

VietNam Holding Ltd. (VNH) is a value investor aiming to achieve long-term capital appreciation by focusing on high-growth companies based primarily in Vietnam that demonstrate strong environmental, social and corporate governance awareness. Its current high conviction investment themes are domestic consumption and urbanization. VNH's ordinary shares are listed on the London Stock Exchange's Alternative Investment Market (AIM).

Portfolio Information		Market Statistics		VNASTR	VN30TR
Total Asset Value (USD)	146,013,468.21	Index		895.8	930.8
Shares in Issue	53,623,350	Monthly change (USD)		-3.3%	-3.8%
NAV/share	2.723	YTD change (USD)		-12.2%	-12.7%
Cash	2.0%	YOY change (USD)		-12.2%	-12.7%
Number of investments	26				
AIM Capitalization (USD m)	124.9	P/E Ratio (12M Trailing)		12.6	13.3
Median Portfolio Market Cap (USD m)	343.4	P/B Ratio		1.9	2.5
Share Price Discount to NAV	14.5%	Dividend Yield		2.4	2.1
Total Expense Ratio (12M rolling)	2.5%	Market capitalization (USD bn)		93.5	78.7
30-Day Avg Trading Value (USD)	111,166	30-Day Avg Trading Value (USD m)		99.7	63.2
P/E Ratio (12M Trailing)	12.1x	30-Day Avg Trading Value (Shs m)		110.4	43.8
Dividend Yield	2.8%				
Forward PEG (2017-2019)	0.4x				
EPS Growth (2017-2019 CAGR)	22.5%				

Performance

Figures in %	1M	YTD	1 YR	3 YR	5 YR	5 YR CAGR
VNH NAV per share	-2.1	-12.8	-12.8	22.0	56.1	9.3
VNH Share price	-2.5	-14.7	-14.7	21.5	81.6	12.7
VNAS (USD)	-3.5	-13.8	-13.8	36.8	46.3	7.9
VN30 (USD)	-3.9	-14.2	-14.2	39.2	38.2	6.7
MSCI EM Index	-3.2	-16.9	-16.9	21.2	-4.0	-0.8

Source: Bloomberg, Dynam Capital Ltd. Data for VNAS Total Return and VN30 Total Return (including dividends) is available after July 24 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

Christmas decorations were abundant in Vietnam, and local investors also hoped for a Santa Rally in December which failed to materialise. The broadest equity index in Vietnam (VNAS) decreased by 3.5% in the month, and year-to-date by 13.8%. The Fund's NAV fell by 2.1% in December, delivering a disappointing YTD return of -12.8%. This is despite an attractive macro picture with modest inflation (CPI 3% y-o-y), strong FDI (USD 19.1 bn disbursed YTD), a growing trade surplus (USD 7.2 bn YTD) and more than 7% in GDP growth.

Vietnamese equities are reasonably priced, at 13x PER, after stripping out some outliers, in-line with corporate growth forecasts of 14%. The Fund's portfolio is on an estimated weighted trailing PER of 12x and a forward PER of 9.7x, and the weighted EPS growth forecast of our portfolio is 22.5%.

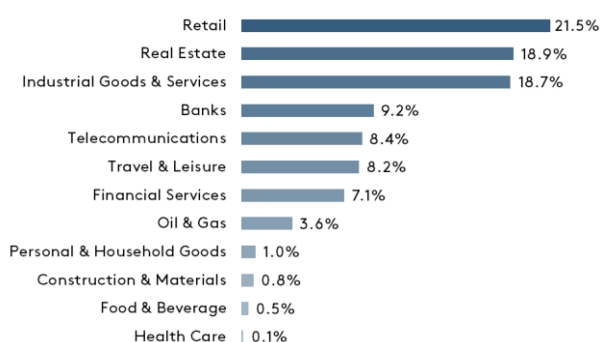
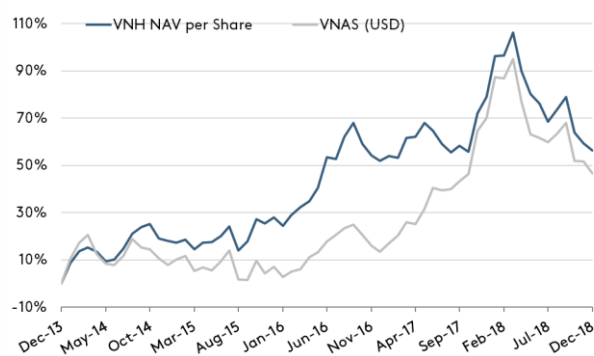
Domestically we are seeing some weakness in the banking and real-estate sectors, the former from a combination of deliberately controlled credit growth and higher provisioning for NPLs, and the latter from delays in licensing and delays in associated infrastructure (favouring developers with inventory to sell).

