


Company Note

I Vietnam

ADD (previously HOLD)

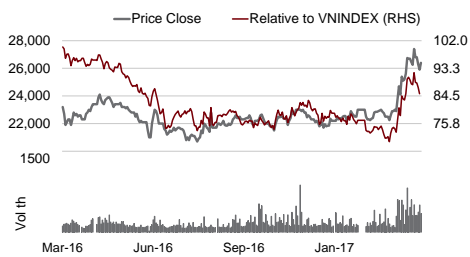
Consensus ratings*: Buy 5 Hold 2 Sell 0

Current price: VND25,900
 Target price:  VND30,700
 Previous target: VND23,200
 Up/downside: 18.5%
 CIMB / Consensus: 9.8%

Reuters: NLG.VN
 Bloomberg: NLG VN
 Market cap: US\$161.7m
 VND3,680,766m
 Average daily turnover: US\$0.27m
 VND6,085m
 Current shares o/s: 142.1m
 Free float: 32.0%
 *Source: Bloomberg

Key changes in this note

- FY17F EPS increased by 42.7%.
- FY18F EPS increased by 41.1%.



| Price performance | 1M | 3M | 12M |
|-------------------|------|------|-------|
| Absolute (%) | 14.6 | 16.7 | 11.2 |
| Relative (%) | 13.2 | 8.3 | -15.6 |

| Major shareholders | % held |
|----------------------|--------|
| Nguyen Xuan Quang | 14.7 |
| Nguyen Thi Bich Ngoc | 6.3 |
| IFC | 6.2 |

Analyst(s)

VO Phuc Nguyen
 T (84) 90 501 5884
 E vo.phucnguyen@cimb.com

Nam Long Investment Corporation

Benefiting from the rising middle class

- NLG's FY16 presales increased by 25% yoy in volume but a whopping 60% yoy in value because NLG sold mid-range products via a JV with Japanese developers.
- NLG plans to raise the proportion of overall revenue derived from the sale of mid-tier housing products from 20% in FY13-15 to 40% in FY17-18F.
- We upgrade NLG from Hold to Add. NLG is trading at an attractive 25% discount to RNAV and we expect FY17-18 EPS to rise by 42%.

Benefiting from the rapid expansion of the middle class

The number of mid-range apartments sold in FY16 rose by 16% yoy because of the emerging middle class's increasing appetite for mid-range products. The presales value of NLG's apartments rose ~60% yoy in FY16 to VND2.8tr, driven by the sales of its two mid-priced Flora condo projects in District 9 (D9) (developed via a JV with two Japanese investors Hankyu and Nishi Nippon Railroad). The proportion of NLG's revenue derived from mid-range products surged from 30% in FY15 to ~45% in FY16.

Moving up from affordable housing to mid-tier segment

In our view, Vietnam's mid-tier property segment outperformed the affordable segment in FY16, due to the rising wealth of the emerging middle class and increasing availability of mortgages. Hence, NLG, Vietnam's leading developer of affordable housing, partnered two Japanese firms to develop its first two gated community projects and two mid-range condominium projects in 2016.

D9 projects benefited from infrastructure development

NLG has three projects in D9 that benefited from the 100% rise in land prices over the last two years, following the completion of a highway that cuts travel time to the central business district (CBD) by 40%. The government is accelerating the construction of Ring Road 2 which would connect the western areas of D9 to the new MRT and Samsung's new factory in HCMC.

Raise FY17 and FY18 EPS forecasts by 41.1-42.7%

We raise our FY17-18 EPS forecasts on US\$9m revaluation gain from 37ha Aquamarine project and strong sales of 17ha Valora Kykio project (East gate) due to high land prices in D9. NLG sold out 110 villas in Valora Kykio project at US\$350,000/unit within a month of its launch in Jan 2017. It will launch townhouse and condominium components of this project in FY17. This will contribute c.50% of revenue and profit in FY18. Our FY17F EPS is 26% above consensus which excludes revaluation of Aquamarine project.

Upgrade from Hold to Add, with higher target price of VND30,700

NLG is trading at an attractive 25% discount to RNAV. The share price has outperformed the VN-Index by 10% and we expect further outperformance towards end-FY17, underpinned by a 42% rise in NLG's FY17-18 EPS. We subsequently raise our target price by 30% to VND30,700, still based on 10% discount to RNAV. We upgrade NLG from Hold to Add as its move up to the mid-tier is strongly supported by booming property prices in HCMC.

Risks to our call

Downside risks include 1) competition from well-established mid-tier developers (e.g. KDH) who have more experience, product understanding and favourable pricing, and 2) liquidity risks of the 300ha Waterpoint project, which is 30km outside HCMC (~50% of RNAV).

Financial Summary

| | Dec-15A | Dec-16A | Dec-17F | Dec-18F | Dec-19F |
|--------------------------------|---------|---------|---------|---------|---------|
| Total Net Revenues (VNDb) | 1,259 | 2,534 | 2,777 | 3,618 | 3,320 |
| Operating EBITDA (VNDb) | 158.9 | 493.6 | 474.2 | 843.5 | 707.1 |
| Net Profit (VNDb) | 206.2 | 345.2 | 468.9 | 491.7 | 447.5 |
| Core EPS (VND) | 1,497 | 2,434 | 3,300 | 3,460 | 3,149 |
| Core EPS Growth | 79.7% | 62.6% | 35.6% | 4.9% | (9.0%) |
| FD Core P/E (x) | 17.30 | 10.64 | 7.85 | 7.49 | 8.23 |
| DPS (VND) | 433.8 | 679.4 | 957.2 | 957.2 | 957.2 |
| Dividend Yield | 1.67% | 2.62% | 3.70% | 3.70% | 3.70% |
| EV/EBITDA (x) | 24.85 | 9.13 | 10.91 | 5.28 | 5.51 |
| P/FCFE (x) | NA | 13.32 | NA | 3.49 | 4.52 |
| Net Gearing | 8.1% | 6.2% | 24.8% | 3.7% | (10.4%) |
| P/BV (x) | 1.65 | 1.48 | 1.32 | 1.19 | 1.09 |
| ROE | 9.9% | 14.7% | 17.8% | 16.7% | 13.8% |
| % Change In Core EPS Estimates | | | 42.7% | 41.1% | |
| CIMB/consensus EPS (x) | | | 1.26 | 1.18 | |

