

Vietnam Enterprise Investments

Well-established record of Vietnam expertise

Vietnam Enterprise Investments (VEIL) was launched in 1995 and is the largest Vietnam specialist closed-ended investment company listed in London. With an unconstrained, bottom-up investment process focussing on stock selection for capital growth, the fund has delivered good near- and long-term performance; achieving an annualised NAV return of 25% over the past five years to end-May 2018. Vietnam equities have performed strongly over the past two years, and a correction since the March 2018 VN Index peak has helped to moderate valuations. Meanwhile faster than expected GDP growth of 7.4% for Q118, and a sustained robust outlook, support earnings momentum. VEIL's discount to NAV of 14.8% is smaller than its three-year average of 16.5%, and may have scope to narrow further over time.

12 months ending	Total share price return (%)	Total NAV return (%)	Vietnam VN Index (%)	Vietnam VN30 Index (%)	MSCI Emerging Markets (%)
31/05/14	3.1	(2.1)	1.3	(0.6)	(5.4)
31/05/15	19.5	13.5	11.7	4.2	10.3
31/05/16	17.8	20.0	15.3	10.9	(13.3)
31/05/17	58.9	52.2	37.0	32.5	44.2
31/05/18	32.8	31.1	30.2	30.5	11.0

Source: VEIL, Thomson Datastream, Bloomberg. Note: All % on a total return basis in GBP.

Investment strategy: Fundamental, well-resourced

VEIL's investment objective is to achieve medium- to long-term capital growth, primarily through investing in equities listed in Vietnam. The manager follows a disciplined, bottom-up investment process to build a relatively concentrated portfolio of c 35 high conviction stocks, with a focus on valuation and corporate governance. A team of three experienced portfolio managers and 10 analysts supports this approach, which has also been successfully applied to analysing companies that are yet to be listed. The manager believes some of Vietnam's most exciting investment opportunities lie within the pipeline of privatisations and government divestments over the next two years.

Market outlook: Robust economy and earnings

Vietnam's Q118 GDP growth of 7.4% was better than expected and reaffirms an accelerating trend. The outlook is for sustained high growth over the next few years, with modest inflation and continued low levels of foreign debt. Earnings have also exceeded expectations and Dragon Capital has raised its forecast for 2018 EPS growth to c 30% for its universe of stocks. Meanwhile, valuations have moderated following a correction of c 20% in the VN Index from the March 2018.

Valuation: Deeper-than-average discount

VEIL's current discount to NAV at 14.8%, is smaller than the three-year average of 16.5% and may have scope to narrow. Focused on capital growth, VEIL does not pay a dividend.

Investment companies

5 June 2018

Price 462.0p
Market cap £1,020.7m
AUM £1,181.9m

NAV* 535.0p

Discount to NAV 14.8%

*Excluding income. As 4 June 2018.

Yield 0.0%

Ordinary shares in issue 220.1m

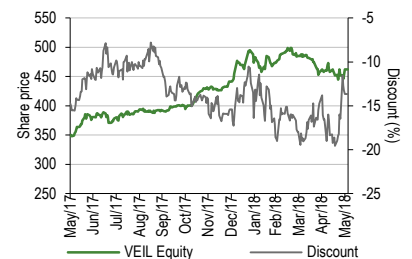
Code VEIL

Primary exchange LSE

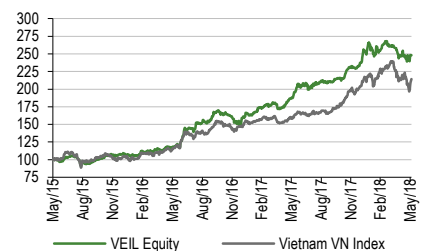
AIC sector Country Specialists: Asia Pacific

Benchmark VN Index

Share price/discount performance



Three-year performance vs index



52-week high/low 499.0p 349.0p

NAV** high/low 602.0p 413.0p

**Including income.

Gearing

Gross* 4.8%

Net* 0.4%

*As at 27 April 2018.

Analysts

Helena Coles +44 (0)20 3077 5700

Gavin Wood +44 (0)20 3681 2503

investmenttrusts@edisongroup.com

[Edison profile page](#)

Vietnam Enterprise Investments is a research client of Edison Investment Research Limited

Exhibit 1: Company at a glance

Investment objective and fund background

VEIL's investment objective is to achieve medium- to long-term capital growth by investing in the equity securities of companies primarily operating in, or with significant exposure to, Vietnam. VEIL adopts a bottom-up approach to investment selection and does not set portfolio allocations with reference to index weightings. The VN Index is used as a performance benchmark, which VEIL seeks to outperform on a rolling three-year basis.

