

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 | 383.0 pence |
| NAV | 401.1 pence |
| | \$5.107 |
| Discount / Premium | -4.5% |
| Total Net Assets | \$139.3m |
| Shares in Issue | 27m |
| Portfolio Managers | Vu Quang Thinh Nguyen Hoang Thanh Craig Martin |
| Investment Manager | Dynam Capital |
| Ticker | VNH |
| Website | www.vietnamholding.com |

Portfolio

| | | |
|---------------------------------|--------------|--------------|
| Number of Investments | 24 | |
| Median Portfolio Market Cap | \$1,186m | |
| Foreign Ownership Limit Stocks* | 34.8% | |
| Thematic Exposure | | |
| Industrialisation | 45% | |
| Domestic Consumption | 13% | |
| Urbanisation | 6% | |
| | 2024E | 2025F |
| EPS Growth | 19.5% | 20.3% |
| P/E Ratio | 16.4 | 13.1 |

*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 | 4.9% | 13.7% | 5.2% | 13.7% | 10.3% |
| Vietnam All Share Index (VNAS) | 4.6% | 7.9% | -4.7% | 7.1% | 7.0% |

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: April Showers, May Flowers

After a stormy April, Vietnam's stock market made a reasonable recovery in May, though performance varied across sectors and volatility remains a given due largely to ongoing global risks and uncertainties. Up +4.9% for the month, VNH outperformed the VNAS again mainly because of its holdings in Telecoms, Industrials and Retail. Vietnam's retail sector continued to enjoy sustainable growth in May, driven primarily by buoyant hospitality and tourism. Tourism revenue, from both domestic and international travellers, surged 45.1% year-on-year (YoY); we expect the rise in international arrivals will continue to drive retail growth.

As anticipated, foreign direct investment (FDI) disbursement also continued to climb. FDI disbursement for the first five months of 2024 (5M) was up +7.8% YoY, reaching the highest levels since 2012. Furthermore, disbursed FDI is forecast to increase 10% per annum throughout 2024 to 2026 due to large registrations recorded in 2023. Vietnam is in a unique position in terms of location, its educated workforce and growing middle class, plus the fact that multinational companies continue to diversify supply chains from China. Recent upgrades of diplomatic ties between Vietnam and the US, Japan, and Australia, are also strengthening its role in global trade.

In 5M 2024, Vietnam's exports and imports increased by 15.2% YoY and 18.2% YoY, respectively, resulting in a trade surplus of USD8.0bn. As around 94% of the country's imports are materials for production, impressive import growth in May 2024 painted an encouraging sign for exports. In addition, Vietnam's latest PMI report showed solid growth of new orders and signs of sustained recovery in global demand, which should support exports in the coming months. According to the Ministry of Finance, there was also a fiscal surplus of USD9.5bn in 5M 2024, further enabling the government to do more to bolster economic recovery.

On the political front, Vietnam's parliament elected police minister To Lam as the state president. His election followed the appointment of Vietnam's National Assembly's new chairman, former deputy Tran Thanh Man, also considered as a step forward after two months of political turbulence with the departure of three of Vietnam's top five leaders over unspecified wrongdoings earlier in the year. Mr. Lam vowed to "resolutely and persistently" continue to fight against corruption and ensure transparency.

It was a busy month for the country's environmental, social and governance (ESG) agenda too. VNH spoke at and sponsored the second annual Vietnam ESG Investor Conference, which focused on building resilient supply chains through strategic, innovative and inclusive partnerships. This is important to VNH in terms of mapping its investment criteria and stewardship to the UN's 17 Sustainable Development Goals, not least number 4 on quality education and number 17 on partnerships for the goals. Foreign businesses are increasingly requiring more evidence of ESG practices by Vietnamese companies and through its ESG Initiative, Vietnam's government has been prioritising the implementation of its Green Growth Strategy for 2021 to 2030. The annual Vietnam Business Forum, which also took place in May, saw Prime Minister Pham Minh Chinh reiterating that sustainable development is key to the country's economic restructuring and transformation.

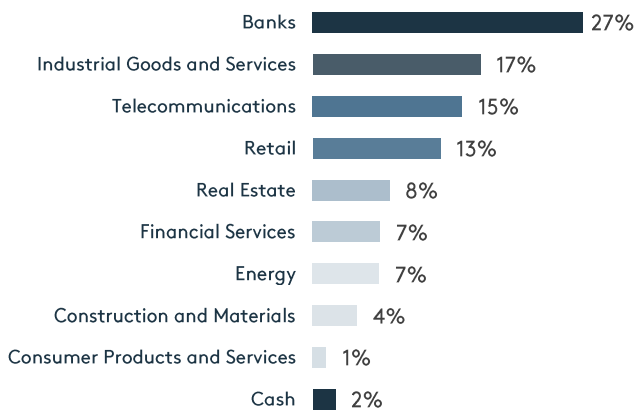
In May, VNH's portfolio management team was awarded the coveted triple-A rating by [CityWire](https://www.citywire.com) for being the top performer in Vietnam, and commended for carefully constructing a market-leading portfolio.

Lastly, we are pleased to announce that VNH has been promoted to the FTSE Small Cap Index and will therefore be a FTSE All Share constituent from Monday 24 June.

Top 10

| Investments | NAV % | % +/- | Manager Comment |
|-----------------------|-------|-------|---|
| FPT Corp | 14.9 | 8.8% | Revenue and net profit after tax (NPAT) both increased by 20% YoY in the first four months of 2024. 2024PE of 23.4x |
| Mobile World Corp | 6.7 | 15.3% | Management is confident that its grocery chain (BHx) will break even for full year 2024 (vs. loss of USD46mn in 2023). 2024PE of 32.6 |
| PV Technical Services | 6.6 | 8.8% | The strong bottom line of 1Q24 is driven mainly by improved gross margins in the operation & maintenance segments. 2024PE of 16.2x |
| Gemadep | 6.5 | -0.9% | The surge in 1Q2024's profit was due to a one-off financial gain of USD13mn from the divestment of the Nam Hai port. 2024PE of 17.1x |
| IDICO | 5.7 | 13.0% | IDICO received approval for the 470 Hectare Tan Phuoc 1 Industrial Park which is expected to commence in 3Q2025. 2024PE of 13.4x |
| Techcom Bank | 5.4 | 3.6% | 1Q2024 NPAT met 29% of 2024's guidance. The result was driven by credit growth of 7.8% YTD and NIM expansion. 2024PB of 1.1x |
| Asia Commercial Bank | 5.2 | 8.8% | 1Q2024 NPAT declined 5.6% YoY to USD156mn, reaching 22% of the bank's full year guidance. 2024PB of 1.2x |
| MB Bank | 4.7 | -0.5% | 1Q2024 NPAT declined 9.8% YoY to USD181mn, reaching 21% of its full year guidance, +0.7% loan growth YTD. 2024PB of 1.0x |
| Hoa Phat Group | 4.5 | 10.3% | Robust sales in April, delivering 923,000 tonnes of steel product (+71% YoY) due to the growing domestic demand. 2024PE of 14.2x |
| Vietcombank | 3.5 | -4.8% | 1Q2024 NPAT declined 4.5% YoY to USD343mn, achieving 26% of the bank's guidance. 2024PB of 2.6x |

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 |
| Redemption facility | Annual facility (w.e.f Sep 2024) |
| Management Fee (w.e.f 1st Nov 2020) | 1.75% on NAV below \$300m 1.50% on NAV \$300-600m 1.00% on NAV above \$600m |
| Administrator | Apex Group (Guernsey) |
| Custodian | Standard Chartered Bank |

Disclaimer

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