



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	192.0 pence
NAV	229.0 pence \$3.145
Discount / Premium	-16.2%
Total Net Assets	\$134.9m
Shares in Issue	43m
Portfolio managers	Vu Quang Think Craig Martin
Investment Manager	Dynam Capital
Ticker	VNH
Website	www.vietnamholding.com

Portfolio

Number of investments	26
Median Portfolio Market Cap	\$1,726.6m
Foreign Ownership Limit stocks*	41.5%

Thematic exposure

Industrialisation	37%
Domestic Consumption	14%
Urbanisation	17%

	2020	2021F
EPS Growth	17.2%	23.2%
P/E Ratio	11.4	9.5

* 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	-1.7	-1.7	7.7	8.7
Vietnam All Share Index (VNAS)	-1.5	-1.5	12.2	5.9

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 – Back to the Future

Business and consumer confidence continues to thrive in Vietnam with yet more YoY growth rates reaching or exceeding pre-pandemic levels. Export growth for January 2021 showed solid momentum for an eighth consecutive month, increasing by 51% YoY. Imports also proved impressive having recorded further growth for a sixth straight month, 42% YoY, thanks to a rise in both domestic as well as external demand ahead of the Tet holidays. At the same time, the stock market experienced increased volatility due to bursts in global markets and news of a fresh outbreak of COVID-19 cases in the north of Vietnam. Equities rallied 20% from 31st October until 31st December and this carried on during the first week of January with record inflows of domestic money fuelled by proliferating positive sentiment. Then, as the new COVID-19 cases emerged, an abrupt rush of profit taking, mainly by margin-funded local investors, set in before the lunar holidays. Ripple effects from the rebalancing of ETFs added to volumes traded further complicating operational issues at the Ho Chi Minh Stock Exchange. The VNI ended the month down -4.2% due to profit taking activities and the associated volatility. The selloff was particularly notable in bank stocks, which have been booming since last May due to the huge growth potential for introducing investing and borrowing products in this untapped market. The Fund's NAV, which was up 9% midway through the month, ended the month down -1.7%. We are encouraged that the NAV (and share price) has subsequently rebounded at the time of going to press. Our retail stocks, including MWG, were positive contributors, reinforcing the confidence in Vietnam's quick containment of the new round of COVID-19 infections. In our view, the recent correction also highlights the far from stretched valuations in Vietnamese companies, as the economy continues to soar and

remains relatively unscathed by the pandemic compared to other surrounding markets. EPS growth for 2021 is forecast at +23.2%, and we feel that risks come more from outside the country than within. The latest economic indicators also speak for themselves. Retail sales are nearly back to 2019 levels, hitting a historical high in January with a YoY jump of 6.4%. By the same token, industrial production strengthened for a fifth consecutive month increasing by 22% YoY and from 9.5 % YoY in December 2020. The January increase marked its biggest growth rate since February 2020. Real estate and IT remain two of the most resilient sectors in Vietnam and we expect companies in these areas to continue to be less affected by future COVID-19 disruptions around the world. Vietnam's manufacturing sector continues to strengthen and is becoming increasingly attractive to foreign investment as a well-placed alternative to China. As an example, Apple's supplier Foxconn plans to establish a \$270 million manufacturing facility in Vietnam, joining other global electronics manufacturers including Samsung and LG that are currently expanding their plants in the country. Electronics components posted a +45% YoY growth spurt with communication equipment, consumer electronics and other specialised machines up 37%, 32%, and 41% YoY respectively. Impressive growth was also attributable to the country's steel and basic iron, which was up 49% YoY. The Domestic political landscape is also stable following the conclusion of the recent Party Congress and leadership elections and we foresee unchanged fiscal and monetary policy going forward. In addition, many of the vital projects within the government's US\$ 120bn infrastructure pledge are now funded and underway in a more disciplined manner after the anti-corruption drive of previous years. The Government's policies around building a greener and more inclusive future are beginning to take shape. We have every confidence that the future for Vietnam remains bright, the economy will continue to thrive in the future, and the Fund is well positioned to benefit directly as the economic performance advances.

