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News Release

Dynam Capital commissions the first retail investor survey in Vietnam

Dynam Capital, the investment management firm which manages Vietnam Holding in Vietnam, has released key findings from its inaugural survey on the sentiment and behaviour of retail investors. *Vietnamese Retail Investors Study 2021*, which is the first report of its kind to be published, engaged with 425 participants mostly from Hanoi and Ho Chi Minh City during the month of August 2021. The survey was carried out by Indochina Research Limited, an independent market research firm.

It highlights a number of insights into the changing nature of Vietnam's retail investment market given rapid digitalisation, working from home (WFH) and other mega trends spurred by the pandemic, including how retail investors have emerged as a new decisive buying force in Vietnam's market. Activity in the past has been predominantly driven by foreign investors, but the stock market boom this year has been fuelled more by domestic WFH investors and Dynam Capital's new report provides a timely take on the characteristics of these "newbie" retail investors.

The survey's report makes a unique distinction citing half of the participants as F0 investors: those who entered the market in the past year, have an average portfolio value of USD 11k and mainly surf stocks based on market trends and influences from friends and relatives. The other half are F1+ investors, those who have invested in the market for more than one year, have an average portfolio size of USD 24.5k and tend to keep stocks longer based on financial news and macro trends. The survey also found that 96% of all participants trade through online trading apps, with four out of ten using more than one app to optimise their trading experience and gains.

Commenting on the report, Craig Martin, Chairman of Dynam Capital, says the report also shows that the retail investors of today consider equity investment more as a source of extra income with the majority of those surveyed actively selecting stocks. 'The growth in the stock market in Vietnam has been meteoric: the market value of publicly traded companies is close to USD 300bn in 2021, up from USD 2bn in 2006 when investment funds, such as Vietnam Holding (VNH) commenced their activity. The stock market has created additional wealth and income for some of the new domestic investors surveyed, and longer-term investors, such as those who invest in VNH, have also seen compound average returns of 15% per annum over the last decade.'

Listed on the London Stock Exchange, VNH is a close-ended Fund focused on companies in Vietnam that demonstrate a commitment to environmental, social and governance (ESG) principles. Its August 2021's Investment Manager's report discussed how the Fund's overweight in selected brokerage firms was a positive contributor given domestic retail investors' increased activity with average trading volumes reaching US\$1bn per day, five times the levels in 2019.

To put that into context, VNH's 15th anniversary this year coincided with an extraordinary escalation in domestic investors replacing foreigners and causing the main bourse, the Ho Chi Minh City Stock Exchange (HOSE), to halt trading for the first time in its and the Fund's history. There are now an estimated four million retail trading accounts in Vietnam, which is more than in the U.K.

In terms of performance and outlook, the survey's report found that 79% of investor respondents recorded strong gains in the past year and that 59% of them are optimistic about the market going up more than 5% in the final months of 2021 despite the Delta variant's dent on the economy. This suggests confidence among retail investors that the vaccination rollout would pick up pace and make a positive impact on the stock market.

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About Dynam Capital

[Dynam Capital](#) is a partner-owned business whose sole focus is active investment management in Vietnam. As a responsible, long-term investor, its strategy is based on research-driven fundamental analysis seeking attractive purpose-oriented companies in the country that demonstrate a commitment to environmental, social and governance principles. It is the manager of Vietnam Holding, which has been a signatory to the United Nations' Principles on Responsible Investing since 2009.