

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	380.0 pence
NAV	400.2 pence
	\$5.140
Discount / Premium	-5.0%
Total Net Assets	\$140.2m
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	\$1,217m	
Foreign Ownership Limit Stocks*	32.7%	
Thematic Exposure		
Industrialisation	46%	
Domestic Consumption	13%	
Urbanisation	6%	
	2024E	2025F
EPS Growth	20.4%	20.1%
P/E Ratio	16.4	12.9

*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)	15 Year (CAGR)
Vietnam Holding NAV	0.1%	14.5%	4.7%	12.9%	9.9%	9.7%
Vietnam All Share Index (VNAS)	1.0%	8.1%	-4.2%	6.8%	6.7%	4.8%

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: Sideways

Recent turmoil in the global markets make July seem like a lifetime ago, but it was far from a boring month for Vietnam, which continued to show sustainable economic growth and enjoy yet another record high accumulated trade surplus – US\$14.1 bn for the first seven months of 2024 (7M2024). Exports increased by 15.7% year-on-year (YoY) for the same period, underlining the ongoing increase in global demand for ‘made in Vietnam’ goods. The main drivers in July were tourism and hospitality and food services given the rise in domestic travel. With higher PMIs, a stabilising currency and healthy liquidity in the banking system, the economic growth momentum in Vietnam is expected to continue throughout the second half of 2024 despite global economic uncertainties, such as the upcoming US elections.

July saw the passing of Nguyen Phu Trong, the former General Secretary of the Party who was behind many of the positive reforms made in Vietnam in recent years. The world saw a calm changing of the guard with To Lam stepping in when Trong’s sickness escalated. To Lam comes from the Ministry of Interior and is a former police officer, so we expect anti-corruption measures to continue.

Vietnam’s equity market mostly went ‘sideways’ in July with rising volatility. The VNIndex has become relatively cheaper considering the 18.5% earnings growth of the whole market in Q2 and Vietnam stocks are even more attractive now in terms of valuation for long-term growth. The Fund ended the month with a NAV per share of +0.1% due to the outperformance of selective banks and retailers. Mid-caps and small-caps in the real estate, financials, industrials, and construction sectors underperformed as local investors took profit and reduced margin borrowings. Foreign investors also continued to sell. While the outflow was relatively small compared to the daily market liquidity, sentiment still dampened as a result.

Our nimble (and award-winning) portfolio management style allows us to navigate across a range of company sizes, which we believe has contributed to our outperformance versus the index and our peers. At times we have taken profit in sectors that have surged and have also acted swiftly when market moods and economic forces move. For example, we believe Vietnam’s economy is at an inflection point and that the consumer sector is set to expand substantially in coming years. During the pandemic we saw slowing manufacturing, increasing interest rates and rising expenses impact consumer demand in a variety of industries, prompting us to adjust our portfolio accordingly. Now, with this year’s steady recovery and the government’s ongoing stimulation efforts, we have been adding to the consumer sector again as our research indicates better trading potential.

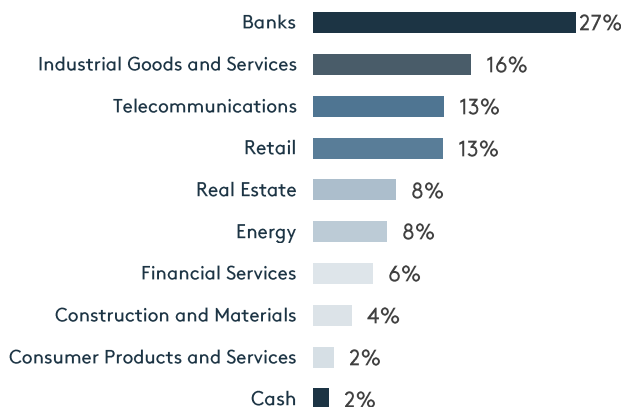
We regularly assess the performance of our portfolio companies on ESG factors, in addition to their financial performance, and will be reporting on this later in the year. The banking sector is the largest overall segment of the portfolio, and five banks are in our top ten holdings. Most have increased their activity in the ESG space, and many are making notable progress in committing to the UN’s Sustainable Development Goals by providing loans and other retail and investment products linked to environmental and social matters. Over the past year we have also seen increasing competition among banks when it comes to ESG reporting, with MBB, ACB, and VPB taking the lead. We also expect to see more Vietnamese banks using AI to enhance customer experiences and bring new products and services to the market. This is something we will be eyeing across all sectors. Digitalisation is here to stay.

On August 8th we hosted a webinar to discuss Vietnam’s role in the global AI and semiconductor supply chain with FPT, our largest portfolio holding. A recording can be viewed [HERE](#).

Top 10

Investments	NAV %	% +/-	Manager Comment
FPT Corp	13.5	0.6%	1H24 revenue and net profit after tax (NPAT) both up 21% YoY, driven by Global IT services (+30% YoY). 2024PE of 23.9x
PV Technical Services	7.6	-0.1%	1H24 revenue was USD368m (+10% YoY) and reported NPAT-MI was USD20mn (+13% YoY). 2024PE of 15.2x
Mobile World Corp	7.3	1.4%	1H24 profit surged to USD83m (vs. USD1.6m in 1H23) on recovery in ICT business and first profits from the grocery chain. 2024PE of 28.5x
Gemadep	5.7	1.4%	1H24 revenue rose 21% YoY to USD87m, and core NPAT-MI rose +62% YoY to USD23m. 2024PE of 15.9x
Techcom Bank	5.4	1.5%	1H24 NPAT increased 39% YoY to USD492m, bolstered by strong loan growth of 14.2% YTD and NIM expansion. 2024PB of 1.1x
MB Bank	5.3	-0.3%	2Q24 improved with NPAT growth of 33% QoQ and 23% YoY. 1H24 NPAT rose 6.5% YoY to \$419m. 2024PB of 1.1x
Hoa Phat Group	5.3	-2.4%	1H24 revenue rose 25.5% YoY to USD2.78bn and NPAT rose +237% YoY to USD245m due to demand recovery. 2024PE of 13.1x
IDICO Group	5.2	0.3%	1H24 profit before tax rose +66.9% YoY to USD68.8m, completing 69.4% of FY2024's management guidance. 2024PE of 11.7x
Asia Commercial Bank	5.2	1.8%	1H24 NPAT grew 4.7% YoY to USD332m, driven by strong loan growth 12.8% YTD. 2024PB 1.2x
VP Bank	4.7	2.6%	1H24 NPAT increased 27% YoY to USD283m, thanks to loan growth of 10.2% YTD and NIM expansion. 2024PB 1.0x

Total 65.2
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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