

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	264.0 pence
NAV	311.1 pence
	\$3.847
Discount / Premium	-15.1%
Total Net Assets	\$109.2m
Shares in Issue	28m
Portfolio Managers	Vu Quang Thinh Craig Martin
Investment Manager	Dynam Capital
Ticker	VNH
Website	www.vietnamholding.com

Portfolio

Number of Investments	22
Median Portfolio Market Cap	\$964.2m
Foreign Ownership Limit Stocks*	34.1%

Thematic Exposure

Industrialisation	34%
Domestic Consumption	13%
Urbanisation	9%

	2023E	2024F
EPS Growth	26.7%	15.7%
P/E Ratio	8.5	7.5

*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	5.1%	4.9%	28.5%	1.4%	9.5%
Vietnam All Share Index (VNAS)	6.6%	5.5%	20.0%	-1.6%	6.6%

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 – the tides of March

Vietnam ended March on a good note, with a US\$4 bn trade surplus for Q1 2023, even though its exports growth was not as high as in previous months. It also continued to strengthen global trade ties, with the US secretary of state, Antony Blinken having just been in Hanoi to see Prime Minister Pham Minh Chinh and other top government officials about enhancing economic cooperation between the two countries. "This is one of the most dynamic and one of the most important relationships we've had," Blinken said in a news conference capping a day of engagements with ministers.

Closer to home, Vietnam signed more memoranda of understandings (MoUs) to upgrade its bilateral ties with Singapore. These MoUs cover a range of collaborations on trade, advancing the green-digital economy and maritime and port cooperation. The most recent MoU will progress implementation activities for 2023, including the facilitation of Singaporean companies' investment in Vietnam's agriculture and logistics sector. It also promotes further collaboration in liquified natural gas, renewable energy, and electricity projects.

In addition, the first quarter of 2023 saw a new wave of Japanese retailers expanding their presence in Vietnam. These firms saw how total retail sales of consumer goods and services in Vietnam increased by 19.8% last year in the face of inflationary pressures and economic uncertainty and want to get a first-mover advantage in the market, even though the sector's streak has since slowed.

Another appealing factor for Japanese brands is that Vietnam plans to ease foreign investment restrictions in a variety of sectors by 2024, as per its membership of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, and this includes rules regarding "the opening of more retail points".

Equity markets were less volatile than the month before and reacted positively to the State Bank of Vietnam's reduction of policy rates to help spur the economy. VNH's NAV rose 5.1% mainly due to its overweight in banks (STB, up 11.8%; MBBank up 7.2% and Vietinbank up +8%) and industrials (Idico, up +8.2% and Gemadep, up +6.7%). PNJ (+2.4%), one of our biggest holdings, remained resilient and we expect domestic consumption to continue to grow in 2023, just at a slower pace.

In terms of our market outlook, we anticipate divergence of earnings per share (EPS) growth increasing among sectors and stocks, with more upside than downside risks since many listed companies conservatively recorded provisions for losses in Q4 2022. At the portfolio level we are forecasting a 27% growth in full year earnings per share at an undemanding P/E ratio of 8.5x.

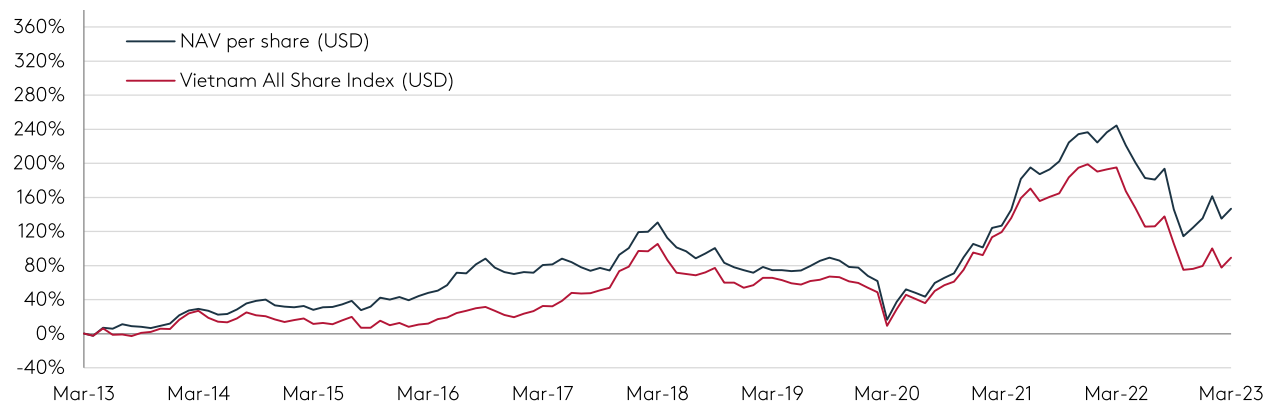
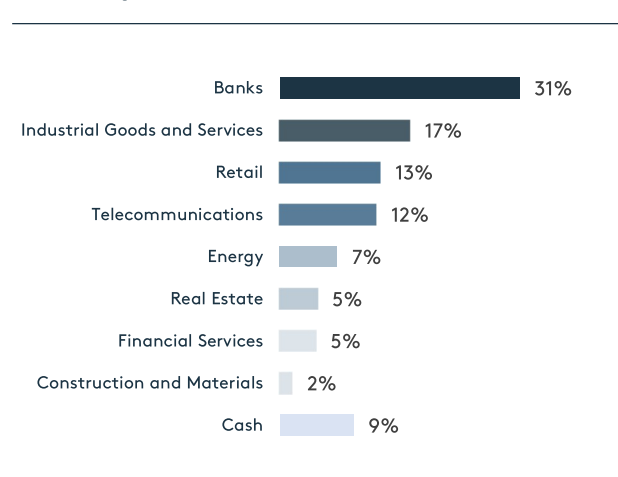
The government's range of economic initiatives, rising incomes and middle-class expansion will continue to support growth this year, and we expect pockets of opportunities to emerge across sectors. For instance, plans to make Vietnam a major assembler in the semiconductor supply chain have been attracting more interest recently. Taiwan's dominance in chip production has raised concerns about over-concentration and geopolitical risks and Vietnam has many advantages. Not only do semi-conductor companies that invest in the country receive tax incentives and other benefits, but because Vietnam has a lower cost of living than Taiwan, factory setup is much cheaper. Vietnam's workforce is another benefit that major chip makers have been taking notice of given its abundance of science and engineering graduates. Plus, the government has already invested billions on research and education centres to train workers in this sector, which will catch more attention from foreign companies. This is one opportunity for Vietnam to increase the value-added nature of its manufactured goods for export.