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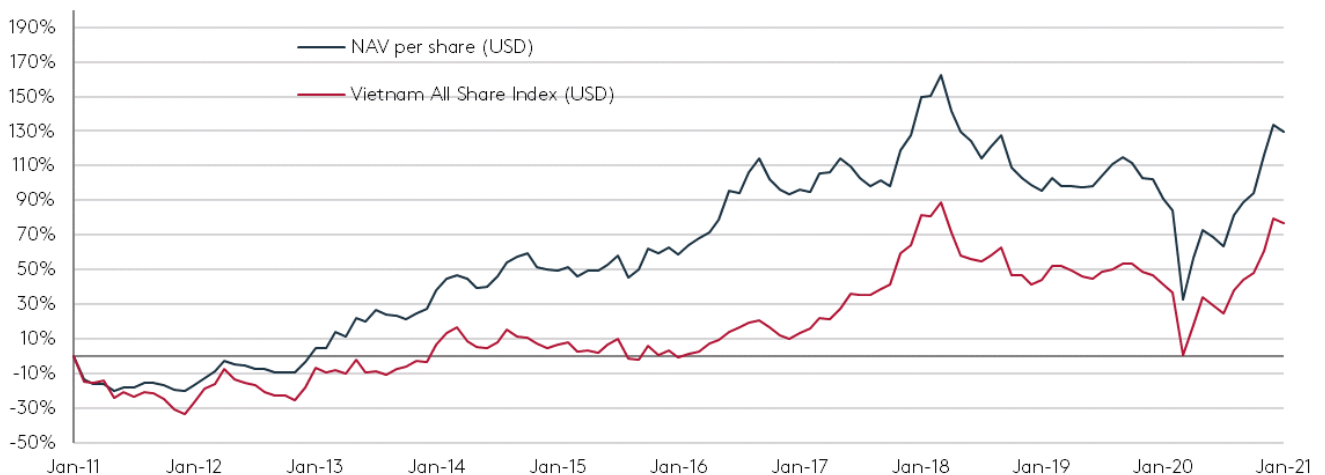
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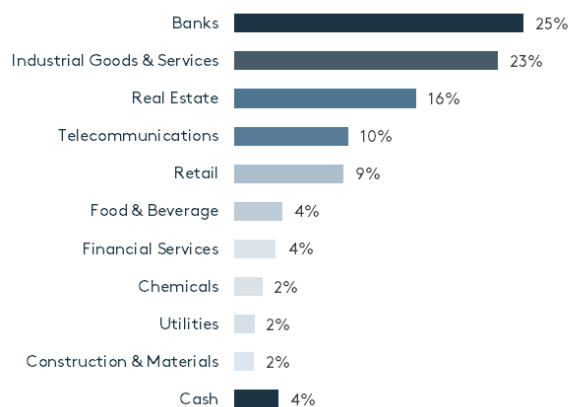
Top Ten Investments	NAV %	% +/-	Manager Comment
FPT Corporation	9.9	+6.3%	2020 revenue and net profit growth of 7.6% and 12.8% YoY, respectively; 2021PE 12.9x
Hoa Phat Group	8.4	-5.4%	Achieved record sales and net profit in 2020, growth of 41.6% and 78.2% YoY; 2021PE 8.1x
Vietin Bank	7.8	-11.5%	2020 NPAT surged 45% YoY on higher NIM & robust non-interest incomes; 2021 PB 1.2x
Vinhomes	7.1	+4.7%	Growth in revenue and net profit of 37.3% and 28% YoY due to large project sales; 2021PE 10.4x
VP Bank	5.7	-7.5%	2020 NPAT grew 26% YoY due to improved cost efficiency & robust investment gains; 2021PB 1.1x
Gemadept Corp	5.3	-8.4%	Core profit before tax dropped by 18.7% in 2020, Gemalink port in operation Jan 2021; 2021PE 14.1x
Khang Dien House	5.2	+9.1%	Revenue and net profit grew by 61.5% and 25.9% YoY in 2020; 2021PE 14.2x
MB Bank	5.0	+3.1%	2020 NPAT grew only 6% YoY due to raising provision expenses by 25% YoY; 2021PB 1.2x
Mobile World	5.0	+11.8%	Net profit grew by 2% in 2020, opened 302 DMX super-mini stores; 2021PE 12.0x
ABA Cooltrans	4.5	+0.2%	2020 EBITDA grew by 4.0% YoY and fulfilled 71% of the full-year EBITDA target.

Total **63.9**

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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