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INTERESTS AND CONCERNS OF INSTITUTIONAL FOREIGN INVESTORS IN VIETNAM STOCK EXCHANGE: A CASE STUDY

MASTER'S THESIS | ABSTRACT

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Vietnam Stock Market has had an amazing starting during the first quarter of 2018 with VN-Index recorded the highest point in its history, to over 1,200 points in April 2018. Real estate alone attracted more than USD3 billion in 2017 and continuing to grow in the first half of 2018. This thesis will study what foreign investors interests and factors that they used to analyze a company performance and health before down payment for an investment. Vietnamese corporates now are trying to get more attention from many foreign investors to support their activities and development strategies.

This thesis will use the data collected from many investors meetings at Novaland Investment Group Corporation which was organized in the first half of 2018. The meetings were conducted by many international organizers such as Citi Bank, Deutch Bank, HSBC, as well as local securities companies including Vietnam Capital Securities, Saigon Securities. Then the data was analyzed mainly by using content analysis of the data.

As a result, each investors concerned to specific problems and had their own investment philosophy in a company and what market they were searching for. Investors were categorized in term of hedge fund, long-term, short-term or sovereign wealth fund. From investors specific term of investment, the company could improve its performance to match their target investors group.

The findings also showed the important role of investor relation activities in connecting the investors behaviours and the company capital's demand. It further showed that if the company could understand investors' taste and investment style as well as their real concerns in the capital market, it would get more advantages in the fundraising activities when attracting more foreign investors in the portfolio.

KEYWORDS:

Vietnam Stock Market, real estate, foreign investor behavior, institutional foreign investor, concern factors, hedge fund, long-term investors.

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LIST OF ABBREVIATIONS (OR) SYMBOLS

Abbreviation	Explanation of abbreviation
APEC	Asia-Pacific Economic Cooperation
ESOP	Employee Stock Ownership plan
GARP	Growth at a Reasonable Price
GDP	Gross Domestic Product
HCMC	Ho Chi Minh City
HoSe	Ho Chi Minh Stock Exchange
IPO	Initial public offering
IR	Investors relations
M&A	Merger and Acquisition
NIRI	National Investor Relations Institution
NSA	Net Saleable area
NVL	Novaland
ROA	Return on Assets
ROE	Return on Equity
RNS	Regulatory News Service
SSI	Sai Gon Security Incorporation
US	United State
USD	United State Dollars

DEFINITIONS

Asia Property Awards	The PropertyGuru Asia Property Awards is the region's biggest and most respected real estate awards programme and rewards and celebrates only the biggest and best achievers in the world's most dynamic markets, here in Asia.
Capital Land	A property Company in Singapore who have projects in Vietnam
Dot Property Awards	a property Award in Asia
Emerging market	An emerging market is a country that has some characteristics of a developed market, but does not satisfy standards to be termed a developed market.
Frontier market	A frontier market is a type of developing country which is more developed than the least developing countries, but too small, risky, or illiquid to be generally considered an emerging market.
FTSE VN Index	An index combining stocks of companies included in the FTSE Vietnam All-Share Index with sufficient foreign room and satisfying the requirements of the index.
Himlam Corp.	A property Company in Vietnam
Kepple Land	A property Company in Singapore who have projects in Vietnam
MSCI VN Index	This index comprises of component stocks that represent about 85% of the total market capitalization. Developed by MSCI, it measures the behavior of medium and large market capitalization stocks on Vietnam's Stock market
Non-deal Roadshow	<p>The SEC (Securities and Exchange Commission) defines a roadshow as an offer that contains a presentation, which is made by the issuer's management. This should include a discussion of the issuer in question, plus details about the securities or administration being offered.</p> <p>At an NDR, your company can discuss investments with both current and prospective investors, only this time, nothing is offered for sale. Its primary focus is to:</p> <ul style="list-style-type: none">• Provide useful information• Explain your company's vision for the future• Update investors on how your company is performing
NSA	Usually used for residential property and is very similar to Gross Internal Area (GIA). It includes all floor area including internal walls,

	mezzanines, hallways, bathrooms but excludes common spaces, patios, balconies.
Office-tel	Officetelis an office model that combines the features of a house, or more particularly, it inherits the characteristics of a house, a hotel and an office.
Phu My Hung Corp.	A property Company in Vietnam
Pre-sales	Presales is a process or a set of activities/sales normally carried out before a customer is acquired, though sometimes presales also extends into the period the product or service is delivered to the customer.
RNS	Regulatory News Service RNS is both a regulatory and financial communications channel for companies to communicate with the professional investor. Source: https://www.londonstockexchange.com/products-and-services/rns/about/rns-remove.htm
RSS	RSS is a type of web feed which allows users and applications to access updates to websites in a standardized, computer-readable format. These feeds can, for example, allow a user to keep track of many different websites in a single news aggregator.
Sacombank	A commercial Bank in Vietnam
SeABank	A commercial Bank in Vietnam
Son Kim Land	A property Company in Vietnam
Techcombank	A commercial Bank in Vietnam
Van Eck ETF	The index-based VanEck Vectors ETFs are purpose-built, aimed at providing exposure to asset classes that are underrepresented in investor portfolios, or, offering an alternative approach to established investment categories.
Vietcombank	A commercial Bank in Vietnam
Viettinbank	A commercial Bank in Vietnam
Vingroup	A property Company in Vietnam
VN30 Index	An index constituted from VN- AllShare basket of component stocks including 30 top companies in terms of market capitalization and liquidity that meet specified requirements.
VN-Index	VN-Index is an index which show the fluctuation of shares price trading in Ho Chi Minh Stock Exchange
VPBank	A commercial Bank in Vietnam

1 INTRODUCTION

In the frontier market like Vietnam, foreign investment is important to the growth of economics in general and for the company's development in specific. In the property market, how to use financial leverage to maximize the competition is significant for survival. How a local company can attract more foreign investments for their development. In particular, stock market is the main channel for fundraising and merger and acquisition activities are the main driven force for it. To clarify the topic, what factors that foreign investors care before making the decisions also take into account to the analysis and point out proper improvements in the investor relations activities of a listed company.

On the company side, the role of investor relations is significantly important to connect top management messages to the very first investors, keeping and maintaining the mutual beneficiary relationship with investors and fulfil investor's concerns. Investor relation officers' role is letting management team to see the value of investor relations in the organization, and contributing to the development of a company (Laskin 2005). For a frontier to an emerging market like Vietnam, it is important that the company can attract good investors who bring back many benefits to the company such as new strategy, new look and even an international management system to support the sustainable development of the company.

This thesis will analyze the foreign investors' behavior through group/one-on-one meetings which was organize by prestigious financial institutionals in the first half of 2018 and investor relations officer or chief financial officer of the company would be in charge of the company presentations. Qualitative content analysis is applied to analyze investors' concerns and interests and some improvements for the investor relations activities could be implemeted to earn investors trust and attracting more potential quality foreign institutional investors.

1.1 Background

Vietnam is now a very attractive market for foreign investors thanks to its stable in political and macro-economic environment. Vietnam economics have had stable growth at 7% level in 2017, the highest growth in the last 10 years, since the financial

crisis in 2009, making it become the most attractive market in the Southeast Asia region with stock market have been at peak, and real estate market have had no sign of slowing down. Besides, low inflation rate (3.51%) and attractive interest rate (8-9%) also win trust from investors. With a trade surplus thanks to its strong remittance and foreign investment. Foreign exchange reserve reached the highest record with nearly USD48billion according to Government Bank in Vietnam.

In 2017, Vietnam successfully hosted the APEC conference, opening many opportunities for Vietnam to gain its position in the international financial market of a safe and stable environment to invest in. If stock market was a testing tool of the economics, the year 2017 reflected the key movements and positive changes of the macro economics. After 10 years from the last financial crisis, VN-Index close to 1,000 points with booming in the liquidity, increasing 42% from the beginning of 2017. This achievement had made Vietnam becoming the fastest growing economy in the Southeast Asia region.

Due to many economics experts, Vietnam may enter the end of business cycle in 2019 after ten years from the 2009 financial crisis. In the past, we saw the same ten years cycle in 1989, 1999, 2009 and it may return in 2019. All the crisis shared the same figures that the economy was at its prosperity time and there was no signals of the downturn. In the 1990s, the economics growth at an average rate of 9%/year thanks to the foreign capital inflows at around USD2 billion a year, distributed 5-10% to the GDP each year. Since the last financial crisis in 2009, Vietnam have continuously recovered and attracted more foreign investment both direct and indirect. International diversification created leverage for the economic growth by taking more risks from capital market investment in some developing countries (Obstfeld 1994).

Although Vietnam Stock market have been still very small compared to other financial markets in the region with the total market capitalization now at around USD191 billion and increased by 25% in 2018. With nearly 20 years of operation, Vietnam financial market have proved the fast development as well as the stable in its economics and political environment which have made it becoming an attractive investment destination for foreign investments. Foreign investors can change the market routine and blow a new wind to increase the liquidity of the market in general and help companies easily fundraising in specific in a frontier market like Vietnam. In the first 6 months of 2018, net value from foreign investment was USD1.5 billion coming to Ho Chi Minh stock market.

Foreign investors will analyzed market capitalization, and many other financial multiple ratios such as price to book value and leverage of debt, etc. to evaluate potential return of their investment. In other words, they would like to minimize risks by joining to the management team and have influence in the company operations (Vo, 2010). When the global economy faced many unstability about political and commercial environment which were threat many investors in the stock market due to many net-selling trading causing bear market regime. Political and macro indicators may have big effect on the investment decision of investors (Gerlach 2016). Many could see that the business cycle was also the factors that many foreign investors consider before making decision (Hamilton 1989).

Institutional foreign investments was studied in many previous researches both in theoretical and empirical that inflow capital could bring many benefits to the company's activities, especially after the world financial crisis in 1997. It is claimed that foreign investors could have specific impacts on the financial market and make it more vulnerable when foreign funds drawback their money from the market and be a reason of the decline in the stock prices. As a frontier market, Vietnamese companies need to raise fund from the international market to enhance their activities as well as extending the development of the companies. The stock market play the role of an official fundraising channel that many companies use to get closer to the international financial market.

1.2 Research objectives and research methodology

This paper will study what factors and concerns foreign investors have in the real estate market. The study examed the behaviour of foreign investors in the group/ one-on-one meetings between investors and Novaland Investment Group Corporation ("Novaland" or "NVL"). This research paper will consider investors' behaviour, concern factors, and feedbacks about the Company's strategies as well as operations to get improvements in which Investors Relations Department and management team should take to attract more foreign investors and finding more strategic investors in the long-run.

Furthermore, the study will answers to the following research questions and provide more evidence for the company to gain its reputation in the capital market and balance investors portfolio. Research questions are:

RQ1: What foreign investors want to know about a real estate company as a target investment?

RQ2: What they really care about in the company such as future returns, profitability, strategies, risk potential, dividend?

RQ3: How to classify the investors using categories like speculators, long-term, short-term, or hedging?

RQ4: How to improve investor relation's operations in specific and the company's strategies, in general, to attract more foreign investment and trust among foreign investors community?

RQ5: What affect the investment decision of foreign investors: buy, hold, or sell? Company's performance or market situation or political issues?

My finding is a combination of the understanding investors' behaviour and investor relations activities to improve the quality of communication channel between the Company with its investors. I also examine the important of investor relations role and what kind of information that the Company should deliver to earn investors' trust and make investment decisions.

The study is based on the investors' concerns in the investors meetings from many international conferences in the first half of 2018 at Novaland. The data is collected through the meetings and investors conversations with the company's management team (Investor Relation Officer/ Chief Financial Officer). To identify the most common concerns, the author based on these factors when analyzing behaviour of making an investment decisions in the company's stock. Next, it employs investors' feedback to deciding at which point should be improved to attract more foreign investors. Finally, there will be some discussion about the results and how to make investor relations more effective in the relationship with foreign investors. There is also a shortly summary of the limitation of this thesis.

1.3 Introduction about Novaland Investment Corporation

Novaland is the largest mid-market residential real estate developer in Ho Chi Minh City, Vietnam. Founded in 1992 and listed on HoSE from December 2016. In 2017, Novaland market share accounted of 24% market share in the mid and high end

residential segments according to Savills - a real estate consultant and services provider in Vietnam. The main products of Novaland are low-rise and high-rise residential apartments in prime location in Ho Chi Minh City ("HCMC"). Besides, the Company also develops some commercial and office-tel with a smaller portion in all residential buildings.

From the first official established day, Novaland have delivered and developed more than 10,000 units since 2007 with the total net saleable area of 757,898 sqm from nearly 40 projects around Ho Chi Minh City.

Novaland was officially listed on Ho Chi Minh Stock Exchange on December 28th, 2016 which was marked as one of the important milestones when many strategic investors from prestigious institutions such as GIC (a financial fund in Singapore), Credit Suisse (Singapore), JP Morgan Asset Management, Gateway Partners, etc. became Group's shareholders. On the other hand, with outstanding achievements of market capitalization, business ratios, its high influence to VN-Index, satisfaction of requirements on free float ratio and liquidity, Novaland has been continuously chosen in various well-known Indexes in the stock market including MSCI VN Index, Van Eck ETF, FTSE VN Index and VN30 Index, providing international investors with a more accurate presentation of performance of the Vietnamese market.

In Vietnam, each industry sector is limited by the maximum foreigner ownership. In particular, in real estate public companies, foreigners can only own maximum 49% company's equity. At Novaland, 93% ownership was domestic shareholders, only 7% was foreign ownership (as of 31 Dec 2018). There were only 103 institutional investors out of over 3,000 shareholders of the Company. In the reality, Novaland is still not popular in the foreign investors community. The Company needs a good branding strategy and an attractive equity story to attract more foreign investors, especially qualify foreign institutional investors. Novaland's stock have high liquidity with over 30% of floating rate. (Novaland's annual report 2018)

"We believe that we have built up "Novaland" to be a well-recognized brand in the Vietnam real estate industry by ensuring timely delivery of good-quality and reasonably priced residential apartments and officetel units to our customers." Over the years, our focus on a centralized management system and a standardized operational model, which integrates planning, design, procurement, construction management, sales and property management, and gives us end-to-end control over the real estate

development process, has allowed us to ensure timely completion and delivery of our projects, quickly replicate our success across Ho Chi Minh City.

All of our real estate projects are strategically located in prime areas of Ho Chi Minh City with convenient access to transportation services and other amenities. We engage reputable world class architects and designers, including those from overseas, to ensure that our projects are well designed with modern style elements that appeal to our target market, who comprise middle-to-high income customers. Due to our large number of real estate projects under development, we believe that we are able to benefit from economies of scale and to procure building materials and equipment from suppliers at more competitive prices. We were recognized by many international prestigious organizations as one of the top real estate developers in Vietnam.

