



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        | 176.0 pence                    |
| NAV                | 209.3 pence<br>\$2.773         |
| Discount / Premium | -15.9%                         |
| Total Net Assets   | \$141.1m                       |
| Shares in Issue    | 51m                            |
| Portfolio managers | Vu Quang Thinh<br>Craig Martin |
| Investment Manager | Dynam Capital                  |
| Ticker             | VNH                            |
| Website            | www.vietnamholding.com         |

#### Portfolio

|                                 |        |
|---------------------------------|--------|
| Number of investments           | 23     |
| Median Portfolio Market Cap     | \$298m |
| Foreign Ownership Limit stocks* | 45%    |

#### Thematic exposure

|                   |     |
|-------------------|-----|
| Industrialisation | 36% |
| Consumer          | 28% |
| Urbanisation      | 26% |

|            |              |              |
|------------|--------------|--------------|
|            | <b>2020F</b> | <b>2021F</b> |
| EPS Growth | 17.9%        | 22.0%        |
| P/E Ratio  | 10.2         | 8.3          |

\* 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     | -0.5    | 1.8          | 6.1           | 6.7            |
| Vietnam All Share Index | -1.4    | 3.4          | 7.0           | 2.8            |

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 Vietnam All Share Index fell by 1.4% in December – in part due to a 20% drop in Masan (MSN), a widely held conglomerate, as a result of uncertainty over the announcement of a merger of its consumer products business with VinCommerce, a retail chain subsidiary of another widely held conglomerate Vincom (VIC). The Fund doesn't hold either of these positions and so outperformed the index, with NAV falling only 0.5% in December. Year-to-date the NAV rose by 1.8% underperforming the index which rose by 3.4%. The Fund's largest positions did well during the month with retailers Phu Nhuan Jewelry (PNJ) up 6.0%, after announcing a 21% increase in NPAT, and Mobile World (MWG) rising 4.6% (after its 12.5% decline in November) on the back of a 34% increase in profit for the first eleven months. The Fund's largest position, FPT, rose by 3.4% topping off a year in which its share price has risen by 58%. Detractors during the month included Saigon Cargo Services which fell a further 13.7% after falling 9.2% in November. The company has strong cash-flow from its duopoly position at HCMC's air-cargo terminal but some regional funds have been reducing their exposure in a thin market. MB Bank (MBB) fell 6.1% as domestic investors marked down expectations on the price that a foreign investor might pay in a proposed share placement. It is cheap at less than 1.3x Price to Book for a well-managed bank.

As the decade draws to an end we reflect on the performance of Vietnam and the Fund. During the last decade the NAV per share has increased over 90% versus the index's gain of approximately 30%. Looking further-back, Vietnam's macro story has unfolded in an incredible manner: over the last 25 years Vietnam's population has grown by 1m people a year on average, Vietnam's GDP has increased over 16x to USD 262 billion and urbanization has almost doubled to 40%. The stock markets in Vietnam now have a total market capitalization of almost USD 200 billion, less than 17 years after their inception. Vietnam achieved 7% economic growth in 2019 (from a highbase in 2018) and nominal retail sales growth hit a seven-year high of 12%. Foreign Direct Investment and the Trade Surplus all hit record highs in 2019. The Vietnam Dong is stable, on the back of record (\$80bn) foreign reserves. Inflation is inching up due to higher pork prices, and the upcoming Tet holiday may see further seasonal increases. As we enter 2020, and the Lunar Year of the Rat later in January, the global geopolitics ahead of a US election, and the domestic political reorganisation in Vietnam will no doubt overshadow the short-term. In the longer term, the changes in Vietnam's economic composition, growth of modern trade and the ongoing rise of consumerism, should provide a strong stimulus to our domestically focused investment holdings.