We anticipate continued volatility in the global economy, with a multitude of worries related to geo-political dislocations (China-US, UK-Europe, China-Taiwan?). As Vietnam is an increasingly open economy – exporting and importing about 100% of GDP – any potential slowdown in the global economy will have an impact. As a result, much of the nervousness in the equity market is imported. With elections planned for Thailand and Indonesia in 2019, Vietnam has one of the more stable political environments in ASEAN for 2019 and we remain optimistic for the outlook of the Fund in 2019.

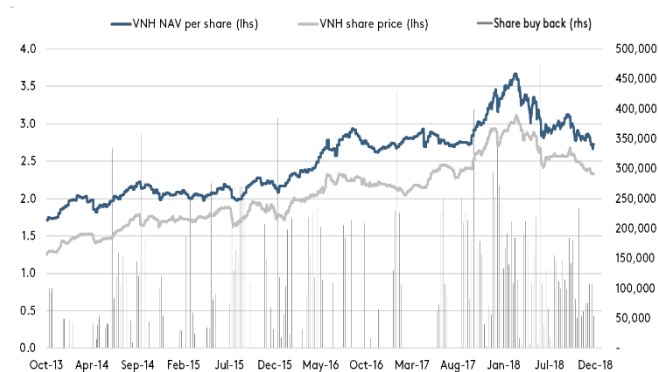
Following the splitting of the portfolio into a Continuing Pool and a Tender Pool after the EGM on 31st October 2018, and the successful liquidation of the Tender Pool, we are now working on a rebalancing strategy for 2019.

In December we made a second and final distribution of USD 1.22 per share from the Tender Pool, taking the total to USD 2.72 per share. This was achieved in a period of falling equity prices, and low liquidity.

We wish you all a safe and prosperous 2019.

Sector Weights

Rolling 5yr

Top 10 Company

Company	Sector	Nav %
Phu Nhuan Jewelry JSC	Retail	9.9
Sai Gon Cargo Service Corp	Industrial	9.0
FPT Corp	Telecommunications	8.4
Khang Dien House	Real Estate	8.0
Viet Capital Securities JSC	Financial Services	7.1
Hoa Phat Group	Industrial	6.7
Mobile World Corp	Retail	6.0
MB Bank	Banks	5.5
Van Phu - Invest	Real Estate	5.3
Thien Long Group Corp	Retail	5.3
Total		71.2

Share Price – NAV per Share - Buybacks


Vietnam Macro	2017	YTD
GDP Growth	6.8%	7.1%
CPI (YOY)	2.6%	3.0%
FX Rate (USD / VND)	22,709	23,195
FX Rate YTD Change (%)	-0.3%	2.1%
Export (USD bn)	214.0	244.7
Import (USD bn)	211.1	237.5
Trade Balance (USD bn)	2.9	7.2
FDI commitments (USD bn)	35.9	35.5
FDI disbursement (USD bn)	17.5	19.1
FDI no. of new project approvals	2,591	3,046
	Dec 2017	YTD
Retail sales growth (Nominal YOY)	10.9%	12.7%
Purchasing Managers' Index (Nikkei)	52.5	53.8

Fund Information

Structure	Closed-End Fund
Listed	London Stock Exchange
LSE Ticker	VNH LN
Inception Date	30 June 2006
NAV Frequency	Daily Starting from Jan 2018
Management Fee	1.50% on NAV below USD 300m 1.25% on NAV USD 300-600m 1.00% on NAV above USD 600m
Performance Fee	12% (hurdle rate 8%)
AIM Nominated Advisor	finnCap
Administration & Custodian	Standard Chartered Bank
ISIN	KYG9361X1043
Bloomberg Ticker	VNH LN Equity
Clearing	Crest / Euroclear / Clearstream
Settlement	BIC Code: SCBLSGSG
Quotation	LSE direct feed VNH LN

Disclaimer

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