



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	149.5 pence
NAV	200.0 pence \$2.586
Discount / Premium	-25.3%
Total Net Assets	\$130.8m
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	\$832.5m	
Foreign Ownership Limit stocks*	46%	
Thematic exposure		
Industrialisation	39%	
Consumer	15%	
Urbanisation	21%	
	2020F	2021F
EPS Growth	8.5%	20.7%
P/E Ratio	10.3	8.5

* 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	4.0	-6.7	4.7	7.2
Vietnam All Share Index (VNAS)	4.4	-1.6	8.0	4.4

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 – Banking on a sustainable recovery

Vietnam saw a strong boost in sentiment and economic activity in September with an improved PMI of 52.2 and a GDP growth of 2.6% for Q3. Although the full year expected growth of 2.5% is below its multi-decade average of 7%, its macro-economic picture looks uniquely positive despite the global pandemic. It is now likely that 2020 will end with a record level of foreign reserves in Vietnam, possibly over US\$100bn. This is the culmination of a record trade surplus – US\$17bn for the year to September – as well as a nine-month high in foreign direct investment as Vietnam continues to emerge strongly as an attractive location for manufacturing and natural diversification to China. The UK’s Foreign Minister, Dominic Raab, recently visited Hanoi to discuss trade matters. As the current Chair of ASEAN, Vietnam is likely to support the UK’s ambition to become part of the successor to the Trans-Pacific Partnership (even though the UK faces the Atlantic) and to replicate the EU’s free trade agreement with Vietnam sealed earlier this year.

The VNAS Index performed well in September, rising 4.4% for the month, and driven mainly by banks, food & beverage (F&B) and industrial goods. Most of the listed banks achieved above market-expectation earnings for Q3, and F&B companies (VNM, SAB) are also likely to release surprise earnings growth for Q3 considering the notable domestic retail sales increases. The Fund’s NAV rose by 4.0% led partly by our increased allocation to the banking sector: we have more than doubled our allocation this year to 20% (the index weighting is more than 25%). As listed banks tend to be large, a consequence of this higher allocation is that our median portfolio market capitalization has risen to cUS\$833m. This has also resulted in a higher liquidity profile for the underlying portfolio.

In our view, the banking sector stands out in Vietnam unlike in many developed countries right now. Banks are regulated more than other industries and as a result must adopt best practice standards, which pushes them to maintain healthier balance sheets and operational resilience. Moreover, we believe 2021 could see strong returns from banks on the back of economic recovery, with GDP growth of 7-8% forecast. In the longer-term, as Vietnam’s e-commerce market continues to grow and middle-income consumers continue to multiply, technological advancements will ultimately lead to greater financial inclusion and wider use of investment and credit products. The growth potential in Vietnam is huge since despite rapid growth over the past 20 years, less than 40% of the population today has a bank account. As the country further industrializes and urbanizes, there will be escalating demand for modern yet affordable housing, mortgage and savings products, and e-payments. The momentum was marked at the end of the month with Timo Plus, Vietnam’s first digital bank, re-launching its services at the end of September, and the government’s ongoing focus on policies to expand its online payments and fintech sector, namely by offering start-ups preferential loans from the Vietnam Development Bank.

The Fund has issued its 2020 annual report and announced the date for the AGM (30 October). The Fund has recently made two important announcements, firstly a proposed tender to purchase 15 per cent of its shares at a 2% discount to NAV, and secondly, adjustments to its fee structure, including a removal of the incentive fee and modifications to the management fee. Details are available on www.vietnamholding.com

Dynam is hosting a webinar on Friday 30th October at 10:00 AM (UK) and all are welcome to register to attend.

Manager – Dynam Capital | + 84 28 38277 590 | info@dynamcapital.com | www.dynamcapital.com

