STRATEGY REPORT

March 18th, 2025

High-dividend yield portfolio

	Portfolio Return	VN-Index Return
FY2024	+20.0%	+14.2%
FY2025 (as of March 17th, 2025)	- 0.4% YTD	+5.5% YTD

"Add VIP and IDC. Remove DPR and VCS"

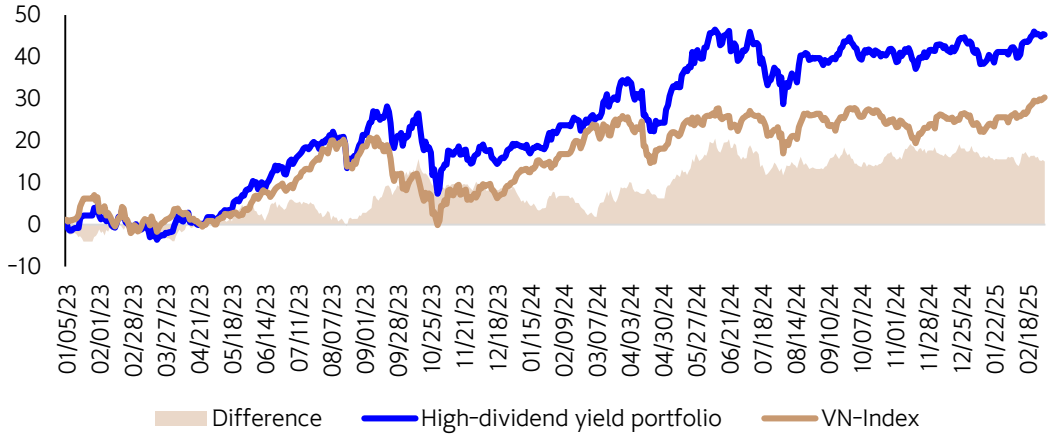
- In 2024, Vietnam continued to loose its fiscal policy to support economic growth. The 12-month mobilization interest rate remains low, fluctuating around 5% by the end of 2024. In the context of bank deposit interest rates currently at a very low level, the portfolio has achieved a good return of 27.9%, with a dividend yield of 7.9% and a return (price difference) of 20%.
- We remove DPR and VCS because the dividend yield is no longer attractive in 2025.
- We add VIP and IDC thanks to meeting the criteria of high-dividend yield portfolio and positive business prospects for 2025. In which:

◈ VIP: a large cash reserve, no debt, maintains consistent and attractive dividend payouts, and is attractively valued. In addition, business operations in 2025 are expected to be positive thanks to (1) steady growth in domestic fuel consumption, (2) favorable oil transportation rates, and (3) reduced depreciation costs as one ship has fully depreciated.

◈ IDC: The financial situation is healthy, with a maintained cash dividend payout ratio of 30-40% of charter capital over the past 3 years. We assess that business operations in 2025 will remain favorable thanks to (1) the continued upward trend in average rental prices and (2) strong contributions from the residential and energy sectors.

Performance disclosures:
The Portfolio's return and characteristics are calculated based on individual securities in the Portfolio as of the date of report. Securities in the Portfolio are subject to change, then past performance is not indicative of future return.
For Analyst Certification and Disclaimers, please refer to the Important Disclosures at the end of this report.

Performance of High-dividend yield porfolio and VN Index (%)



Portfolio analysis

	Portfolio	VN-Index
P/E(x)	11.5	13.1
P/B (x)	1.8	1.6
Dividend yield (%)	7.9	1.8
EPS growth (5Y) (%)	32.9	9.2
ROE (%)	17.9	13.3
ROA (%)	11.8	2.8
Beta	0.9	1.0
Return (annualized) (%)	16.9	6.8
Std (%)	16.0	13.2
Sharpe ratio	0.7	0.2

Data as of March 18th, 2025 Sources: SSV, Bloomberg

Strategy overview

High-dividend yield portfolio can be a great selection for long-term investors looking for a safe haven. The selected tickers in the portfolio satisfy the following criteria:

- Stable dividend yield and above 5%.
- A financially healthy (current ratio > 1.5, debt/equity < 1), strong cash flow and stable business that is committed to paying dividends in the upcoming time.
- Market cap is higher than 2,000 VND bn and average daily trading volume is above 100,000 shares.
- Competitive advantage and solid growth outlook.