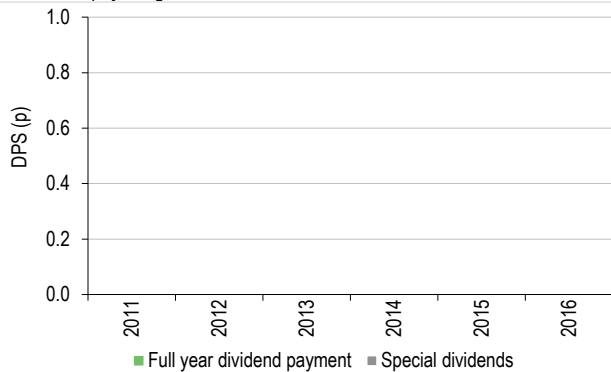
Recent developments

- 24 April 2018: Appointment of Ms Vi Le Peterson as independent non-executive director.
- 17 April 2018: Annual results to end-December 2017 – NAV TR +46.2% in sterling terms versus +38.2% for the VN Index.
- 19 October 2017: Marc Faber resigned as non-executive director.
- 20 September 2017: Interim results to 30 June 2017 - NAV total return +20.5% in sterling terms versus +7.9% for the VN Index.

Forthcoming		Capital structure		Fund details	
AGM	June 2019	Ongoing charges	2.16% (see page 7)	Group	Dragon Capital
Interim results	September 2018	Net gearing	0.4%	Manager	Vu Huu Dien
Year end	31 December	Annual mgmt fee	Tiered: 2.00%;1.75%;1.50% of net assets	Address	PO Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands
Dividend paid	N/A	Performance fee	None	Phone	+84 8 3823 9355
Launch date	11 August 1995	Company life	Indefinite	Website	www.veil-dragoncapital.com
Continuation vote	None	Loan facilities	US\$80m outstanding loan		

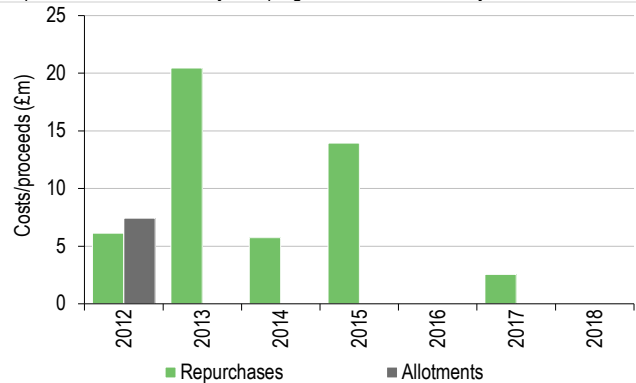
Dividend policy and history (financial years)

VEIL's investment objective is to achieve capital growth and there is currently no intention to pay a regular dividend.

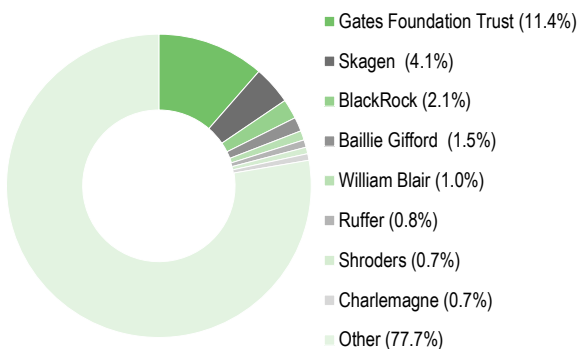


Share buyback policy and history (financial years)

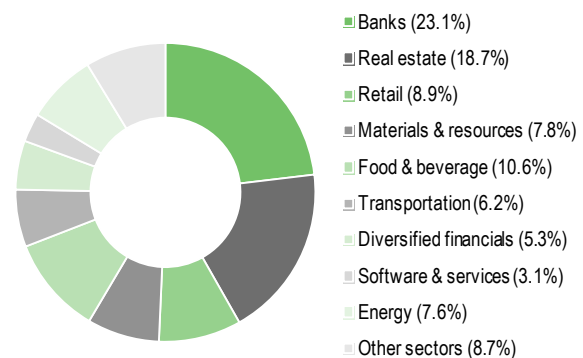
VEIL has annually renewed authority to repurchase up to 14.99% of its issued capital. The most recent buyback programme was in February 2017.