SOURCE: COMPANY DATA, CIMB FORECASTS

Benefiting from the rising middle class

Valuation metrics ▶

Figure 1: NLG's earnings revision

| Unit: VNDbn | FY17F | | | FY18F | | | Comments |
|-------------------|-------|-------|------|-------|-------|-----|---|
| | old | new | chg | old | new | chg | |
| Net revenue | 2,440 | 2,777 | 14% | 2,452 | 3,618 | 48% | Valora Kykio was more successful than we expected, NLG plans to launch Aquamarine project in mid-FY17 |
| Financial revenue | 24 | 231 | 868% | 29 | 28 | -1% | Unexpected one-off gain of -US\$9m from the revaluation of Aquamarine project in FY17 |
| Net profit | 327 | 469 | 43% | 347 | 492 | 42% | Valora Kykio should contribute half of FY18 revenue and profit, which helps to boost FY18 earnings |
| Net margin | 13% | 17% | -3% | 14% | 14% | 1% | NLG's FY17 net margin is boosted by one-off gain from the revaluation of Aquamarine project |

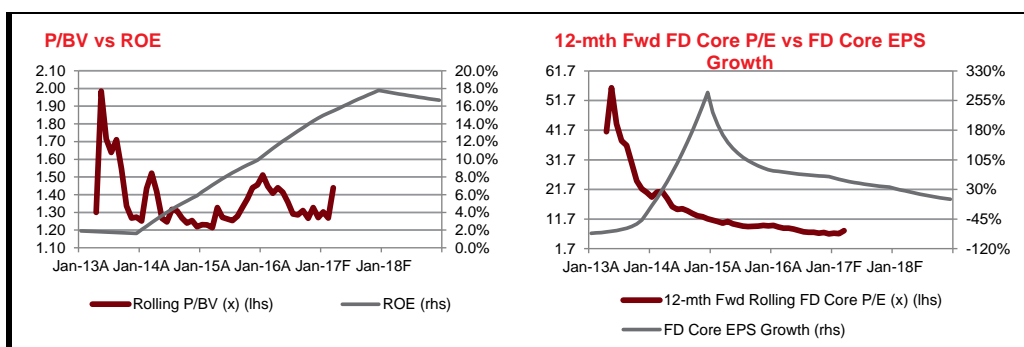
SOURCES: CIMB, COMPANY REPORTS

Figure 2: RNAV valuation of NLG

| Projects | Location | Revaluation Method | Area (ha) | Revised value attributable to NLG (VND bn) |
|---|-------------|-----------------------|---------------|--|
| Ehome 4 - Vinh Phu Binh Duong | Binh Duong | DCF | 12.68 | 17 |
| Ehome 5 - Bridgeview | HCMC | DCF | 2.02 | 7 |
| Ehome 6 - Golfview | HCMC | DCF | 1.17 | 26 |
| Ehome 7 - Greenhill | HCMC | DCF | 1.10 | 157 |
| Aquamarine | HCMC | DCF | 37.41 | 784 |
| East Gate | HCMC | DCF | 17.83 | 949 |
| Waterpoint | Long An | Comparable | 390.64 | 2,500 |
| Camellia | HCMC | DCF | 5.91 | 140 |
| Can Tho 23+43 | Can Tho | Book value/Comparable | 67.27 | 111 |
| Nam Long - Hong Phat (8C) | Can Tho | Comparable | 15.42 | 106 |
| Ho Tram | BR-Vung Tau | Book value | 16.89 | 6 |
| Capital Tower | HCMC | Book value | 0.60 | 41 |
| Valora Fuji | HCMC | DCF | 5.60 | 92 |
| Other | | | | 28 |
| Total | | | 580.44 | 4,965 |
| Cash | | | | 970 |
| FA | | | | 56 |
| Other operating assets | | | | 20 |
| Debt | | | | 1,166 |
| Total RNAV | | | | 4,845 |
| No of outstanding shares (mn) | | | | 142 |
| RNAV/share (VND) | | | | 34,093 |
| Target price (based on 10% discount to RNAV) | | | | 30,700 |

SOURCES: CIMB, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

| (VNDb) | Dec-15A | Dec-16A | Dec-17F | Dec-18F | Dec-19F |
|---|--------------|--------------|--------------|--------------|--------------|
| Total Net Revenues | 1,259 | 2,534 | 2,777 | 3,618 | 3,320 |
| Gross Profit | 432 | 837 | 930 | 1,426 | 1,245 |
| Operating EBITDA | 159 | 494 | 474 | 844 | 707 |
| Depreciation And Amortisation | (14) | (14) | (12) | (7) | (7) |
| Operating EBIT | 145 | 480 | 462 | 837 | 700 |
| Financial Income/(Expense) | 0 | (3) | 208 | 5 | (1) |
| Pretax Income/(Loss) from Assoc. | 0 | 1 | 75 | 0 | 54 |
| Non-Operating Income/(Expense) | 131 | 7 | 0 | 0 | 0 |
| Profit Before Tax (pre-EI) | 276 | 484 | 745 | 842 | 753 |
| Exceptional Items | | | | | |
| Pre-tax Profit | 276 | 484 | 745 | 842 | 753 |
| Taxation | (67) | (97) | (149) | (168) | (151) |
| Exceptional Income - post-tax | | | | | |
| Profit After Tax | 209 | 388 | 596 | 674 | 602 |
| Minority Interests | (2) | (42) | (127) | (182) | (155) |
| Pref. & Special Div | 0 | 0 | 0 | 0 | 0 |
| FX Gain/(Loss) - post tax | | | | | |
| Other Adjustments - post-tax | | | | | |
| Net Profit | 206 | 345 | 469 | 492 | 447 |
| Recurring Net Profit | 206 | 345 | 469 | 492 | 447 |
| Fully Diluted Recurring Net Profit | 206 | 345 | 469 | 492 | 447 |

