

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## **Product Information**

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### **VietNam Holding Limited - Ordinary Shares (ISIN: GG00BJQZ9H10)**

This product is admitted to trading on the main market of the London Stock Exchange and governed by its Board of Directors. The Board has appointed Dynam Capital, Ltd ('Dynam') as its investment manager, and to prepare this Key Information Document. Dynam is authorised and regulated by the Guernsey Financial Services Commission. For more information on this product please refer to:

[www.vietnamholding.com](http://www.vietnamholding.com) or call **+84 28 392777 590**

You are about to purchase a product that is not simple and may be difficult to understand. This document was published in December 2022.

## **What Is This Product?**

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### **Type**

This is a closed-end Investment Company.

### **Investment Objective**

The Company's investment objective is to achieve long-term capital appreciation by investing in a diversified portfolio of companies that have high growth potential at an attractive valuation.

### **Investment Policy**

The Company attempts to achieve its investment objective by investing in the securities of publicly traded companies in Vietnam, and in the securities of foreign companies if a majority of their assets and/or operations are based in Vietnam. The Company may invest in equity securities or securities that have equity features, such as bonds that are convertible into equity.

The Company may invest in listed or unlisted securities, either on the Vietnamese stock exchanges, through purchases on the OTC Market, or through privately negotiated deals.

**Investment Policy** (continued)

The Company may invest its available cash in the domestic bond market as well as in international bonds issued by Vietnamese entities.

The Company may utilise derivatives contracts for hedging purposes and for efficient portfolio management but will not utilise derivatives for investment purposes.

The Company does not intend to take control of any company or entity in which it has directly or indirectly invested (an “Investee Company”) or to take an active management role in any such company. However, the Investment Manager may appoint one of its directors, employees or other appointees to join the board of the Investee Company and/or may provide certain forms of assistance to such company, subject to prior approval by the VNH Board.

The Company integrates environmental, social and corporate governance (ESG) factors into its investment analysis and decision-making process. Through its Investment Manager, the Company actively incorporates ESG considerations into its ownership policies and practices and engages Investee Companies in pursuit of appropriate disclosure and the improvement of material issues.

**The Company may invest:**

- up to 25 percent of its Net Asset Value (“NAV”) (at the time of investment) in companies with shares traded outside of Vietnam if a majority of their assets and/or operations are based in Vietnam;
- up to 20 percent of its NAV (at the time of investment) in direct private equity investments; and
- up to 20 percent of its NAV (at the time of investment) in other listed investment funds and holding companies which have the majority of their assets in Vietnam.

**Borrowing Policy**

The Company is permitted to borrow money and to grant security over its assets provided that such borrowings do not exceed 25 percent of the latest available NAV of the Company at the time of the borrowing unless the Shareholders in general meeting otherwise determine by ordinary resolution.

**Investment Restrictions And Diversification**

The Company will adhere to the general principle of risk diversification in respect of its investments and will observe the following investment restrictions.

**Investment Restrictions And Diversification** (continued)

- The Company will not invest more than 10 percent of its NAV (at the time of investment) in the shares of a single Investee Company;
- The Company will not invest more than 30 percent of its NAV (at the time of investment) in any one sector;
- The Company will not invest directly in real estate or real estate development projects, but may invest in companies which have a large real estate component, if their shares are listed or are traded on the OTC Market; and
- The Company will not invest in any closed-ended investment fund unless the price of such investment fund is at a discount of at least 10 percent to such investment fund's net asset value (at the time of investment).

**Responsible Investment Policy**

The Company is a signatory of the United Nations Principles for Responsible Investment (UNPRI) and strictly follows the Six Principles for Responsible Investing. The Company reports on its responsible investment activities every year through the PRI Transparency Reporting framework.

The Company has developed its own exclusion list based on guidelines of IFC and UNPRI. The Company will not invest, or finance companies involved in the company's exclusion list.