Shareholder base (as at 28 May 2018)



Portfolio exposure by sector (as at 27 April 2018)



Top 10 holdings (as at 27 April 2018)

Company	Sector	First invested	Portfolio weight %		VN index weight %
			27 April 2018	28 April 2017*	27 April 2018**
Asia Commercial Bank	Banks	December 1996	7.7	5.8	N/A
Mobile World	Retail	October 2014	6.4	6.9	1.1
Military Bank	Banks	March 2010	6.1	5.4	1.9
Khang Dien House	Property	November 2013	5.7	3.5	0.5
Vinamilk	Food & beverages	October 2003	5.4	13.1	9.3
Sabeco	Food & beverages	March 2008	5.2	N/A	4.7
PV Gas	Energy	November 2010	3.6	4.1	7.4
ACV	Transport	December 2015	3.4	4.2	N/A
Hoa Phat Group	Materials & resources	June 2009	3.1	3.8	2.8
FPT Corp	Technology	March 2008	3.1	5.6	1.1
Top 10 at each date			49.6	57.2	

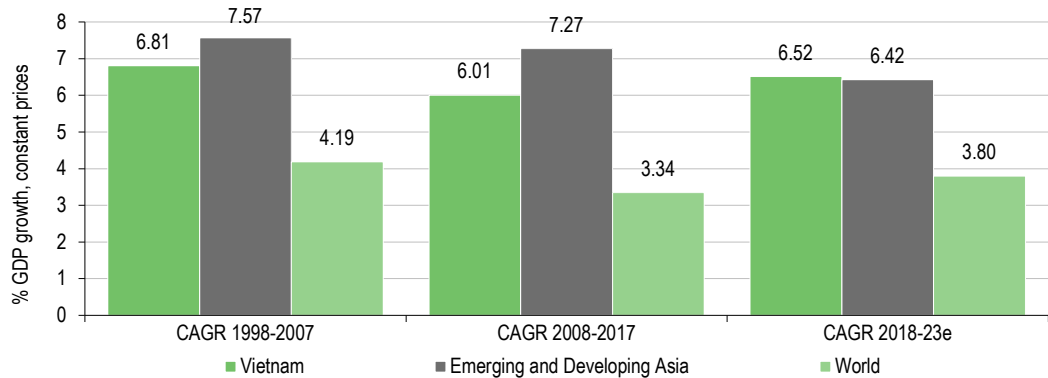
Source: VEIL, Edison Investment Research, Bloomberg, Thomson Reuters. Note: *N/A where not in April 2017 portfolio. **N/A where not a constituent of the VN index.

Market outlook: Accelerating economic growth

Stronger than expected Vietnamese GDP growth of 7.4% in Q118, led by export growth of 22%, has resulted in upgrades to consensus forecasts for 2018. Dragon Capital's own expectation for 2018 GDP growth has been raised from 6.9% to 7.2%. As shown in Exhibit 2, the IMF expects Vietnam's real GDP growth to accelerate over the next five years to a compound annual rate of 6.5%, compared with 6.0% achieved in the previous five years.

The VN Index has performed strongly over the past two years and, in March 2018, surpassed the previous peak of March 2007. This triggered profit-taking, but the sell-off has been amplified by factors including investors becoming more risk-averse, and escalating trade tensions between China and the US (which would have negative implications for Vietnam). As shown in Exhibit 3, the VN Index has corrected around 20% from its recent peak. Consensus earnings forecasts for Vietnam are less comprehensive than for more widely researched markets. Dragon Capital's own research team believes its universe of 60 stocks (which covers c 75% of the market) trades on a 12-month forward P/E of 15x, with forecast EPS growth for 2018 of c 30%, among the highest in the region. The P/E multiple is higher than that of the MSCI AC Asia-ex Japan Index; however, this index is two-thirds weighted in markets that traditionally trade on lower multiples: China, and relatively developed, slower growing countries, South Korea and Taiwan.