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High-dividend yield portfolio

Top picks

	General Information			Key financials			Valuation				Dividend yield			
	Ticker	Industry	Mkt Cap (VND bn)	GPM	ROA	ROE	P/E trailing (x)	P/B trailing (x)	Annualized return (**)	Standard deviation (**)	Dividend yield 2022	Dividend yield 2023	Dividend yield 2024	Dividend yield 2025F
1	VEA	Automobile	53,864	15.0%	26.9%	28.5%	7.2	2.0	7.9	22.6%	13.0%	11.9%	12.5%	12.0%
2	DPM	Chemical	18,529	18.6%	9.1%	14.1%	13.1	1.8	2.4	42.8%	5.6%	12.0%	5.7%	6.0%
3	DCM	Chemical	14,362	14.0%	3.9%	5.3%	24.2	1.3	-6.1	39.3%	13.1%	19.1%	5.5%	6.0%
4	QNS	F&B	18,493	34.0%	18.3%	25.5%	7.6	1.8	9.4	27.0%	6.2%	9.0%	7.9%	7.0%
5	QTP	Utility	6,210	7.2%	8.7%	12.5%	9.6	1.2	3.1	31.3%	10.7%	20.4%	10.6%	9.5%
6	BMP	Material	9,954	43.0%	30.7%	36.7%	9.9	3.6	39.9	35.4%	12.1%	21.8%	9.4%	11.5%
7	VNM	F&B	130,204	41.4%	17.4%	29.3%	14.1	4.1	-2.2	27.9%	5.0%	5.1%	6.1%	5.1%
8	VIP	Logistics	1,010	25.8%	7.0%	7.7%	10.6	0.8	14.2	47.7%	5.6%	16.5%	9.4%	7.5%
9	IDC	Industrial Real Estate	18,513	37.7%	10.9%	37.7%	9.3	3.3	-0.5	63.3%	5.6%	17.2%	9.9%	7.4%

* Data for 12 months up to Q4/2024
** 3-year average

Source: SSV Research, Bloomberg
Data as of March 10th, 2025

High-dividend yield portfolio

General info			Share price					
	Ticker	Industry	CP (VND)	TP* (VND)	Upside (%)	YTD (%)	Outlook 2025	Investment thesis
1	VEA	Agricultural machinery	40,400	50,200	24.3	2.4	Neutral	- High and regular dividend payout policy (most will use 100% from the parent company's after-tax profit). - Economic recovery and improving demand will support car and motorbike sales in Vietnam.
2	DCM	Chemical	35,000	43,000	22.9	-1.6	Positive	- Global urea fertilizer price forecasted to rise slightly by 3-5%. Domestic urea fertilizer prices expected to follow global growth trend. - The NPK sector has become a new driving force thanks to the acquisition of Han Viet Fertilizer Co., Ltd
3	DPM	Chemical	36,700	41,100	12.0	4.8	Positive	- The urea segment's profit margin is expected to improve thanks to recovering output selling prices and gas cost reductions - The National Assembly has approved a 5% VAT (Value Added Tax) on fertilizers, creating conditions for the selling price of domestically produced fertilizers to decrease, thereby enhancing their competitiveness compared to imported fertilizers
4	QNS	F&B	50,300	63,500	26.2	0.5	Positive	- The soymilk sector will maintain slight growth thanks to benefiting from falling raw soybean prices - Based on ISO's deficit forecast for the 2024/2025 crop year, combined with the current price difference between ethanol and sugar, we believe that the world sugar price in 2025 will not fluctuate much and will continue to be maintained at a high level. The sugar price is expected to remain high, supporting the sugar segment

* Target price (fair value) for the next 12 months
** Data as of March 10th, 2025

High-dividend yield portfolio

General info			Share price					
	Ticker	Industry	CP (VND)	TP* (VND)	Upside (%)	YTD (%)	Outlook 2025	Investment thesis
5	QTP	Utility	13,800	16,300	18.1	0.9	Positive	- QTP's output is expected to continue to remain high as electricity consumption demand grows faster than the growth rate of power sources - The financial structure is relatively strong after fulfilling long-term debt obligations in 2024.
6	BMP	Material	121,600	145,000	19.2	-6.8	Positive	- The balance sheet is healthy and the dividend payout ratio is almost 100% of net profit. - The price of PVC resin, the main raw material in BMP's production, is forecast to remain low in the near future, helping the company reduce input costs and maintain high profit margins.
7	VNM	F&B	62,300	75,000	20.4	-1.4	Positive	- In 2025, we expect stable profit margins due to the company's preparedness in raw materials and its ability to pass costs onto selling prices - VNM maintains a regular dividend payout, with an average payout ratio of around 70% of net profit.
8	VIP	Logistics	14,750	17,500	18.6	6.0	Positive	- Maintains a large cash reserve, carries no debt, pays consistent dividends, and has attractive valuations - Business operations in 2025 are evaluated as positive thanks to (1) steady growth in domestic consumption of petroleum products, (2) favorable oil transportation freight rates, and (3) reduced depreciation expenses as one vessel has completed its depreciation
9	IDC	Industrial Real Estate	56,100	64,800	15.5	1.6	Positive	- The financial situation is healthy, with a maintained cash dividend payout ratio of 30-40% of charter capital over the past 3 years - We assess that business operations in 2025 will remain favorable thanks to (1) the continued upward trend in average rental prices and (2) strong contributions from the residential and energy sectors.

* Target price (fair value) for the next 12 months
** Data as of March 10th, 2025

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