



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	121.5 pence
NAV	146.3 pence \$1.814
Discount / Premium	-17.0%
Total Net Assets	\$92.2m
Shares in Issue	51m
Portfolio managers	Vu Quang Thinh Craig Martin
Investment Manager	Dynam Capital
Ticker	VNH
Website	www.vietnamholding.com

**Portfolio**

Number of investments	24
Median Portfolio Market Cap	\$352.1m
Foreign Ownership Limit stocks*	47%

**Thematic exposure**

Industrialisation	36%
Consumer	20%
Urbanisation	25%

	<b>2020F</b>	<b>2021F</b>
EPS Growth	8.2%	19.6%
P/E Ratio	7.4	6.1

\* 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	-28.2	-34.6	-1.9	2.3
Vietnam All Share Index	-26.5	-31.4	-0.3	-0.6

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: Covid-19 rewrites the scripts**

It was a historic month for global financial markets as unprecedented shutdowns to help prevent the spread of COVID-19 triggered the steepest falls ever recorded across all asset classes and regions.

The Vietnam All Share Index fell by 26.5 percent in March, as the deepening effects of the pandemic pulled Vietnam's GDP growth to its lowest level since the global financial crisis in 2009; the Fund's NAV per share declined by 28.2 percent, reflecting a month that saw the highest recorded volatility in the history of financial markets, according to Calastone, the largest global funds network. The International Monetary Fund also cited the speed in which the markets fell and decreased its global GDP predictions for 2020 by levels it said had never been seen before. While the lockdowns are bound to dent Vietnam's economic momentum, we believe this crisis is not typical of a normal recession and that Vietnam stands out for how it has proactively contained the spread of COVID-19 and for what it continues to offer in terms of growth relative to the rest of the world. It is well-positioned to handle inevitable structural changes, given its diversified pool of trade partners and surge in exports to the US throughout the US-Sino trade war. For example, we expect exports to China to recover in the second half of 2020 as cities there re-open. We also believe foreign firms will shift some proportion of their production from China to Vietnam to trim costs, diversify supply chains, and benefit from the Government's recently announced fiscal and monetary stimulus measures. We are, therefore, cautiously optimistic about the opportunities that the pandemic presents for the long

term in relation to our investment themes and exceptionally attractive valuations of companies we feel have great potential. We are conscious, however, of how this crisis could accelerate the deterioration of certain sectors and businesses that were already suffering before the virus set in. For instance, we recently exited our position in a garment company not only because of the COVID-19 impact on demand or the fact that clothing retailers globally were ailing before the virus emerged, but also because over time its executives became less accessible to us. Communication and transparency are critical to our investment process and from our perspective this was a red flag in terms of their ability to thrive in a post-COVID-19 world. Rigorous Environmental, Social and Governance (ESG) analysis has been at the heart of our approach from the start, and we believe these factors will become even more important while we navigate the coronavirus crisis and its aftermath. As COVID-19 has shown, economic health will become more correlated to public and planetary health. Remote working and social distancing have also become a new norm and the world is ever more dependent on technology to operate and connect. An example holding to illustrate this is FPT, the largest information technology outsourcing company in Vietnam, which presented a 17.1 percent revenue and 18.1 percent profit growth forecast at its recent 'on-line' AGM. It is our largest holding and we think that the information technology sector will continue to flourish both domestically and globally. As uncertainty blankets the world, we must always brace ourselves for different scenarios, whether it is a 'V' recovery or a second wave spread of infection, but in our view one thing is clear: investing in a portfolio with sustainability at its core will be as imperative as ever.