Cash Flow

| (VNDb) | Dec-15A | Dec-16A | Dec-17F | Dec-18F | Dec-19F |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| EBITDA | 158.9 | 493.6 | 474.2 | 843.5 | 707.1 |
| Cash Flow from Invnt. & Assoc. | | | | | |
| Change In Working Capital | (112.2) | (608.6) | (872.5) | 390.5 | 232.0 |
| Straight Line Adjustment | | | | | |
| (Incr)/Decr in Total Provisions | (0.3) | 1.4 | 0.0 | 0.0 | 0.0 |
| Other Non-Cash (Income)/Expense | (50.6) | (43.7) | (230.8) | (28.3) | (33.9) |
| Other Operating Cashflow | 125.3 | 11.1 | 198.1 | (3.9) | 98.9 |
| Net Interest (Paid)/Received | (10.6) | (20.6) | (22.8) | (22.8) | (34.9) |
| Tax Paid | (54.2) | (80.8) | (148.9) | (168.4) | (150.6) |
| Cashflow From Operations | 56.3 | (247.5) | (602.8) | 1,010.7 | 818.7 |
| Capex | (1.0) | (7.9) | (24.0) | (4.1) | (4.2) |
| Disposals Of FAs/subsidiaries | 81.2 | 211.6 | 0.0 | 0.0 | 0.0 |
| Disposals of Investment Properties | | | | | |
| Acq. Of Subsidiaries/Investments | (248.1) | (246.4) | 0.0 | 0.0 | 0.0 |
| Other Investing Cashflow | | | | | |
| Cash Flow From Investing | (168.0) | (42.7) | (24.0) | (4.1) | (4.2) |
| Debt Raised/(repaid) | 19.0 | 566.1 | (214.6) | 48.2 | 0.0 |
| Proceeds From Issue Of Shares | 195.6 | 345.5 | 0.0 | 0.0 | 0.0 |
| Shares Repurchased | | | | | |
| Dividends Paid | (61.4) | (96.5) | (136.0) | (136.0) | (136.0) |
| Preferred Dividends | | | | | |
| Other Financing Cashflow | 0.0 | 0.0 | (126.7) | (181.8) | (154.9) |
| Cash Flow From Financing | 153.2 | 815.0 | (477.3) | (269.6) | (291.0) |

SOURCE: CIMB RESEARCH, COMPANY DATA

BY THE NUMBERS... cont'd

Balance Sheet

| (VNDb) | Dec-15A | Dec-16A | Dec-17F | Dec-18F | Dec-19F |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Cash And Equivalents | 440 | 970 | 97 | 862 | 1,420 |
| Properties Under Development | | | | | |
| Total Debtors | 516 | 1,095 | 997 | 1,090 | 1,057 |
| Inventories | 3,673 | 3,698 | 4,284 | 3,984 | 3,684 |
| Total Other Current Assets | 70 | 64 | 178 | 216 | 203 |
| Total Current Assets | 4,699 | 5,828 | 5,557 | 6,152 | 6,364 |
| Fixed Assets | 39 | 42 | 42 | 42 | 43 |
| Total Investments | 168 | 187 | 235 | 258 | 246 |
| Intangible Assets | 31 | 27 | 25 | 25 | 24 |
| Total Other Non-Current Assets | 86 | 125 | 0 | 0 | 0 |
| Total Non-current Assets | 323 | 381 | 302 | 325 | 313 |
| Short-term Debt | 225 | 354 | 200 | 200 | 200 |
| Current Portion of Long-Term Debt | | | | | |
| Total Creditors | 198 | 199 | 357 | 428 | 411 |
| Other Current Liabilities | 1,679 | 1,626 | 1,034 | 1,207 | 1,145 |
| Total Current Liabilities | 2,102 | 2,179 | 1,591 | 1,834 | 1,756 |
| Total Long-term Debt | 413 | 813 | 752 | 800 | 800 |
| Hybrid Debt - Debt Component | | | | | |
| Total Other Non-Current Liabilities | 20 | 14 | 14 | 18 | 17 |
| Total Non-current Liabilities | 433 | 827 | 766 | 818 | 817 |
| Total Provisions | 61 | 55 | 55 | 55 | 55 |
| Total Liabilities | 2,596 | 3,062 | 2,412 | 2,708 | 2,628 |
| Shareholders' Equity | 2,218 | 2,484 | 2,784 | 3,105 | 3,385 |
| Minority Interests | 209 | 664 | 664 | 664 | 664 |
| Total Equity | 2,426 | 3,147 | 3,447 | 3,769 | 4,049 |