Novaland also engage in building long term relationship with many contractors that have collaborated from the very first day of property development. The thing that created Novaland brand name is an excellent in-house executive including design team, construction management team who are experts in the areas and bring the most quality products to customers. To cater to the need of our customers, all our projects was built to be an complex buildings with fully indoor facilities of commercial, shopping malls, swimming pool, gym house, spa, etc. that serve all residents's demand. M&A also play an important role in the development of the company when it distribute the most valuable land bank. With the land bank of nearly 7 million sqm, the company believe that it still have room to develop in the next 7 to 10 years.

The strong brand recognition is completed by an excellent in-house sales team which have made Novaland become the very first company in the Vietnam's property market that can sell its own products. As a result, Novaland could achieve the high level of pre-sales with over 90% absorption rate in just six months after launching the projects.

Development strategies

Focus on residential and commercial development to remain the top mid-market property brand name in Ho Chi Minh City;

Continue to replemish and build more land-bank in prime locations and sub-central urban areas with significant potential;

Develop a portfolio of investment properties to allow for stable recurring revenue;

Extending land-bank to potential tourism cities in Vietnam;

Increase development of townhouse, villas, and other low-rise developments, which have quick turn-over revenue, high profit margin, and shorter construction time than high-rise projects.

2 LITERATURE REVIEW

The main purpose of this study is to analyze the foreign investors' concern factors in real estate companies in Vietnam. This study also dig in their investment style and in what extend of the company's activities that they will consider to make decision of investing or not. Investors relations department will play the roles of information bridge that connect investors and company's demand. To achieve this objective, this section discusses the relevant literature review of the study. It should be noted that scientific research about foreign investors concern factors in real estates companies and investor relation activities are limited, particularly in Vietnam financial market which have just started from 2000s. The section overview the previous status of foreign investors activites in many markets including US, Asia, and Europe. Then, it discusses about investors relations roles in the communication with investors.

This section summary some previouese literature review of research papers and studies relating to the investors' concern and interests as well as the investor relations roles in the communication with investors.

2.1 Review of empirical studies about foreign investors behaviors around the world

Foreign investors could bring positive impact on the stock market but somehow they also bring bad behavioral reputation to the market, especially after the world financial crisis in 1997 and 2007, leading to the bankcrupcy of Lehman Brothers. Many researchers were interested in observing foreign investors behavior and find out what their effects to the domestic financial markets and to calculate their efficiency to the stock market. In Vietnam, the movement of big qualify institutional foreign investors such as VFMVN30 ETF, Van Eck ETF, FTSE Vietnam ETF could effect both mutual foreign and domestic funds trading momentum. It is believed that foreign investors cause herding behaviors in the market depend on their investment portfolio returns and holdings. Therefore, fellow investors will buy when the market bull up and sell when the market bear down. (Elsiefy 2017)

Chloe et al. (1999) showed that foreign investors' behavior in Korean equity market had positive impact in the stock market but during the 1997 financial crisis, their roles was unclear and vague and even less important. There was no evidence that foreign

investors play a destabilizing role in the Korean stock market. On the other hand, creditors like commercial banks, financial institutions played a more important roles in the crisis when they can help the companies extending their loans period and give more funding for the operation activities to overcome the difficulties (Chloe et al., 1999).

In Finland, foreign investors outperformed domestic investors in the investment portfolio, trading volume and share-return. In which foreign investors have momentum strategies, buying past winning stocks and selling past losers while Finnish individual investors had the opposite way of investment behavior and defined investors into two investment strategies which are momentum and contrarian investment style (Chan et al. 2007).

Again in Finland, individual investors tended to hold on with the loser and buy the winner stocks and those individuals were the less sophisticated investors. Others institutions were more sophisticated than the individual investors and they did tend to buy past losers and sold past winners when winners were defined by the prior day or the prior week. The finding of Grinblatt showed that most domestic investors follow contrarian investment strategy. Foreign investors were well capitalize foreign financial institutions with a long background history investment in other big stock markets with big portfolio and they were momentum investors strategies who had high proportion of positive buy ratio (Grinblatt 2000).

Foreign investors were the most sophisticated investors in the capital market and tended to invest on future dividend growth for purchasing decisions and improved the liquidity of the market when they were very active. In Japan, foreign investors chose to trade slower and thinner in the market since they did not trade directly with domestic investors and had some disadvantages (Hamao 2001).

In the emerging markets, US investors portfolio flow was less informed than the local investors about the market conditions and there were evidence that equity capital flow to those markets when the investors act as rational individuals. On the other hand, US investors portfolio was not affected by forex rate at the resident, but if there was no difference in the information endowments, the investment flow would depend on the market return and the most important concern factors. Otherwise, the foreign equities showed that the stock's price at the local market having no big impact of the investment decisions (Brennan 1997).

In Qatar, foreign investors could not be the market leader or changed the regime of bull or bear market or caused the herd's behaviors in the market and they were smart traders in the stock market. On the other hand, foreign investors only caused the herding behavior in the investors community when they would like to speculate for quick returns (Elsiefy, 2017).

Many other researchers also studied the trading behavior or herding behavior. For example, Chang, C et al. (2010) investigated the co-movement among investors in Taiwan stock market and proved that qualify institutional foreign investors in an emerging stock market when qualify institutional foreign investors increase/decrease their trading volume in the market in particular sector, dealers', margin traders', and as a result, mutual funds holdings somehow copy qualify institutional foreign investors behaviors during the same period without considering their own investment philosophy or trading momentum. On the other hand, qualify institutional foreign investors in China's stock exchange are tend to be long-term investors and their investment in the stock market could improve the liquidity of the market and their trading behavior were not effected by other big foreign mutual funds (Wu, W et al. 2011).

Choi et al. (1999) studied the Korean stock market before and during the 1997 financial crisis to examine the foreign investors effect to the domestic market and concluded that foreign traders actually created positive impact but these role also disappear in the economic crisis (Choi et al. 1999).

There was evidence to see that factors including forex exchange, interest rates, economic indicators, business cycle (Hamilton 1989), transitions probabilities (Durland and McCurdy 1994) were investors concern in the stock market. Besides, foreign investors could bear more risk than the domestic individuals in political conflict while domestic investors were more overreacting to the situation (Gerlach 2016).

It was important that the information about the market and especially about the company situation played significant role in the behaviour of foreign investors. (Brennan 1997) In the Taiwan stock market, the behaviours of foreign investors depend on the bad/ good announcement about the business performance to sell/ buy a stock (Seaholes 2000).

An investigation processed in Indian stock market also indicated that under stress conditions, foreign investors brought the market to the fundamental price and closer to the real value of the market, and restore the market efficiency. On the other hand, this market did not affect by the globalization financial (Patnaik, I et al. 2013).

Froot and Ramadorai (2001) indicated that foreign investors have better information than their counter part in the domestic market. They also found the evidence that cross-border inflows brought price pressures to the local market (Froot and Ramadorai 2001).

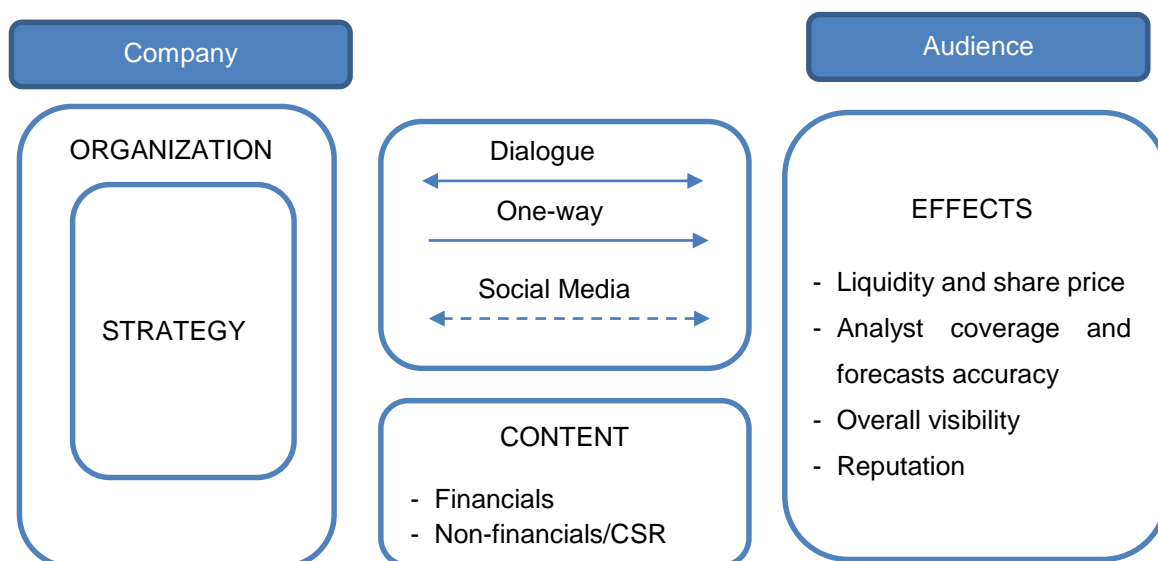
2.2 Literature review about investors relations activities

Financial market was the outcome of company's demand of capital raising for expanding its operation. Investor relations (IR) was born to serve the need of organization to connect with the investors community. There are many definitions about IR and they focused on different aspect of the company's operation such as increasing goodwill, better control of the capital expenses, or two-way symmetric communication. Rao and Sivakumar (1999) defined that IR was a "strategic corporate marketing activity" that not only providing financial information but only building the company's image in the market. Lake and Graham (1990) and Miller (1991) argued that IR as a information bridge and communication channel between the company with investors community. For more detail, The National Investor Relations Institute (NIRI) defined IR as:

strategic management responsibility that integrates finance, communication, marketing and securities law compliance to enable the most effective two-way communication between a company, the financial community, and other constituencies, which ultimately contributes to a company's securities achieving fair valuation. (NIRI Board of Directors, 2003)

Public companies need to compliance with international/national corporate governance requirements where they have to maintain the reporting and information disclosure. (Jensen and Meckling,1976), IR become a strategic management tool to keep wo-way symmetrical communication with existing shareholders as well as potential investors (Kelly et al., 2010, Grunig and Hunt, 1984).

Figure 1. Finding of two-way communication in IR (Hoffman, 2018)



David Silver (2004) indicated that “investor relations emerged into its own in the 1960s, often associated with the so-called dog and pony shows for sell-side analysts and retail investors, usually held at the offices of securities brokerages” (David Sliver 2004, p. 70).

Table 1. The influence of a company’s reputation on stakeholders’ decision (Gackowski, 2017, Lukasik, 2013, p.54)

Stakeholders	The effect of a company’s positive reputation
Workers	work seen as more attractive → motivation to work harder → higher efficiency
Clients	services and products of a company perceived as more attractive → motivation to make purchasing decisions → increase in company’s turnover as well as its market share
Investors	company’s shares perceived as an attractive form of investment → motivation to make investments → flow of capital to a company, lower cost of capital (‘cost of the access of capital’)
Media	positive perception of a company in the media → greater number of more favourable reports about a company in a variety of media

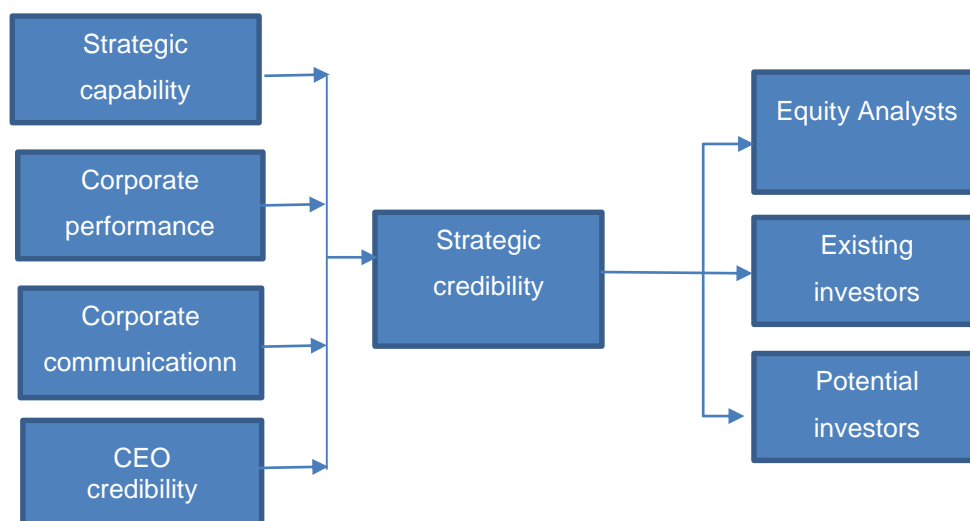
Financial analysts	positive perception of a company by analysts → more and better analyses and comments (favour and even a bias)
Suppliers	company perceived as a reliable business partner → better payment and delivery conditions → lower cost of trade credit
Creditors	company perceived as a trustworthy entity → higher credit rating → greater interest from creditors → better access to extraneous capital → lower cost of extraneous capital, lower collateral requirements/lower collateral provisions

In the aspect of investors stakeholders, by giving positive information, building mutual and good relationship with investors by two-way communication, understand what investors want and give more motivation to make investors investing in the company which made the company's share having more liquidity with lower cost of capital (Lukasik, 2013, Anderson 2011, Chandler 2014). Therefore, IR now is not mainly about analyze numbers or understand the financial statements, but it tell the company growth story to the market by two-way communication with investors (Laskin 2011).

The financial community included of sixteen professional financial group: stock exchange member firms, customers' brokers, security analysts and individual analysts, unlisted or over-the-counter dealers, investment bankers, commercial bankers, registered investment advisory services, insurance companies and pension funds, mutual funds and investment trusts, investment counselors, trustees of estates and institutions, financial statistical organizations, investment magazines and financial publications, large individual shareholders, debt rating agencies, portfolio managers and lender banks (Miller 1991).

Higgins et al. (1989) defined investor relations as a strategic credibility in which connect company's information to three kind of stakeholders of equity analysts, current investors and potential investors. There were four ways to express company's strategic credibility including strategic capability, corporate performance, corporate communication and CEO credibility.(Higgins et al 1989)

Figure 2. Strategic credibility model adapted from Higgins et al. (1989)



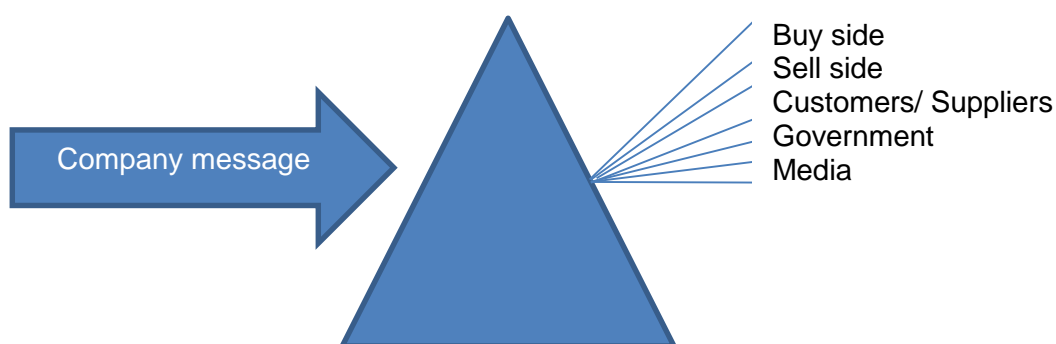
In many literature review about investor relations, it is vital that the accuracy, transparency and consistent messages from the company decide the strategic credibility of IR activities in communicating with stakeholders (Healy & Palepu, 2001).

