

VietNam Holding Ltd (VNH) is a closed-end fund listed on the London Stock Exchange. VNH aims to achieve long-term capital appreciation by investing in high-growth companies in Vietnam. It has an actively managed, high conviction portfolio with integrated ESG. Core investment themes are domestic consumption, industrialisation and urbanization.

Fund Overview

Shares Price	257.0 pence
NAV	294.3 pence
	\$3.505
Discount / Premium	-12.7%
Total Net Assets	\$100.9m
Shares in Issue	29m
Portfolio Managers	Vu Quang Thinh Craig Martin
Investment Manager	Dynam Capital
Ticker	VNH
Website	www.vietnamholding.com

Portfolio

Number of Investments	21
Median Portfolio Market Cap	\$1529.3m
Foreign Ownership Limit Stocks*	42.0%

Thematic Exposure

Industrialisation	29%
Domestic Consumption	16%
Urbanisation	14%

	2022E	2023F
EPS Growth	20.6%	25.4%
P/E Ratio	8.0	6.7

*Percentage of portfolio in stocks at their Foreign Ownership Limits

Performance USD (%)	1 Month	Year-to-date	3 Year (CAGR)	5 Year (CAGR)	10 Year (CAGR)
Vietnam Holding NAV	4.7%	-33.3%	7.9%	3.1%	10.9%
Vietnam All Share Index (VNAS)	0.7%	-41.1%	2.9%	0.3%	8.1%

Source: Bloomberg, Dynam Capital Ltd. Data for VNAS Total Return (including dividends) is available after 24 July 2015. For consistency, figures reflect the respective simple index and not total return. Total return adds 2-3% to annual index performance reflecting the index dividend yield.

Manager Commentary – Back to the future

November can only be described as a bumpy ride for equities markets globally, yet as we wind down what has been a stormy year in Vietnam's capital markets, its economic growth story still stands out. Vietnamese stocks fell sharply in the beginning of November due to credit tightening in the country's nascent bond market, as the government continued its crackdown on corruption with further arrests and regulatory changes. Certain real estate stocks were hardest hit in this steep correction, and it is worth noting that none of those worst affected names are in our portfolio. In fact, we had significantly reduced our holdings in real estate and related sectors the month before given their potential difficulties with the rising interest rate environment, and our overweight in KDH, up +21.4% for November, was a contributor. Forced selling from margin calls waned by mid-month, but market volatility remained high with investors 'bottom fishing' for short-term profit given the attractive valuations. The rally led to a strong end-of-month rebound and we are now seeing steady flows into Vietnam's equity markets pushing up prices of large-caps and luring more local investors back.

VNH outperformed the benchmark index by 4% for November and circa 8% YTD. We believe, that after this recent 'technical' rally, the performance of different sectors and stocks in Vietnam will become even more diverse, and VNH has slightly increased its exposure to larger-caps, higher liquidity and acceptable valuation stocks. Retail continued to be the most resilient sector, as retailer sales were once again the main growth driver – 17.5% year-on-year – showing during November's 'Black Friday' period just how powerful demand was despite rising inflation and the end of 2% VAT support. Although we envision domestic consumption growth to normalise to around 10% as we move into 2023 (given the implications of lower global demand), renewed inbound tourism should serve as a boost for the sector especially with the upcoming Christmas holidays and run-up to Tet.

PNJ, the country's leading jewellery company and top holding in our portfolio, continued to perform exceptionally well in November. Through our