Key Ratios

| | Dec-15A | Dec-16A | Dec-17F | Dec-18F | Dec-19F |
|---------------------------|---------|---------|---------|---------|---------|
| Revenue Growth | 45% | 101% | 10% | 30% | (8%) |
| Operating EBITDA Growth | 35% | 211% | (4%) | 78% | (16%) |
| Operating EBITDA Margin | 12.6% | 19.5% | 17.1% | 23.3% | 21.3% |
| Net Cash Per Share (VND) | (1,396) | (1,379) | (6,014) | (969) | 2,953 |
| BVPS (VND) | 15,667 | 17,477 | 19,589 | 21,849 | 23,821 |
| Gross Interest Cover | 13.70 | 23.35 | 20.25 | 36.69 | 20.07 |
| Effective Tax Rate | 24.4% | 20.0% | 20.0% | 20.0% | 20.0% |
| Net Dividend Payout Ratio | 29.8% | 28.0% | 29.0% | 27.7% | 30.4% |
| Accounts Receivables Days | 127.4 | 116.4 | 137.5 | 105.3 | 118.0 |
| Inventory Days | 1,388 | 795 | 789 | 688 | 674 |
| Accounts Payables Days | 65.84 | 42.89 | 54.95 | 65.30 | 73.74 |
| ROIC (%) | 6.1% | 15.1% | 11.5% | 16.2% | 15.0% |
| ROCE (%) | 5.6% | 13.5% | 15.7% | 18.6% | 14.8% |
| Return On Average Assets | 4.7% | 6.9% | 7.1% | 10.8% | 9.2% |

Key Drivers

| | Dec-15A | Dec-16A | Dec-17F | Dec-18F | Dec-19F |
|--------------------------------------|---------|---------|---------|---------|---------|
| Unbooked Presales (m) (VND) | N/A | N/A | N/A | N/A | N/A |
| Unbooked Presales (area: m sm) | N/A | N/A | N/A | N/A | N/A |
| Unbooked Presales (units) | N/A | N/A | N/A | N/A | N/A |
| Unsold attrib. landbank (area: m sm) | N/A | N/A | N/A | N/A | N/A |
| Gross Margins (%) | 34.3% | 33.0% | 33.5% | 39.4% | 37.5% |
| Contracted Sales ASP (per Sm) (VND) | N/A | N/A | N/A | N/A | N/A |
| Residential EBIT Margin (%) | N/A | N/A | N/A | N/A | N/A |
| Investment rev / total rev (%) | 2.5% | 1.3% | 1.4% | 1.1% | 1.2% |
| Residential rev / total rev (%) | 96.2% | 97.9% | 98.0% | 98.4% | 98.3% |
| Inv. properties rental margin (%) | 40.0% | 40.0% | 40.0% | 40.0% | 40.0% |
| SG&A / Sales Ratio (%) | 21.7% | 13.5% | 16.4% | 16.1% | 16.2% |

SOURCE: CIMB RESEARCH, COMPANY DATA

DISCLAIMER

#01

The content of this report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by and belongs to CIMB and is distributed by CIMB.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.

By accepting this report, the recipient hereof represents and warrants that he is entitled to receive such report in accordance with the restrictions set forth below and agrees to be bound by the limitations contained herein (including the "Restrictions on Distributions" set out below). Any failure to comply with these limitations may constitute a violation of law. This publication is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of CIMB.

The information contained in this research report is prepared from data believed to be correct and reliable at the time of issue of this report. CIMB may or may not issue regular reports on the subject matter of this report at any frequency and may cease to do so or change the periodicity of reports at any time. CIMB is under no obligation to update this report in the event of a material change to the information contained in this report. CIMB has no, and will not accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant, (ii) ensure that the content of this report constitutes all the information a prospective investor may require, (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, CIMB, or any of their respective affiliates, or its related persons (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof. In particular, CIMB disclaims all responsibility and liability for the views and opinions set out in this report.

Unless otherwise specified, this report is based upon sources which CIMB considers to be reasonable. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research.

Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of CIMB or its affiliates to any person to buy or sell any investments.

CIMB, its affiliates and related companies, their directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this research report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, CIMB, its affiliates and its related companies do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

CIMB or its affiliates may enter into an agreement with the company(ies) covered in this report relating to the production of research reports. CIMB may disclose the contents of this report to the company(ies) covered by it and may have amended the contents of this report following such disclosure.

The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously. No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report. CIMB prohibits the analyst(s) who prepared this research report from receiving any compensation, incentive or bonus based on specific investment banking transactions or for providing a specific recommendation for, or view of, a particular company. Information barriers and other arrangements may be established where necessary to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations and the research personnel involved in the preparation of this report may also participate in the solicitation of the businesses as described above. In reviewing this research report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request.

Reports relating to a specific geographical area are produced by the corresponding CIMB entity as listed in the table below. The term "CIMB" shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case, CIMB Group Holdings Berhad ("**CIMBGH**") and its affiliates, subsidiaries and related companies.

| Country | CIMB Entity | Regulated by |
|----------------|---|---|
| Hong Kong | CIMB Securities Limited | Securities and Futures Commission Hong Kong |
| India | CIMB Securities (India) Private Limited | Securities and Exchange Board of India (SEBI) |
| Indonesia | PT CIMB Securities Indonesia | Financial Services Authority of Indonesia |
| Malaysia | CIMB Investment Bank Berhad | Securities Commission Malaysia |
| Singapore | CIMB Research Pte. Ltd. | Monetary Authority of Singapore |
| South Korea | CIMB Securities Limited, Korea Branch | Financial Services Commission and Financial Supervisory Service |
| Taiwan | CIMB Securities Limited, Taiwan Branch | Financial Supervisory Commission |
| Thailand | CIMB Securities (Thailand) Co. Ltd. | Securities and Exchange Commission Thailand |

(i) As of March 29, 2017 CIMB has a proprietary position in the securities (which may include but not limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) -
 (ii) As of March 30, 2017, the analyst(s) who prepared this report, and the associate(s), has / have an interest in the securities (which may include but not limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) -
 This report does not purport to contain all the information that a prospective investor may require. CIMB or any of its affiliates does not make any guarantee, representation or warranty, express or implied, as to the adequacy, accuracy, completeness, reliability or fairness of any such information and opinion contained in this report. Neither CIMB nor any of its affiliates nor its related persons shall be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

This report is general in nature and has been prepared for information purposes only. It is intended for circulation amongst CIMB and its affiliates' clients generally and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. The information and opinions in this report are not and should not be construed or considered as an offer, recommendation or solicitation to buy or sell the subject securities, related investments or other financial instruments or any derivative instrument, or any rights pertaining thereto.