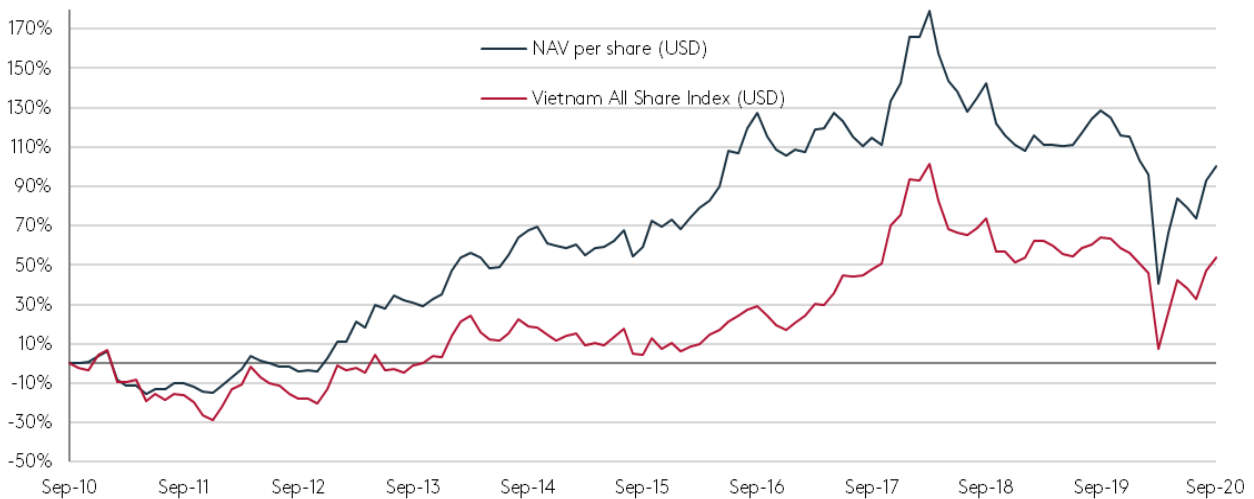
Market Maker – finnCap | + 44 207 220 0558 | JHewitson@finncap.com



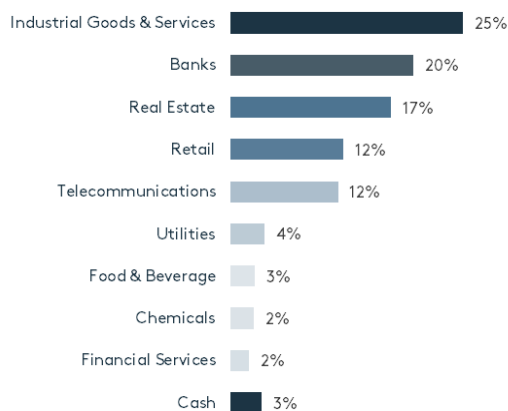
Top Ten Investments	NAV %	% +/-	Manager Comment
FPT Corporation	11.6	+0.9%	Strong growth from digital transformation; 12% YoY earnings growth in 8M2020; PE 12x
Hoa Phat Group	9.0	+7.4%	Leading integrated construction steel & pipe manufacturer, ~32% market share; PE 10x
Mobile World	8.0	+11.6%	Leading omni-channel retailer; Grocery store brand – BHX - reached 1,595 stores; PE 12.7x
Vinhomes	6.3	-3.9%	The leading nationwide property developer has been promoting a bulk sales strategy; PE 10.1x
Khang Dien House	6.2	-0.5%	2020 earnings on track due to sales pipeline and handover of completed projects; PE 12.8x
Gemadep Corp	5.0	+10.0%	Sea cargo throughput volumes appear to be recovering; PE 15.6x
ABA Cooltrans	4.6	0.0%	EBITDA grew by 28.8% YoY in 8M 2020; Convertible Bond to be redeemed Q4 2020
Vietin Bank	4.6	+3.2%	Strong 9M20 PBT growth expected, driven by divestment gains and stabilized NIM; PB 1.2x
Vietcombank	4.2	+1.2%	Improved NIM and lower provisions - but flat 9M20 PBT growth expected; PB 3.4x
Phu Nhuan Jewelry	4.2	+1.4%	August earnings muted on resurgence of Covid-19; 8M gold jewellery sales +2% YoY; PE 15.9x

Total **63.7**

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 (w.e.f 1 st Nov 2020)	1.75% on NAV below \$300m 1.50% on NAV \$300-600m 1.00% on NAV above \$600m
Administrator	Sanne Group (Guernsey)
Custodian	Standard Chartered Bank

Disclaimer

This factsheet is prepared on behalf of Vietnam Holding Ltd. (the "Fund") by Dynam Capital Limited, and is solely communicated to, and directed only at persons who are investment professionals, high net worth companies or others who are entitled to be given the factsheet under the law of the jurisdiction in which it is given. Persons receiving this factsheet should note that past performance is no guide to the future and, in particular, that the past returns of the Vietnamese stock market, or of companies listed on it, are no guarantee of the future returns of Vietnam Holding. This factsheet and the information contained herein must not be acted on or relied on for any purpose whatsoever. This factsheet is strictly confidential and may not be copied or distributed or passed on by recipient. No understanding representation or warranty or other assurance, express or implied, is made or given by any person to the accuracy, fairness or completeness of the information or opinions contained in this factsheet and no responsibility or liability is accepted for any such information or opinions. It is the responsibility of every person reading this document to satisfy themselves as to the full observance of the laws of any relevant country, including obtaining any government or other consent which may be required or observing any other formality which needs to be observed in that country.