

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	316.0 pence
NAV	372.2 pence
	\$4.691
Discount / Premium	-15.1%
Total Net Assets	\$137.4m
Shares in Issue	29m
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	24	
Median Portfolio Market Cap	\$1183.4m	
Foreign Ownership Limit Stocks*	40.1%	
<b>Thematic Exposure</b>		
Industrialisation	29%	
Domestic Consumption	16%	
Urbanisation	18%	
	<b>2022E</b>	<b>2023F</b>
EPS Growth	26.4%	21.7%
P/E Ratio	12.0	9.5

\*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	-6.3%	-10.6%	20.4%	9.9%	13.7%
Vietnam All Share Index (VNAS)	-7.5%	-17.3%	15.8%	12.3%	10.1%

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 – Made in Vietnam

Vietnam is fast becoming one of the main beneficiaries of shifting supply chains and in recent months has increasingly shown how the government's 'open for business' policies are paying off. In mid-May, Prime Minister Pham Minh Chinh rang the closing bell of the New York Stock Exchange (NYSE), proving how Vietnam has progressed its participation in the international capital markets to help its companies further finance growth. As the government continues to build on its economic story post-pandemic, by also focusing on improving regulatory and legal frameworks, we see how the 'Made in Vietnam' theme is making its mark on the global stage more than ever before. Later in May, Apple announced that for the first time it is moving some iPad production out of China and into Vietnam after strict Covid lockdowns in and around Shanghai led to months of severe supply chain disruptions. With iPads now the second major line of Apple products made in Vietnam, the announcement shined more light on the country's expanding role in global trade and manufacturing. Companies, such as Samsung and Intel, were some of the first foreign investors to help make Vietnam one of the world's top exporters of electronics and in recent years we have seen domestic brands add to that momentum. Now manufacturers from all over the world are looking at Vietnam as part of their relocation strategy to effectively diversify and reduce supply chain risks.

Unlike China, Vietnam has largely overcome the pandemic, having successfully rolled out a vaccination programme following the hard-hitting Delta wave last year. Speaking at the NYSE, Vietnam's Prime Minister emphasised the government's commitment to supporting 'sustainable, law-abiding development' as businesses move on from the Covid crisis. Legal action was taken again last month to remove corrupt officials, showing how the government intends to crack down on regulatory breaches that bruise the integrity and efficiency of its markets. Meanwhile, the Asian Development Bank confirmed its growth forecasts for Vietnam's economy: 6.5% in 2022 and 6.7% in 2023. As discussed in our recent webinar, 'Vietnam's Prominent Role in the Global Supply Chain', the country has not

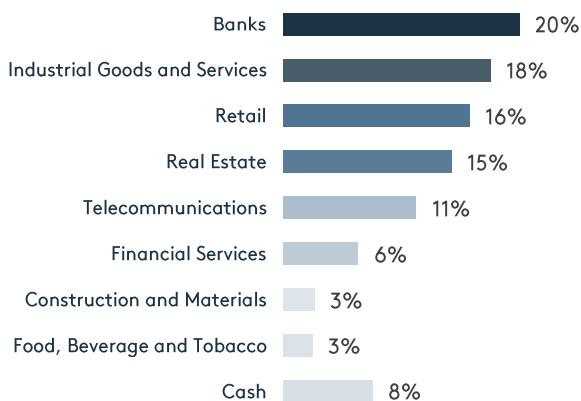
been as badly hit by higher fuel costs and increased fertiliser prices as others because as a food producer it can feed itself and export anything from fruit and vegetables to coffee. Fish and rice prices in Vietnam have been unaffected by the war in Ukraine, for example, with the cost of pork actually going down 20% due to a greater supply.

Although equities worldwide saw another bumpy month, given the escalating inflationary concerns and tighter central bank policies, the Fund outperformed the Vietnam All Shares (VNAS) index, falling by 6.3% vs the VNAS decline of 7.5%. Year-to-date the fund has outperformed the index by 6.7% due mainly to overweight positions in ports & logistics, retail and telecoms (FPT). There has been diverse performance among positions. Gemadept (GMD) and Hai An Transport (HAH) were top positive contributors, having continued to benefit from supply chain shifts and elevated freight costs. As almost all coronavirus restrictions are now lifted in Vietnam, retailers also continued to recover strongly with portfolio companies, Mobile World Investment Corporation (MWG) and Phu Nhuan Jewelry (PNJ), expanding their businesses through the opening of new stores. Despite 2022's nuances and difficult global risk environment, the Fund has demonstrated outperformance over 1, 3, and 10 years. Our size means we are nimble and able to take advantage of opportunities across small, medium and large companies as industry shifts and cultural transformations unfold. Valuations also have become more compelling following the correction in April when domestic retail investors faced margin calls, and the fund has cash to take advantage of this. Indeed, over the past month we have seen evidence of foreign flows returning to Vietnamese equities and expect long-term performance of the market overall to strengthen as the country emerges from the Covid era with increased resiliency, and renewed growth in consumption and modern industrialisation. Looking ahead into the second half of the year, we expect foreign direct investment to rise as well, particularly as travel resumes and demand for infrastructure development grows.

**Top 10**

Investments	NAV %	% +/-	Manager Comment
FPT Corporation	11.5	+3.7%	4M2022 Net Profit After Tax (NPAT) increased by 33.7% YoY, Global IT service PAT rose by 34.9% YoY; 2022PE 20.6x
Mobile World	8.7	-3.8%	4M2022 NPAT grew by 8% YoY, from a high-base level in 2021. Grocery chain revenue is recovering; 2022PE 17.3x
Gemadep	8.5	+1.6%	Gemalink port's container throughput grew by 66% YoY after 4 months; 2022 EV/EBITDA 11.1x, 2022PE 18.9x
Phu Nhuan Jewelry	6.8	+5.4%	NPAT increased by +44.9% after 4 months, and gross margin improved by 1% vs last year; 2022PE 17.3x
Hai An Transport	5.8	+3.2%	Setting up a JV with ZIM (10th largest container line) to increase its presence in the Intra-Asia market; 2022PE 6.8x
MB Bank	5.6	-7.8%	Expected to obtain a high credit growth quota due to supporting a struggling bank; 2022PB 1.4x
Khang Dien House	5.5	-13.0%	Expected to launch the new 'Classia' townhouse project in August 2022; 2022PB 2.3x
Sacombank	5.4	-20.1%	Making good progress on solving legacy debts (VND6.5trn out of VND15trn full-year target); 2022PB 1.1x
VP Bank	4.7	-16.3%	The plan to sell a 15% stake to a foreign partner might be delayed to year-end; 2022PB 1.4x
VN Direct	4.0	-17.7%	VN Direct has become the largest securities company in Vietnam in terms of chartered capital; 2022PE 9.2x

**Total**                    **65.5**
**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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