Investors are advised to make their own independent evaluation of the information contained in this research report, consider their own individual investment objectives, financial situation and particular needs and consult their own professional and financial advisers as to the legal, business, financial, tax and other aspects before participating in any transaction in respect of the securities of company(ies) covered in this research report. The securities of such company(ies) may not be eligible for sale in all jurisdictions or to all categories of investors.

Australia: Despite anything in this report to the contrary, this research is provided in Australia by CIMB Securities (Singapore) Pte. Ltd. and CIMB Securities Limited. This research is only available in Australia to persons who are "wholesale clients" (within the meaning of the Corporations Act 2001 (Cth) and is supplied solely for the use of such wholesale clients and shall not be distributed or passed on to any other person. You represent and warrant that if you are in Australia, you are a "wholesale client". This research is of a general nature only and has been prepared without taking into account the objectives, financial situation or needs of the individual recipient. CIMB Securities (Singapore) Pte. Ltd. and CIMB Securities Limited do not hold, and are not required to hold an Australian financial services licence. CIMB Securities (Singapore) Pte. Ltd. and CIMB Securities Limited rely on "passporting" exemptions for entities appropriately licensed by the Monetary Authority of Singapore (under ASIC Class Order 03/1102) and the Securities and Futures Commission in Hong Kong (under ASIC Class Order 03/1103).

Canada: This research report has not been prepared in accordance with the disclosure requirements of Dealer Member Rule 3400 – Research Restrictions and Disclosure Requirements of the Investment Industry Regulatory Organization of Canada. For any research report distributed by CIBC, further disclosures related to CIBC conflicts of interest can be found at <https://researchcentral.cibcwm.com>.

China: For the purpose of this report, the People's Republic of China ("PRC") does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region or Taiwan. The distributor of this report has not been approved or licensed by the China Securities Regulatory Commission or any other relevant regulatory authority or governmental agency in the PRC. This report contains only marketing information. The distribution of this report is not an offer to buy or sell to any person within or outside PRC or a solicitation to any person within or outside of PRC to buy or sell any instruments described herein. This report is being issued outside the PRC to a limited number of institutional investors and may not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose.

France: Only qualified investors within the meaning of French law shall have access to this report. This report shall not be considered as an offer to subscribe to, or used in connection with, any offer for subscription or sale or marketing or direct or indirect distribution of financial instruments and it is not intended as a solicitation for the purchase of any financial instrument.

Germany: This report is only directed at persons who are professional investors as defined in sec 31a(2) of the German Securities Trading Act (WpHG). This publication constitutes research of a non-binding nature on the market situation and the investment instruments cited here at the time of the publication of the information.

The current prices/yields in this issue are based upon closing prices from Bloomberg as of the day preceding publication. Please note that neither the German Federal Financial Supervisory Agency (BaFin), nor any other supervisory authority exercises any control over the content of this report.

Hong Kong: This report is issued and distributed in Hong Kong by CIMB Securities Limited ("CHK") which is licensed in Hong Kong by the Securities and Futures Commission for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) activities. Any investors wishing to purchase or otherwise deal in the securities covered in this report should contact the Head of Sales at CIMB Securities Limited. The views and opinions in this research report are our own as of the date hereof and are subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. CHK has no obligation to update its opinion or the information in this research report.

This publication is strictly confidential and is for private circulation only to clients of CHK.

CIMB Securities Limited does not make a market on other securities mentioned in the report.

India: This report is issued and distributed in India by CIMB Securities (India) Private Limited ("CIMB India") which is registered with the National Stock Exchange of India Limited and BSE Limited as a trading and clearing member under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992. In accordance with the provisions of Regulation 4(g) of the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, CIMB India is not required to seek registration with the Securities and Exchange Board of India ("SEBI") as an Investment Adviser. CIMB India is registered with SEBI as a Research Analyst pursuant to the SEBI (Research Analysts) Regulations, 2014 ("Regulations").

This report does not take into account the particular investment objectives, financial situations, or needs of the recipients. It is not intended for

and does not deal with prohibitions on investment due to law/jurisdiction issues etc. which may exist for certain persons/entities. Recipients should rely on their own investigations and take their own professional advice before investment.

The report is not a "prospectus" as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of CIMB India and they have received compensation based upon various factors, including quality, accuracy and value of research, firm profitability or revenues, client feedback and competitive factors. Research analysts', strategists' or economists' compensation is not linked to investment banking or capital markets transactions performed or proposed to be performed by CIMB India or its affiliates.

CIMB Securities (India) Pte Ltd has not received any investment banking related compensation from the companies mentioned in the report in the past 12 months.

CIMB Securities (India) Pte Ltd has not received any compensation from the companies mentioned in the report in the past 12 months.

Indonesia: This report is issued and distributed by PT CIMB Securities Indonesia ("CIMBI"). The views and opinions in this research report are our own as of the date hereof and are subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. CIMBI has no obligation to update its opinion or the information in this research report. Neither this report nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens wherever they are domiciled or to Indonesian residents except in compliance with applicable Indonesian capital market laws and regulations.