Exhibit 2: Real GDP growth – Vietnam versus developing Asia and advanced economies



Source: IMF April 2018 WEO, Edison Investment Research

Exhibit 3: Vietnamese market valuation metrics

VN index forward P/E multiple vs. MSCI Asia ex-Japan index



DS-Vietnam market valuation metrics

	Last	High	Low	10-year average	Last as % of average
P/E 12 months forward (x)	16.7	20.0	9.0	12.5	133.6
Price to book (x)	3.0	3.7	1.2	2.1	145.8
Dividend yield (%)	1.7	5.7	1.1	3.1	53.4
Return on equity (%)	15.4	18.8	11.0	15.4	100.2

Source: Thomson Datastream, Bloomberg, Edison Investment Research. Note: Index valuations at 4 June 2018.

Fund profile: Vietnam specialist, fundamental focus

VEIL is the largest and longest established fund focused on Vietnam equities listed on the London Stock Exchange (LSE). Previously listed on the Irish Stock Exchange, its shares were admitted to the Main Market of the LSE in July 2016, and included in the FTSE250 Index on 18 July 2017.

The investment objective is to deliver medium- to long-term capital growth, outperforming the VN Index (a capitalisation-weighted index of all the companies listed on the Ho Chi Minh stock exchange) on a rolling three-year basis. VEIL seeks to achieve this through bottom-up stock selection to build a concentrated portfolio of c 35 high conviction investments, unconstrained by index considerations. Most of the holdings are listed on one of Vietnam's main exchanges: the Ho Chi Minh Stock Exchange (HSX), Hanoi Stock Exchange (HNX) and the Unlisted Public Companies Market (UPCoM)¹. VEIL is also permitted to invest in unlisted companies, and as at end-December 2017, these comprised 4.8% of the portfolio. Most of these investments are expected to list on an exchange within the next six months, after which, the unlisted portion of the portfolio should fall below one percent.

The fund manager: Vu Huu Dien

The manager's view: Multiple drivers for upbeat outlook

The manager is upbeat on the prospects for Vietnam and VEIL. He sees a favourable economic environment and expects sustainable GDP growth of around 6-7% pa for the next few years with low inflationary pressures (even factoring in higher oil prices, the manager expects moderate inflation of c 4% this year). Strong foreign direct investment (FDI) over the past decade has helped develop a robust and diverse manufacturing sector, underpinning future export prospects. Vietnam has posted current account surpluses each year since 2011 and foreign exchange reserves are at a record high. Longer term, Vu highlights many structural advantages to support sustained economic growth, including political stability and a favourable demographic profile with a young median age of 31 years.

Accelerating privatisations and government divestments over the next few years could provide exciting investment opportunities for VEIL. The manager observes an equity offering pipeline of up to \$12-13bn from the private and state sectors through to the end of 2019, which contain very attractive assets and franchises. Given VEIL's fundamental research capabilities and long-standing reputation as an investor in Vietnam, he believes it is very well-placed to take advantage of upcoming opportunities.

Vietnam's potential inclusion in MSCI Emerging Markets index could provide a meaningful boost to its stock market over the next few years. Dragon Capital estimates the inclusion process could stimulate foreign inflows of \$7-9bn into Vietnam equities. The manager notes Vietnam is already well qualified for inclusion in terms of market capitalisation and liquidity. However, foreign ownership limits (FOLs) and the lack of a trading system, such as a foreign board, to improve transparency is an impediment for inclusion. The manager believes the government may amend laws to raise FOLs, which would strengthen Vietnam's case for qualification, and he is looking for the government to increase the FOL for commercial companies to 63% from the current 49%, and for financial companies to 49% from the current 30%.

Vu believes the Vietnam equities market offers attractive investment opportunities given lower valuations following its recent correction, and stronger than expected Q118 earnings, which has led the team to raise expectations for 2018 EPS growth to c30% (24% as at end-March 2018).

¹ The UPCoM exchange contains newly-listed companies, which must transfer to the HSX or HNX within a year.

Asset allocation

Investment process: Stock focused

VEIL maintains a relatively concentrated portfolio of c 35 stocks, differing significantly from the VN Index, which reflects the manager's bottom-up focus. Based in Vietnam, a well-resourced team of three portfolio managers (led by Vu Huu Dien) supported by 10 sector specialist research analysts (each covering around 70-80 companies), facilitates a hands-on approach of meeting company managements and in-depth analysis, with particular focus on valuation and good corporate governance. The team is also experienced in the evaluation of unlisted or recently listed companies, applying the same investment process. New listings and government divestments are expected to continue to be an important source of investment opportunities in Vietnam over the next few years, and VEIL appears well placed to take advantage of these given the team's depth of expertise. All new investment decisions are reviewed by an investment advisory committee, comprising Dragon Capital's senior managers CEO Le Minh Anh, Deputy CEO Alex Pasikowski, CIO Bill Stoops and CRO Gavin Patterson. The committee meets monthly with the manager and reviews the portfolio to ensure VEIL is on track to meet its investment objectives.

