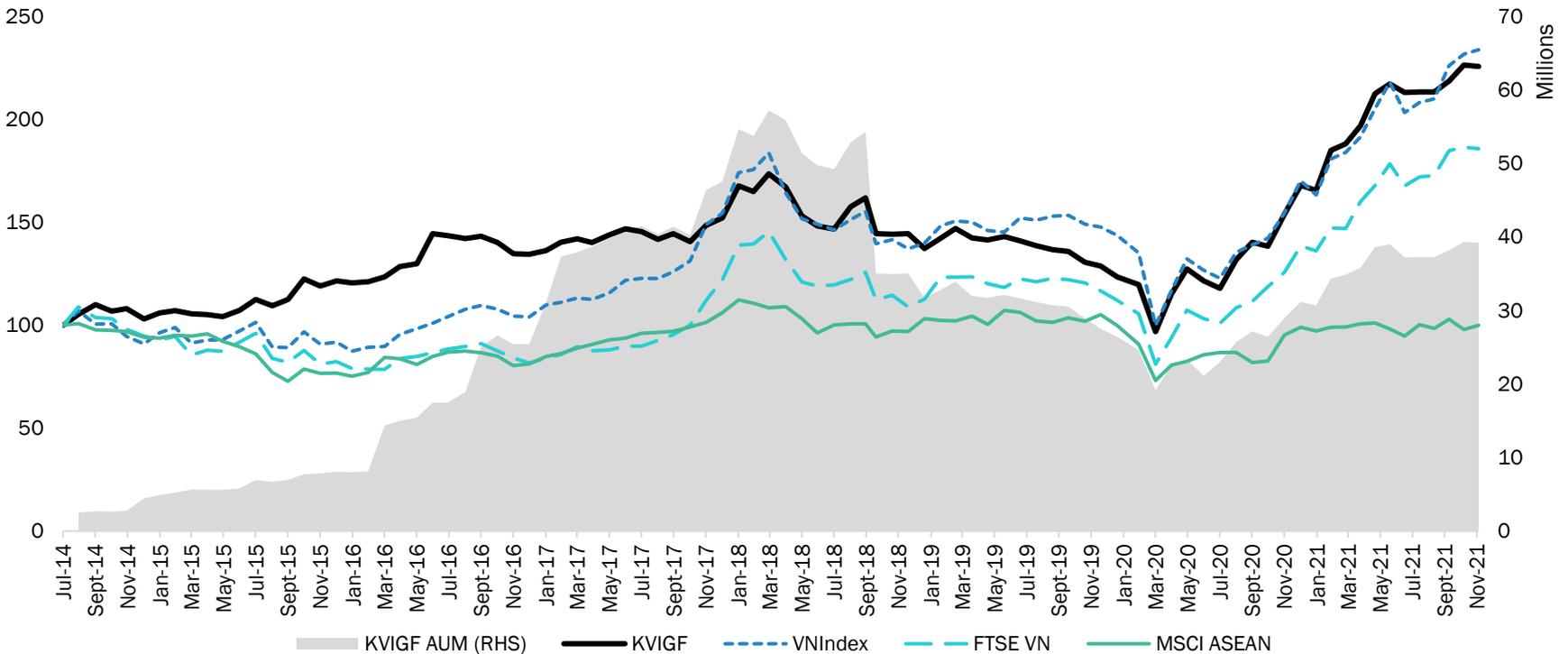
Risk Warning: Past performance is no guarantee of future results and the value of such investments, and their strategies may fall as well as rise.

# MANAGER PRIOR PERFORMANCE

## VIETNAM EQUITY STRATEGY | COMMINGLED FUND

### Vietnam Equity Strategy Performance vs local Vietnam & MSCI ASEAN indices

(August 2014 – December 2021, Class A, USD, net of fees)



\*The reference Vietnam Equity strategy was the Kingsmead Vietnam and Indochina Growth Fund managed by John Foo as the Portfolio Manager at Kingsmead from August 2014 to December 2021..

