

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	312.5 pence
NAV	360.0 pence
	\$4.381
Discount / Premium	-13.2%
Total Net Assets	\$127.8m
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	24
Median Portfolio Market Cap	\$1167.1m
Foreign Ownership Limit Stocks*	39.4%

Thematic Exposure

Industrialisation	28%
Domestic Consumption	16%
Urbanisation	21%

	2022E	2023F
EPS Growth	20.8%	25.2%
P/E Ratio	10.2	8.3

*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	-0.6%	-16.5%	16.1%	9.6%	13.2%
Vietnam All Share Index (VNAS)	0.2%	-24.4%	11.8%	9.0%	9.5%

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 – Through the Looking Glass

Last month global equities continued to fluctuate with a score of moving parts rattling market sentiment. However, as inflationary implications and other economic woes in countries around the world caused more concern, Vietnam managed to maintain resiliency with a continued strengthening of its macro backdrop. While external risks became more evident and ongoing volatility summed up its stock market, Vietnam still recorded an impressive trade surplus of USD 764m for the first seven months of the year (7M2022). Its manufacturing sector continued to expand throughout the month of July as others, for example, in China, Korea and the EU slowed. Additionally, thanks to intervention by the State Bank of Vietnam, the VND remained more stable than other currencies in the region, particularly against the strong US dollar. While a weaker VND would enhance the country's competitiveness, Vietnam continues to sustain controllable foreign debts as a percentage of GDP as well as a diversified range of trading partners. Perhaps most notable for Vietnam last month was the 43% YoY jump in holiday travel, which in fact also highlights how domestic tourism for the first half of 2022 is 40% above pre-pandemic levels. Retail sales continue to recover strongly from the Delta wave lockdowns, and consumer confidence is on a high, which is why we are overweight the sector despite the recent correction. Retail, a sector in which VNH is overweight, suffered from profit-taking activities by both local and foreign investors in July due to mixed Q2 earnings results and concern over continued growth in 2023 given the ever-growing global inflationary risks. The Fund's NAV for the month was down -0.6% because of our conviction in some retail positions, such as MWG whose profits were down due to restructuring and expansion expenses. Nonetheless, like other leading retailers in our portfolio – such as PNJ – it is benefitting fundamentally from being able to increase market share, and good business results overall had little effect on stock prices in July given the weakened sentiment in equities markets at home and abroad. Moreover, VNH's top ten holding companies are showing evidence of compelling growth, and market valuation in Vietnam is in general at a more attractive level following the diverse Q2 earnings releases.

Consumerism in Vietnam in particular is on an upward trajectory as living standards, digitalisation and domestic production in the country advance, and we remain focused on this transition as part of our approach to investing and selection criteria. Vietnamese consumers are becoming much more aware in terms of choice and impact, and as HSBC recently reported, Vietnam is set to become the tenth largest global consumer market by 2030, larger than Germany's. Interestingly, Vietnam ranks ninth in countries with the highest beer consumption, according to a recent report published by Visual Capitalist, partly reflecting the country's expanding middle-class who earn more money and enjoy consuming more expensive and varied brews, as the latest report from GlobalData affirms.

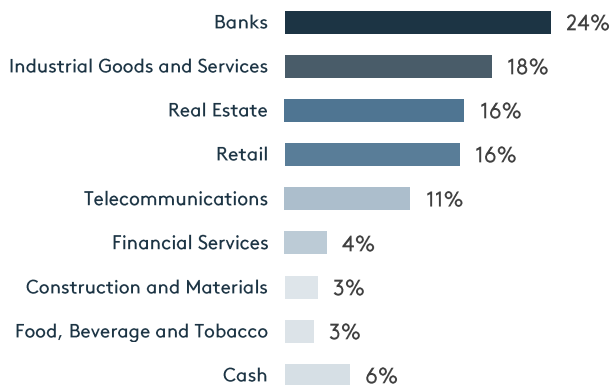
July also further highlighted the strong increase in foreign direct investment (FDI), which in line with our expectations surged by 59.3% to USD 7.24bn over the 7M2022 period, according to Vietnam's Ministry of Planning and Investment's Foreign Investment Agency's latest report. It stated that over 900 new foreign projects, capitalised at USD 5.7bn, were licensed in the first seven months of the year. The number of projects was down 8% YoY but that was due to the fact that some large-scaled projects worth over USD 100m were already registered in the 7M2021 period.

Last month we reported on Apple's announcement to manufacture iPad parts in Vietnam, and weeks later Samsung released plans for the trial production of semiconductor parts in its facility in the Thai Nguyen Province from July 2023. During a meeting with Prime Minister Pham Minh Chinh on August 5th Samsung Electronics' CEO also revealed plans to invest an additional USD 3.3bn in Vietnam later this year on top of the new investments it had already made in its other factories in the country. The new initiatives from Samsung alone potentially enhance the value chain for technological products in Vietnam, supporting the country's growing production and exports sectors as well as attracting even more FDI investment.

Top 10

Investments	NAV %	% +/-	Manager Comment
FPT Corporation	11.2	-3.4%	1H2022 net profit after tax (NPAT) rose by 28.6% YoY in part due to US market growth of 48.4%; 2022PE 19x
Gemadep	8.2	-4.1%	1H2022 NPAT and minority interest (NPATMI) soared by 95% YoY, driven by its Hai Phong ports; 2022EV/EBITDA 10.0x
Mobile World	7.9	-14.9%	NPAT grew by 1% YoY due to the high restructuring cost of its BHX grocery chain in 1H2022; 2022PE 16.9x
Phu Nhuan Jewelry	7.2	-11.5%	1H2022 NPAT increased by +48% YoY on the back of high growth in retail sales; 2022PE 13.9x
Sacombank	6.4	+14.6%	1H2022 NPAT growth of 9% YoY, normalised growth higher as it accelerated reducing legacy debts; 2022PB 1.2x
Khang Dien House	5.8	+5.8%	NPAT growth of 34% YoY in 1H2022, new project launches expected in Q3 2022; 2022PB 2.1x
MB Bank	5.5	+5.7%	1H2022 NPAT of 49% YoY driven by strong loan growth of 14.3% and reduced provisioning; 2022PB 1.3x
IDICO Corp	4.9	+22.3%	1H2022 NPAT growth of 489% YoY, due to robust sales of industrial land; 2022PE 9x
Hai An Transport	4.9	-9.2%	Robust revenue and NPATMI growth at 107% YoY and 191% YoY, respectively, in second quarter; 2022PE 5.2x
VP Bank	4.6	-1.3%	1H2022 NPAT growth of 69% YoY, mostly due to bancassurance upfront fees of around VND5trn; 2022PB 1.3x

Total **66.6**

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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