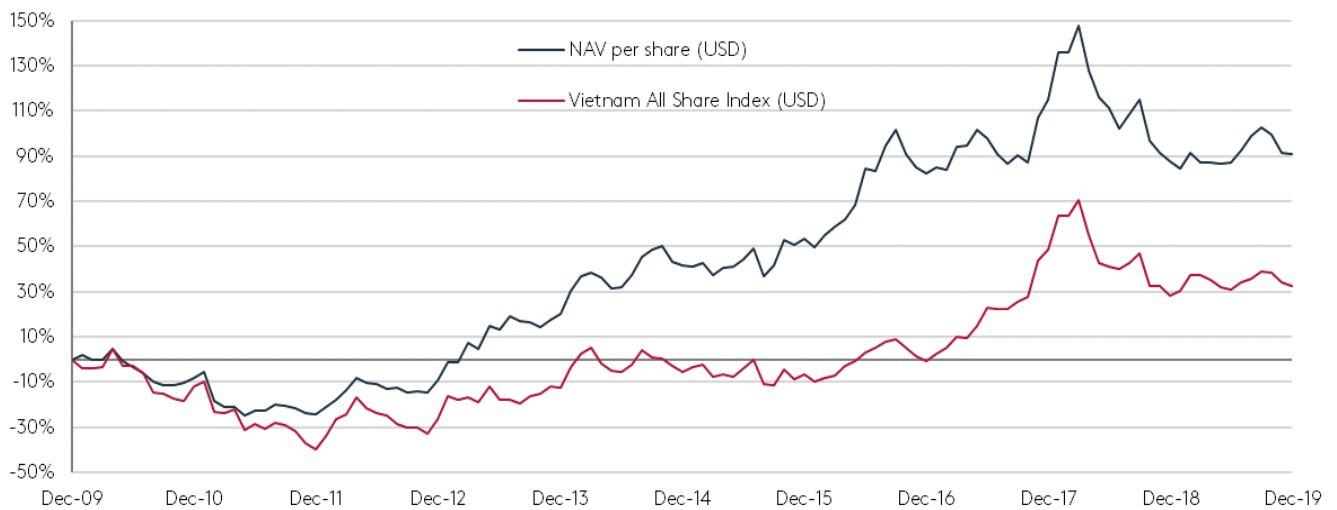
**Manager** – Dynam Capital | + 84 28 38277 590 | info@dynamcapital.com | www.dynamcapital.com

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

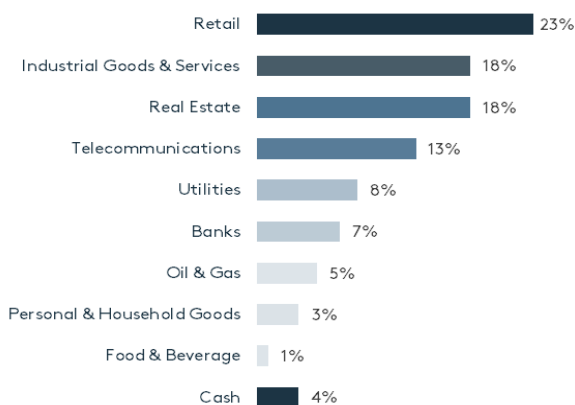


| Top Ten Investments | Weighting (%) | Comment   |
|---------------------|---------------|---|
| FPT                 | 13.2          | Leading software and IT services conglomerate: robust cash generation           |
| Phu Nhuan Jewelry   | 11.2          | Leading gold jewelry retailer: playing to fast growing discretionary spending   |
| Mobile World        | 8.1           | Preeminent modern retailer across several categories: rapid network expansion   |
| MB Bank             | 6.5           | Seventh largest bank by assets in Vietnam: attractively valued, well-managed    |
| Khang Dien House    | 6.0           | Leading domestic housing developer: strong track record & large landbank        |
| Sai Gon Cargo       | 5.7           | Duopolist in air cargo terminal operations: low capex and strong cash-flow      |
| Dat Xanh Group      | 4.8           | Leading brokerage and a property developer: low-cost landbank, sales expertise  |
| ABA Cooltrans       | 4.3           | Cold-chain logistics firm: high demand from rapidly growing modern trade sector |
| Vincom Retail       | 4.0           | Dominant market share in shopping mall development: nationwide footprint        |
| PV Trans            | 3.9           | Leading transporter of oil and gas in Vietnam: strong cash flow generation      |
| <b>Total</b>        | <b>67.6</b>   |   |

### 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 | 1.50% on NAV below \$300m<br>1.25% on NAV \$300-600m<br>1.00% on NAV above \$600m |
| Incentive Fee  | 12% (hurdle rate 8%)  |
| 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.