

TIM Vietnam Actively Managed Certificate - Term Sheet



Vietnam's Macro Update

H1/2017 development	2017 Outlook
GDP growth of 5.73%	GDP growth >6%, supported by a recovery in agriculture, resilient manufacturing and moderate growth in services/consumption
No. of tourists +30% yoy	Retail sales growth of 10.1%
Inflation of 2.54%, driven by government-mandated price hikes in healthcare and education	Likely at 4.5% due to scheduled increases in healthcare and education and higher core inflation (accommodation and construction materials), while lower commodities prices will soften food and transportation indices.
Trade deficit of USD 2.7 bn	Small deficit due to rising imports of machinery and materials including higher commodity prices (but this impact has softened as commodity prices have declined as of late)
Budget deficit of 1.6% of GDP, lower than expected thanks to subdued government investments	Lower-than-last-year's budget deficit (4.7% of GDP) thanks to higher revenue from state asset sales, which are likely to more than offset the increase in debt servicing
Ytd the USD/VND exchange rate was almost unchanged	VND may depreciate moderately by 3-4% because of the weakening BoP and the narrowing interest rate differential. The expected USD strength across the board won't completely be offset by the positive effect of higher foreign currency reserves

Certificate Facts

Type	Open-end Dynamic Tracker - Certificate
Currency	US Dollar
Min. Investment	USD 100
Mgmt-/ Admin Fee	1.0% / 0.5%
Performance Fee	10% with High Water Mark (HWM)
ISIN	CH0374214515
Issuer	Neue Helvetische Bank AG
Inception	14 July 2017
Reference Index	FTSE Vietnam Index
Strategy Manager	Turicum Investment Management AG
Market Marker	Issuer with 1.0% spread
Clearing Institution/ Clearing Code	SIX SIS AG/ CH116589
Dealing Contact	+41 44 204 56 78 products@neuehelvetischebank.ch

Economic key indicators

WHY equities now? And WHY ACTIVE management?

Equities are likely to benefit from the robust economy, which is backed by domestic consumption (90 mn people with rising household incomes), manufacturing (shifting of global production thanks to VN's trade liberalization and cheap labor)

VN's total market cap of listed stocks is only 52% of GDP vs. Thailand's 119% and Malaysia's 137%

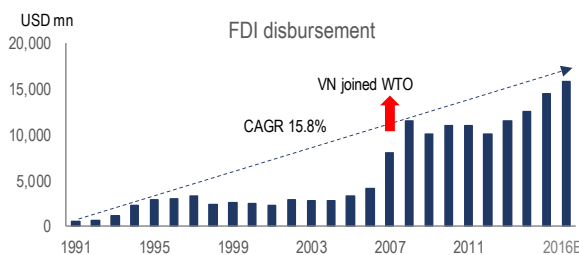
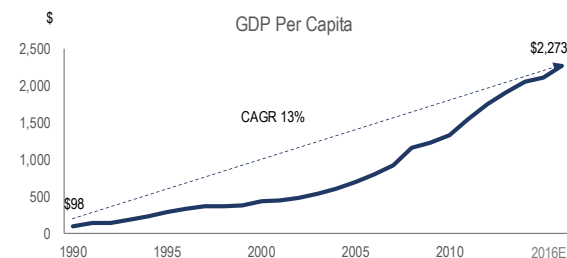
There will be higher market accessibility: foreign ownership limits are gradually lifted, companies that have become public (e.g. from state asset sales) are urged to list their stocks

Average daily trading volume increased to USD 201 mn (H1/2017) from USD 53 mn (2012)

Nevertheless, close to 90% of market trading is still done by domestic retail investors who tend to overreact to certain events, thereby acting irrationally. This often leaves fundamentally sound companies unattended and undervalued, while retail investors are chasing the hot and risky stocks.

Foreign investors currently make up only some 10% of the daily volume and own 19% of equities on aggregate. In 6M/2017, foreign investors purchased a net of USD 462 mn in equities

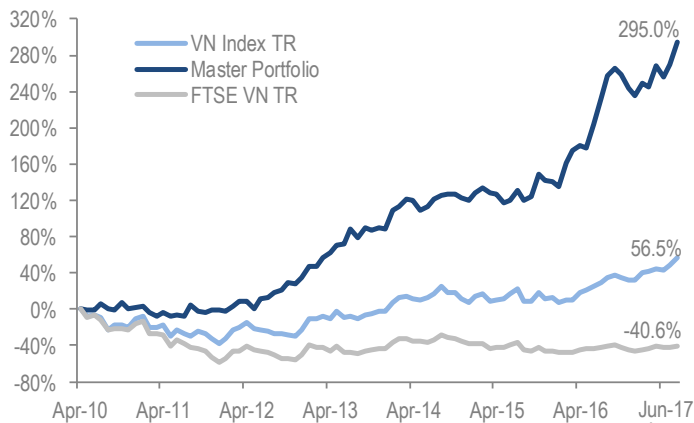
The target portfolio is expected to have an average 2017F P/E of 10.8x and a yield of 4.5%