All the messages come from the company should be consistent to earn investor's trust. Again, transparency is not only important to the company but also for investors when they use public information to calculate financial health of the organization to make decision of investment (Doorley & Garcia, 2007).

IR is a more powerful tool in communicating with investors and contribute to the development of organization corporate governance structures and market transparency. Active IR help the company creating more fair value to its stock and easier for fundraising activities when needed. This also contribute to the company's capable to achieve its goals and market's expectations. IR have to use many tools to self-promote in the financial market by transparency its financial statements on website of the companies. Besides, investors also care about shareholder ratio and its movements over the time like domestic ownership and foreign ownership, founder ownership and free-float information. Furthermore, besides traditional communication tools (email, website, corporate presentation, introduction video), the company should catch the latest communication technologies of social network as a friendly method to connect with investors, for example Facebook, Twitter, Youtube can be considered as predominant (Djordjevic, 2013). According to NIRI, relations with investors was defined:

“Relations with investors represent a complex strategic company activity, which is a product of finance, communication, marketing, and business law application, and aims to provide two-way communication between company, financial public, and other subjects, which leads to a fair price for the company’s securities” (NIRI, 2010; LSE, 2010).

Figure 3. The Financial communication Filter (Ryan M. T. & Jacobs A. C., 2005)



For public companies, IR is responsible to disclose accurate information to the market, IR is a filter to decide what information will be public to investors both negative and positive. IR is not only responsible for information disclosures but also creates value to the company’s shareholders by increasing equity value and making stock more liquid to attract more investors (Ryan & Jacobs, 2005).

In the financial era (from 1970 – 2000), IR roles maintained not only communication with the existing shareholders but also provided information for professional shareholders about company strategies, sales plan, R&D developments and future business plan. They defined their main goal as: *“Our aim is to separate ourselves from the so-called financial public relations consultants, who operate on the fringe of stock touting, and who are fouling the nest.”* (Laskin, 2010)

Over time, IR was separated from PR, and mass media focusing strategy shifted into one-on-one meetings with potential individual/ institutional investors and financial analysts. Feedbacks from investors were gathered but not always used to modify corporate activities. IR’s mission was to gain company valuation and control untrue rumors in the market (Laskin, 2010; Djordjevic B. et al., 2012).

In the 21st century, the companies’ pressure is to gain equity capital to widen its operation and IR’s responsibility is more important than ever to win the competition from the financial market (Laskin 2010). Now investors not only require financial

disclosures but also the company business model, company's strategy, target market, operation activities, etc. to making investment decisions. The new task of IR is to create a mutual relationship with potential investors for a long-term win-win cooperation (Djordjevic B. et al., 2012).

“CEOs saw that investor relations are not one of the auxiliary functions, but rather an activity that can create a competitive advantage.”(Laskin, 2010).

Table 2. E-communications forms (Djordjevic B. et al., 2012)

Standard forms	New forms
Informative packages Mycro site of company Chatroom Newsletter E-mail E-mail alarms	Road show Digital video broadcasting Forums Conference calling RSS & RNS Social networks

In the dot-com world, E-communication become the strategic tools to connect with investors at the lower cost than traditional way to promote the company brand name and change the investor relations working way (Marcus, 2005). Therefore, the companies should pay attention to the promoting tools of social media. In other words, investors can easily get close to the company's information through website, emails, newsletters, conferences, analysts meetings, or one-on-one meeting to build up mutual beneficiary relationship.

3 RESEARCH METHODOLOGY AND METHOD

This section will analyze the investors' concerns factors in real estate industry in Vietnam capital market, and specific in Novaland's activities. The data concludes investors feedback as well as their concerns. Those data will be gathered and analyzed to understand investors behavior when investing in the company in specific and in the stock market in general. After getting the key factors that investors concern most, some suggestions will be made to improving investor relations activities and how to make investors comeback for investments after the meeting.

3.1 Qualitative research methodology

In this study, a qualitative research methodology was adopted to analyze foreign investors investment behavior and their concerns in the company's business activities in Ho Chi Minh City real estate market, specific in the activities of Novaland and how it can building sustainable relationship with existing investors and attracting more potential investors for fundraising capital. This qualitative research used epistemology reflection to analyse the investors behavior. Qualitative research assisted in studying attitudes and behavior in general context of social life (Cogland et al. 2005, Silverman 2009).

Therefore, to understand the context of the meeting's Q&A section, interpretivists asserts is used to analyze foreign investors conversation with the company (Silverman, 2009). Quotations, investors' concerns, Q&A conversions from the one-on-one meetings will be inserted in the discussion part (Lincoln & Guba, 1985; Strelitz, 2002). In other words, researcher gather information, put them into the database to understand IR communication strategy.

In addition, qualitative research focused on the content of the text as a proof to data analysis. Therefore, the role of context played the centre role of this research study and allowed the researcher to analyse the context of the foreign investors' concerns factors as well as IR responsibility in maintaining the mutual relationship with investors. Furthermore, qualitative method enabled the researcher flexibility in studying a topic in all aspects. This flexibility allows researcher dig in deeper meaning through questions experts in the industry (Wagner and Maree, 2000).

According to Du Plooy (2009), qualitative research is the combination of human mind and context dependent. Qualitative research allows the researcher having a level of flexibility in the implementation of specific study (Wagner and Maree, 2000). And this flexibility help the researcher organizing the database due to his/her intention. In this thesis, this flexibility showed in the unique one-on-one meetings with investors and their feedback to the company's operation. From investors' feedbacks, investor relations could conduct properly improvements of their presentation, newsletter, and information disclosure on website.

Limitation of qualitative research methodology

This qualitative research only conducted with investors who coordinated with Novaland through group/ one-on-one meetings and enabled to collect data in a specific time consuming. This time limited allowed a number of respondents (Griffin, 2004). In addition, in the qualitative methodology, the results of the study depend on the researcher's own views when inteprete information (Zikmund, 2003).

3.2 Research design

Research design is a overall masterplan for the research paper or a strategy system to intergrate all necessary information to answer the research questions. (De Vaus, 2001) The aim of this study was to clarify foreign investors concern factors and how IR communication to maintain mutal relationship with investors.

According to Cogland (2005), doing action research in your own organization defined as an action research cycle. Action research cycle included four steps: diagnose, planning action, taking action and evaluating action. In the first step, we should analyze what was the issues, its context and apply suitable action plan, what action should be taken. As a results, all actions would be evaluated to clarify that we had the right diagnoses and actions. In the planning process, the collaboration of all stakeholders was very important and the key to the successful of the diagnoses whether we had enough resources to take the action. We already knew that action research had four factors which were the context of the issues/problems, quality of the relationship, quality of the action, and the outcomes of the action. This cycle would repeat until the problem was solved. (Coghlan, 2005, p.21-25)

Through this design, to understand investors behavior, researcher would first analyse many perspectives of how to clarify their investment style, capital size for every investors. The researcher further learned about how IR communicate with investors to get relevant information which enhance the benefits of company's stakeholders.

3.3 Data collection

The data included 39 international institutions through meetings in the conference which was held by international and domestic prestigious partners including HSBC global emerging markets investors forum (New York, London), C-suite by SSI and Citi bank (Vietnam), Vietnam Access Day (Vietnam), Non deal Roadshow by Credit Suisse (New York, Boston) where Novaland team was the presenter. Factors that foreign investors concerned were recorded and analyzed to find out which factors investors would like to know the most when seeking opportunities in Vietnam capital market.

The data was collected by a third party, Credit Suisse, but interpretations and conclusions of the data is done by the researcher of this thesis. All investor meetings are listed in the Appendix 1 of this thesis.

HSBC - Global Emerging Markets Investor Forum

This conference is organized by HSBC bank in New York and London annually. The Global Emerging Markets Investor Forums would feature 80 leading companies from Asia, CEEMEA and Latin America across a variety of sectors. The Global Investor Forum in November would feature 100 leading companies from Asia, Europe, and Latin America. At last year's 5th Annual Asia Investor Forum, it was well attended by 30 industry leading Asian companies and over 230 institutional investors. These investor forums would bring together corporate leaders with equity and credit investors for one-on-one and small group meetings. There would also present a concurrent track of macro and sector panel discussions with C-suite executives, industry experts, and research analysts.

VAD – Vietnam Access Day 2018

This conference is organized annually in Vietnam by Viet Capital Security, one of the leading security firms in Vietnam. This event bring Vietnamese companies getting closer with their potential investors and a good place for foreign investors seek new

opportunities in financial market. This event gather many companies from many sectors including properties, dairy, F&B, etc. that's why they attract investors coming from many industries. This event attracted more than 280 investment fund from 24 countries in which 80% have invested in Vietnam financial market.

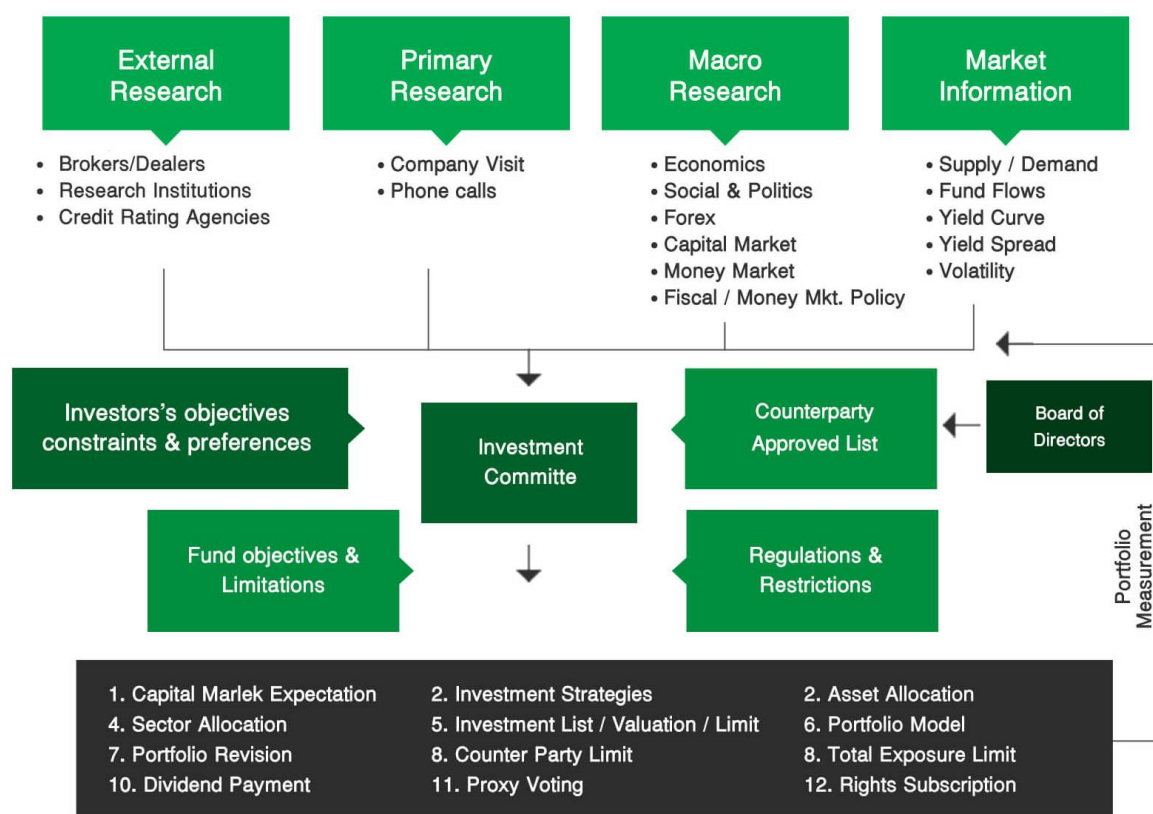
Citi – SSI C-Suite Vietnam Investor Forum 2018

This is a investor forum is organized annually in Vietnam by Sai Gon Securities and Citi Bank with the participant of many international investors to finding investment opportunities with 16 local organizations.

An example of investment decision process at Kasikorn Asset Management Company

In the following Figure 4 we can see an example of “typical” investment process in investment company. The figure 4 is from Kasikorn Asset Management Company.

Figure 4. Investment decision process at Kasikorn Asset Management



Investors information feedbacks about the company's operations was gathered into many topics such as: investment type, market target segments, competitive advantages, macro outlook, business strategy, fundraising method, stock trading

information, operation capacity, risk potential, sales, constructions, future plans. Those factors was summaried in the Table 3 bellow:

Table 3. Investors primary concern factors

Factors	Category
Market segments	Residential, retail, complex model (including retail, commercial, apartments in one project), hospitality, development geography
Competitive advantages	Payment structure, market share, branding, quality, sales capabilities, execution/ development, construction time, capital access
Merge and Acquisition (M&A)	Landbank, divest, UpCo Structure, Nominee structure
Macro economic outlook	Growth economic outlook, market elements on share price, cultural development, tax policy, GDP/ capital vs average selling price, real estate cycle, bank cycle, housing bubbles, project legal status, forex exchange, cross currency swap, market demand,
Business strategy	Management team, mid-long term growth, recurring incomes strategies (hospitality, retail, commercial), business model, capacity, ownership structure, new projects launching,
Fundraising methods	Convertible bond issuance, new shares listing, ESOP, private placement
Stock trading	Liquidity, freefloat, dividend policy, share price
Operation indicators	Quick turnover model, relationship with local banks and government, cash flow projection, customer loyalty, project self funding, profit margin,
Risk potential	Financial leverage, credit metric, regulatory change, credit constraints
Future plan	Revenues, profit
Strategic shareholders	Strategic shareholders
Sales	Target customer, sales plan, selling price, project location, foreigner housing ownership, development/ year, selling price versus infrastructure development, pr

3.4 Qualitative content analysis

Qualitative content analysis was mainly used in this study. The object of qualitative content analysis could come from the interviews, meetings, documents, investors' websites, or video tape, sounds or anything related to the subjects of study. Then those information would be converted to text before implementing any analysis. Content analysis was not only about content in material as its name. The researcher chose what kind of content analysis to apply based on their own experience or on the subject they intended to discover (Patton, 2002). According to Becker and Lissmann (1973), there were three levels of content analysis: themes, main ideas of the text, context information.