Current portfolio positioning

As shown in Exhibit 4, VEIL is well diversified across 13 sectors. Over the year to 27 April 2018, the most significant sector change is an 8pp increase to banks, which became the largest exposure in the portfolio at 23.1%. Banks have led the rally in the VN Index and this was the strongest performing sector in 2017, rising 61.6%. The sector has continued to do well in early 2018, buoyed by strong 2017 results. VEIL's largest bank holdings, Asia Commercial Bank and Military Bank reported 2017 profits before tax increases of 59.3% and 26.4% respectively, which lifted their share prices, providing the manager opportunities to take profits. Still positive on the banking sector, VEIL invested in Techcombank, a smaller private commercial bank, with growing fee income and expansion plans into retail banking, due to list in June 2018. Having been overweight banks in 2017, VEIL is now slightly underweight this sector.

Exhibit 4: Portfolio sector exposure at 27 April 2018

% unless stated	Portfolio 27 April 2018	Portfolio 28 April 2018	Change (pp)	VN index weight	Active weight vs index	Trust weight/ index weight
Banks	23.1	15.1	8.1	23.7	(0.6)	1.0
Real estate	18.7	17.5	1.2	20.1	(1.4)	0.9
Food & beverage	10.6	16.2	(5.6)	16.8	(6.2)	0.6
Retail	8.9	6.9	2.0	1.5	7.3	5.8
Materials & resources	7.8	8.6	(0.8)	5.2	2.6	1.5
Energy	7.6	6.4	1.1	10.6	(3.0)	0.7
Transportation	6.2	9.4	(3.2)	4.1	2.1	1.5
Diversified financials	5.3	5.0	0.2	6.2	(0.9)	0.9
Consumer durables	3.6	1.9	1.6	1.0	2.6	3.6
Software & services	3.1	5.6	(2.5)	1.1	1.9	2.7
Automobiles & components	2.3	2.7	(0.3)	0.3	2.0	6.8
Capital goods	1.6	2.9	(1.3)	3.3	(1.7)	0.5
Pharmaceuticals	1.3	1.8	(0.5)	1.1	0.3	1.2
Other sectors	0.0	0.0	(0.0)	4.9	(4.9)	0.0
	100.0	100.0		100.0		

Source: VEIL, Edison Investment Research

The largest exposure decline over the year is to food & beverage (reduced by 5.6pp). This largely reflects a 7.7pp reduction in VEIL's long-held investment in Vinamilk (VNM), including the sale of a strategic stake to the Jardine Group at the end of 2017. Some of this was reinvested to increase VEIL's holding in Saigon Beer Alcohol Beverage Company (Sabeco), from an opportunistic placement ahead of the state auction in December 2017 - Vietnam's largest asset sale to date - which resulted in Thai Beverage purchasing a controlling stake. The manager views Sabeco as a

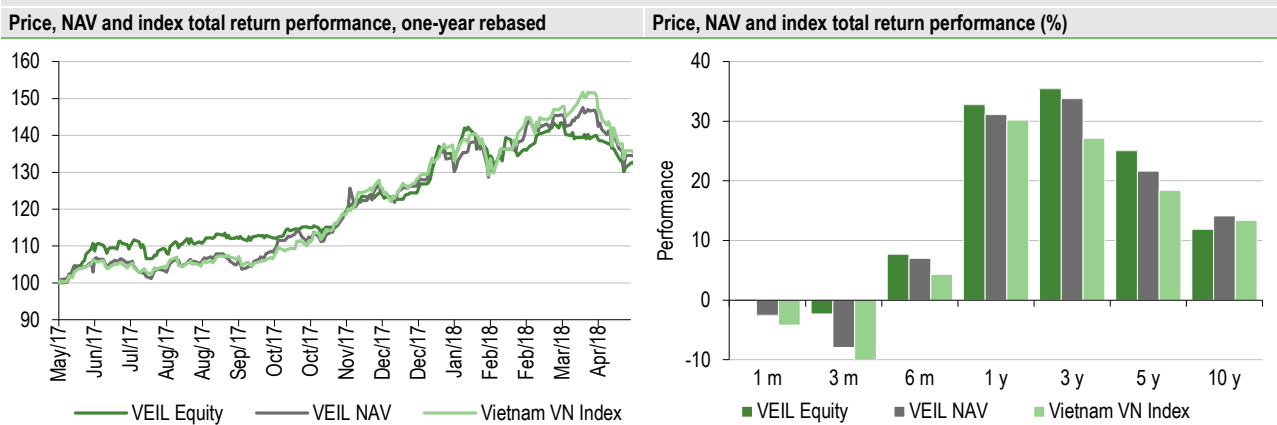
relatively defensive investment given its strong franchise and cash flows, while new management may address the inefficiencies of the company and improve profitability over the medium term.