The Company's ESG sub-committee oversees the Investment Manager's own ESG Management System that seeks to:

- integrate ESG issues into each step of the investment process: initial screening, due diligence, investment decision and investment monitoring;
- provide a framework for monitoring and reporting on ESG aspects to stakeholders; and
- work in partnership with its portfolio companies to help them identify and implement ESG opportunities, creating sustainable enhancement to their overall financial performance.

The Company supports the Investment Manager's Company Engagement Program to provide advocacy, training and support to its investee companies along their ESG journey.

The Company is a supporter of the Paris Agreement and the Task Force on Climate-related Financial Disclosures (TCFD). The Company pays particular attention to manage the climate risks of the portfolio by keeping track of the portfolio's total carbon emissions, analysing the transition risks of climate-sensitive industries and helping investee companies to do more on reporting their carbon emissions. The Company measures and publicly reports its own carbon footprint and engages a specialist firm to estimate the portfolio-level carbon footprint. Through its Investment Manager it assesses the performance of the portfolio's investee companies in matching their activities to the UN Sustainable Development Goals.

### Intended Retail Investor

The fund is intended for institutional investors and professionally advised or financially sophisticated non-advised investors including retail investors seeking exposure to predominantly listed investments.

### Maturity

Subject to the continuation vote arrangements described below, this product does not have a maturity date. There are no provisions entitling the manufacturer of this product to terminate the product unilaterally, nor for the automatic termination of the product.

### What Are The Risks And What Could I Get In Return?

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#### Summary Risk Indicator



**Be aware of currency risk. The PRIIP is denominated in a different currency to that at which it is marketed, so the final return will depend on the exchange rate between the currencies. This risk is not considered in the indicator above.**

The risk indicator assumes you keep the Product for 5 years. The PRIIP holds no capital protection against market risk. The PRIIP holds no capital guarantee against credit risk.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the market or because we are not able to pay you. We have classified this product as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level, and poor market conditions could impact our capacity to pay you. This product does not include any protection from future market performance, so you could lose some or all of your investment. If we are not able to pay what is owed, you could lose your entire investment.

#### Performance Information

The success of the Company's investment activities will depend on the ability of the Investment Manager to achieve long-term capital appreciation by investing in a diversified portfolio of companies that have high growth potential at an attractive valuation. This is principally achieved by investing in the securities of public companies in Vietnam, and in the securities of foreign companies if a majority of their assets and/or operations are based in Vietnam.

**Performance Information** (continued)

The Company may also invest in equity securities or securities that have equity features, such as bonds that are convertible into equity.

The Company is not measured against a benchmark, but since inception, and over the past 1, 3, 5 and ten years the Company has delivered returns above those of the Vietnam All Share Index. Since inception in June 2006, the Company has delivered returns at an annualised risk of 24.8%, which is similar to the risk of the broader Vietnamese market as measured by the Vietnamese All Share Index. However, realised returns are likely to deviate significantly from the broader market due to differences in the underlying holdings.

The ex-ante moderate scenario return is 1.23% over the recommended holding period of five years, and this return has been used to calculate the Reduction-In-Yield (RIY) in the RIY section below.

**What could affect my return positively?**

Returns are likely to be positively impacted from the Investment Manager correctly identifying promising investment opportunities in the Vietnamese markets. In addition, good macro-economic conditions within the Vietnamese economy; and good valuations for equities within the Vietnamese equity market are also likely to positively impact performance of the Company. The largest sector exposures as at 31 October 2022 are to Banks, Retail, Industrial Goods and Services and Telecommunications, together representing 72% of the portfolio, so it is likely that good performance from these sectors will benefit Company returns.

Agile planning and decision making by the Vietnamese government in the event of further outbreaks of COVID-19 or other pandemics and other global risk factors is likely to benefit the Company's returns, as is any increase in foreign ownership levels in some sectors, and reforms and improvements that allow Vietnam to be re-rated as an Emerging Market (it is currently a Frontier Market). A narrowing in the discount between the Company's share price and the Net Asset Value per share would also likely benefit the returns to shareholders. Over the recommended holding period of five-years, a favourable rolling five-year performance for the Company was identified as 39.5% per annum.