Source: Kingsmead Asset Management, Information as of December 31, 2021.

Performance is calculated monthly by taking a market value weighted average of the underlying accounts (net of fees) return. All returns are stated in USD terms, based on foreign exchange rates as of the period stated.

Risk Warning: Past performance is no guarantee of future results and the value of such investments, and their strategies may fall as well as rise.

# A MULTI-YEAR STRUCTURAL STORY

## Attractive macroeconomic conditions

Growing ASEAN middle class - A multi-year trend given rising incomes and low penetration in many consumer sectors → rapidly expanding discretionary income

## An Export Engine

An increasingly significant player in global trade

## Strong FDI inflows

Well positioned as “China+One” global factory

## Revenge Tourism

Reopening of China and ASEAN post COVID is driving up demand for travel

## Renewed Confidence

Towards a rejuvenated market due to geopolitical tensions and shifting supply chain

# KEY INVESTMENT THEMES

RENEWED CONFIDENCE, REJUVENATED MARKETS – MULTI-YEAR STRUCTURAL STORY

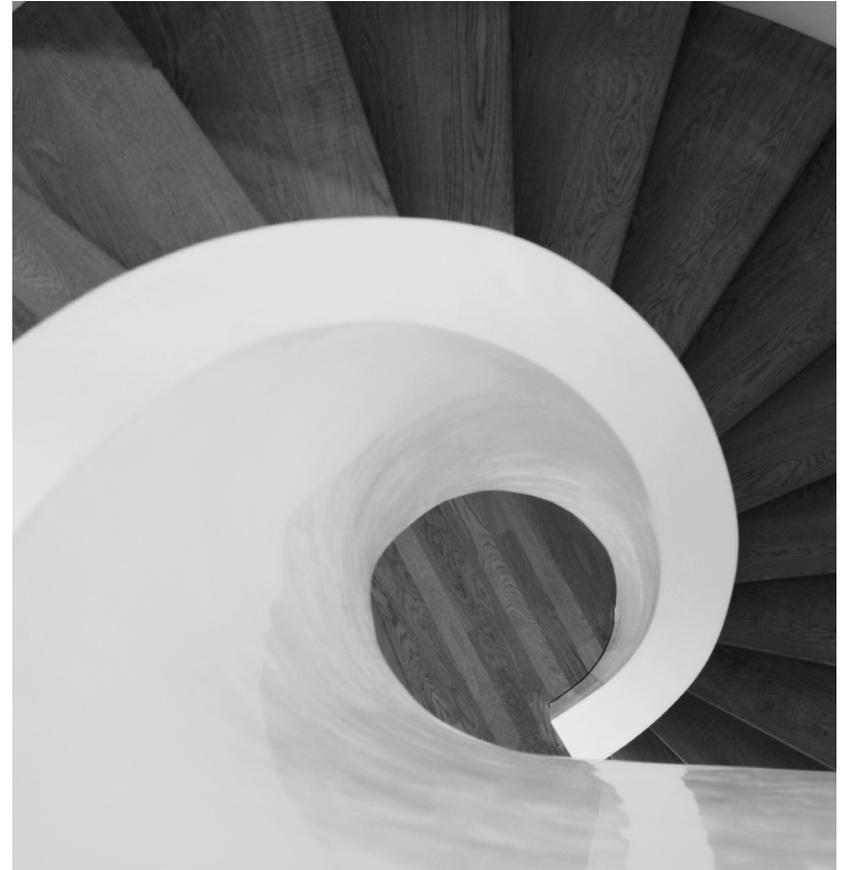
## Potential Sector Plays

1. **CONSUMPTION** → Positive Macro Growth, Rising Disposable Incomes, Rising Middle Class, Low Penetration  
*FMCGs, Discretionary-consumption related, Healthcare, Financials, Property*
2. **TOURISM & MOBILITY** → Revenge Tourism, Post-pandemic Normalization in ASEAN, China  
*Aviation-related, Entertainment/Casinos, Transportation*
3. **FOREIGN DIRECT INVESTMENTS** → Shifting Supply Chains, Geopolitical Tensions, China+1  
*Export-related, Industrial property, Technology-related*
4. **INFRASTRUCTURE** → Renewed Push Across ASEAN to Plug Development Gaps, Data Centre Boom  
*Utilities, Construction-related, Materials, Industrial Property*
5. **DIGITAL TRANSFORMATION** → Rising Force Across Corporate Spectrums  
*E-Commerce, Digital Financial Services, Telecoms, Transportation, Entertainment*
6. **GREEN, CLEAN & ESG** → Increasing Demands from Investors and Governments  