The manager views the portfolio as well positioned to benefit from Vietnam's strong economic growth, and in particular a rising middle-class which should support multi-year secular growth for banks, real estate and domestic consumption.

Performance: Solid long-term track record

As shown in Exhibits 5, 6 and 7, VEIL's NAV total return has outperformed the VN Index over one, three, five and ten years. Its share price total return has also outperformed over these periods, with the exception of 10 years, which captures the global financial crisis in 2008. At that time, VEIL experienced exceptional share price volatility, rapidly moving from trading at a premium to NAV to a steep discount, as foreign investors became very risk-averse, and sold perceived risky assets, including Vietnam equities.

Exhibit 5: Investment company performance to 31 May 2018 in sterling terms



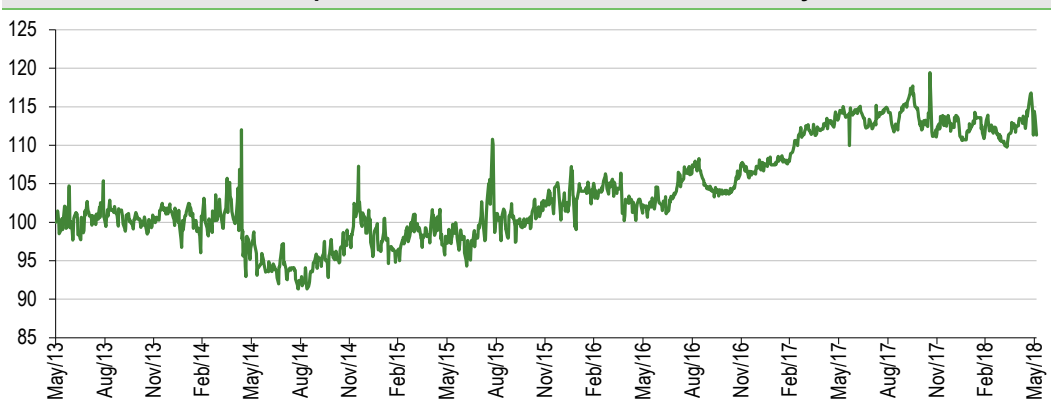
Source: Thomson Datastream, Edison Investment Research. Note: Three-, five- and 10-year performance figures annualised.

Exhibit 6: Share price and NAV total return performance, relative to indices (%)

	One month	Three months	Six months	One year	Three years	Five years	10 years
Price relative to Vietnam VN index	4.6	8.7	3.2	2.0	20.8	31.6	(12.3)
NAV relative to Vietnam VN index	1.7	2.4	2.6	0.7	16.5	14.4	7.0
Price relative to Vietnam VN30 index	4.9	9.8	4.8	1.7	29.4	53.9	N/A
NAV relative to Vietnam VN30 index	2.0	3.5	4.1	0.4	24.8	33.8	N/A
Price relative to MSCI Emerging Markets	0.4	0.0	4.8	19.6	79.0	111.6	70.4
NAV relative to MSCI Emerging Markets	(2.4)	(5.7)	4.1	18.1	72.7	84.0	107.8

Source: Thomson Datastream, Edison Investment Research. Note: Data to end-April 2018. Geometric calculation.