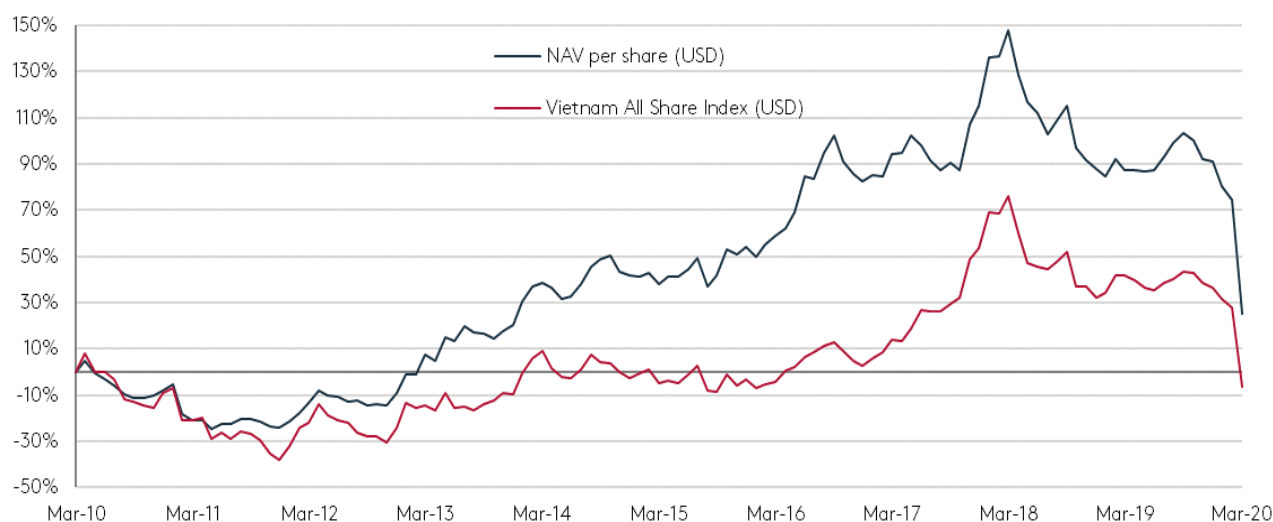
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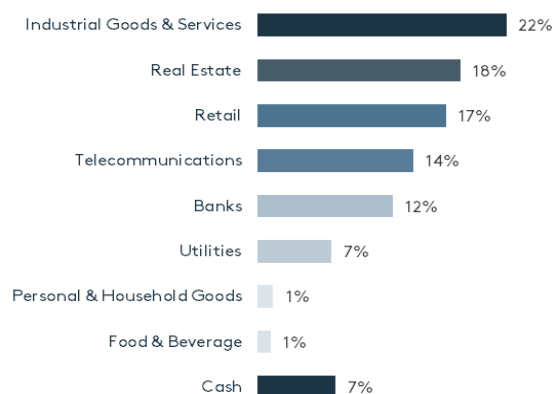


Top Ten Investments	NAV %	Manager View (Covid-19 impact and forecast 2020 valuation metrics)
FPT	14.0	Technology & telecoms robust through continued digital transformation; PE 8.5x
Phu Nhuan Jewelry	9.2	85% of its 350 stores shut temporarily; Gold bar sales +15%; PE of 8.8x (lowest in 5 years)
ABA Cooltrans	6.4	Convertible Bond; resilient demand for delivery of essential goods; EBITDA f/c +60% y-o-y
MB Bank	6.4	Expect Net Interest decline, increase in provisions for bad debt; PE 5.0x, PB 0.8x
Mobile World	6.3	25% of stores temporarily closed; opportunity to gain market share post-COVID; PE 6.8x
Khang Dien House	6.2	To buyback ~5% of outstanding shares; Net cash position; strong landbank; PE 10x, PB 1.2x
Hoa Phat Group	5.0	Industry leader, could benefit from post-COVID public investment expansion; PE 6.0x
Sai Gon Cargo	4.7	Global air cargo hit as airlines disrupted; volumes and earnings to drop significantly; PE 10.6x
Dat Xanh Group	3.8	Property brokerage impacted significantly; f/c negative eps growth in 2020; PE 4.0x, PB 0.4x
Gia Lai Electricity	3.8	Largest domestic renewable energy player; robust long-term contracted revenues; PE 15.6x
<b>Total</b>	<b>65.8</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 1.25% on NAV \$300-600m 1.00% on NAV above \$600m
Incentive Fee	12% (hurdle rate 8%)
Administrator	Sanne Group (Guernsey)
Custodian	Standard Chartered Bank

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