



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	294.0 pence
NAV	349.8 pence \$4.717
Discount / Premium	-16.0%
Total Net Assets	\$140.1m
Shares in Issue	30m
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	\$1465.1m
Foreign Ownership Limit stocks*	44.1%

Thematic exposure

Industrialisation	25%
Domestic Consumption	15%
Urbanisation	19%

	2021F	2022F
EPS Growth	51.7%	24.2%
P/E Ratio	12.1	10.0

* 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	3.3	47.4	14.7	10.0	15.1
Vietnam All Share Index (VNAS)	1.6	35.5	14.4	15.0	11.9

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 – The Rise of the Retail Investor

Vietnam's economy was hit hard by strict lockdowns in September, with manufacturing falling significantly for the second month running and GDP Q3/2021 growth down -6.2% YoY. Foreign investors were selling throughout the month, nevertheless, leading stocks in the consumption sector performed strongly, with MWG, one of the Fund's largest holdings, posting impressive returns as the modern retail trend in Vietnam continues to strengthen despite the Delta variant's economic dents in Q3.

VNH was the top performing fund for the first nine months of 2021, beating the VN Index by 24% and outperforming its peers. Its NAV was up +3.3 for September with other top positive contributors DGW, HPG and VPB faring well. Both DGW (Digiworld), the country's leading ICT distributor, and HPG, Vietnam's top steel maker, continued to benefit from rising demand throughout the pandemic. VPB will receive proceeds from selling its stake in the finance company FE Credit and we expect it could become the biggest private bank in Vietnam in terms of capital given its senior management's long-term strategy.

It has been an extraordinary year for Vietnam's benchmark stock index, which having gained around 23% since the start of 2021 is this year's top-performing market in the Asia-Pacific region. As noted in the Fund's recent annual report, VNH's 15th anniversary this year coincided with an unprecedented escalation in domestic investor activity. To put this into more context, the market value of publicly traded companies in Vietnam is now close to USD 300bn, up from USD 2bn in 2006, when investment funds, such as VNH, commenced their activity. As a result, the stock market has created additional wealth and income for the many new domestic

investors in the country, and longer-term investors, such as those who invest in VNH, have also seen compound average returns of more than 15% per annum over the last decade.

Also, as part of our rigorous market analysis, we recently commissioned an independent research firm to conduct a first of its kind survey on the sentiment and behaviour of the growing retail investment base in Vietnam, and the findings paint a more upbeat picture of what is to come in the last quarter of 2021 as vaccinations pick up pace and lockdown restrictions are gradually lifted. Carried out in the month of August, the survey captures the changing nature of Vietnam's retail investment market, namely how these investors have emerged as a decisive buying force by allocating their money in selective stocks more than in traditional assets, such as gold.

Since Covid-19 struck and working from home became the new norm, this investor base has grown to an estimated four million trading accounts, around 3% of the country's population, which is remarkably more than in the UK and similar to Taiwan's figure in 1986 when the market there went on to experience decades-long stock market surge. Of the survey's 425 respondents, 79% recorded strong gains in the past year and 59% said they feel optimistic about the market going up more than 5% in the final months of 2021 suggesting optimistic outlooks despite the Delta variant's paralysing effect on trade in the past two months.

Vietnam Holding published its annual report on 1st October (available on the VNH [website](#)) and has announced that the Annual General Meeting will be held 10.00 a.m. (UK) on Monday, 1 November 2021 at the offices of FIM Capital Limited, 55 Athol Street, Douglas, Isle of Man, IM1 1LA. The AGM will be followed by an Investor Update Webinar at 10.30 a.m. which will be recorded. Registration for the webinar can be made at this [link](#).

