

Firm overview:

PXP Vietnam Asset Management

Kevin Snowball, Chief Executive Officer, PXP Vietnam Asset Management, tells Hubbis about how the firm came to be and its plans for the future.

SNOWBALL REVEALS THAT HE MOVED TO VIETNAM in August 2002 to set up what eventually has become PXP Vietnam Asset Management with a partner after stints in Asia and the UK.

“The Vietnam Stock Exchange opened in July 2000, and I came here in early 2001,” he says. “Thought that now that it had a stock market, eventually it would figure out what it’s for,” he says. When Snowball and PXP started

managing PXP Vietnam Fund on December 31, 2003, there were 22 listed stocks, and total market capitalisation was about USD160 million, he recollects.

“And we turned over the princely amount of roughly USD75,000 a day for the one hour a day that the market was open on Mondays, Wednesdays, and Fridays,” he says. “Fifteen years down the road, Vietnam now has three markets, the total market capitalisation is USD160 billion, and we turn over in total about just under USD400 million a day.”

According to Snowball, most of this growth has happened in the last year or two. “We went through an initial phase where the world decided that it liked Vietnam when it was tiny, then obviously ran into the global financial crisis, and everybody went away for about eight or nine years,” he says. “And now they’re back with a vengeance.”

Talking about PXP’s investment process and philosophy, Snowball says that they are fundamentally research-driven, ultra-high conviction long-term investors.

“We cover about 145 companies representing more than 90% of market capitalisation,” he reveals. “We’re trying to build portfolios consisting of the best available companies in Vietnam on a qualitative look from a long-term perspective.”

PXP currently has about USD165 million under management at the moment. “We do have the capacity for roughly half a billion dollars, which would be, given the relative size and liquidity of the market, I think big enough for us given our investment style,” he says. “Certainly we would like to manage more money.”

To get more investors on board, PXP is currently focusing on the US investor pool, which has shown increased interest. “The main area of focus for the next six months will be into the US because the structure [a Cayman Islands-domiciled mutual fund] suits them, and it’s a relatively new market for them,” he says. ■



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