Last month we hosted a webinar on the outlook for the retail sector and were pleased to have PNJ present on the fast-growing jewellery sector. A copy of the presentation is available on the website. Next month we are sponsoring the inaugural ESG investor conference in Ho Chi Minh City. Details are available [here](#).

We thank all our investors for their continued support and interest in the Fund.

Top 10

Investments	NAV %	% +/-	Manager Comment
FPT	12.3	-0.4%	2M2023 net profit after tax (NPAT) reached USD47.4mn (+17.1% YoY). 2023PE of 14.8x
Sacombank	9.5	+11.8%	The bank set a 2023 profit before tax (PBT) target of VND9.5tn (+50% YoY) and credit growth of 12% YoY. 2023PB of 1.1x
Phu Nhuan Jewelry	9.1	+2.4%	2M2023 NPAT of USD 23.7mn (+6.4% YoY); gross margin showed strong improvement at 19.7%. 2023PE of 11.5x
Gemadep	8.5	+6.7%	The sale of Nam Hai Dinh Vu port is expected to be a positive factor in the face of weaker overall performance in ports. 2023PE of 6.4x
MBbank	5.5	+7.2%	The bank set a 2023 PBT target of VND26.1tn (+15% YoY) and credit growth of 15% YoY. 2023PB of 0.9x
Vietinbank	5.3	+8.0%	The bank has not yet set a PBT target but aims to increase its total assets by 5-10% YoY. 2023PB of 1.1x
PV Technical Service	4.2	-1.0%	Preliminary 1Q2023 results indicate revenue and PBT declined by 15% YoY and 42% YoY, respectively. PE 2023 of 11.3x
IDICO Corp	4.1	+8.2%	On the back of signed MOUs in 2022 (132ha, +28% YoY), IDC expects to deliver a good business result in 2023. 2023PE 6.3x
Hoa Phat Group	4.0	+5.4%	Due to weak demand, the sales volume of steel products in 1Q2023 was 1.37MT (-37% YoY). 2023PE 14.3x
Vietcombank	3.9	-0.9%	The bank is targeting to grow its PBT by at least 12% YoY in 2023 with credit growth of 12.8% YoY. 2023PB of 2.7x

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

Disclaimer

This factsheet is prepared on behalf of Vietnam Holding Ltd. (the "Fund") by Dynam Capital Limited, and is solely communicated to, and directed only at persons who are investment professionals, high net worth companies or others who are entitled to be given the factsheet under the law of the jurisdiction in which it is given. Persons receiving this factsheet should note that past performance is no guide to the future and, in particular, that the past returns of the Vietnamese stock market, or of companies listed on it, are no guarantee of the future returns of Vietnam Holding. This factsheet and the information contained herein must not be acted on or relied on for any purpose whatsoever. This factsheet is strictly confidential and may not be copied or distributed or passed on by recipient. No understanding representation or warranty or other assurance, express or implied, is made or given by any person to the accuracy, fairness or completeness of the information or opinions contained in this factsheet and no responsibility or liability is accepted for any such information or opinions. It is the responsibility of every person reading this document to satisfy themselves as to the full observance of the laws of any relevant country, including obtaining any government or other consent which may be required or observing any other formality which needs to be observed in that country.