"Content analysis as the use of replicable and valid method for making specific inferences from text to other states or properties of its source"
(Krippendorff 1969, p.103)

In this study, qualitative content analysis was used to interpret investors' opinions in the meetings, conversation with the investors and investors' website. Those were sources of information to analyze investors' behavior.

Table 4. Data collection methods

Research question	Research Objective	Research Method
What foreign investors want to know about a real estate company as a target investment?	To clarify investors' behavior to improve real estate company's performance	Conference meetings one on one Document analysis Content analysis
What they really care about in the company such as future returns, profitability, strategies, risk potential, dividend?	To explore and investigate foreign investors interest about real estate market in general and in real estate company in specific.	Conference meetings one on one Document analysis Content analysis
How to classify the investors using categories like speculators, long-	To understand investors's style and taste for making decision investment or	Document analysis Content analysis

term, short-term, or hedging?	not. Once the company understand investors, it can save time to narrow target investors.	
How to improve investor relations operations in specific and the company's strategies, in general, to attract more foreign investment and trust among foreign investors community?	To improve the investor relations operation in the company.	Interviews Document analysis Content analysis
What affect the investment decision of foreign investors: buy, hold, or sell? Company's performance or market situation or political issues?	To evaluate investors' behavior on the stock market in general whether they decide to invest in a stock on the stock exchange.	Document analysis Content analysis

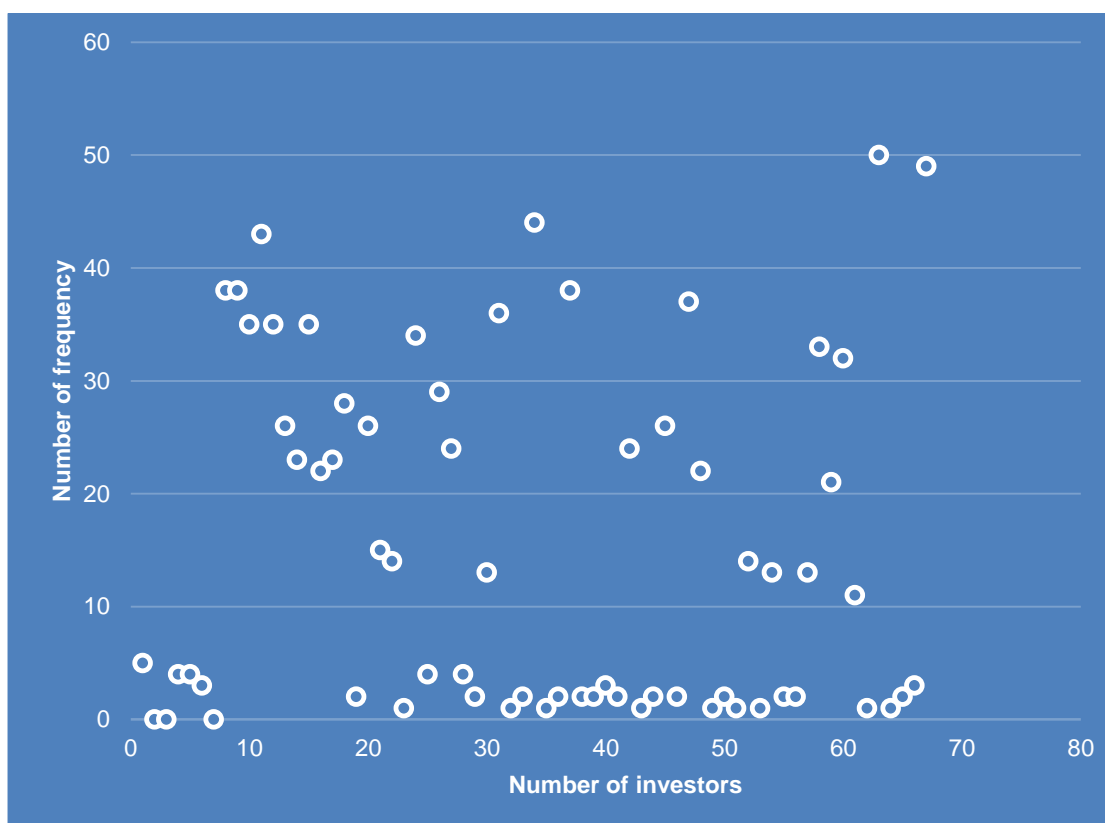
3.5 Data analysis

Data analysis in qualitative research implement the contextual of the data into different themes, gathering similar information into the same topic issue and presenting the data in figures, tables or interview conversation (Creswell 2013). In this thesis, after gathering information from conference meetings, qualitative content analysis was used to analyse and clarify the data.

Investors concern factors were recorded by investors' questions and discussion with the CFO/CEO in the meetings. First, the investors would be categorized by their investment philosophy whether they were long term, short term/ hedge fund or sovereign wealth fund or they were interested in bond, loan or other convertible loans. Next, relying on the management team presentation, investors had questions or concerns about company's activities to seek opportunities in investing in the company's stocks, bonds or loans.

In Figure 5, we have a summary about investors' concerns factor about the company. The data was recorded from 39 meetings with international investors coming from big funds, banks and many financial institutions. There were 59 common terms/ questions which was gathered in 10 major issues.

Figure 5. Analyze investors frequency concern factors



From Figure 5, the number of investors' concerns to the problem catering from 1-50 times. Those number is the accumulation of many issues and show how many times the investors interested in specific topic.

4 RESEARCH RESULTS

This section go to detail analysis of investors concerns. The investors' concerns was grouped into eight topics as follow:

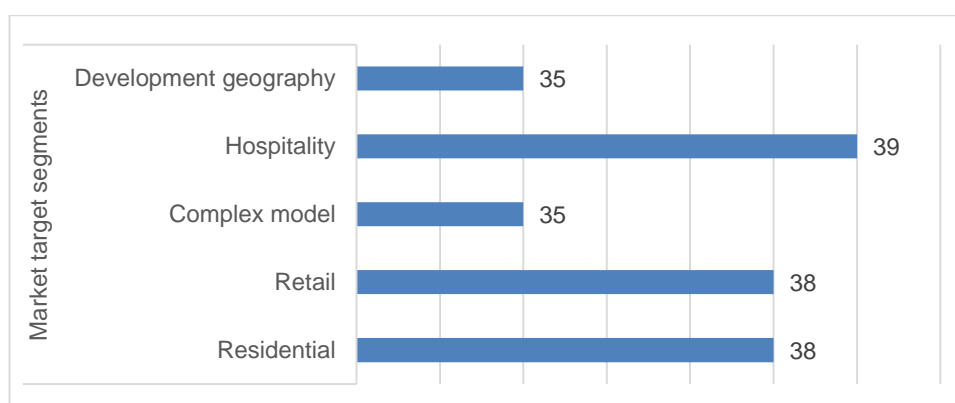
- Market target segment
- Competitive advantage
- Macro outlook
- Business strategy
- Stock trading information and fundraising methods
- Operation factors
- Projects information and sales plan
- Merger and acquisition plan

In each topic, details of terms are analyzed base on the frequency that investors ask about the topic and there are also example questions for each topic to understand investors behavior.

4.1 Market target segment

In Figure 6, we have the detail of frequency summarize of the most common concerns of investors in the company market target segment.

Figure 6. The most common concerns of investors



According to the data, most investors concerned about company's target segments not only at present but also in the future. Especially, when the land bank in Ho Chi Minh

City had become expensive, not enough land-bank for future development. Hospitality planning of recurring income was received concern from all investors (39/39) while other sectors such as residential, complex model, retail, and development geography also received high level of investors' interest. Most investors shared that the Company should focused on its core business of real estate development .

For some investors, recurring income from hospitality remained many risks to the company's activities such as longer turn-over time, low-margin profit compare to residential development. Therefore, a complex model development of a township including commercial areas, schools, hospital together with residential also received attention from investors whether the company can develop in this direction.

Frequent question:

How the company develop plan for the recurring revenue? How long the Company have profit for a hospitality project?

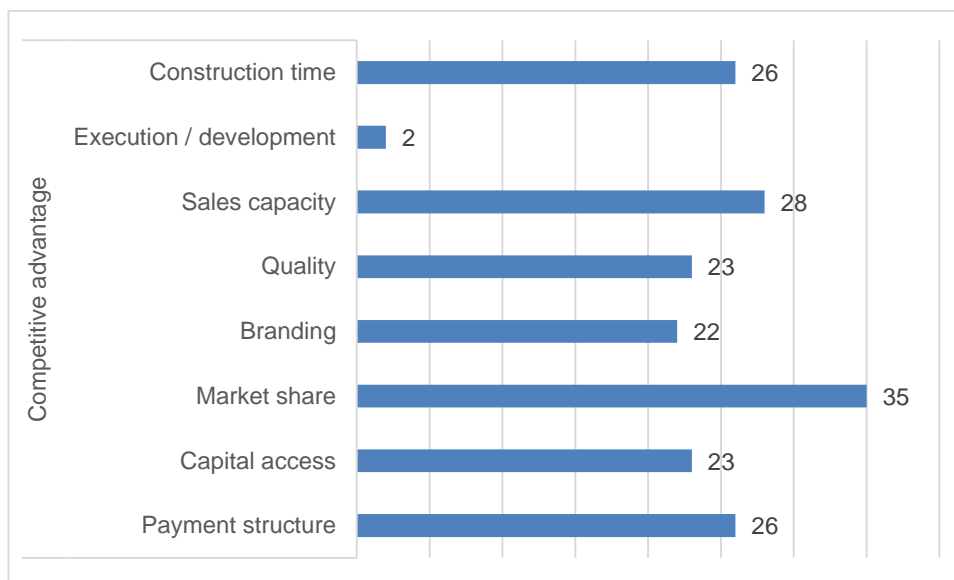
Answer:

We intend to develop a portfolio of investment properties, including officetel units, carpark spaces and resort properties, to provide for consistent revenue streams. We expect to mainly do so through selectively retaining officetel units and carpark spaces in upcoming projects, such as Saigon Royal, Rivergate, The Sun Avenue, The Tresor, Lucky Palace, Sunrise Cityview, and Wilton Tower, that is expected to have a relatively larger proportion of officetel units and larger podium and common areas, which we expect to provide for greater human traffic and commercial opportunities. While expanding our recurring income base in residential and commercial property businesses, we also plan to expand our recurring income base by developing and operating resort properties. We intend to continue exploring the development and operation of resort properties within Vietnam with reputable joint venture partners. These investment properties are expected to be a source of stable, recurring income and provide us with potential for capital gain. For a hospitality project, we can earn profit after 5-10 years operation with the margin from 10-15% (Mr. Phan Le Hoa – Novaland's CFO).

4.2 Competitive advantage

Figure 7 is summarized the perceived competitive advantages of Novaland.

Figure 7. Summarized the perceived competitive advantages of Novaland



In the competitive factors, investors concerned most about the company's market share and sales capacity. These two factors were very important to a properties of a company and define company's brand name in the market as well as its potential in the eyes of investors both local and international. With the recovery of the economics, the market had have many competitors from local including Vingroup, Him Lam Corp., Phu My Hung Corp., Phat Dat Corp., and many international brand name like Kepple Land and Capital Land. Novaland could define and position itself by its performance, market share. Besides, it could improve product quality, in time (or less) construction time. Sales capacity was effected by capital access and payment structure which could attract more customers.

Frequent question:

How Novaland differentiate with its competitors in the market?

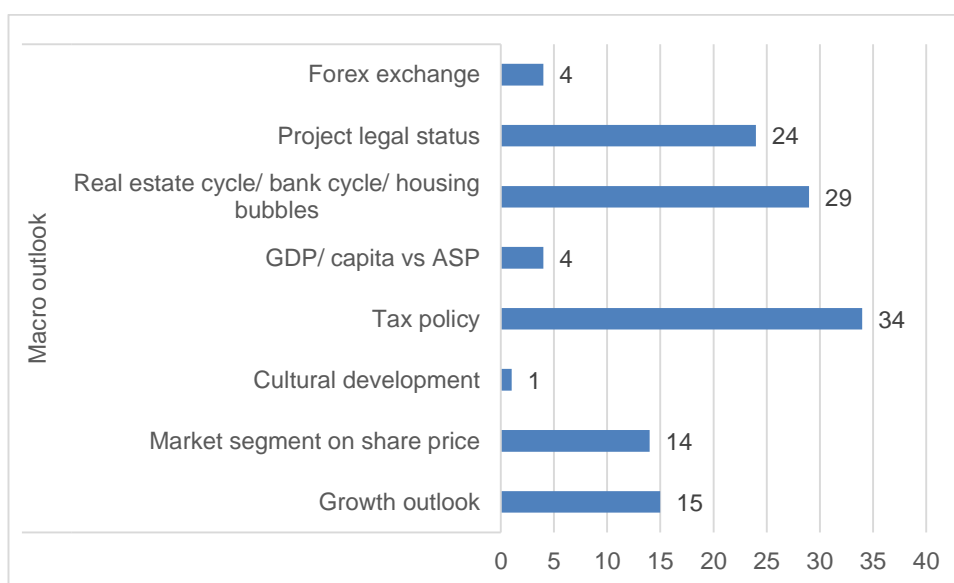
Answer:

Novaland's market share was 24% in 2018 in the mid-high end segment. We don't have direct competitors in our target segment. Our ability to compete is affected by numerous factors, including, among others, our ability to manage our costs, efficiently raise capital for real estate development, acquire suitable development sites, complete our real estate projects in a timely manner and attract our target middle and high income residential and officetel purchasers and tenants (Novaland's investor relations database).

4.3 Macro outlook

In Figure 8, we can see the most common macro economic factors which investors were interested about Vietnam stock market.

Figure 8. Macro outlook factors



Tax policy was the most important factors for foreign investors. Recent evidence showed that when other factors such as infrastructure, transportation cost, political, economic stability were more or less equal, the taxes had a significant effect on investors' investment choice (Morisset and Pirnia, 2000). Together with tax policy, project's legal status was also important when it decided cash flow and construction progress of the project.

Together with the tax policy, real estate/bank cycle also earned investors concern because this was the most important issue for their investment decision. Therefore, the company's growth outlook which can guarantee the development during the crisis was highly appreciated by investors. Last but not least, the legal status of the landbank or pipeline project was also attracted interest from investors because of a unique political market like Vietnam.

Frequent question:

What is tax regime? Does company pay tax for buying land? Any expecting change in tax policy?