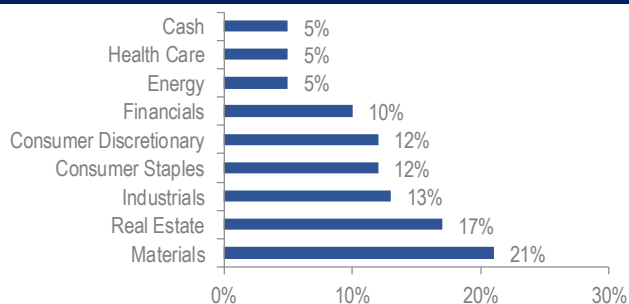
TIM Vietnam Actively Managed Certificate - Term Sheet



Track Record – Master Portfolio Performance Since Inception



Sector Allocation – Target Portfolio



Investment Objective and Strategy

Objective: Add value for risk-conscious long-term investors to benefit from future growth in emerging Vietnam, which stands at the beginning of industrialization.

Strategy: A pure bottom-up stock picking approach, based on fundamental analysis of the underlying business and fair price valuation. All assessments are reviewed at least on a quarterly basis or when there is new information deemed to have material impact on valuation. This approach provides us with a high level of confidence, which is especially valuable in times of market overreactions.

Disclaimer

This document was produced by Turicum Investment Management AG for information purposes only. It should not be construed as an offer, but merely as an invitation for the recipient to tender on an exclusive basis. It does not constitute an offer or a solicitation to conclude a financial transaction. Past investment performance is no indication of future earnings. The securities, financial instruments, and transactions listed may be replaced at any time. Turicum Investment Management AG provides no guarantee regarding its reliability and completeness, and cannot accept any liability for losses that might arise from its use. Components of this product may contain a certain degree of complexity and a high level of risk. This product is intended only for investors who understand and accept the associated risks. Investments in foreign currencies are subject to exchange rate fluctuations. Investments in emerging markets are subject to certain special risks. Before selecting this product, investors should determine its suitability with regard to their particular circumstances and independently examine the special risks (maximum loss, currency risk, etc.) and the legal, regulatory, credit, tax, and accounting consequences. Neither this document nor any copy thereof may be sent to or taken into the United States or distributed in the United States or to any US persons. The same applies in any other jurisdiction except where compliant with the applicable laws. This document may not be reproduced in part or in full without the written consent of Turicum Investment Management AG. © 2017.

Portfolio Statistics – Master Portfolio

Master Portfolio	1 year		3 years	
	Total	Downside	Total	Downside
Annualised volatility in %				
- Portfolio	16.82	6.78	15.50	6.02
- FTSE	9.93	6.92	15.91	12.25
- VNI-TR (USD)	9.32	3.28	15.76	10.62
Sharpe ratio (x)	1.63		1.37	
Sortino ratio (x)	4.04		3.51	
Annual return (USD) in %				
- Portfolio	30.22		22.87	
- FTSE	3.97		-2.16	
- VNI-TR	24.78		11.73	
- Risk free rate	0.58		0.75	
Vs. reference	VNI-TR	FTSE	VNI-TR	FTSE
Information ratio (x)	0.48	2.15	0.72	1.57
Alpha (%)	-5.28	25.15	15.25	23.74
Beta (x)	1.44	1.32	0.63	0.56
Return indicated by beta (%)	35.50	5.07	7.62	-0.87

Top Holdings – Target Portfolio

Ticker	Company Name	% Portf
DBC	Dabaco Corp	12.0%
DRC	Danang Rubber JSC	12.0%
DPM	Petrovietnam Fertilizer & Chem	10.0%
VGC	Viglacera Corp	8.0%
DHC	Dong Hai JSC of Bentre	6.0%
TDH	Thu Duc Housing Development Cor	6.0%
KBC	Kinh Bac City Development Shar	6.0%
NTP	Tien Phong Plastic JSC	5.0%

Valuations – Target Portfolio

Valuation	P/E		EPS Growth		P/B		Yield
	2016	2017	2016	2017	2016	2017	2016
	(x)	(x)	(%)	(%)	(x)	(x)	(%)
Target Portfolio	13.8	10.8	9.3	3.7	1.5	1.4	4.5
FTSE VN TR	16.8	15.8	17.3	6.4	2.1	2.1	2.5
VN Index TR	19.9	18.0	11.8	10.5	2.6	2.4	1.7

TIM Vietnam Actively Managed Certificate - Term Sheet