This research report is not an offer of securities in Indonesia. The securities referred to in this research report have not been registered with the Financial Services Authority (Otoritas Jasa Keuangan) pursuant to relevant capital market laws and regulations, and may not be offered or sold within the territory of the Republic of Indonesia or to Indonesian citizens through a public offering or in circumstances which constitute an offer within the meaning of the Indonesian capital market law and regulations.

Ireland: CIMB is not an investment firm authorised in the Republic of Ireland and no part of this document should be construed as CIMB acting as, or otherwise claiming or representing to be, an investment firm authorised in the Republic of Ireland.

Malaysia: This report is issued and distributed by CIMB Investment Bank Berhad ("CIMB") solely for the benefit of and for the exclusive use of our clients. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. CIMB has no obligation to update, revise or reaffirm its opinion or the information in this research reports after the date of this report.

New Zealand: In New Zealand, this report is for distribution only to persons who are wholesale clients pursuant to section 5C of the Financial Advisers Act 2008.

Singapore: This report is issued and distributed by CIMB Research Pte Ltd ("CIMBR"). CIMBR is a financial adviser licensed under the Financial Advisers Act, Cap 110 ("FAA") for advising on investment products, by issuing or promulgating research analyses or research reports, whether in electronic, print or other form. Accordingly CIMBR is a subject to the applicable rules under the FAA unless it is able to avail itself to any prescribed exemptions.

Recipients of this report are to contact CIMB Research Pte Ltd, 50 Raffles Place, #19-00 Singapore Land Tower, Singapore in respect of any matters arising from, or in connection with this report. CIMBR has no obligation to update its opinion or the information in this research report. This publication is strictly confidential and is for private circulation only. If you have not been sent this report by CIMBR directly, you may not rely, use or disclose to anyone else this report or its contents.

If the recipient of this research report is not an accredited investor, expert investor or institutional investor, CIMBR accepts legal responsibility for the contents of the report without any disclaimer limiting or otherwise curtailing such legal responsibility. If the recipient is an accredited investor, expert investor or institutional investor, the recipient is deemed to acknowledge that CIMBR is exempt from certain requirements under the FAA and its attendant regulations, and as such, is exempt from complying with the following :

- (a) Section 25 of the FAA (obligation to disclose product information);
- (b) Section 27 (duty not to make recommendation with respect to any investment product without having a reasonable basis where you may be reasonably expected to rely on the recommendation) of the FAA;
- (c) MAS Notice on Information to Clients and Product Information Disclosure [Notice No. FAA-N03];
- (d) MAS Notice on Recommendation on Investment Products [Notice No. FAA-N16];
- (e) Section 36 (obligation on disclosure of interest in securities), and
- (f) any other laws, regulations, notices, directive, guidelines, circulars and practice notes which are relates to the above, to the extent permitted by applicable laws, as may be amended from time to time, and any other laws, regulations, notices, directive, guidelines, circulars, and practice notes as we may notify you from time to time. In addition, the recipient who is an accredited investor, expert investor or institutional investor acknowledges that a CIMBR is exempt from Section 27 of the FAA, the recipient will also not be able to file a civil claim against CIMBR for any loss or damage arising from the recipient's reliance on any recommendation made by CIMBR which would otherwise be a right that is available to the recipient under Section 27 of the FAA, the recipient will also not be able to file a civil claim against CIMBR for any loss or damage arising from the recipient's reliance on any recommendation made by CIMBR which would otherwise be a right that is available to the recipient under Section 27 of the FAA.

CIMB Research Pte Ltd ("CIMBR"), its affiliates and related companies, their directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this research report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, CIMBR, its affiliates and its related companies do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such

investment, advisory or other services from any entity mentioned in this report.

As of March 29, 2017, CIMBR does not have a proprietary position in the recommended securities in this report.

CIMB Research Pte Ltd does not make a market on the securities mentioned in the report.

CIMB Securities Singapore Pte Ltd does not make a market on the securities mentioned in the report.

CIMB Bank Berhad, Singapore branch does not make a market on the securities mentioned in the report.

South Korea: This report is issued and distributed in South Korea by CIMB Securities Limited, Korea Branch (“CIMB Korea”) which is licensed as a cash equity broker, and regulated by the Financial Services Commission and Financial Supervisory Service of Korea. In South Korea, this report is for distribution only to professional investors under Article 9(5) of the Financial Investment Services and Capital Market Act of Korea (“FSCMA”).

Spain: This document is a research report and it is addressed to institutional investors only. The research report is of a general nature and not personalised and does not constitute investment advice so, as the case may be, the recipient must seek proper advice before adopting any investment decision. This document does not constitute a public offering of securities.

CIMB is not registered with the Spanish Comision Nacional del Mercado de Valores to provide investment services.

Sweden: This report contains only marketing information and has not been approved by the Swedish Financial Supervisory Authority. The distribution of this report is not an offer to sell to any person in Sweden or a solicitation to any person in Sweden to buy any instruments described herein and may not be forwarded to the public in Sweden.

Switzerland: This report has not been prepared in accordance with the recognized self-regulatory minimal standards for research reports of banks issued by the Swiss Bankers’ Association (Directives on the Independence of Financial Research).

Taiwan: This research report is not an offer or marketing of foreign securities in Taiwan. The securities as referred to in this research report have not been and will not be registered with the Financial Supervisory Commission of the Republic of China pursuant to relevant securities laws and regulations and may not be offered or sold within the Republic of China through a public offering or in circumstances which constitutes an offer or a placement within the meaning of the Securities and Exchange Law of the Republic of China that requires a registration or approval of the Financial Supervisory Commission of the Republic of China.

Thailand: This report is issued and distributed by CIMB Securities (Thailand) Company Limited (“CIMBS”) based upon sources believed to be reliable (but their accuracy, completeness or correctness is not guaranteed). The statements or expressions of opinion herein were arrived at after due and careful consideration for use as information for investment. Such opinions are subject to change without notice and CIMBS has no obligation to update its opinion or the information in this research report.