*ESG transformation plays, Utilities, Data Centres, Automotive-related*

# WHAT WE LOOK FOR IN STOCKS

RESEARCH APPROACH – FUNDAMENTAL, GROWTH CENTRIC

- **Compelling valuation** - large gaps vs. peers and market, lagging consensus estimates
- **Low downside risk**
- **Macro catalysts** – cyclical upswing in sectors and commodities, government policies
- **Turnaround stories** – fallen angels, major laggards, tapped out sentiment
- **Corporate transformation** – operations, management, balance sheets, improving pricing power
- **Strong/improving capital management** – dividends, buy-backs, efficient cash deployment
- **Strong/improving pricing power**
- **Growth in ROE**



# TRUE CORPORATION (TRUE TB)

FULLY INTEGRATED THAI TELECOM SERVICE PROVIDER IN A 2-PLAYER MARKET

## Confluence Of Positives

*Company, Industry and Macro Positives Boosted By A Leveraged Financial Model*

<b>Bloomberg Index</b>	TRUE TB SET
<b>Market Cap (US\$m)</b>	11,201
<b>ADTV 6M (US\$m)</b>	27.6



### Earnings Visibility

#### Considerable earning upside

Ongoing efforts to enhance efficiency and achieve cost and capex synergies from the merger with Total Access Communications

### Cash Generative

#### Turning FCF positive

Robust EBITDA margins over the next two years and expected to increase. Net debt gearing is projected to drop by half

### Interest Aligned

#### Highly motivated shareholders

Telenor and CP Group are highly motivated to extract maximum merger synergies and push earnings after years of losses.

### Pricing Power

#### Significant ARPU upside

ARPU's continue creeping up post industry consolidation from three players to two

### Return on Capital

#### Benefit from declining interest rates

Lower rates upon refinancing of a highly leveraged balance sheet; and a reduced discount rate

### Valuation

#### Expected increase in equity value due to leverage structure

TRUE's outperformance expected to be driven by debt reduction and strong EPS momentum.

Source: Valverde Investment Partners, Bloomberg. Information as of March 2025.

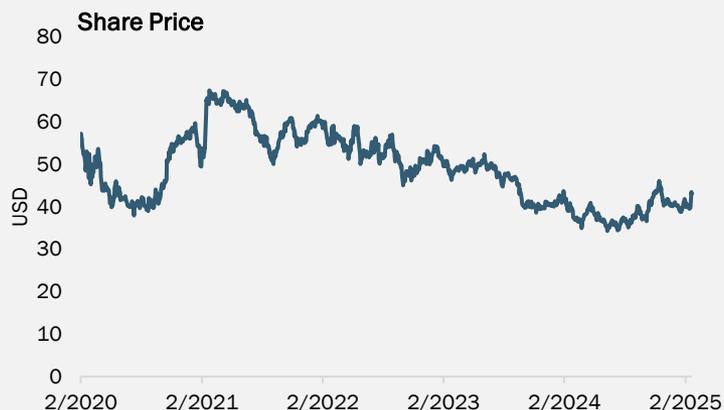
# JARDINE MATHESON (JM SP)