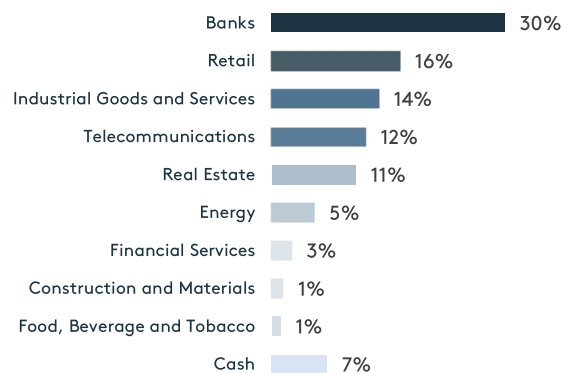
engagements with the company – one of the first in the country to report on the progress of its sustainability strategy – we are pleased to see what they have accomplished this year on building an ESG framework, and this includes taking on some recommendations we gave them earlier in the year. The company has gone from strength to strength with a market cap of \$100m 12 years ago to \$1bn today. Other listed companies in Vietnam have been doing more this year to enhance the quality of their corporate governance and reporting, and from our perspective the government's efforts to get companies to understand their ESG matters better are beginning to show. Its actions to fight corruption might have created a lot of short-term pain in the capital markets, but it also instilled more trust for the long-term. The reality is that the government has managed to keep its growth story on track despite the increased market risks and intensifying recessionary threats characterising 2022 globally.

Vietnam remains one of the fastest growing economies in the world and we expect 8% GDP growth for 2022 and 6.5% for 2023. The Vietnamese government is determined to keep its debt in relation to GDP at a very low level and it has managed to control inflation relatively well too – currently at around 3% compared to the double digits in Europe, for example. One of the biggest take-aways from this rollercoaster year is how important our stewardship role is during such turbulent times. We not only needed to stay nimble and active in terms of our selection and risk management but also as a responsible investor and signatory to the PRI act on our own commitments to helping the transition to net-zero and building sustainable futures. We recently participated in a survey of institutional investors as a member of the Asia Investor Group on Climate Change (AIGCC), and they featured VNH's first climate risk assessment report in their 4th edition of 'Translating to Action – Net Zero Investment in Asia'. This initiative is key to raising awareness and encouraging action on the risks and opportunities associated with climate change and low-carbon investing across Asia. Such collaborations are an essential ingredient to long-term growth, and that is how we would sum up what is yet to come in Vietnam in 2023 and beyond.

Top 10

Investments	NAV %	% +/-	Manager Comment
FPT	12.0	-0.8%	10M22 net profit after tax (NPAT) grew by 28% YoY, driven mainly by its technology and telecom businesses; 2023 PE 14x
Phu Nhuan Jewelry	10.3	+10.5%	10M22 NPAT increased significantly by 114% YoY thanks to strong demand from retail sales; 2023 PE 12x
Sacombank	7.4	+24.5%	Unlikely to be granted further credit growth quota for 2022 in the SBV's recent credit growth adjustment; 2023 PB 0.9x
Gemadep	7.3	+3.7%	In 9M2022, the new Gemalink port reached 81% capacity utilization and is now profitable; 2023 PE 12.1x
Mobile World	6.0	-14.1%	10M22 NPAT eased by 1.7% YoY to VND3.8tn mainly due to the CAPEX write-offs in inefficient grocery stores; 2023 PE 12.3x
MBbank	5.4	-1.2%	Likely to receive an additional 2% credit growth quota, implying a total growth of c.26% YoY in 2022; 2023 PB 0.9x
VPbank	5.2	+3.3%	Likely to receive an additional 1% credit growth quota, implying a total growth of c.29% YoY in 2022; 2023 PB 1.0x
Vietinbank	5.1	+11.4%	Could possibly receive an additional 2% growth quota, implying a total credit growth of c.13% YoY in 2022; 2023 PB 1.0x
Khang Dien House	4.2	+21.4%	NPATMI after 9M2022 grew 25% YoY due to recording revenues and profits from <i>Classia</i> project; 2023 PB 1.4x
Vietcombank	3.5	+10.8%	An additional 0.5% credit growth quota was granted, delivering a total growth of c.19% YoY in 2022; 2023 PB 2.6x

Total **66.4**

NAV Performance**Sector Weights****Fund Information**

Structure	Closed-end Fund
Listed	London Stock Exchange
Ticker	VNH
ISIN	GG00BJQZ9H10
BIC Code	SCBLSGSG
Launch	30 June 2006
NAV Frequency	Daily
Life	Continuation vote in 2023
Management Fee	1.75% on NAV below \$300m
(w.e.f 1 st Nov 2020)	1.50% on NAV \$300-600m
	1.00% on NAV above \$600m
Administrator	Sanne Group (Guernsey)
Custodian	Standard Chartered Bank

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