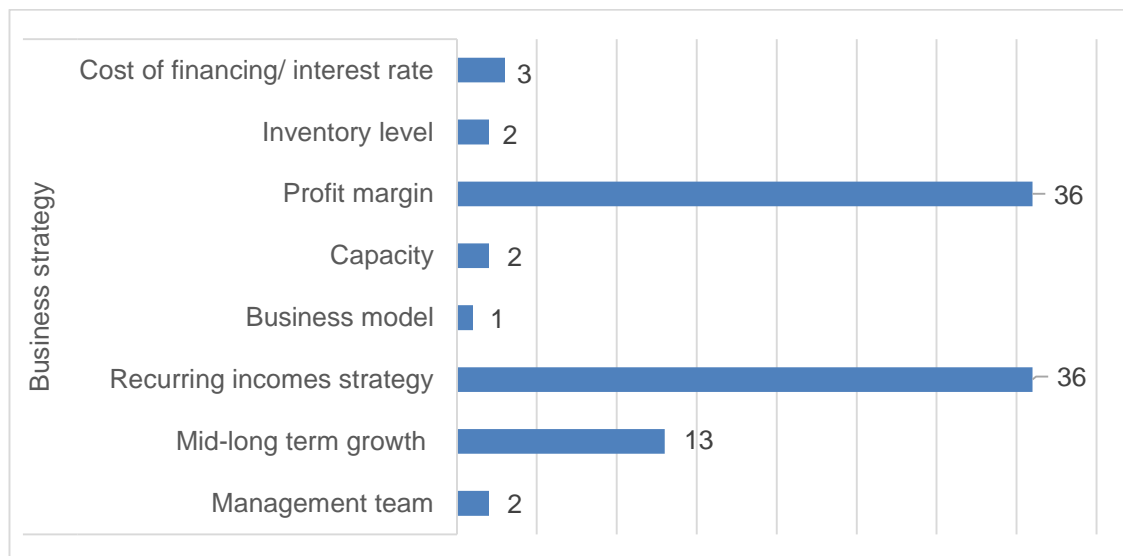
Answer:

Current corporate income tax is 20% that will be paid at the end of the project life including 10% of VAT, in and out which can be net off during the project life. For buying land, the Company only pay 0.1% on share transfer with the contract price. In short-term, tax policy will not change.

4.4 Business strategy

From the figure 9, we can see which strategic issues of the case company investors were mostly interested in.

Figure 9. Strategic issues



Regarding the business strategy, investors concerned most about profit margin and recurring incomes strategy. This two factors directly related to the business performance. They reflected how well the financial situation, how much profit the company earned from the revenue. Yogendrarajah & Sangeetha (2011) argued that if the firms could finance themselves by retained profits, they had higher profit margin than those who used debt to leverage the return. Recurring incomes came from offices, commercial projects, and hospitality projects and these were real company's activities which brought earning annually.

Frequent question:

What is the profit margin of the company?

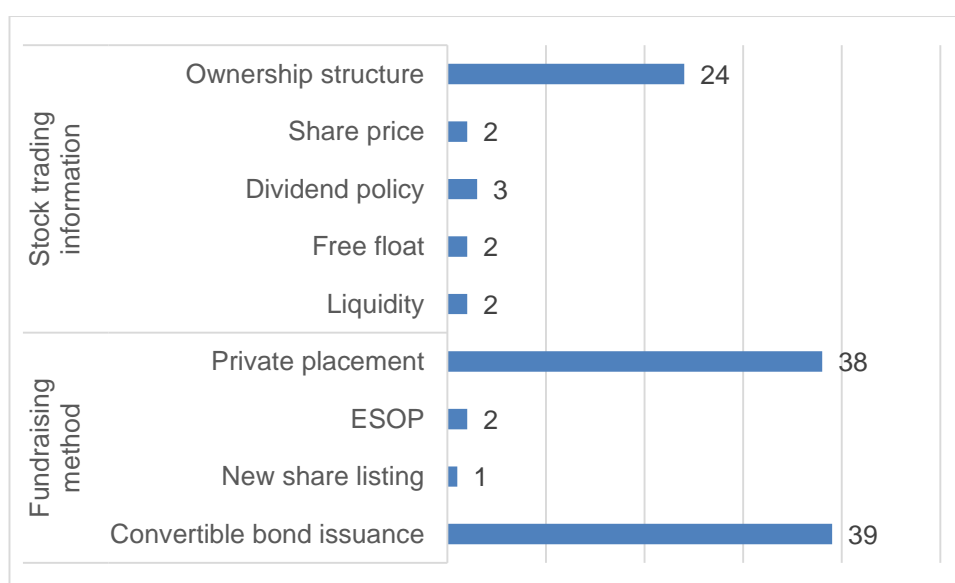
Answer:

Gross profit margin from 30 – 35%, net profit margin from 15 – 20%. (Novaland Investor Relations)

4.5 Stock trading information and fundraising method

From the figure 10, we can see what kind of trading and fundraising information investors were mostly interested in.

Figure 10. Stock trading information and fundraising methods



When trading in the stock market, ownership structure of the company was important for long-term investors. Most investors cared about the company ownership structure. The company which had private ownership would perform better than state-owned company. On the one hand, foreign ownership also had positive impact on the company image and its performance. Foreign investors could play as a strategic investors who helped the company had more new views about the development strategy in the field as well as support the management team. On the other hand, it also proved that the company had good financial health, met the requirements of foreign investors (Varcholova and Beslerova, 2013).

Real estate companies required a huge amount of money for M&A activities and for building projects. When the local banks reached credit limit level, it could not lend the company. That's why other kind of fundraising method earned investors concern and the two most interest method were convertible bond and private placement. By owning convertible bond, investors could had more interest yield over the specific period and they could transfer to common shares at maturity date or earlier depend on the terms sheet. Please take a look at part of Novaland's convertible bond terms sheet.

In the following table, we can see a part of Novaland's convertible bond terms sheet:

Table 5. Novaland's convertible bond terms sheets

Issuer	No Va Land Investment Group Corporation (the "Issuer" or the "Company")
Offering	US Dollars denominated 5.50% Convertible Bonds due 2023 (the "Bonds"), to be offered and sold outside the United States in reliance on Regulation S only of the Securities Act
Underlying Shares	Bonds are convertible into ordinary shares of the Issuer listed on Ho Chi Minh Stock Exchange ("HSX") with the stock code: NVL (the "Shares"), and Bloomberg ticker of NVL VN
Use of Proceeds	To acquire certain Project Development Companies and for working capital and general corporate purpose
Currency	United States dollars ("US\$" or "US Dollars")

Status	Direct, unsubordinated, unconditional and unsecured obligations of the Issuer
Denomination	US\$200,000 each and integral multiples of US\$1,000 in excess thereof
Issue Size	US\$160 million
Launch Date	April 18, 2018
Maturity Date	April 27, 2023 (5 years from the Closing Date)
Bondholder's Put Option	April 27, 2021 (At the end of year 3 from the Closing Date)
Issue Price	100% of the principal amount
Coupon	5.50% per annum, payable semi-annually in arrear
Yield to Put / Maturity	6.25% per annum, calculated on a semi-annual basis
Put Price	102.433%
Redemption Price	104.324%
Conversion Premium	15% over the Reference Share Price

Frequent question:

Do the company has comments on leverage level in the future given the upcoming Convertible bond issue?

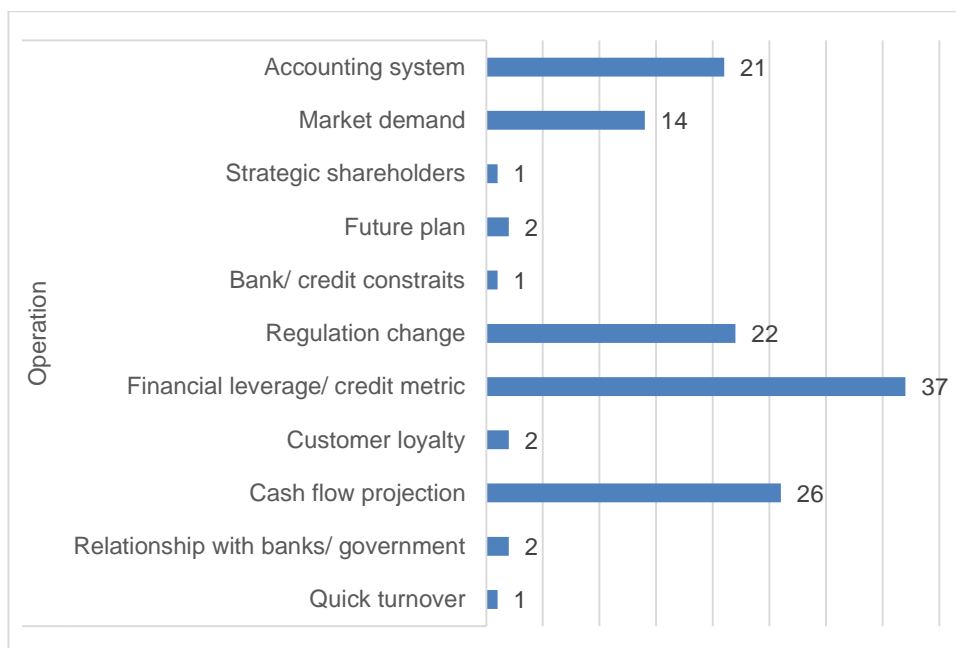
Answer:

Now Novaland record a strong presales take up rate which can help the project self-fund for fullfil the project's cost (average pre-sales rate of Novaland is over 50% after 6 months of sales launching). As a result, leverage level at group level to be well maintained, diversifying in both debts and equity (loans, equity private placement at IPO, convertible loans with Credit Suisse, etc.) in order to balance the leverage ratio. (Novaland Investor Relations database)

4.6 Operation factors

From the Figure 11, we can see what kind of operative factors of Novaland's investors are mostly interested in

Figure 11. Operative factors



In the operation activities, accounting system, market demand, regulation change, financial leverage and cash flow projection got the most concern from investors. Financial leverage included financial ratios such as debt to equity, debt to asset, ROA, ROE, etc. Those information were important to define company's financial health which was important for all investors.

Cash flow of the project also earned investors' interest because project funding could come from pre-sales, bank loan and shareholder's equity. In Novaland, cash from collecting pre-sales could reach 70% after 6-month of launching in which the project can self-funding without interest expenses.

Frequent question:

What is the company comfortable leverage level?

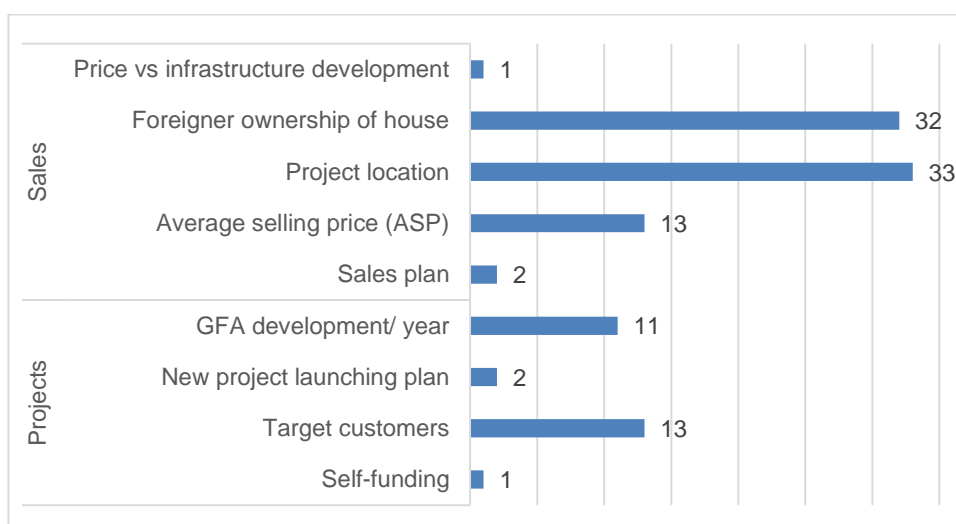
Answer:

As committed with investors, the Debt/Equity ratio is lower or equal to 2.0 times (covenant) but the company policy is to keep this level lower than 1.5 time. Net Debt/Equity is no more than 1.0 time.

4.7 Projects informations and sales plan

From the figure 12, we can see what kind of project and sales plan information that investors are mostly interested in.

Figure 12. Project information and sales plan



“How many percentage of foreigner can own housing in a project?” This questions came from many foreign investors. In Novaland projects, there were only less than 5% of foreigner owners but in Son Kim Land, another real estate developer, foreigner own 30% of housing units. By regulation, foreigner can buy to maximum 30% units of apartment project. So why there is differents in Novaland project and Son Kim Land projects? The key was its focus market segment, Novaland focused on mid to high end projects while Son Kim Land focused on premium and luxury projects which met foreigners requirements.

In Ho Chi Minh City, the successful criterias of a project is location, location and location. A project with good location had significant sales figures, better profit margin

and the developer could leverage itself from customers money in which we called pre-sales.

Frequent question:

What is the limitation of foreign ownership in the property?

Answer:

For high-rise building, the foreign ownership limitation is 30% total units of the project. For landed property, the ownership depend on the population in the areas and will be calculated by the state.

4.8 Merger and acquisition (M&A)

In Vietnam, real estate M&A activity is very attractive especially for foreign investors. In 2018, GIC, a Singapore sovereign wealth fund had invested USD1.3billion in Vinhomes, the biggest real estate developer in Vietnam. M&A was important for the company to get new land-bank by buying shares, transfer projects, etc. and they distributed to the development of the property companies in the future. All participants foreign investor meetings were interested in the company M&A strategy.

5 DISCUSSION

Because the conference was organized for many corporates and investors, so there could be the first meeting or second meeting if investors had more interest in the company development. Therefore, two groups of investors have been categorized. First, Group 1 for the investors who study the company for the first time and Group 2 for investors group who met the company for the second time or more. In each group there would be different questions about the company's activities and gave more specific questions about the company's activities and operations as well as understand the company in a specific level. IR played the role of bridge information and delivered sufficient information to investors.

5.1 The key roles of IR activities in the relationship with investors

At Novaland, IR was very active in keeping relationship with investors through many kind of activities such as quarterly analyst meetings, quarterly conference call meeting with foreign investors, annual shareholders meeting, annual report, quarterly earning release, compliance with international corporate governance regulation to build long term relationship with investors stakeholders and corporate's board of directors and management team. By creating relationship with new investors, IR have created a network of investors for fundraising activities, increasing stock's liquidity, promoting organization's brand name to potential investors.

IR's mission is delivering company messages through corporate presentations, company profile in the first time meeting. Through the one-on-one meetings, the company get better chance to get closer to investors' information as well as understand their investment requirements. Here, investor relations officer show his/her communications strategy to earn investors trust. The one-on-one meeting allow the company getting instant accurate feedbacks from investors. The in-depth meeting help the company creating better messages which are accurate, consistent information to communicate with investors.

5.2 Group 1 analysis: first time meeting investors group

The finding of this study revealed that, in general foreign investors concerns about all factors relating with the company development strategies and macro industry information. In specific, most investors in the first meetings would question about market segments, competitive advantages, company macro outlook in the market, strategies, operation, sales capacity and M&A activities but in a very general level.

