

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	277.5 pence
NAV	327.0 pence
	\$4.157
Discount / Premium	-15.1%
Total Net Assets	\$115.3m
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	26
Median Portfolio Market Cap	\$1,010m
Foreign Ownership Limit Stocks*	29.4%

Thematic Exposure

Industrialisation	33%
Domestic Consumption	10%
Urbanisation	13%

	2023E	2024F
EPS Growth	22.1%	16.9%
P/E Ratio	8.8	7.3

*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	5.2%	13.3%	21.7%	6.3%	9.7%
Vietnam All Share Index (VNAS)	4.8%	13.2%	13.0%	3.6%	7.5%

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 – Birds-eye view on Vietnam

While Vietnam's economy continued to feel the effects of dampening global demand in June, internal risk reduced further and investment – both public and foreign – helped see it grow 4.1% in Q2 compared to 3.3% in Q1.

Exports and imports growth, though still down YoY in June, recovered MoM. The retail sales upbeat streak continued thanks to healthy domestic consumption and even stronger tourism, and the total number of tourist arrivals in Vietnam surged to 5.6m in 1H 2023, the equivalent to 66% of the number over the same period in 2019.

June also saw the Fund's NAV go up, +5.2%, due to its outperformance of banks, industrials, and financials. VNH benefited from its overweight in selective banks and financial firms, but also from already being underweighted in the underperforming real estate sector. During the month, we trimmed some positions in industrial goods and services, and increased our exposure to the financial sector in the shape of brokerages, given improvements in business prospects that the concerted effort of policy makers is helping to shape in this sector. Consumer stocks delivered some of their biggest negative surprises in earnings in H1 2023 and their share prices were punished as a result.

Calendar year-to-date, the Fund's NAV is up 13.3% and we think the long-term structural growth opportunity remains exceptionally compelling in Vietnam with many major infrastructure projects, further development of its financial system and the challenge of raising US\$ 135bn to fund energy transition from coal and hydro to renewable by 2030. Vietnam's policy and diplomatic relations have continued to cushion the impact on dwindling exports and production, and we expect Vietnam to maintain a trade surplus in

2023 despite the slower than usual growth for the manufacturing sector. Easing monetary policies by the State Bank of Vietnam in 1H 2023 also continue to mitigate ripple effects of the crisis in the corporate bond market, which has lifted domestic investors' appetite for equities.

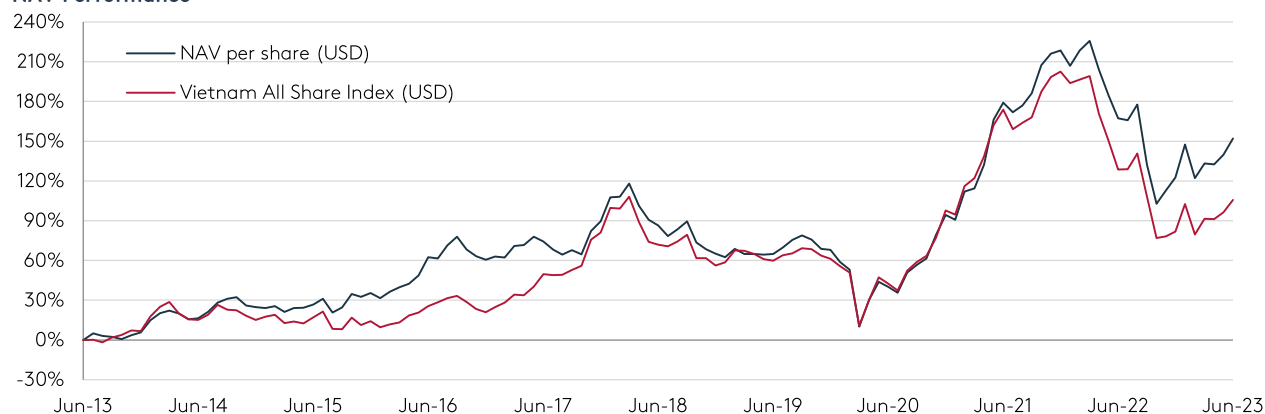
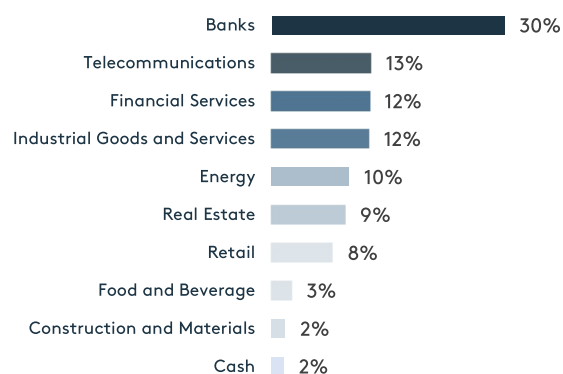
Additionally, a steady flow of foreign direct investment (FDI) has been maintained. This is in part due to issues with Chinese trade but also due to strategic trade agreements. For example, in April 2023, the UAE agreed to start talks on establishing a comprehensive economic partnership agreement (CEPA), as the two countries seek to promote collaboration in trade, investment, economy, industry, energy, logistics, agriculture and infrastructure. More recently, Japan – Vietnam's largest investor to date, according to the Asian Development Bank – signed three exchange documents related to loans with a total value of nearly US\$ 440m at the G7 Summit in Hiroshima.

