

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	376.0 pence
NAV	409.7 pence
	\$5.175
Discount / Premium	-8.2%
Total Net Assets	\$141.2m
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	\$1,843m	
Foreign Ownership Limit Stocks*	33.4%	
Thematic Exposure		
Industrialisation	41%	
Domestic Consumption	11%	
Urbanisation	7%	
	2023E	2024F
EPS Growth	16.2%	21.3%
P/E Ratio	15.2	12.2

*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	4.4%	15.2%	14.4%	13.6%	9.9%
Vietnam All Share Index (VNAS)	3.3%	11.7%	2.9%	7.0%	6.2%

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: Great Expectations

Vietnam's economy continued its exports-led growth story in March, posting a relatively impressive GDP rise of 5.7% for the first quarter of 2024 (Q1 2024). While this was the highest first quarter expansion in Vietnam since 2020, it happened at a softer pace than expected with all main sectors growing less than they did during the fourth quarter of 2023, when GDP expanded by 6.7%. AFF (agriculture, forestry, and fishery), IC (industry and construction), and Services (information and communications, financial and professional services) grew by 3.0%, 6.3% and 6.1% year-on-year (YoY) for Q1 2024, respectively. These rates, albeit positive compared to other countries around the world, highlight a divergence between domestic-oriented industries and external-facing manufacturing sectors in Vietnam. Despite the varied 'tides in March', the country's ongoing recovery remains well on track as trade prospects and foreign direct investment (FDI) continue to advance extensively. First and foremost, FDI remains particularly strong and sustainable, with a formidable 13.4% jump YoY for Q1 2024. Moreover, manufacturing exports expanded by over 14% YoY for the month and 17% YoY for Q1 2024, and we expect it to be the main driving force behind our 2024 GDP growth forecast of 6.5% for Vietnam. The robust export growth in Q1 2024 was largely due to the continued upturn in computers and electronic products, up a whopping 30.3% YoY, with Vietnam further benefiting as a key (and increasingly attractive) hub to produce smartphones too. Tourism also enjoyed more positive momentum in March, with monthly inbound visitors exceeding pre-pandemic levels thanks to a welcome surge in Chinese, Korean and Taiwanese tourists. According to a recent report by the Vietnam National Tourism Administration, the number of international visitors for the quarter totalled more than 4.6 million, a massive increase of 72% YoY and 3.2% over the same period in 2019 before COVID-19 struck. The International Monetary Fund forecasts that Vietnam's economy could potentially reach US\$470 bn for 2024, underlining its status as an increasingly important hub in Southeast Asia.

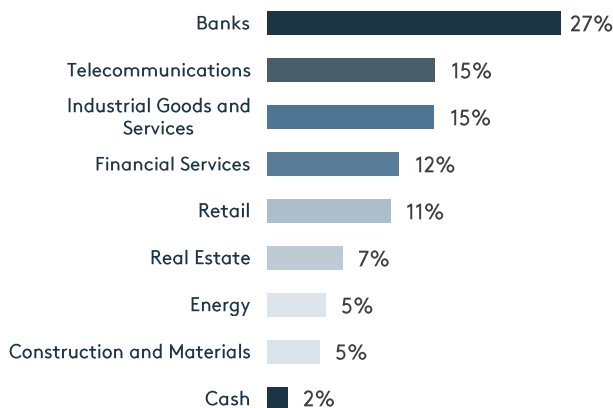
As Vietnam enjoyed another record high trade surplus in Q1 2024 – US\$8.1 bn – we also must note the government's commitment to enhancing trade agreements and modernising infrastructure. Vietnam's integrated role in the global supply chain means it is affected by disruptions, including the recent Red Sea shipping conflict and Baltimore bridge crash, and the government showed that it is cognisant of the potential implications as it focuses on improving its port logistics and addressing businesses' changing needs given the accelerating digital and green transformations. In March, the Vietnamese Prime Minister visited Australia and signed eleven cooperation documents to expand their Comprehensive Strategic Partnership on energy transformation and digital innovation, as well as building on already established collaboration across cybersecurity, economic engagement, and education. The advancement in bilateral ties with Australia is the latest achievement for Vietnam's 'bamboo diplomacy', as reported by Reuters in March. It reflects Vietnam's successful enhancement of relations with major global powers in recent years as the country navigates increasing global tensions and tries to enhance corporate governance and trust. Indeed, according to the General Statistics Office, Vietnam witnessed a decade-high surge in new business establishments during Q1 2024, with a total of 36,224 new firms registered nationwide during the first three months of the year. When factoring in enterprises resuming operations, the number rose to 59,848. In Q1 2024, Vietnam granted investment certificates to 644 new projects with a total registered capital of US\$4.77 bn, marking a notable increase of 23.4% in the number of projects and 57.9% in value YoY.

VNH's NAV rose +4.4% for March due to the outperformance of our holdings in retail, telecoms, and construction. The Fund has continued to outperform the Vietnam All Share Index over 1, 3, 5, 10 and 15 years.

Top 10

Investments	NAV %	% +/-	Manager Comment
FPT Corp	15.4	6.8%	FPT delivered 23% growth in both top & bottom line in the first two months of the year, ahead of expectations. 2024PE of 20.4x
MB Bank	7.0	5.0%	Company set 2024 PBT growth target at a conservative of 6-8% YoY with credit growth of 16-18% YoY. 2024PB of 1.2x
Gemadep	6.3	4.7%	Successfully divested its stake in Nam Hai port on March 24 and expects to book the profit in 1Q24. 2024PE of 16.9x
PV Technical Services	5.4	5.4%	PVS expects the mega Block B project to receive a final investment decision (FID) in early Q2 2024. 2024PE of 14.6x
IDICO	5.3	-0.7%	PBT 2024 is planned to increase by 22% YoY reaching USD 100mn with the target to lease out 145ha. 2024PE of 12.4x
Vietcombank	5.2	-2.2%	Company expects 2024 PBT to expand 10% YoY. 2024PB of 2.8x
FPT Digital Retail	4.9	7.6%	2024 guidance for 17% revenue growth and a USD5 million profit after a loss in 2023. Long Chau to open 100 new vaccination centers.
Asia Commercial Bank	4.9	0.7%	Company targets 2024 PBT to increase 10% YoY driven by credit growth of 14% YoY. 2024PB of 1.3x
Sacombank	4.6	0.9%	Company targets 2024 PBT to grow 10% YoY, bolstered by credit growth of 11% YoY. 2024PB of 1.1x
SSI Securities	4.6	5.2%	Trading turnover hit the highest level in two years; average daily trading value surged 28% m-o-m to \$1.2bn. 2024PB of 2.1x

Total 63.6
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

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