In the market segments (residential, commercial, or hospitality market), investors wanted to understand clearly about the company's current market and future market as well as development strategy in the country or if the company would like to expand the market abroad. As most investors' feedback new development areas of hospitality didn't seem an attractive segment when it required a huge financial supports and long-term developments with very vague picture about recurring income. Although this new segment brought back many challenges, it would defined company's development story as a sustainable development organization.

According to Vietnam Institute of Directors analysis, the company with good corporate governance would attract more foreign investors and had higher stock price. Again, transparent in the information disclosure was one of the most important factors for investors who would like to invest in the company and corporate governance was the first thing that new investors concerned (Vietnam Corporate Governance Code of Best practices, 2019). For example, independence members in the board of directors, transparent in the information disclosure, compliance to international corporate governance regulations, and management team experiences. As the role of connection bridge between investors and board of directors, investor relations department played the key roles in promoting company's image to investor community as well as maintaining its position in the financial market which could save stock price falling from bad rumors or performance. Thanks to the good management, Novaland complied both Asean Scorecard Corporate governance regulations and Vietnam governance regulations, good information disclosure structures, easy to get and answer investors' questions promptly. As a result, Novaland remained its reputation in the capital market (fundraising activities) and sales performance (over 90% units were sold out after launching 1 year).

In the first meeting, most investors were specially interest in competitive advantages of the company. Foreign investors didn't have full understanding about Vietnamese real estate market, they would like to know about company's position in the market and what factors that created its advantages compare to competitors. As findings in the study, market shares, construction time, payment structure, and sales capacity were most important. Follows were some competitive strengths of Novaland:

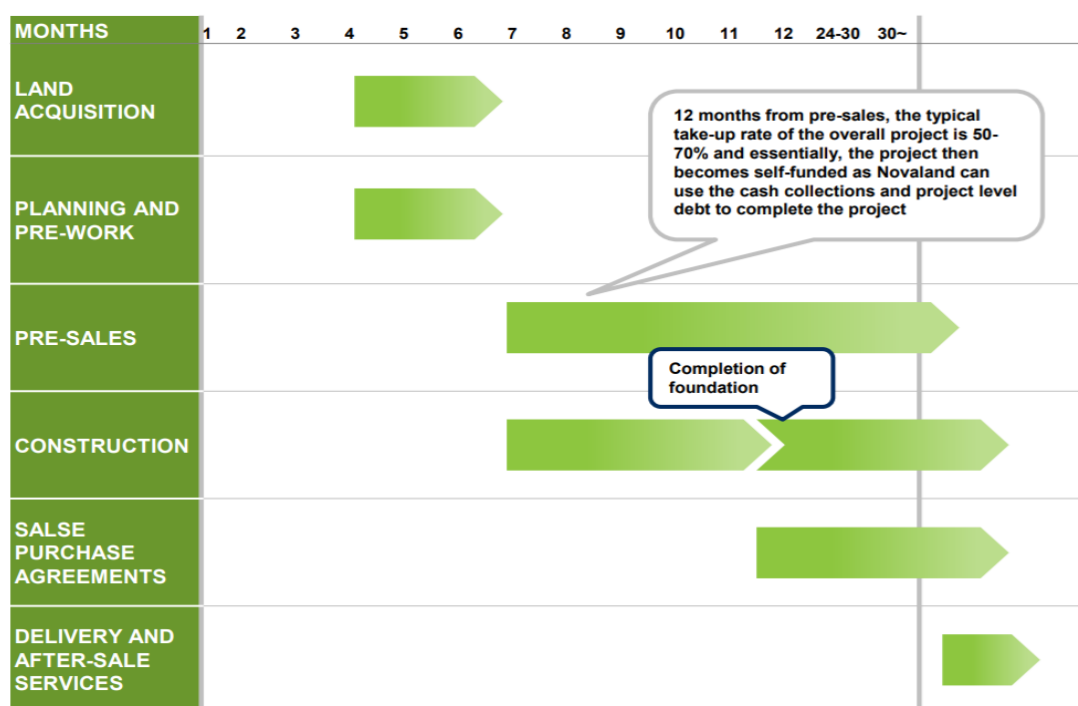
- Novaland is the largest property developer in Ho Chi Minh City and according for 24% market share of mid-end and high-end residential apartment. Owning a variety of land-bank in prime location in Ho Chi Minh City which enough for the next 10 years development. With the revenue growth compound rate annually at 22%.
- Novaland have expanded its operation to hospitality, 75% of its land bank were for hospitality development in the potential tourism areas across Vietnam.
- Strong brand of quality and commitment from the board of directors and management team. The products were always delivered ahead of schedule, strong operation performance and evidence from track record.
- Strong cashflows generated in the early stage of project development, minimizing project risk and providing for a capital efficient business model. Cashflows to develop project not only come from sales but also come from capital market. Through the debt markets, since 2015, we have raised (i) VND4,260 billion (US\$187.7 million) form the issuance of VND bonds in 2015, (ii) US\$80 million from a credit facility with Credit Suisse AG in 2015, (iii) US\$50 million from a credit facility with GW Supernova Pte. Ltd. in 2016, (iv) US\$60 million convertible loan from Credit Suisse AG in 2016, (v) US\$30 million from a credit facility with Maybank International Labuan Branch, Malaysian Banking Berhad — Hochiminh City Branch and Vietinbank Filliale Deutschland in 2017, and (vi) US\$125 million from a credit facility with Credit Suisse AG in 2017. We also have committed credit lines from leading domestic and international commercial banks, including Vietcombank, VietinBank, Credit Suisse AG, Sacombank, VPBank, Techcombank and SeABank available to us. We believe that our access to such diversified funding sources has enabled us to gain access to lower cost capital and generate substantially higher liquidity and financial flexibility as compared to many other real estate developers in Vietnam.(Novaland's Convertible Offering Memorandum).

Macro outlook were another factor that foreign investors concerned because Vietnamese had crisis cycle which repeat every ten years. In 1989, there was a collapse of financial government union. In 1999, after the financial crisis in the region, Vietnam’s commercial bank collapsed. In 2009, Vietnam faced concurrent two crisis when happened at the same time with global financial crisis and 2019 could face another crisis. Many investors concerned about this cycle in Vietnam economic.

In the findings, business strategy was another concern factor for new investors. Novaland’s strategy was focusing on residential development in Ho Chi Minh City and hospitality in the potential tourism areas across Vietnam (as of now 75% land bank for hospitality and 25% land bank for residential in Ho Chi Minh city only). The main objective of this strategy was to develop a portfolio of investment for stable recurring income including car park, office, commercial, condotel, villas, timeshares, etc.

M&A activity was one of the factor that most investors concerns about. As bellow table, M&A was one of the first step to start the project. At Novaland, M&A was the main drive for the development. As one of the strategic for getting new land-bank, reserving for the future revenue. In 2018, the company saw that it could not just develop only for fast turnover residential projects, but also for recurring income project such as resorts, entertainment activities etc. M&A activities was introduced to investors as one of the core strategy, therefore, many foreign investors showed interest in this activites.

Figure 13. Fast turnover development process of Novaland



5.3 Group 2 analysis: second or more in-depth meetings group

When investors had an overview about the company in the first meeting, they would like to know more about projects that the company were developing, as well as investment opportunities such as fundraising activities, detail of the M&A structure and they would also share their interests whether to invest or not in the company by shares, loan, bonds, or some kind of financial tools. Those investors asked deeper information about the market, the tax system, legal status of the projects, financial models, market trends and potential for future development.

First, for a real estate company, money for land-bank development came from fundraising activities. In recent years, Novaland had issued bonds, convertible bonds, convertible loans, issuing new shares, etc. the company also kept relationship with local bank and international bank to maximize financial supports. From the IPO day in Dec 2016, the company had funded more than USD1 billion till the end of Dec 2018. Issuing many kind of financial tools equal with more risks. And risks were received many concerns from foreign investors. Investors who concerned about this problems usually bonds and loans investors.

In the second round meeting, foreign investors would like to study more about risks that the organization had to face in the long run. First, the Company relied on the third-party Project Development Companies to get the land and many commitment with the law. Secondly, when the project is fully acquire, the mother company will buy back its shares to own a clean project which is ready to develop.

The most frequently question was:

How the risky that the Company meet when acquiring the land bank?

The answer was:

We primarily conduct our real estate development activities by acting as a holding company and we acquire land and develop each of our real estate projects through individual project companies set up and licensed to acquire land and develop real estate projects. Vietnamese law requires that banking services, including the extension of credit, be provided by licensed credit institutions if such banking services are provided for profit and made on a regular basis. If the loans that we extend to such Project Development Companies' shareholders are found to be extended on a regular

basis, we may be subject to fines of up to approximately US\$22,000 and compelled to unwind such loan transactions with the shareholders of the Project Development Companies. In addition, we do not have contractual rights to acquire the Project Development Companies to whose shareholders we have provided loans and to whom we provide construction and project management, and administrative services for the development of their land. We rely on certain mechanisms put in place that we believe would give us the ability to acquire the Project Development Companies at a time of our choosing. (Novaland Capital Market & Investor Relations – Phan Le Hoa CFO)

Information about stock trading also received interest from many investors, with good corporate governance activities, the stock's price had the up-ward trend and vice versa. A listing company can receive more fund than private company because it has commitment about transparently all related activities to the public and under control by the government's regulation. Corporate government is the most effective way to evaluate a company's transparently.

5.4 Feedbacks from investors

MASO Capital

“Stock liquidity is very important to decide whether to invest or not. This factor reflect company's potential in future development and bring back profit. On the other hand floating ratio also affect stock liquidity. For example, if a company rank in the top 10 investment portfolio of FTSE Index, floating ratio must be at least 15%. Novaland had above 30% free-float, this is a good signal for a listed company.”

Goldman Sachs Asset Management

“Novaland have a clear development strategy, a huge land bank for future development and I want to see if the trend is sustainably growing. Beside internal factors as above, external factors such as real estate cycle, credit limit for real estate also effect the sustainable development. Although the cycle of real estate in Vietnam is a bit late but we like the company story. On the other hand, the company should consider to build better capital structure.”

Other investors showed negative opinions on the company's new sectors of hospitality:

BF Asset Management

“The company show ambitious in retail and hospitality sectors which bring recurring income for the long run. But unlike residential, these sectors don’t have fast turnover which require a huge of capital background for developing. As we all know, retail and hospitality require the company bearing the loss for at least 5 years to the break even point.”

Seatown Capital

“Although Novaland is a listed company but transparency should be improved to the level of international regulation. For example, documents for the shareholders meeting should be announced earlier, 25 days from the meeting day instead of 15 days.”

Fullerton

“The company should have more land bank for future development. Short-term outlook now is very attractive back up by the growth of 20-25%. On the other hands, it’s a bit too high to finance for hospitality development since it is an heavy assets investment for at least 5-10 years. Airbnb is a good example to study when develop hospitality, we haven’t seen any happy hospitality developers in Vietnam. Harder to differentiate with 5-star hotels. We are not very excited on the new expansion areas of hospitality of the company.”

JP Morgan Asset Management

“We understand why and potentials to develop to a new area when city’s land bank becoming more expensive and run out. Hospitality and retail business may be nota very good option to go, unless you can find a very strong partner to cooperate and develop the component and persuade government to change the usage of project. Mall still at early stage of such development in Vietnm. We don’t really interested particupar in convertible bond, only straight equity maybe. Novaland has done quite ok with the with the top up structure of private placement. But the things that I want emphasize here is you should never go alone on the new development area.

Blackrock Capital

"If buying existing assets, it doesn't make any sense even when acquiring at very attractive valuation. However, it makes sense to build recurring income on company's own."

GIC Private Limited

"Strategic stake plus project investment are new mandate to explore. At project level, typically 40-49% stake and let local developer to hold majority ownership. Strategic in terms introducing business partners, IRR mid to high-end. Depends on countries, we can explore any type of project to work on. It can be more attractive if the company can provide projects to form a joint venture."

6 CONCLUSION AND SUGGESTIONS

This section concludes the key findings of the research. The main objective of this research is to analyse the institutional foreign investors' behaviour from the outlook of Novaland and the role of investor relation in analysing these behaviours. This conclusion gives a summary short answer for the research questions which was set out in the first section, in order to figure out how much this study has answered the research questions. In addition, this section discusses further about recommendation and limitation of the study. The original research questions are:

RQ1: What foreign investors want to know about a real estate company as a target investment?

RQ2: What they really care about in the company such as future returns, profitability, strategies, risk potential, dividend?

RQ3: How to classify the investors using categories like speculators, long-term, short-term, or hedging?

RQ4: How to improve investor relation's operations in specific and the company's strategies, in general, to attract more foreign investment and trust among foreign investors community?

RQ5: What affect the investment decision of foreign investors: buy, hold, or sell? Company's performance or market situation or political issues?

6.1 Summary of the findings

This research partly answered those five (5) research questions. First of all, foreign investors would like to understand the real estate market and its operation as well as how the economics affect on its development. From the history database, foreign investors are afraid of the financial crisis cycle of 10 years that would be a threat to their investments and the companies' business performance itself. For the new foreign investors, they usually know the company through an agency such as local security firm or international institution to get closer a company operation as well as its funding activities. These agencies play the key role of connection bridge and a filter gate that can figure out for the investors where they can invest in. All investors were concerned

about the case company's performance, risk potential, stock price, corporate governance activities, commitment with shareholders, transparently, ect. to evaluation a company's potential growth. Then, they would consider other fundraising term sheet such as interest rate, dividend and liquidity of their investment.

Secondly, most of investors were long-term investors. They made decision base on their strategies and investment process. Investor relations department was the key information bridge between the company and investors. Therefore, their activities were very important from the very first meeting. Investor relations should organize quarterly meetings with their investors to update business performance and create solid relationship with investors.

Thirdly, investors who traded shares through the stock market are usually short-term investors who would hold at least six months to one year and sell for return. Those investors usually concerned about political issues and quarterly business performance which effected to the shares price. On the other hand, independence analyst reports were one of their reference gates to get more information about the company.

Answer for the research questions:

RQ1: What foreign investors want to know about a real estate company as a target investment?

From the discussion, foreign investors would like to understand following information when investing in a real estate company:

- Market target segment
- Competitive advantage
- Macro outlook
- Business strategy
- Stock trading information and fundraising methods
- Operation factors
- Projects information and sales plan
- Merger and acquisition plan

This research also confirmed previous findings about macro outlook of political situation, macro indications (GDP, FDI, inflation rate, forex exchange, interest rates, business cycle, transitions probalities, ect.) which having strong effect the investors' decision (Gerlach 2016, Hamilton 1989, Durland and McCurdy 1994).

RQ2: What they really care about in the company such as future returns, profitability, strategies, risk potential, dividend?

According to the research results, there were many indicators that most investors concerns about. Although the research showed detail about most factors that foreign investors but it have not reffered to the important of risk potential which indicated in the research question number 2. Bellow table gave a summary of findings of concerns factors that most investors interested in.