If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient are unaffected.

CIMB Securities (Thailand) Co., Ltd. may act or acts as Market Maker, and issuer and offerer of Derivative Warrants and Structured Note which may have the following securities as its underlying securities. Investors should carefully read and study the details of the derivative warrants in the prospectus before making investment decisions.

AAV, ADVANC, AMATA, AOT, AP, BA, BANPU, BBL, BCH, BCP, BDMS, BEAUTY, BEC, BEM, BH, BIG, BLA, BLAND, BTS, CBG, CENTEL, CHG, CK, CKP, COM7, CPALL, CPF, CPN, DELTA, DTAC, EGCO, EPG, GLOBAL, GLOW, GPSC, GUNKUL, HANA, HMPRO, ICHI, IFEC, INTUCH, IRPC, ITD, IVL, KAMART, KBANK, KCE, KKP, KTB, KTC, LH, LHBANK, LPN, MAJOR, MINT, MTLs, PLANB, PSH, PTG, PTT, PTTTP, PTTGC, QH, ROBINS, RS, S, SAMART, SAWAD, SCB, SCC, SCN, SGP, SIRI, SPALI, SPCG, SPRC, STEC, STPI, SUPER, TASCO, TCAP, THAI, THANI, THCOM, TISCO, TKN, TMB, TOP, TPIPL, TRUE, TTA, TTCL, TTW, TU, TVO, UNIQ, VGI, VIBHA, VNG, WHA.

Corporate Governance Report:

The disclosure of the survey result of the Thai Institute of Directors Association (“IOD”) regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CIMBS does not confirm nor certify the accuracy of such survey result.

| | | | | | |
|---------------------|-----------|-----------|---------|-------------|------------------|
| Score Range: | 90 - 100 | 80 - 89 | 70 - 79 | Below 70 or | No Survey Result |
| Description: | Excellent | Very Good | Good | N/A | |

United Arab Emirates: The distributor of this report has not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities or governmental agencies in the United Arab Emirates. This report is strictly private and confidential and has not been reviewed by, deposited or registered with UAE Central Bank or any other licensing authority or governmental agencies in the United Arab Emirates. This report is being issued outside the United Arab Emirates to a limited number of institutional investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. Further, the information contained in this report is not intended to lead to the sale of investments under any subscription agreement or the conclusion of any other contract of whatsoever nature within the territory of the United Arab Emirates.

United Kingdom: In the United Kingdom and European Economic Area, this report is being disseminated by CIMB Securities (UK) Limited (“CIMB UK”). CIMB UK is authorized and regulated by the Financial Conduct Authority and its registered office is at 27 Knightsbridge, London, SW1X7YB. Unless specified to the contrary, this report has been issued and approved for distribution in the U.K. and the EEA by CIMB UK. Investment research issued by CIMB UK has been prepared in accordance with CIMB Group’s policies for managing conflicts of interest arising as a result of publication and distribution of investment research. This report is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of CIMB UK; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Order”), (c) fall within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc”) of the Order; (d) are outside the United Kingdom subject to relevant regulation in each jurisdiction, or (e) are persons to whom an invitation or inducement to engage in

investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with any investments to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Where this report is labelled as non-independent, it does not provide an impartial or objective assessment of the subject matter and does not constitute independent “investment research” under the applicable rules of the Financial Conduct Authority in the UK. Consequently, any such non-independent report will not have been prepared in accordance with legal requirements designed to promote the independence of investment research and will not be subject to any prohibition on dealing ahead of the dissemination of investment research. Any such non-independent report must be considered as a marketing communication.

United States: This research report is distributed in the United States of America by CIMB Securities (USA) Inc, a U.S. registered broker-dealer and a related company of CIMB Research Pte Ltd, CIMB Investment Bank Berhad, PT CIMB Securities Indonesia, CIMB Securities (Thailand) Co. Ltd, CIMB Securities Limited, CIMB Securities (India) Private Limited, and is distributed solely to persons who qualify as “U.S. Institutional Investors” as defined in Rule 15a-6 under the Securities and Exchange Act of 1934. This communication is only for Institutional Investors whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. CIMB Securities (USA) Inc, is a FINRA/SIPC member and takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CIMB Securities (USA) Inc.

CIMB Securities (USA) Inc does not make a market on other securities mentioned in the report.

Neither CIMB Securities (USA) Inc., nor its affiliates have managed or co-managed a public offering of any of the securities mentioned in the past 12 months.

Neither CIMB Securities (USA) Inc., nor its affiliates have received compensation for investment banking services from any of the company mentioned in the past 12 months.

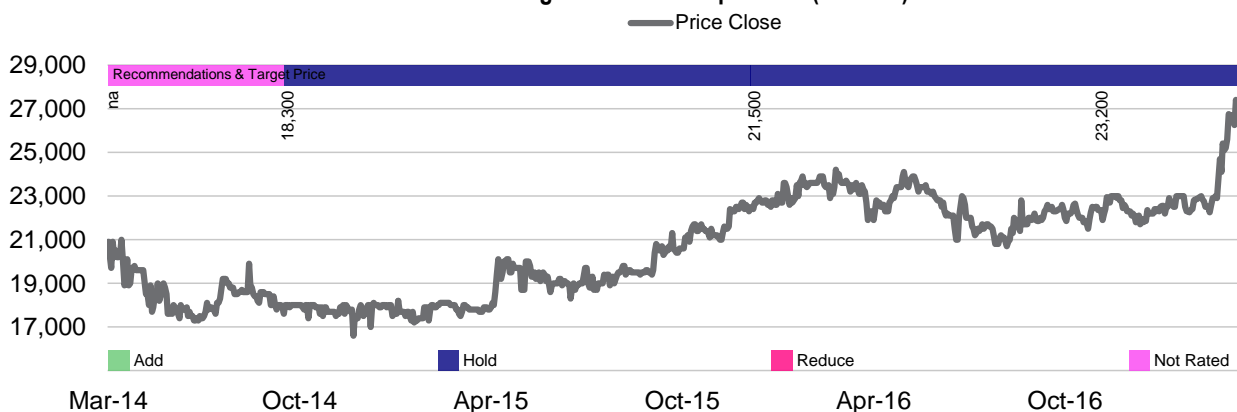
Neither CIMB Securities (USA) Inc., nor its affiliates expects to receive or intends to seek compensation for investment banking services from any of the company mentioned within the next 3 months.

