Ri

THE VIETNAM
RESPONSIBLE
INVESTMENT FUND

ANPHA CAPITAL

WHY RESPONSIBLE INVESTING?

Background of RI and PRI

Team View on Materiality of Trend

Asset Owner Demand Vs. Asset Manager Supply

Overview of Vietnam ESG Matters

Senior Management Commitment to Business Stewardship

HOW RESPONSIBLE INVESTMENT IMPROVES RISK/REWARD RATIO

Reward

Upside from corporate governance premium (*)

- -Europe: 19%
- -Asia Pacific: 24%
- -North America: 18%
- -South America: 24%

Risk

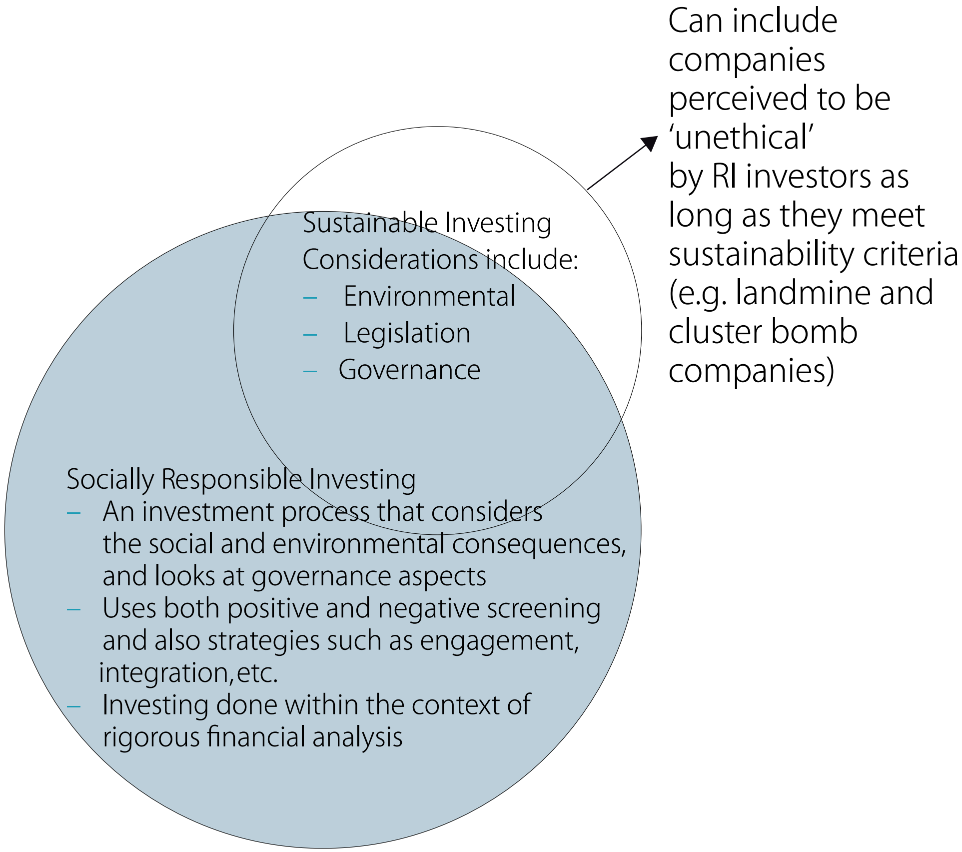
Downside protection from risk management

- -Environment: Vedan
- -Social: Tungsten mine

(*) Source: Mc Kinsey & Co

RESPONSIBLE INVETSMENT: SCOPE AND STRATEGY

Scope of RI



RI Strategies

RI Strategy	Definition		Types
Positive screening	Seeking to invest in companies with a commitment to responsible business practices, or that produce positive products and/or services. Includes Best-in-class and Pioneer screening	Core RI	Best-in-class
			Pioneer screening
			Thematic investments
Negative screening	Avoidance of investment in targeted companies, industries and countries		Ethical exclusions
		Broad RI	Simple screening
Engagement	Active voting and engagement in companies in which one has invested		Engagement
Integration	ESG is incorporated into investment analyses and decision making		Integration

Combinations of different strategies are possible

Source: *Booz & Co*

INVESTMENT PROCESS - TWIN TRACK APPROACH

	Origination	Analysis	Structuring	Execution	Monitoring	Exit
ESG Team	▸ Negative screening of unethical products ▸ Identification of best in class corporates	▸ Thorough review of target's ESG matters with assistance of relevant external advisors ▸ Quantify intangibles using proprietary model	▸ Commitments of target for improvements in ESG ▸ Negotiation of 'ESG' monitoring fee	▸ ESG team connects with investee company representatives ▸ Joint monitoring plan for post funding stage	▸ Quarterly review of progress on ESG commitments ▸ Review letter sent to investee company board Engagement on shareholder voting	▸ Encouragement of investee company to continue to prioritize ESG matters post sale of stake
Investment Team	▸ Focus on oustanding investee companies ▸ Exploit relationship network	▸ Diligent analysis of management team and business plan ▸ Review of sector fundamentals ▸ Build valuation model using FCF to shareholders ▸ Exhaustive commercial, legal and financial due diligence	▸ Finalization of terms sheet: Shareholder rights/ downside protection/ financing instrument ▸ Alignment of interests, liquidity events	▸ Execution of SPA and side agreements	▸ Operations oversight, financing expertise ▸ Other post acquisition value-add	▸ Review of exit options - trade sale, listing or re-cap ▸ Negotiation and exectution of SPA

Highlights

Established and implemented Law on Environment Protection (June 2006)

Increase in forest cover from 28% low in 1990 to 37.6% currently

Environment awareness improved

Challenges

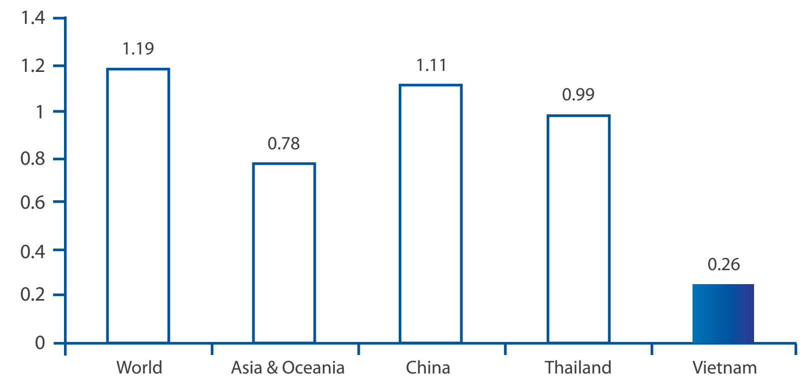
72% of population lives in coastal areas, exposure to climate change

Land degradation - 50% of land considered poor quality, 70% of soil exposed to erosion

Poor environmental management of mining, transport and energy sectors

Air quality severely degraded in cities and industrial areas (dust is 1 to 5 times national standards)

Carbon Footprint Per Capita



Source: US Dept. of Energy

Carbon Dioxide Emissions - % Annual change from 1990 to 2004