## STRONG CASH GENERATION, VALUATION UPSIDE, AND STRATEGIC PORTFOLIO OPTIMIZATION

### Unlocking Shareholder Value

*Defensive earnings, capital efficiency*

<b>Bloomberg Index</b>	JM SP SGX
<b>Market Cap (US\$m)</b>	12,557
<b>ADTV 6M (US\$m)</b>	10.0



#### Earnings Visibility

##### Multiple growth drivers

Defensive and diversified revenue mix across regions and sectors, supported by strong analyst coverage of key units (HK Land, Dairy Farm, Astra International)

#### Cash Generative

##### Strong cash generation

Forecasted 10% FCF yield (2025-26F); robust dividends from HK Land (5%+), Astra (8%), and Dairy Farm (5%+), supporting a 7% group yield

#### Interest Aligned

##### Growing shareholder alignment

The Keswick family holds 45%+ of JM, with increasing stakes in undervalued units and ongoing share buybacks.

#### Pricing Power

##### Cyclical in nature

Cyclical in nature; commercial property reliant on HK's hub status, while Dairy Farm and Astra face competitive and industry-specific dynamics.

#### Return on Capital

##### Potential for ROE improvement

Portfolio rationalization reducing cyclicity, improving ROE, and unlocking capital through asset disposals and higher payouts.

#### Valuation

##### Attractive valuation

Trades at a 38% discount to RNAV, 9x 2024F PE with a 5% yield, and potential JCNC privatization could unlock further value.

Source: Valverde Investment Partners, Bloomberg. Information as of March 2025.

# DAT XANH GROUP JSC (DXG VN)

## TOP 5 RESIDENTIAL PROPERTY DEVELOPER IN VIETNAM

### A Property Recovery

*Sector Consolidation And Turning around*

<b>Bloomberg Index</b>	DXG VN HOSE
<b>Market Cap (US\$m)</b>	556
<b>ADTV 6M (US\$m)</b>	8.8



#### Earnings Visibility

#### Property market stabilizing and set for recovery

Developers are expected to nearly double new launches in HCMC in 2025, as sentiments improve. Transactions forecast to double YoY in 2025 and +16% YoY in 2026, with annual ASP growth of 7-10%

#### Cash Generative

#### Pipeline ensuring sustained growth

DXG is a top-5 residential property developer in Vietnam with a 146ha landbank in densely populated areas of HCMC and satellite cities, ensuring sustained growth over the next 5-7 years.

#### Interest Aligned

#### Strong operational leverage

Controls 56% of Dat Xanh Real Estate Services (DXS VN), a leading brokerage with 4,400 sales staff and a 7.5m-strong customer database, specializing in distributing mid-sized projects in high-demand regions.

#### Pricing Power

#### Top5 residential developer in Vietnam

DXG is well-positioned to benefit from increasing demand and limited supply, allowing for pricing power in new launches. Annual selling price (ASP) increases are expected to remain strong at 7-10%.

#### Return on Capital

#### On an upward trend

DXG's landbank and brokerage business provide strong operational leverage, enhancing return on capital over the long term.