Exhibit 7: NAV total return performance relative to VN index over five years

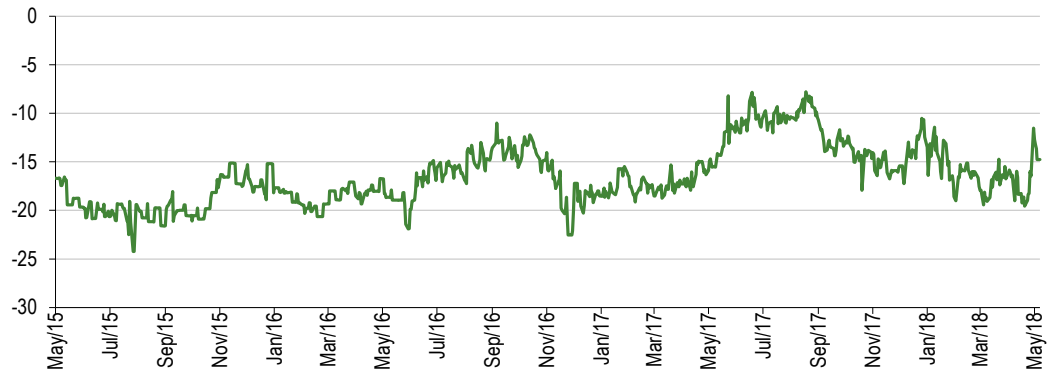


Source: Thomson Datastream, Edison Investment Research

Discount: Narrower than the three-year average

VEIL currently trades on a 14.8% discount to cum-income NAV, narrower than its three-year average of 16.5%, having ranged between 24.2% to 7.8% over this period, as shown in Exhibit 8. The board has an active discount management policy and can repurchase up to 14.99% of issued share capital if it believes it to be in the interests of the shareholders. In February 2017, the company conducted a share buyback programme, repurchasing 0.8m shares representing 0.4% of issued shares at a total cost of \$3.2m.

Exhibit 8: Share price discount to NAV over three years (%)



Source: Thomson Datastream, Edison Investment Research

Capital structure and fees

VEIL has two classes of capital in issue: ordinary shares and non-redeemable management shares. Dragon Capital owns all of the 1,000 management shares in issue, which have the right to appoint two members to the board. Management shares carry one vote each but are not entitled to dividends. In a wind-up situation, paid-up nominal capital will be returned to ordinary shareholders ahead of owners of management shares. There are currently 220.1m ordinary shares in issue.

VEIL is permitted to borrow up to 20% of NAV for the purposes of capital flexibility, including for investment purposes. The company has a loan facility with Standard Chartered, which was increased from \$40m to \$80m during FY17, and the board has approved borrowing up to \$100m. As at end-April 2018, VEIL had net gearing of 0.4%.

Management fees were revised with effect from 1 August 2017. Previously, the investment manager was paid 2% of net assets pa. Under the current fee structure, a 2% management fee is payable on net assets up to \$1.25bn, reducing to 1.75% pa between \$1.25bn and \$1.5bn, and further reducing to 1.5% on net assets over \$1.5bn. There is no performance fee.

Dividend policy and record

VEIL's investment objective focuses on medium- to long-term capital appreciation and no dividends have been paid since its inception.

Peer group comparison

Exhibit 9 shows selected members of the AIC Country Specialists – Asia Pacific sector. This peer group covers a diverse range of very different countries, and performance is heavily influenced by

individual markets, not just manager performance. VEIL is one of the largest funds in the group and its NAV total return ranks first out of 10 over one and three years; second out of 10 over five years and fifth out of eight over ten years. Among the Vietnam subgroup peers, VEIL's NAV total return ranks first out of three for all periods except 10 years, where it ranked third, though all three funds delivered strong absolute returns. It is the only Vietnam specialist that does not charge a performance fee.

Exhibit 9: Country Specialists – Asia Pacific peer group as at 04 June 2018*

% unless stated	Market cap £m	NAV TR 1 year	NAV TR 3 year	NAV TR 5 year	NAV TR 10 year	Discount (ex-par)	Ongoing charge	Perf. fee	Net gearing	Dividend yield (%)
Vietnam Enterprise Investments	1,017.0	41.5	148.3	204.7	215.7	(14.0)	2.23	No	100	0.0
Aberdeen New India	270.2	5.9	45.6	97.2	218.9	(13.5)	1.30	No	100	0.0
Aberdeen New Thai	93.7	12.2	42.8	22.9	323.4	(12.7)	1.45	No	103	2.0
Fidelity China Special Situations	1,447.2	31.4	54.5	211.0		(13.8)	1.16	Yes	123	1.0
India Capital Growth	109.6	3.4	55.8	127.5	33.1	(14.4)	2.21	No	100	0.0
JPMorgan Chinese	233.7	36.6	56.8	118.1	213.9	(15.7)	1.38	No	115	0.5
JPMorgan Indian	733.5	2.3	37.3	83.9	125.9	(13.9)	1.19	No	107	0.0
VietNam Holding	144.6	13.8	76.4	129.8	288.7	(12.9)	2.85	Yes	100	0.0
VinaCapital Vietnam Opportunity Fund	659.9	16.1	101.8	117.8	286.0	(20.6)	1.90	Yes	100	2.2
Weiss Korea Opportunity	149.3	(0.7)	43.0	89.8		(4.2)	1.89	No	100	1.9
Peer group average	659.9	16.1	101.8	117.8	286.0	(20.6)	1.90	Yes	100	2.2
Rank in peer group	2	1	1	2	5	7	2		4	6
Vietnam subgroup average	607.2	23.8	108.9	150.7	263.4	(15.8)	2.33		102	0.7
Rank in subgroup	1	1	1	1	3	2	2		1	2