Rapid digitalisation, including adoption of generative AI, means business models everywhere are changing fast, and Vietnamese companies are no exception. Cloud computing has become a key driver of the country's digital transformation and high growth rate relative to other countries.

A recent article in *The Economist* rated Vietnam's education system one of the best in the world in terms of quality, ongoing improvement, and gender equality. It cited the latest data from the World Bank on aggregate learning scores, which showed that Vietnamese students not only outperform their counterparts in neighboring Malaysia and Thailand, but also from the UK and Canada, countries more than six times richer. The article concluded: "All this has reaped rich rewards. As schools have improved, so has Vietnam's economy."

Top 10

Investments	NAV %	% +/-	Manager Comment
FPT	12.6	+2.0%	5M2023 Net Profit After Tax (NPAT) reached USD130mn (+18% YoY), driven by global IT services (+32% in revenue). 2023PE of 14x
Sacombank	10.1	+7.3%	2Q23 NPAT is estimated to post a significant growth of >50% YoY driven by NIM expansion. 2023PB of 1.3x
PV Technical Service	6.9	+4.2%	Announced preliminary 2Q2023 results with profit before tax of VND173bn (+176% YoY). 2023PE of 16.6x
MBbank	5.7	+11.0%	2Q23 NPAT is forecast to be flat YoY. Easing concerns about property exposure. 2023PB of 1x
Vietcombank	5.7	+6.1%	2Q23 NPAT is forecast to surge 40% YoY. Plans to sell 6.5% stake to a strategic partner this year. 2023 PB of 2.6x
Gemadep	5.4	+3.3%	The Nam Hai Dinh Vu divestment profit of around VND2tn will likely be booked in 2Q23, sooner than expected. 2023PE of 6.5x
Phu Nhuan Jewelry	5.1	+6.3%	5M2023's NPAT reduced by 3.5% YoY to USD41mn with the retail sales dipping by 8.7% YoY due to weaker demand. 2023PE of 12.7x
IDICO Corp	4.0	+0.9%	6M2023 FDI disbursement remains strong, and we expect that signed contracts generate better results in 2H2023. 2023PE of 6.7x
HCM Securities	3.6	+5.6%	2Q23 NPAT would be soft YoY as trading liquidity scaled down by 30%. 2023PB of 1.6x
Asia Commercial Bank	3.3	+3.6%	2Q23 NPAT is estimated to be soft YoY due to the bank's prudent approach. 2023PB of 1.1x

Total 62.4
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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