Other jurisdictions: In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is only for distribution to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

| Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2016 | | |
|--|-------------------------|--------------------------------|
| 1626 companies under coverage for quarter ended on 31 December 2016 | | |
| | Rating Distribution (%) | Investment Banking clients (%) |
| Add | 58.4% | 5.4% |
| Hold | 29.6% | 1.4% |
| Reduce | 11.6% | 0.4% |

Spitzer Chart for stock being researched (2 year data)

Nam Long Investment Corporation (NLG VN)



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2016, Anti-Corruption 2016.

AAV – Very Good, n/a, **ADVANC** – Very Good, Certified, **AEONTS** – Good, n/a, **AMATA** – Excellent, Declared, **ANAN** – Very Good, Declared, **AOT** – Excellent, Declared, **AP** – Very Good, Declared, **ASK** – Very Good, Declared, **ASP** – Very Good, Certified, **BANPU** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – not available, Declared, **BGP** - Excellent, Certified, **BEM** – Very Good, n/a, **BDMS** – Very Good, n/a, **BEAUTY** – Good, Declared, **BEC** - Good, n/a, **BH** - Good, Declared, **BIGC** - Excellent, Declared, **BJC** – Good, n/a, **BLA** – Very Good, Certified, **BPP** – not available, n/a, **BTS** - Excellent, Certified, **CBG** – Good, n/a, **CCET** – not available, n/a, **CENTEL** – Very Good, Certified, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COL** – Very Good, Declared, **CPALL** – not available, Declared, **CPF** – Excellent, Declared, **CPN** - Excellent, Certified, **DELTA** - Excellent, Declared, **DEMCO** – Excellent, Certified, **DTAC** – Excellent, Certified, **EA** – Very Good, Declared, **ECL** – Good, Certified, **EGCO** - Excellent, Certified, **EPG** – Good, n/a, **GFPT** - Excellent, Declared, **GLOBAL** – Very Good, Declared, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Declared, **GRAMMY** - Excellent, n/a, **GUNKUL** – Very Good, Declared,

HANA - Excellent, Certified, **HMPRO** - Excellent, Declared, **ICHI** – Very Good, Declared, **INTUCH** - Excellent, Certified, **ITD** – Good, n/a, **IVL** - Excellent, Certified, **JAS** – not available, Declared, **JASIF** – not available, n/a, **JUBILE** – Good, Declared, **KAMART** – not available, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KGI** – Good, Certified, **KKP** – Excellent, Certified, **KSL** – Very Good, Declared, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Very Good, n/a, **LPN** – Excellent, Declared, **M** – Very Good, Declared, **MAJOR** - Good, n/a, **MAKRO** – Good, Declared, **MALEE** – Very Good, Declared, **MBKET** – Very Good, Certified, **MC** – Very Good, Declared, **MCOT** – Excellent, Declared, **MEGA** – Very Good, Declared, **MINT** - Excellent, Certified, **MTLS** – Very Good, Declared, **NYT** – Excellent, n/a, **OISHI** – Very Good, n/a, **PLANB** – Very Good, Declared, **PSH** – not available, n/a, **PSL** - Excellent, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, Certified, **PTTGC** - Excellent, Certified, **QH** – Excellent, Declared, **RATCH** – Excellent, Certified, **ROBINS** – Very Good, Declared, **RS** – Very Good, n/a, **SAMART** - Excellent, n/a, **SAPPE** - Good, n/a, **SAT** – Excellent, Certified, **SAWAD** – Good, n/a, **SC** – Excellent, Declared, **SCB** - Excellent, Certified, **SCBLIF** – not available, n/a, **SCC** – Excellent, Certified, **SCN** – Good, Declared, **SCCC** - Excellent, Declared, **SIM** - Excellent, n/a, **SIRI** - Good, n/a, **SPALI** - Excellent, Declared, **SPRC** – Very Good, Declared, **STA** – Very Good, Declared, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **TASCO** – Very Good, Declared, **TCAP** – Excellent, Certified, **THAI** – Very Good, Declared, **THANI** – Very Good, Certified, **THCOM** – Excellent, Certified, **THRE** – Very Good, Certified, **THREL** – Very Good, Certified, **TICON** – Very Good, Declared, **TISCO** - Excellent, Certified, **TK** – Very Good, n/a, **TKN** – Good, n/a, **TMB** - Excellent, Certified, **TOP** - Excellent, Certified, **TPCH** – Good, n/a, **TIPIP** – not available, n/a, **TRUE** – Very Good, Declared, **TTW** – Very Good, Declared, **TU** – Excellent, Declared, **UNIQ** – not available, Declared, **VGI** – Excellent, Declared, **WHA** – not available, Declared, **WHART** – not available, n/a, **WORK** – not available, n/a.

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of October 28, 2016) are categorized into:

- Companies that have declared their intention to join CAC, and
- Companies certified by CAC

CIMB Recommendation Framework

Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.