#### Valuation

#### Trading 44% discount to its NPV-based SOP valuation

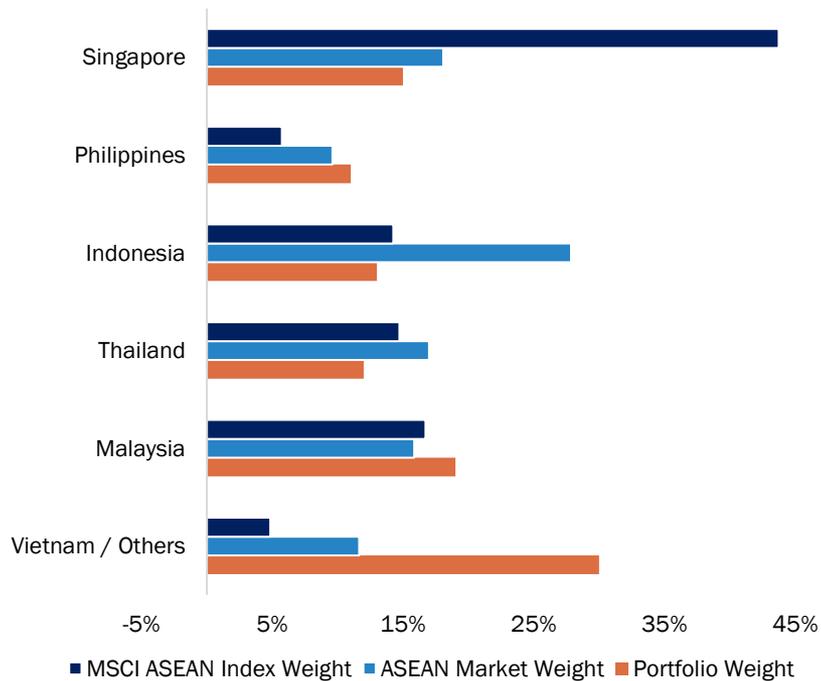
Target price based on a 20% discount. We believe consensus estimates for 2025 and 2026 are low, given our higher conviction in key project sales and revenue recognition.

Source: Valverde Investment Partners, Bloomberg. Information as of March 2025

# MODEL PORTFOLIO

## SNAPSHOT

### Indicative Portfolio Positioning



### Indicative Portfolio Valuation

	Model Portfolio	MSCI ASEAN Index (Feb'25)
P/E <i>current</i>	11.7x	14.9x
P/E <i>forward</i>	9.8x	-
P/B <i>current</i>	1.8x	1.7x
Div Yield <i>current</i>	3.8%	3.9%

Note: ASEAN Market Weight is derived from the respective country total market capitalization based on Bloomberg estimates. The Model Portfolio valuation is calculated based on median portfolio returns. The use of median values reflect historical data and may not be representative of future market conditions.

Source: Valverde Investment Partners, Bloomberg. Information as of March 2025



# APPENDIX

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# OUR PEOPLE

## EXPERIENCED AND DEDICATED PROFESSIONALS

### John Foo

CIO / Portfolio Manager

29 years of experience in Asian Finance and over 25 years of experience as a Portfolio Manager investing in Asia and across strategies

- › Founder and CIO, Valverde Investment Partners (SG)
- › Founder, CEO & CIO, Kingsmead Asset Management (SG)
- › M.D. and Portfolio Manager, Frontpoint Partners (SG)
- › M.D. Indus Capital Advisors (HK / SG)
- › Senior Manager, Guoco Group (HK)
- › Director & Fund Manager, State Street Global Advisors (KR)
- › Associate, Investment Banking – Merrill Lynch, CS First Boston (SG)

**Education:** MBA, Wharton School, BSEE, University of Pennsylvania

### Brook Tellwright

Lead Manager

40 years of experience in Equity Research, of which 29 years as an ASEAN portfolio manager

- › Portfolio Manager – Southeast Asian Strategy, Waverton
- › Portfolio Manager – Southeast Asian Strategy, Senhouse Asia (TH)
- › Co-Portfolio Manager, Ton Poh Capital (TH)
- › Fund Management – Emerging Markets & North America, Cazenove Fund Management
- › Equity Research, Cazenove & Co

**Education:** BSc (Econ), Queen Mary College, University of London; Masters in Asian History, School of Oriental and African Studies, University of London; Fellow of the Chartered Institute for Securities & Investments

### Niklas Olausson

Group Head of Research

24 years in Asian Equity Research, of which 4 years as a portfolio manager

- › Partner, Fund Manager, Navis Capital – investing in ASEAN, HK and India (MY)
- › Director, Equity Research, Deutsche Bank (HK, MY)
- › Head of Equity Research, CLSA Securities (MY)
- › Associate Director, Research, Indosuez W I Carr Securities (HK / MY)
- › Analyst, Research, Sun Hung Kai Securities (SG)