Table 6. Summary of findings of concerns factors that most investors interested in (more details in Appendix 2)

Main category	Sub-category	Frequency
Market target segment	Hospitality	39
	Residential/ Retail	38
Competitive advantage	Market share	35
	Execution/ Development	28
Macro outlook	Tax policy	34
	Real estate cycle/ Bank cycle/ housing bubbles	29
Business strategy	Recurring incomes	36
	Profit margin	36
Fundraising method	Convertible bond	39
	Private placement	38
Stock trading information	Ownership structure	24
Operation	Cash flow projection	26
	Finncial leverage/ Credit metric	37
Sales	Project location	33
	Foreign ownership of house	32
M&A	Landbank, M&A activities, UpCo Structure, nominee structure	39

RQ3: How to classify the investors using categories like speculators, long-term, short-term, or hedging?

By using investors' websites (from Appendix.1) and Credit Suisse database, we can categorize investors investment philosophy.

RQ4: How to improve investor relation's operations in specific and the company's strategies, in general, to attract more foreign investment and trust among foreign investors community?

In the findings, there was no specific improvements for the investors relations' operations but investor relations in communication with investors of Chief Financial Officer/ Investor Relations Off. This was the only point that have been point down in this research from the beginning in getting investors information from meetings. This was one of the research limitation.

RQ5: What affect the investment decision of foreign investors: buy, hold, or sell?

From the research findings, in the stock market information that effect investment decision on company's stock including liquidity, free float, dividend policy, share price, and ownership structure. The findings was limited by some group of investors who just invested through stock market when majority of investors group invest directly by bonds, loans and private placement. Therefore, ownership structure which show company's structure received most investors concern in their direct investment decisions. Bellow table showed investors concern in trading company's stock in the stock exchange.

Table 7. Stock trading information findings from the research

Indicators	Frequency
Liquidity	2
Free float	2
Dividend policy	3
Share price	2
Ownership structure	24

6.2 Recommendations

Investor relations receive many inquiries, emails from stakeholders and investors. They organize periodically events, meetings with diverse number of investors, analyst to maintain the relationship, keep them up to date with the company's situation. This study recommends the investor relations cooperation with communication/ media relation for further promote case company's image to attract more foreign investors.

Based on the findings of this research, real estate company should focus on their investors needs/ concerns to analyze their behavior and creating a good corporate governance system. From investors' concerns, the case company can build a better business plan based on international platform and requirement to its financial ratio, building matrix of SWOT to have a better strategy. Understanding investors behavior would also open many opportunities for the case company to have a good fundraising plan that meet investors and the case company's top management requirements.

6.3 Limitation of the research

Although receiving many good results from meetings with institutional investors, the limitation of data set (in the first half of 2018) was small, it got information from a short-list of foreign investors whose the Investor relations had the meetings and discussion about Novaland in specific. Therefore, it couldn't provide a full picture of foreign investors behavior in relation with the real estate market in Vietnam in general.

Besides, the feedback from investors were collected by a third party (Credit Suisse) for the Company's reference only and may contain inaccuracies information and cause misunderstandings. On the other hand, the interpreting of the collected information in this thesis are solely the researcher's opinions about foreign investors behaviours.

The case company, Novaland is one of the big real estate in Vietnam and has the largest market shares in Ho Chi Minh City. Therefore, the results in this research papers may not applied to other property companies in Vietnam.

This research also showed the most limitation that it had not indicated and the important of risks management in the company as well as clearly clarify the role of investor relations in the communication with foreign investors which need further study.

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Appendix 1. The list of investor meetings and participants

#	Conference	Meeting date	Investors	Investment type	Key notes
1	HSBC	4-Jun-18	Harding Lovevner	Long term	Founded in 1989 AUM: USD 500 million Investing mainly in high quality and growing business. Focus on: equity market in developed and emerging market Website: https://www.hardingloevner.com/
2	HSBC	4-Jun-18	Neon Liberty Capital Management	Hedge fund	Founded in 2002 AUM: USD 1.7 billion Focus on equity in global emerging and frontier market. Invest philosophy: dividend, price to book Website: NA
3	HSBC	4-Jun-18	Rock Creek Group	Hedge fund	AUM: USD14billion (1/3 in emerging market (EM) and frontier market (FM)) Founded in 2002
4	HSBC	4-Jun-18	GreyArc Global Investor	Equity	AUM: USD2.5 billion (2/3 in the US) Website: NA
5	HSBC	4-Jun-18	GCA Investment Management	Equity	AUM: USD 600 million in matured/ small EM Website: https://www.greentechcapital.com/
6	HSBC	4-Jun-18	Oaktree Capital Management	Long term	Founded in 1995 AUM: USD 120 billion Focus on credit, private equity, real assets, listed equity. Website: https://www.oaktreecapital.com/
7	HSBC	4-Jun-18	Linden Advisors	Hedge fund	Founded in 2002 AUM: USD 3billion Focus on convertible bond, high yield bond Invested USD6.5million in Novaland's CB Website: https://www.lindenlp.com/
8	HSBC	4-Jun-18	Key Square	Long term	AUM: USD 1billion Invested USD18.5 million in Novaland's CB Active in Vietnam Website: www.keysq.com
9	VAD 2018	14-Mar-18	Aberdeen Standard investment (Asia)	Long term	Website: https://www.aberdeenstandard.com/ AUM: Euro187.7 million Focus on GARP investment
10	VAD 2018	14-Mar-18	Matthews International Capital	Long term	Website: http://micm-llc.com/default.fs Founded in 1991 AUM: USD31.4billion

			Management, LLC		Focus in Asia financial market
11	VAD 2018	14-Mar-18	Baring Asset Management (Asia) Limited	Equity mutual fund & Hedge fund	Website: https://www.barings.com AUM: USD8.7 million Focus on: fixed income, equities, Alternatives, Multi-asset, GARP
12	VAD 2018	14-Mar-18	Pureheart Capital Asia Limited	Long term	Website: http://www.pureheartcapital.com/ Founded in 2003 Investment philosophy: monopolistic advantages and good governance structures
13	VAD 2018	14-Mar-18	Temasek International Pte. Ltd	Sovereign Wealth Fund	Website: https://www.temasek.com.sg Founded in 1974 AUM: S\$308billion Have 1 deal in Vietnam
14	VAD 2018	14-Mar-18	Tundra Fonder AB	Long term	Founded in 2011 Focus on Frontier markets including Vietnam, Nigeria, Pakistan, Sri Lanka Website: http://www.tundrafonder.se/en/
15	VAD 2018	14-Mar-18	Nikko Asset Management Asia Limited	Equity	Website: https://www.nikkoam.com.sg/ Focus on Equity, Fixed income, Multi-assets Founded 1959
16	VAD 2018	14-Mar-18	Mirae Asset Global Investments (HK) Limited	Long term	Website: http://investments.miraeasset.com.hk/
17	VAD 2018	14-Mar-18	Anda Asset Management	Long term	Website: http://www.andaasset.com/en/ Concentrate in Asia growth and Multi-strategy
18	VAD 2018	14-Mar-18	BFAM Partners (Hongkong) Limited	Hedge fund	
19	VAD 2018	14-Mar-18	TT International (Hong Kong)Ltd	Long term	Focus on US, Emerging Market, Asian, Chinese, European and UK equities Investment insight: long-only, alternative strategies Founded in 1988 AUM: US\$5 billion Active in Vietnam: Among top 50 holders of Vietnam equities and active in Vietnam IPOs; Cornerstone on Vincom Retail Website: https://www.ttint.com/
20	VAD 2018	14-Mar-18	BBL Asset Management Co., Ltd	Long term	Website: https://www.bblam.co.th/en AUM: 867,167 THB (~ USD27billion) Founded in 1992
21	VAD 2018	14-Mar-18	CQS (Hong Kong) Ltd	Hedge fund	Founded in 1999 Active in corporate credit, structured credit, asset backed securities, convertibles and loans Website: https://www.cqs.com/
22	VAD 2018	14-Mar-18	MASO Capital	Hedge fund	AUM: USD 300 million

23	VAD 2018	14-Mar-18	Indus Capital Advisors (UK) LLP	Long term	Offering long/short and long-only equity strategies investing primarily in the Asia Pacific region including Japan, and in emerging markets Founded in 2000 AUM: USD4.4billion Website: https://www.induscap.com/index.php
24	VAD 2018	14-Mar-18	Sloane Robinson LLP	Long/short equity	Founded in 1993 Focused on international long/short equity with an emphasis on Asian, Emerging and Frontier markets. Website: https://www.sloanerobinson.com/
25	VAD 2018	14-Mar-18	Fidelity investment Management (UK) Limited	GARP	Founded in 1969 AUM: ~US\$2 trillion Capacity for large investments in Frontier Markets deals Participated on HBL and UBL; Top investor on Vincom Retail; Cornerstone on Techcombank Website: https://www.fidelity.co.uk/about-fidelity/
26	VAD 2018	14-Mar-18	Schoroder Investment Management Limited	Long term	Founded in 2000 AUM: USD 536.7 billion Website: https://www.schroders.com/en/
27	SSI	8-May-18	Allianz Asia	Long term/ Growth	AUM: USD11.6 million
28	SSI	8-May-18	Kasikorn Asset Management Co.,Ltd	Long term	Founded in 1992 Website: https://www.kasikornasset.com/en/Pages/index.aspx
29	SSI	8-May-18	Oxbow Capital Management	Hedge Fund	Active in Vietnam
30	SSI	8-May-18	Trinity Securities	Long term	AUM: USD63million Website: http://www.trinitythai.com/index.php/en/
31	SSI	8-May-18	Capital Group	Long term	Active in Vietnam AUM: >US\$1 trillion Top 5 order in HBL and UBL Cornerstone on Techcombank and Vinhomes Participated on Masan Website: https://www.capitalgroup.com/
32	SSI	8-May-18	GSA Capital Partners LLP	Hedge Fund	Founded in 2005 AUM: ~US\$2 billion Participated in Masan, Vinhomes, and Vincom Retail Website: https://www.gsacapital.com/
33	CS	Feb	Wellington management	Hedge Fund	AUM: ~US\$1 trillion Largest order on UBL; Top 5 order on HBL and Vinhomes; Top 10 order on Vincom Retail; Participated on Vincom Retail

					Involves global teams in the US and India Website: https://www.wellington.com/en/
34	CS	Feb	Fiera Capital (Charlemagne)	Long only	AUM: ~US\$3 billion Specialist emerging markets asset manager with a dedicated frontier fund Participated on Vingroup, UBL, HBL, Vincom Retail, Masan Top 10 bookbuild order on Vincom Retail
35	CS	Feb	Weiss Asset Management	Long only	Active in Vietnam Website: https://www.weissasset.com/
36	CS	Feb	Holinger Asset Management	Long term	Founded in 1993 Invests in the public equity and fixed income markets across the globe. Leading expert in convertible bond Website: http://www.h-a-m.ch/
37	CS	Feb	Lombard Odier	Long term	Founded in 1976 Private bank Website: https://www.lombardodier.com/home/asset-management.html
38	CS	Feb	Linden Advisors	Long term	Founded in 2003 Website: https://www.lindenlp.com/
39	CS	Feb	CLSA	Long term	Website: https://www.clsa.com/

Appendix 2. The summary of investors primary concerns

#	Main category	Sub-category	Frequency
1	Market target segments	Residential	38
2		Retail	38
3		Complex model	35
4		Hospitality	39
5		Development geography	35
6	Competitive advantage	Payment structure	26
7		Capital access	23
8		Market share	35
9		Branding	22
10		Quality	23
11		Sales capacity	28
12		Execution / development	2
13		Construction time	26
14	Macro outlook	Growth outlook	15
15		Market segment on share price	14
16		Cultural development	1
17		Tax policy	34
18		GDP/ capita vs ASP	4
19		Real estate cycle/ bank cycle/ housing bubbles	29
20		Project legal status	24
21		Forex exchange	4
22	Business strategy	Management team	2
23		Mid-long term growth	13
24		Recurring incomes strategy	36
25		Business model	1
26		Capacity	2
27		Profit margin	36
28		Inventory level	2
29		Cost of financing/ interest rate	3
30	Fundraising method	Convertible bond issuance	39

31		New share listing	1
32		ESOP	2
33		Private placement	38
34	Stock trading information	Liquidity	2
35		Free float	2
36		Dividend policy	3
37		Share price	2
38		Ownership structure	24
39	Operation	Quick turnover	1
40		Relationship with banks/ government	2
41		Cash flow projection	26
42		Customer loyalty	2
43		Financial leverage/ credit metric	37
44		Regulation change	22
45		Bank/ credit constraints	1
46		Future plan	2
47		Strategic shareholders	1
48		Market demand	14
49		Accounting system	21
50	Projects information	Self-funding	1
51		Target customers	13
52		New project launching plan	2
53		GFA development/ year	11
54	Sales	Sales plan	2
55		Average selling price (ASP)	13
56		Project location	33
57		Foreigner ownership of house	32
58		Price vs infrastructure development	1
59	M&A	Land bank, M&A activities, UpCo structure, nominee structure	39

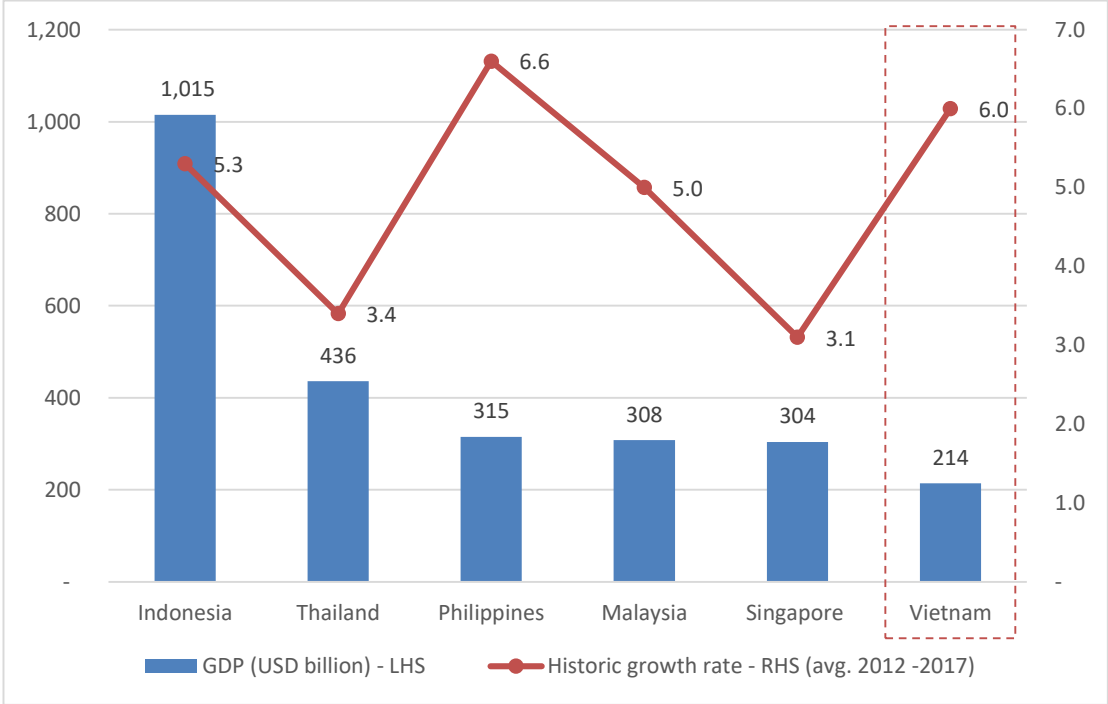
Appendix 3 Top HCMC developers in 2017, Grade B apartment market

