

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	255.0 pence
NAV	304.7 pence
	\$3.830
Discount / Premium	-16.3%
Total Net Assets	\$108.2m
Shares in Issue	28m
Portfolio Managers	Vu Quang Thinh Craig Martin
Investment Manager	Dynam Capital
Ticker	VNH
Website	<a href="http://www.vietnamholding.com">www.vietnamholding.com</a>

**Portfolio**

Number of Investments	23
Median Portfolio Market Cap	\$1,076m
Foreign Ownership Limit Stocks*	34.0%

**Thematic Exposure**

Industrialisation	34%
Domestic Consumption	13%
Urbanisation	14%

	<b>2023E</b>	<b>2024F</b>
EPS Growth	25.3%	15.3%
P/E Ratio	8.6	7.6

\*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	-0.4%	4.4%	21.3%	2.9%	9.7%
Vietnam All Share Index (VNAS)	-0.2%	5.2%	13.6%	0.2%	6.8%

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 – Moving ahead in an uncertain world**

April ended on a flat note overall for Vietnam. Although the country ran a trade surplus of US\$ 6.4bn for the first four months of 2023 (4M-2023), global macroeconomic uncertainty meant its key manufacturing sector, particularly garments and electronics makers, were unable to maintain their usual high growth with some forced to cut some jobs due to dampening demand from abroad. The impact of the global slowdown is very broad-based with the biggest impacts seen in textiles, footwear, smartphones, wooden furniture, fishery products, as well as in iron and steel.

On the positive front, the Vietnam Dong has become more stable, and FX reserves robust. Foreign direct investment (FDI) and public investment also continued to push ahead. For example, public investment for the 4M-2023 is estimated at US\$5.6 bn – an increase of 18% year-on-year (YoY). Additionally, inflation risk is more under control compared to many other markets, and unlike the rest of the world, Vietnam's central bank, the State Bank of Vietnam (SBV), has been cutting its interest rates.

Another plus is that international tourism bounced back strongly in April, with Chinese arrivals making a significant rebound, up +62% month on month (MoM), after authorities in China lifted Covid-19 restrictions for group tours from the 15<sup>th</sup> of March. Retail sales remained upbeat, largely due to the tourism comeback and two recent public holidays in Vietnam. Nevertheless, we expect a downward trend of retail sales in coming months due to the many lingering global macro and geopolitical risks afflicting all countries.

Recent policy developments in Vietnam still provided positive forecasts, for example, with the government's VAT and interest rate reductions, further stimulus packages as well as its ongoing efforts to resolve real estate corruption finally bearing fruit. FX risk is much lower compared to last quarter and a weaker US dollar has

allowed modest easing from the SBV. This not only helps restore confidence in the country's real estate and corporate bond markets, but also reduces market risks for its banks.

As expected, volatility in Vietnam's equities market persisted into April, pricing in both good and bad news. Despite headwinds in the short-term, both externally and internally, the Fund, with a decline of 0.4% NAV for the month, continued to accumulate shares during the month, as companies accounted for their disappointing earnings growth for Q1 2023. Though domestic sentiment was still somewhat subdued, we also saw signs of foreign investors allocating more to Vietnam and this has been apparent by more flows into Vietnam ETFs and other investment products.