**What could affect my return negatively?**

Poor stock selection, difficult market or economic conditions in Vietnam could adversely impact the Company's investment performance. Including, for example, rising interest rates, increases in inflation, depreciation in the Vietnamese Dong, low liquidity levels in the stock market, foreign ownership limits, poor industry conditions, competition, political events and trends, tax laws, national and international conflicts and other factors could substantially and adversely affect the Company's prospects and thereby the performance of the Shares. A widening in the discount between the Company's share price and the Net Asset Value per share would also likely adversely impact the returns to shareholders. Over the recommended holding period of five-years, an unfavourable rolling five-year return was identified as -19.9%.

### **What could happen in severely adverse market conditions?**

The Company has experienced severely adverse market conditions in the past. Between 07 February 2007 and 18 March 2009 the fund was down 88.4%. Between 04 January 2022 and 15 November 2022 the fund was down by 38.3%. Under severely adverse market conditions, there is a risk that the capital value of an investment in the Company's shares could reduce significantly, potentially down to zero.

### **What Happens If Vietnam Holding Limited Is Unable To Pay Out?**

You may ordinarily sell your shares at any time during trading hours on the London Stock Exchange using your broker. Your shares would be sold to a buyer in the market without recourse to the Company. If the Company goes into liquidation the investments will be sold and you will receive your pro rata share of the proceeds after settlement of the Company's liabilities, in accordance with the articles of association of the Company. You will not be entitled to compensation from the Financial Services Compensation Scheme or any other compensation scheme and no guarantee scheme applies to an investment in the Company.

### **What Are The Costs?**

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential exit penalties. The figures assume you invest USD 10,000. The figures are estimates and may change in the future.

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

#### **Costs Over Time**

<b>Investments of USD 10,000</b>	<b>If you cash in after:</b>	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>
<b>Total Costs</b>		\$296	\$937	\$1,647
<b>Reduction in Yield (RIY) per year</b>		2.96%	2.96%	2.96%

## Costs Composition

This Table shows the impact on return per year

<b>One-Off Costs</b>	Entry Costs	0.00%	The impact of the costs you pay when entering your investment
	Exit Costs	0.00%	The impact of the costs you pay when exiting your investment
<b>Ongoing Costs</b>	Portfolio Transaction Costs	0.35%	The impact of the costs of us buying and selling underlying investments for the product
	Other Ongoing Costs	2.61%	The impact of the costs that we take each year for managing your investments and the fees & expenses of other providers
<b>Incidental Costs</b>	Performance Fees	0.00%	The impact of the performance fee. We take these from your investment if product outperforms its benchmark
	Carried Interest	0.00%	The impact of carried interests

## How Long Should I Hold It, And Can I Take My Money Out Early?

An investment in the Company should be regarded as a long-term investment. In order to seek to minimise the effect of shorter-term fluctuations in the market, the recommended minimum holding period for an investment in the Company is at least five (5) years. A continuation resolution will be put to shareholders in 2023.

Shares in the Company may be bought and sold at any time (subject to usual trading hours and conditions) on the London Stock Exchange using your broker.

## How Can I Complain?

Should you wish to complain about your investment in the Company or any aspect of the service provided to you by the Company or Dynam Capital as investment manager, please write to the Board c/o Sanne Group (Guernsey) Limited, 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL, or send an email to [info@dynamcapital.com](mailto:info@dynamcapital.com)

If you have a complaint about the financial advice you have received in relation to the Company or the service you have received when placing transactions in the Company through a third party, please direct your complaint to your adviser or third party accordingly.

### **Other Relevant Information**

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You can obtain further information about the Company, details of the Company's net asset value, its shares and copies of the financial reports, investor reports and other documents published by the Company, as well as information on the Directors and governance arrangements, from [www.vietnamholding.com](http://www.vietnamholding.com)

Hard copies of these documents are available free of charge upon request. You can also refer to this website for additional information such as announcements made by the Company to the market.

### **Tax Legislation**

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The Company is subject to Guernsey tax legislation which may have an impact on your personal tax position.

This key information is updated at least every 12 months.