Source: Morningstar, Bloomberg, Edison Investment Research. Note: *Performance data to 31 May 2018. TR = total return. Net gearing is total assets less cash and equivalents as a percentage of net assets.

The board

The board has returned to five members following the appointment of Vi Le Peterson as an independent non-executive director on 24 April 2018. Peterson is an international business consultant and advises multinational corporations on trade and investment in Thailand and Vietnam. She has banking experience with Australia and New Zealand Banking Group from 1981 to 1996. Between 1996 and 1999, Peterson served as Minister-Counsellor and Senior Trade Commissioner for Vietnam, based at the Australian Embassy in Hanoi. Chairman Wolfgang Bertelsmeier was appointed director July 2009 and assumed his present role in November 2013. The other board members are senior independent director, Stanley Chou (appointed January 2016), Derek Loh (appointed March 2011), Gordon Lawson (appointed July 2014) and non-independent director Dominic Scriven (appointed May 1995), the founder of Dragon Capital.

Edison is an investment research and advisory company, with offices in North America, Europe, the Middle East and AsiaPac. The heart of Edison is our world-renowned equity research platform and deep multi-sector expertise. At Edison Investment Research, our research is widely read by international investors, advisers and stakeholders. Edison Advisors leverages our core research platform to provide differentiated services including investor relations and strategic consulting. Edison is authorised and regulated by the Financial Conduct Authority ([Financial Conduct Authority](#)). Edison Investment Research (NZ) Limited (Edison NZ) is the New Zealand subsidiary of Edison. Edison NZ is registered on the New Zealand Financial Service Providers Register (FSP number 247505) and is registered to provide wholesale and/or generic financial adviser services only. Edison Investment Research Inc (Edison US) is the US subsidiary of Edison and is regulated by the Securities and Exchange Commission. Edison Investment Research Limited (Edison Aus) [46085869] is the Australian subsidiary of Edison. Edison Germany is a branch entity of Edison Investment Research Limited [4794244]. [www.edisongroup.com](#)

DISCLAIMER

Copyright 2018 Edison Investment Research Limited. All rights reserved. This report has been commissioned by Vietnam Enterprise Investments and prepared and issued by Edison for publication globally. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable; however we do not guarantee the accuracy or completeness of this report. Opinions contained in this report represent those of the research department of Edison at the time of publication. The securities described in the Investment Research may not be eligible for sale in all jurisdictions or to certain categories of investors. This research is issued in Australia by Edison Investment Research Pty Ltd (Corporate Authorised Representative (1252501) of Myonlineadvisers Pty Ltd (AFSL: 427484) and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. The Investment Research is distributed in the United States by Edison US to major US institutional investors only. Edison US is registered as an investment adviser with the Securities and Exchange Commission. Edison US relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. As such, Edison does not offer or provide personalised advice. We publish information about companies in which we believe our readers may be interested and this information reflects our sincere opinions. The information that we provide or that is derived from our website is not intended to be, and should not be construed in any manner whatsoever as, personalised advice. Also, our website and the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. This document is provided for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. Edison has a restrictive policy relating to personal dealing. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report. Edison or its affiliates may perform services or solicit business from any of the companies mentioned in this report. The value of securities mentioned in this report can fall as well as rise and are subject to large and sudden swings. In addition it may be difficult or not possible to buy, sell or obtain accurate information about the value of securities mentioned in this report. Past performance is not necessarily a guide to future performance. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (ie without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision. To the maximum extent permitted by law, Edison, its affiliates and contractors, and their respective directors, officers and employees will not be liable for any loss or damage arising as a result of reliance being placed on any of the information contained in this report and do not guarantee the returns on investments in the products discussed in this publication. FTSE International Limited ("FTSE") © FTSE 2018. "FTSE" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under license. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.