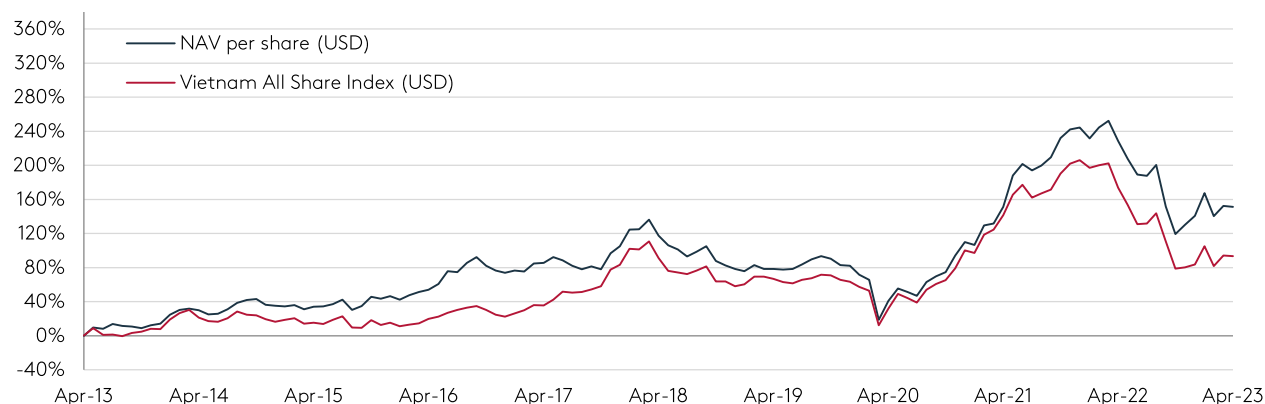
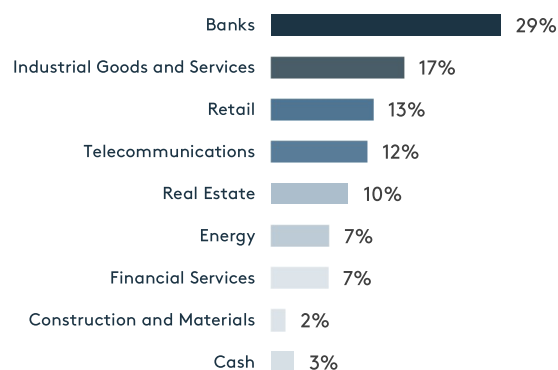
Ongoing disruption is why conviction and selection criteria continue to be as important as ever, not least as policy changes around the world influence so much of how business leaders and their stakeholders up and down the value chains make decisions.

In April, we welcomed more transparent regulations signed by Deputy Prime Minister Tran Luu Quang on the procedures, issuance, and management of Asia-Pacific Economic Cooperation (APEC) business travel cards, which are inevitably key to future business propositions in Vietnam. Seven APEC economies, namely the United States, China, Japan, South Korea, China and Hong Kong SAR, Malaysia, and Singapore, are among the top 10 largest export markets and major investors in Vietnam, so the benefits of encouraging international businesspeople to visit the country more easily will only attract further investment.

We thank all investors for their continued support and interest.

**Top 10**

Investments	NAV %	% +/-	Manager Comment
FPT	12.2	-2.0%	1Q2023 Net Profit After tax (NPAT) reached VND1.8tn (+17.6% YoY), in which outsourcing grew by 33%. 2023PE of 14.5x
Sacombank	9.2	-3.4%	1Q2023 NPAT surged 50% YoY to VND 1.9tn, driven by NIM expansion. 2023PB of 1.1x
Phu Nhuan Jewelry	9.1	-0.9%	1Q2023 revenue declined 3.4% but NPAT grew by 3.8% YoY thanks to the expansion of gross margin. 2023PE of 12x
Gemadep	8.8	+2.2%	Due to weak throughput demand in 1Q2023, the NPAT-MI recorded negative growth of 26% YoY. 2023PE of 6.3x
MBbank	5.6	+1.1%	1Q2023 NPAT increased 10% YoY to VND 5.0tn, thanks to loan growth & slight improvement in NIM. 2023PB of 0.9x
Vietinbank	5.2	-1.2%	1Q2023 NPAT increased by a modest 3% YoY to VND 4.8tn, due to a surge in provision expenses. 2023PB of 1.1x
PV Technical Service	4.3	-0.4%	1Q2023 revenue of VND3.7tn (-2% YoY) and NPAT-MI of VND215bn (-1% YoY). 2023PE of 11.2x
Hoa Phat Group	4.2	+4.1%	1Q2023 NPAT was VND383bn (-95% YoY), showing a turnaround in the bottom line from the net loss of 4Q2022. 2023PE of 14.7x
IDICO Corp	3.9	-1.0%	1Q2023 NPAT dropped -42% YoY as the Company delayed handover in land projects, expected to complete in 2Q2023. 2023PE 5.9x
Vietcombank	3.8	-0.9%	1Q2023 NPAT grew by 13% YoY to VND 8.9tn. NIM contracted as it pioneered cutting lending interests for its clients. 2023PB of 2.6x

**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 <sup>st</sup> 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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