**Education:** M. Sc. Financial and International Economics, Stockholm School of Economics; Chartered Financial Analyst (CFA)

Source: Valverde Investment Partners. Information as of January 2025

# OUR PEOPLE

## EXPERIENCED AND DEDICATED PROFESSIONALS

### Nguyen Quang Duy (Duy)

Research (Vietnam)

15 years of experience in Vietnam Equity Research, corporate finance and asset management, across sectors such as Financials, Real Estate, Shipping and Logistics

- › Head of Research, Luminous Asset Management, formerly Kingsmead Asset Management (VN)
- › Senior IR & Investment Manager, Nam Long Investment Corporation (VN)
- › Investment Manager, Vietnam Holding Asset Management (VN)
- › Deputy Head of Research, Maybank KimEng Securities (VN)
- › Financial Analyst, Navigos Group (VN)

**Education:** Masters of Business in Finance, University of Technology, Sydney; Bachelor of Information Technology, University of Natural Science, Ho Chi Minh City, Vietnam

### Hanel Topada

Research (Indonesia)

14 years of experience in Indonesia Equity Research across sectors such as Financials, Oil & Gas, Automotive, and Telecommunications, of which 4 years as a portfolio manager

- › Head of Indonesia Research, Credit Suisse (ID)
- › Fund Manager, Ashmore (ID)
- › Senior Equity Analyst, Ashmore (ID)
- › Head of Investor Relations, bank bjb (ID)
- › Equity Analyst, Trimegah Securities (ID)

**Education:** Bachelor, Business Management – Finance, Institut Teknologi Bandung; Chartered Financial Analyst (CFA)

### Geak Sheng Ming

Trader (Singapore)

Over 15 years of experience in equity trading in Asia and across long/short equity strategies, futures, options and swaps

- › Trader, Kingsmead Asset Management (SG)
- › Trader, Ivaldi Capital (SG)
- › Equity Dealer, NTUC Income Insurance Co-operative (SG)
- › Corporate Actions Officer, Standard Chartered Bank (SG)

**Education:** Bachelor of Science in Banking & Finance, University of London (Singapore Institute of Management)

Source: Valverde Investment Partners. Information as of January 2025

# IMPORTANT NOTICE

## General

Before making an investment decision with respect to any investment product managed by Valverde Investment Partners Pte. Ltd. ("Valverde"), the recipients of this document are advised to read carefully the offering documents of the applicable investment product and to consult with their tax, legal, ERISA and financial advisors. Valverde Investment Partners Pte. Ltd. is regulated by the Monetary Authority of Singapore and holds a Capital Markets Services License. (Co. Reg. No. 202245381G).

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## Past Performance

Past performance of Valverde and its founders, and any historical returns, are not a guarantee of future results.

## Forward-Looking Statements

This document may contain forward-looking statements, including observations about market and industry trends in the ASEAN region and Vietnam as of the date of this document. Forward-looking statements may be identified by, among other things, the use of words such as "expects," "anticipates," "believes," or "estimates," or the negatives of these terms, and similar expressions. Forward-looking statements reflect Valverde's views as of such date with respect to possible future events. Actual results could differ materially from those in the forward-looking statements as a result of factors beyond Valverde's control. Recipients of this document are cautioned not to place undue reliance on such statements. No party has an obligation to update any of the forward-looking statements in this document.

## Risk

Every investment involves risk, including the risk of loss of the entire investment and the risk of fluctuations in value and return. Investments may be illiquid and may suffer from adverse or unexpected market movements. As such, the potential investment opportunities described in this document are suitable only for sophisticated persons who fully understand and are willing to assume the risks involved. In addition, this document contains information that is general in nature and, accordingly, has been prepared without consideration of the investment objectives, financial situation or particular needs of any particular recipient. The Fund is an actively managed portfolio as compared to the indices which are unmanaged. In addition, there may be significant differences between the Fund and indices including liquidity and volatility.

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