

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	367.0 pence
NAV	390.7 pence
	\$4.869
Discount / Premium	-6.1%
Total Net Assets	\$132.8m
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	25	
Median Portfolio Market Cap	\$1,254m	
Foreign Ownership Limit Stocks*	37.1%	
Thematic Exposure		
Industrialisation	44%	
Domestic Consumption	11%	
Urbanisation	7%	
	2023E	2024F
EPS Growth	18.9%	20.5%
P/E Ratio	15.3	12.4

*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)
Vietnam Holding NAV	-5.9%	8.4%	9.4%	12.4%	9.5%
Vietnam All Share Index (VNAS)	-7.7%	3.1%	-2.4%	5.6%	6.1%

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: April's Movers and Shakers

Vietnam's stock market weathered a sharp correction in April with some expected profit taking after a five-month rally. From the new KRX trading platform launch being further delayed because of technical issues to the sudden resignation of the Chairman of the National Assembly – a mix of headline news rattled the market, 90% of which is driven by local investors. The changing global outlook to 'higher for longer' US interest rates also fuelled greater volatility in the FX market, while growing global geopolitical risks caused movements in crude oil and gold prices. With evolving uncertainties around the wars and an unprecedented number of national elections around the world this year, global stock markets experienced declines as well – the Dow Jones (-5.0%), Nikkei 225 (-4.9%) and S&P (-4.2%) – adding to an already unsettling local sentiment. Nevertheless, the VN-Index managed to recover nearly half of the drawdown by the end of the month. Although down -5.9% for the month, VNH still managed to outperform the index and remains significantly ahead of the index year-to-date, and on a 1, 3, 5, 10 (and even 15)-year basis.

The 'made in Vietnam' theme continued to propel the country's sustainable economic growth with yet another record trade surplus, reaching US\$8.4 bn in April. Vietnam's exports to the US made a notable year-on-year increase of 19.1%, and its manufacturing PMI recovered to 50.3 from 49.9 in March mainly due to a solid rebound of new orders which should pave the way for further production and enhanced exports in coming months. It is also worth noting that foreign direct investment (FDI) implementation continued to rise for a 15th consecutive month, resulting in a year-on-year (YoY) increase of 7.4% for the first four months of 2024 (4M24). Disbursement in the Real Estate sector surged by a whopping 100% YoY for the 4M24 period, contributing the most to FDI implementation growth year to date.

During the volatile trading month, stocks tumbled across all sectors apart from Transportation, Consumer Services and Technology. FPT and Gemadept, our top two positions both made gains of 2.9%. FPT attracted additional positive media attention in April having signed a MoU with Nvidia to invest US\$200m in building a cloud computing platform for AI research and development in Vietnam. Narayana Murthy, the billionaire co-founder of Infosys (and father-in-law of UK Prime Minister Rishi Sunak) will visit Vietnam, and FPT, in May. Gemadept reported better than expected first quarter results. Despite high beta sectors such as Banks, Financial Services, Real Estate and Construction performing poorly, most investee companies reported Q1 2024 earnings growth in line with expectations. We took the opportunity in the soft market to add to a couple of positions where more foreign investor room became available.

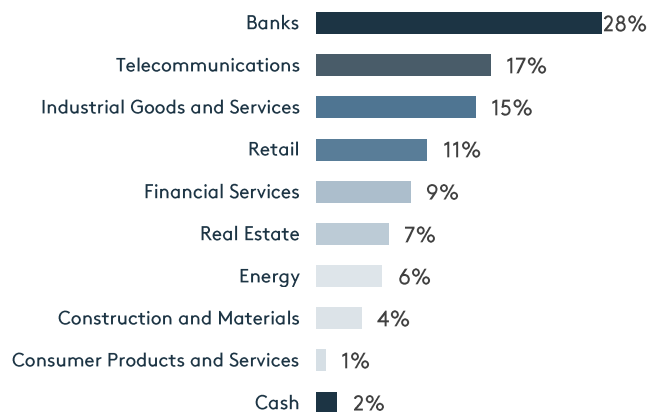
The usual concerns about global risks are bound to affect market sentiment in May but opportunities will continue to emerge in Vietnam not least where FDI is concerned. Vietnam continues to be a magnet for foreign enterprises seeking investment opportunities and strategic partnerships across sectors. According to the General Statistics Office, disbursed foreign investment in Vietnam reached US\$6.28 bn in 4M24, the highest in five years. Vietnam also recorded over 51,000 newly established enterprises during this period. So, considering the significant 28.8% increase in the number of new projects in 4M24 – totalling US\$7.1 bn, a 73.2% rise in capital on the same period last year – the mood in May could tell a different story.

The National Assembly is also meeting in May and will consider and decide on a raft of important matters, including appointing a new Chairman, and a new President. This may further strengthen domestic investor confidence.

Top 10

Investments	NAV %	% +/-	Manager Comment
FPT Corp	16.8	2.9%	FPT announced partnership with Nvidia to build a USD200mn 'AI factory' to develop AI apps and solutions. 2024PE of 21.5x
Gemadep	6.9	2.9%	1Q2024 net revenue rose 12% YoY to USD39.4mn and NPAT-MI surged 177% YoY to USD22mn. 2024PE of 17.8x
MB Bank	6.4	-14.7%	1Q2024 NPAT declined 9.8% YoY due to sluggish loan growth and increasing provisions. 2024PB of 1.0x
PV Technical Services	6.3	-0.4%	1Q2024 revenue was flat YoY at USD146mn but NPAT-MI rose 41% YoY to USD11.8mn. 2024PE of 14.8x
Techcombank	5.6	-5.1%	1Q2024 NPAT increased 38.3% YoY driven by strong loan growth (7.8% YTD) and NIM expansion. 2024 of PB of 1.1x
IDICO	5.3	-6.5%	1Q2024 26.2 hectares of industrial land sold and MoUs, accounting for 18% of the 2024 target. 2024PE of 12.8x
Asia Commercial Bank	4.8	-7.4%	1Q2024 NPAT dropped 5.6% YoY due to NIM contraction and increasing provisions. 2024 of PB 1.2x
FPT Digital Retail	4.5	0.4%	Pharmacy chain Long Chau continued to deliver strong performance in 1Q2024 with revenue and profit surging 69% and 84% YoY.
SSI Securities	4.3	-12.1%	SSC announced delay in the go-live date of the new KRX trading system (previously expected May 2nd). 2024PE of 19.1x
Vietcombank	3.9	-6.8%	1Q2024 NPAT reduced 4.5% YoY on slight decrease in loans (-0.3% YTD). 2024 PB of 2.6x

Total 64.8
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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