



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**

Share price	154.0 pence
NAV	186.8 pence \$2.308
Discount / Premium	-17.6%
Total Net Assets	\$117.3m
Shares in Issue	51m
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	\$540.6m	
Foreign Ownership Limit stocks*	42%	
<b>Thematic exposure</b>		
Industrialisation	40%	
Consumer	17%	
Urbanisation	24%	
	<b>2020F</b>	<b>2021F</b>
EPS Growth	7.2%	21.6%
P/E Ratio	8.9	7.3

\* Percentage of portfolio in stocks at their Foreign Ownership Limits

**Performance**

USD (%)	1 month	Year-to-date	5 year (CAGR)	10 year (CAGR)
Vietnam Holding NAV	-2.6	-16.8	2.0	5.1
Vietnam All Share Index	-3.3	-11.7	4.0	1.9

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 – Taking Stock**

Six months on since the World Health Organisation learned of a new disease spreading in Wuhan, China, one thing certain is that Covid-19 is accelerating several already existing trends. Digital transformation in Vietnam is no exception, with annual online spending in the country more than doubling in recent years. Many of the government’s swift and effective public health responses throughout the pandemic have been enabled by information technology. The country, one of only a few in the world to have no Covid-19 related deaths, has put its high penetration of mobile phones and internet access to great use with, for example, its National Public Services Portal which was launched at the end of last year. It registered significant surges in traffic from the start of the outbreak and continues to help the government promote social inclusiveness, sustainability and a strong sense of community during a time of crisis. The government was already committed to a digital transformation agenda that included its eDocument Exchange Platform, as well as a new focus on digital payments technology, the latter of which is also part of a national financial inclusion strategy that was approved back in January. Even though the Vietnam All Share Index dipped by 3.3 percent in June due to profit-taking, and the VNH portfolio was down 2.6 percent, we are optimistic about Vietnam’s fast-growing use of e-commerce and believe it will be a cornerstone of the country’s economic road to recovery. Vietnam’s external exposure to tech supply chains has helped offset some weakness in traditional manufacturing sectors, while domestic demand, including that derived from increased online shopping, is rebounding much faster than expected.

Vietnam’s June Manufacturing PMI’s broke the 50 mark for the first time in five months, with HSBC being one of many institutions to raise their 2020 growth forecasts for the country due to its lauded handling of the pandemic. HSBC raised theirs to 3.0 percent from the previously set 1.6 percent. This compares with negative forecasts for much of the developed world. Viettel post (VTP), an online parcel delivery business which is now in our top-ten holdings (4.8 % of NAV) is a prime example of this positive momentum. The company continues to benefit from the online growth and upsurge in goods delivery in Vietnam, particularly given its extensive postal coverage and large client base. It has a critical competitive advantage since it manages Viettel Telecom’s stores and point of sales, which has a subscriber base of around 67 million as of year-end 2019. To put that into context, that is almost 70 percent of the country’s population. VTP should also benefit from the Viettel Group’s newer digital services and Vietnam’s expected rise in cashless payments. Voso, VTP’s e-commerce marketplace, and MyGo, its ride-hailing service, are poised to benefit from the upcoming mobile money programme, which the Prime Minister has approved to pilot in the second half of 2020. FPT Corp, the largest weighting in VNH’s portfolio, is another company well-positioned for the heightened focus on tech and e-commerce. Global spending in information and technology is widely forecast to rebound in 2021, and that will be positive for FPT Software. The ongoing growth in content consumption in Vietnam also bodes well for FPT. Mobile World Group (MWG) operates the country’s fifth most popular website and is the leading multiproduct-omnichannel. The company has stood out for innovatively matching local needs and thoroughly looking after its stakeholders during the pandemic. We expect it to make further strides in its online grocery business expansion during H2 2020.