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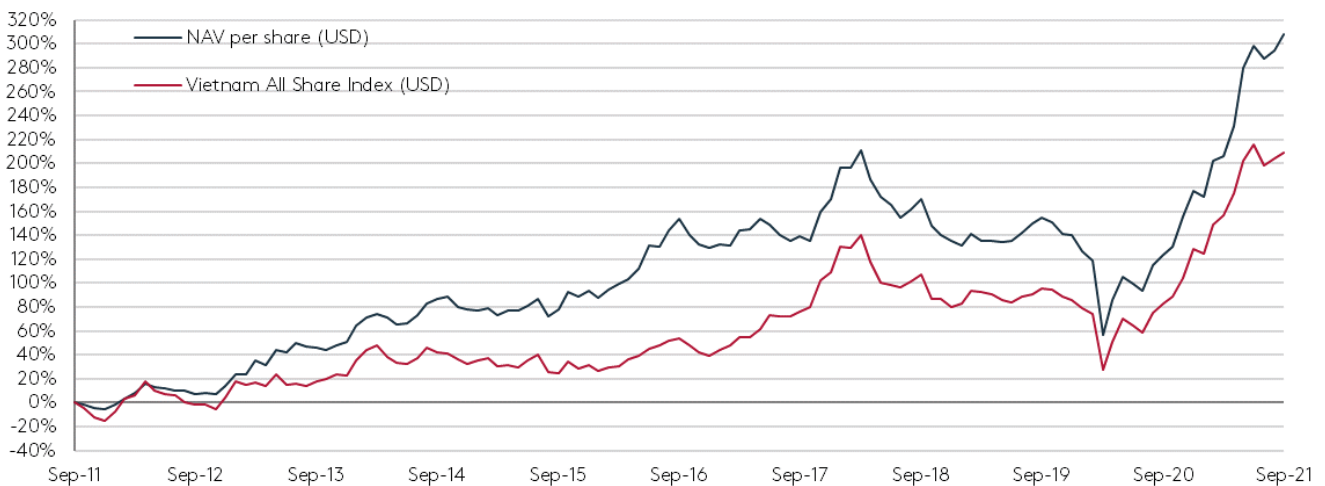
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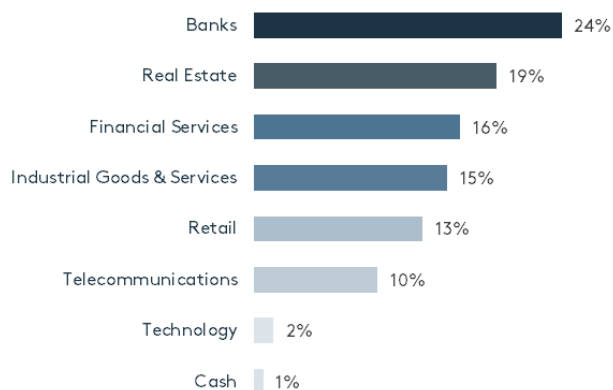
Top Ten Investments	NAV %	% +/-	Manager Comment
FPT Corporation	9.7	+0.7%	8M2021 Net Profit After Tax (NPAT)+ 18.6% YoY despite Covid-19 impacts; 2021PE 22x
Hoa Phat Group	8.7	+7.4%	Sales volume for 9M2021 achieved 6.3MT (+43% YoY), robust Q3 NPAT expected; 2021PE 7.9x
Mobile World	7.7	+15.2%	August's NPAT down 32% YoY due to lockdown, all stores have now re-opened; 2021PE 23x
VP Bank	6.5	+7.1%	Q3 NPAT expected to be weak, 80% share dividend paid; 2021PB 2.5x
Gemadep	6.1	-3.8%	Gemalink achieved 61% capacity utilization in 8M2021 and robust Q3 NPAT expected; 2021PE 24.3x
MB Bank	5.8	-0.1%	Q3 NPAT expected to be weak on Increased provisioning; 2021PB 1.9x
Nam Long Group	5.7	-3.5%	Successfully raised US\$86m in a share placement in September; 2021PB 1.7x
Sacombank	5.6	-5.9%	Q3 NPAT expected to be weak on slower credit growth; 2021F PB 1.4x
Phu Nhuan Jewelry	5.6	+14.9%	8M2021 NPAT +14.8% YoY despite losses in August, all stores have now re-opened; 2021PE 24x
Khang Dien House	5.5	+4.8%	Raised US\$34m through a sale of 19.85m treasury shares in September; 2021PB 2.5x

Total **66.9**

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

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