	Novaland	Phu My Hung	Keppel Land	Vingroup	Ha Do
Listing	yes	No	No	Yes	Yes
Local developer	yes	yes	no	yes	Yes
Development focus	Residential	Residential	Residential, retail, office	Residential, retail, office	Residential
Target market	Middle + upper	Upper + Luxury	Upper + Luxury	Upper + Luxury	Middle
Revenue (real estate) – USD million	484.7			2,750 (*)	50.7
COGS (real estate)	339.6			1,676 (*)	33.6
Market share	24%	9%	9%	7%	7%

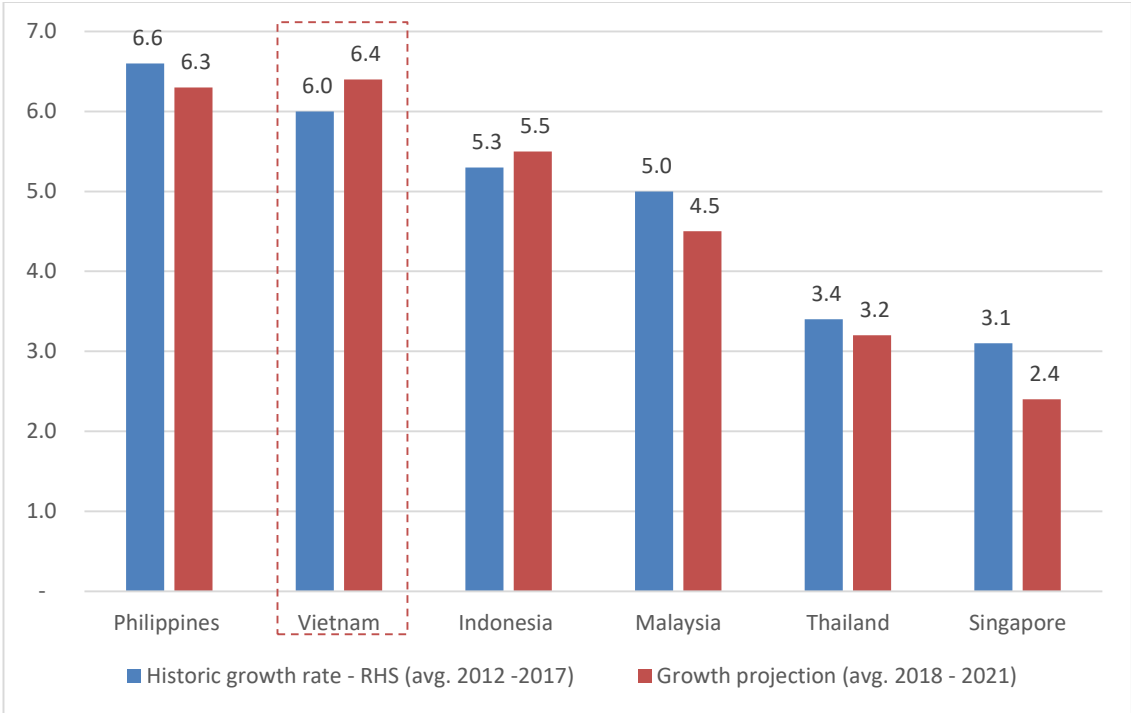
(*) corporate statistic across Vietnam

Appendix 4. Executive summary: Vietnam marco economic overview

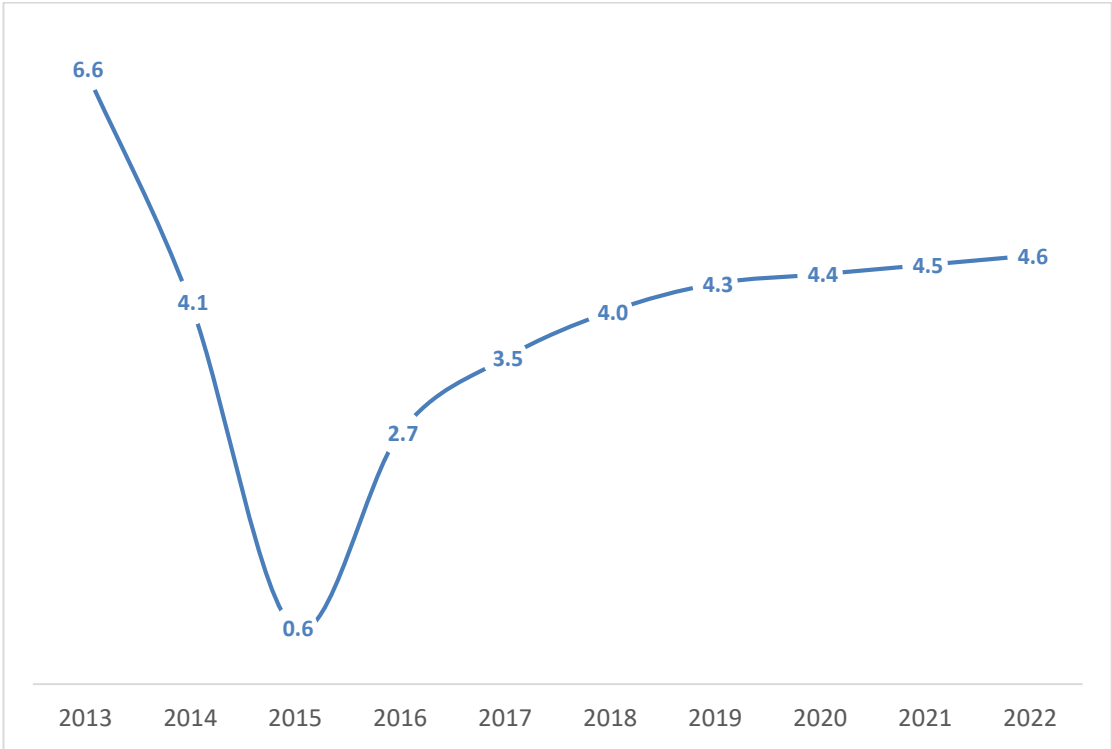
1. GDP growth of Asean countries (FocusEconomics 2017).



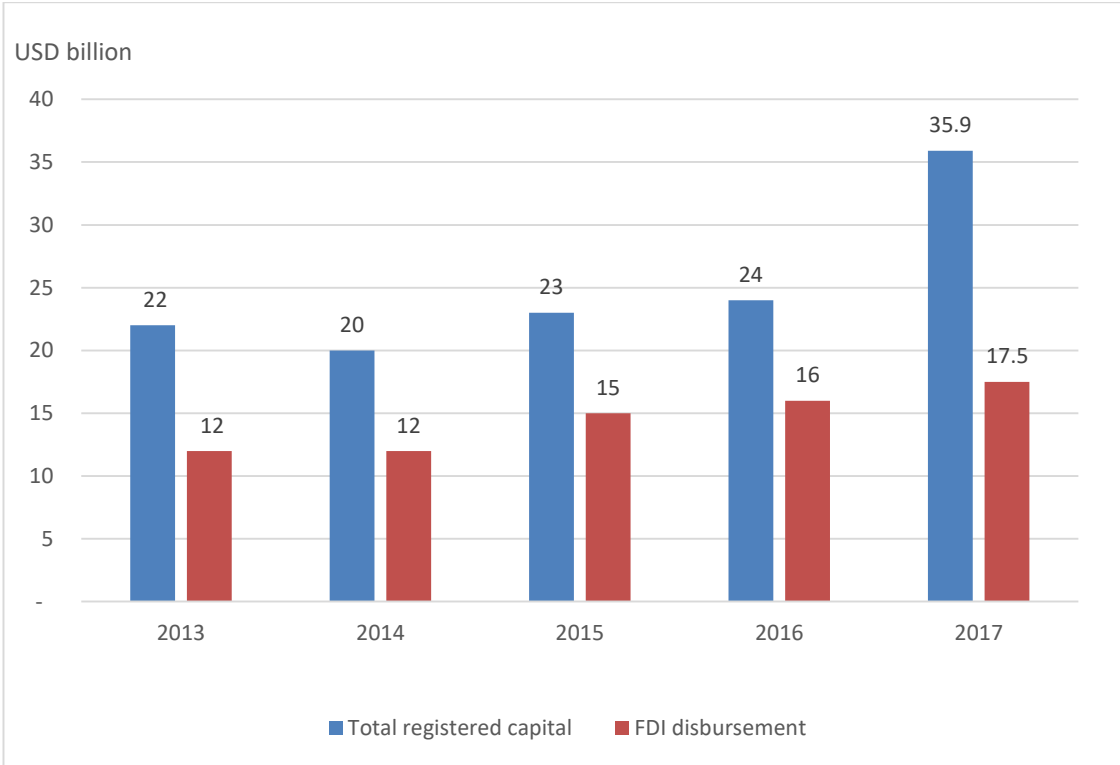
2. Annual economic growth projection (%) (FocusEconomics 2017).



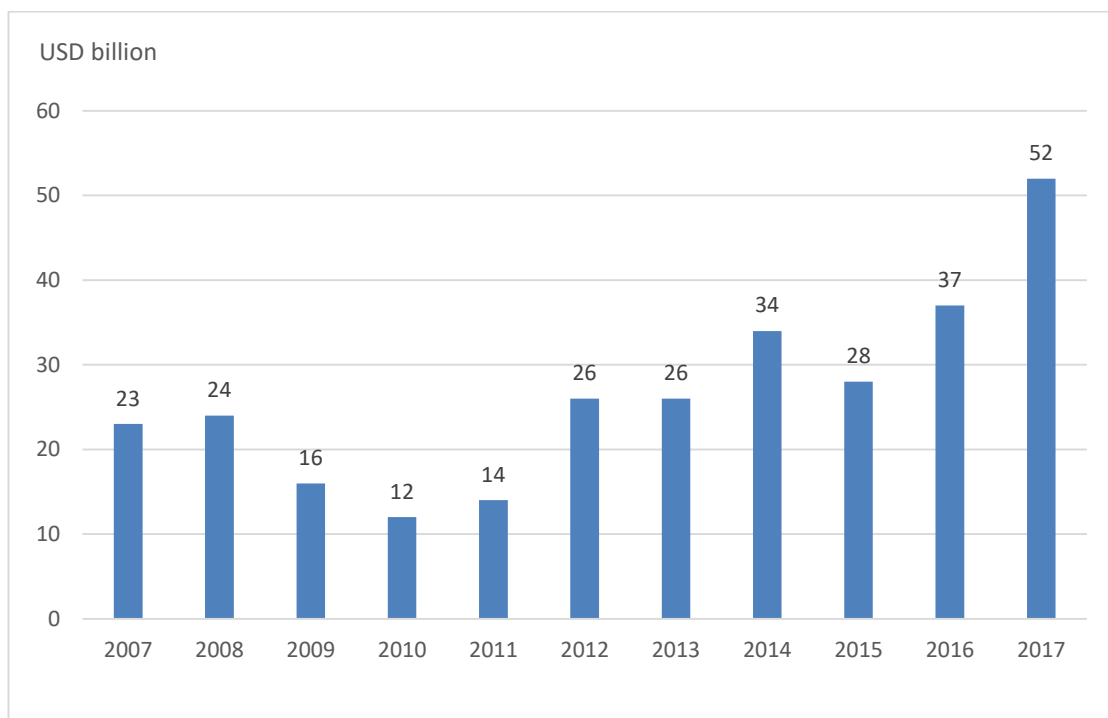
3. Inflation rate in Vietnam over the year (Focus Economics 2017).



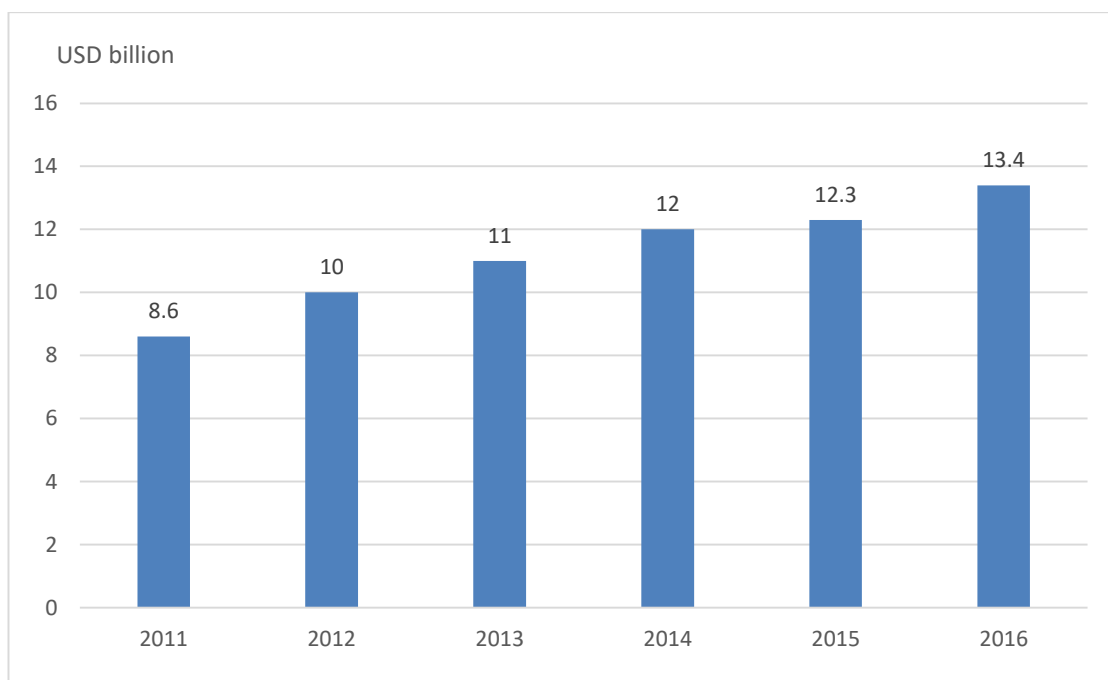
4. FDI (GSO, Dec 2017).



5. Foreign reserves (Worldbank, State Bank 2017).



6. Vietnam Remittances (Worldbank, 2017).



7. GDP% infrastructure spend (Asian Development Bank, 2016, Data includes public and private sectors).