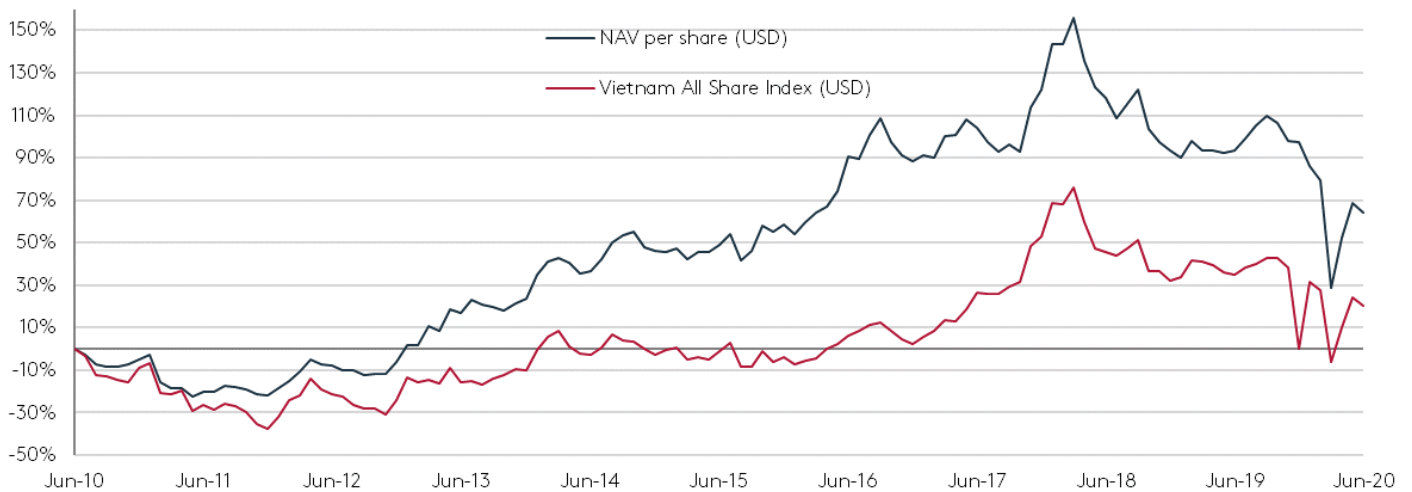
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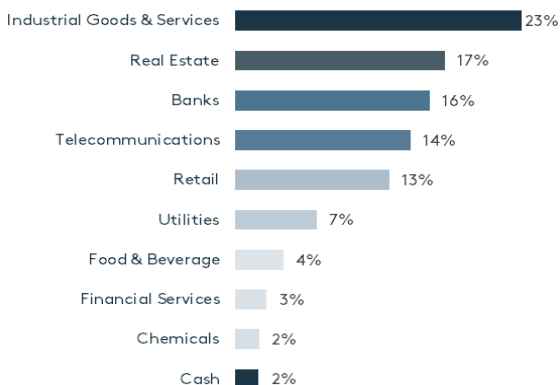


Top Ten Investments	NAV %	% +/-	Manager Comment
FPT	14.3	-4.5%	22% share of domestic broadband, 15% earnings growth YoY (May); PE 10.9x
Hoa Phat Group	6.9	-1.9%	Construction steel sales in June increased 36% YoY (100% growth in the South); PE 8.8x
Mobile World	6.9	-4.2%	Earnings growth of 3.8% and 131 new grocery stores opened in May; P/E 9.5x
MB Bank	6.3	-3.2%	Flat YoY profit before tax in 1H2020 due to increased provisions; PB 0.9x
Khang Dien House	6.3	+5.8%	Improving sales prospects, earnings growth target of 20% set at AGM; PE 12.3x
Phu Nhuan Jewelry	5.6	-8.7%	Solid earning growth of +22% YoY in May; accumulated 5M gold bar sales +20% YoY; PE 15.0x
ABA Cooltrans	5.1	+0.1%	EBITDA growth of 143% YoY in 5M2020, Constructed new 5,000 m2 Distribution Centre
Viettel Post	4.8	+1.1%	Second largest last-mile delivery service; Viettel Group to reduce its stake; PE 19.3x
Dat Xanh Group	4.4	-0.6%	Largest property brokerage, one of HR Asia Magazine's "Best companies to work for"; PB 0.6x
Vietcombank	4.2	-5.4%	Flat YoY profit before tax in 1H2020; loans and deposits growth of 3.4% YTD; PB 3.5x
<b>Total</b>	<b>64.8</b>		

### 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	1.50% on NAV below \$300m 1.25% on NAV \$300-600m 1.00% on NAV above \$600m
Incentive Fee	12% (hurdle rate 8%)
Administrator	Sanne Group (Guernsey)
Custodian	Standard Chartered Bank

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