



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	183.0 pence
NAV	215.4 pence \$2.786
Discount / Premium	-14.9%
Total Net Assets	\$142.0m
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	22	
Median Portfolio Market Cap	\$302m	
Foreign Ownership Limit stocks*	44%	
<b>Thematic exposure</b>		
Industrialisation	37%	
Consumer	27%	
Urbanisation	27%	
	<b>2019F</b>	<b>2020F</b>
EPS Growth	16.2%	18.3%
P/E Ratio	12.1	10.3

\* 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	-4.0	2.3	6.0	5.2
Vietnam All Share Index	-3.0	4.8	6.7	3.1

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**

Vietnam’s macro position is the strongest it has ever been, and its high level of growth makes it the envy of much of Asia. In addition to a record level of trade surplus (estimated at USD 9 billion for the first eleven months), Vietnam is attracting record levels of Foreign Direct Investment, 70% of which is targeted to the manufacturing sector. All this good news is not, however, boosting the domestic equity markets which fell, with the All-Share Index declining 3% and the Fund’s NAV per share declining by 4% during the month. The largest detractor was Mobile World (MWG), our third largest holding, down 12.5%. We visited the company very recently and remain firm in our view that the decline in share price is unwarranted. Over the last five years the company has opened one new store a day and has a 47% market share in the mobile phone retail space, 37% share in consumer electronics and is growing its mini-mart grocery format, using daily fresh grocery items as the lead category (50% of sales) to convert shoppers from the more traditional ‘wet market’ segment. Net profit for the first 10 months of 2019 increased by 35%, and the company trades on a forward P/E of 10x which is compelling value. There are many foreign investors who would like to own more of this company, however, as the stock is already at its 49% foreign ownership level, they can’t without paying a premium of 20-30%. We remain big fans of

Mobile World and think the future for the company remains bright. Other detractors in the month included Saigon Cargo Services (SCS), down 9.1%, Thien Long Group (TLG), down 17.5%, and Dat Xanh Group (DXG), down 8.4%. Most of these mid-cap stocks fell on relatively thin volumes. Vincom Retail (VRE) was one bright spot during the month rising by 3.8%, due in part to a share-buyback programme. VRE is a key player in the modernization of the retail space in Vietnam, developing a nationwide footprint of shopping malls. At 28x P/E this stock is not cheap, but there is still foreign room available and the stock is one of a trio of Vingroup shares that collectively account for 20% of the index.

The tremendous long-term story of Vietnam is not yet fully captured in its stock markets. We look at investing with a three to five-year horizon, during which time we think the compounding growth in the Domestic Consumption, Industrialisation and Urbanisation opportunities will help the portfolio rise significantly in value. Ultimately, removal of some of the foreign ownership limits, and the eventual inclusion in the MSCI EM Index will be a game-changer for Vietnam’s equities, broadening the share ownership base and deepening the liquidity. The Fund, which trades on a 15% discount to NAV, holds a portfolio of shares with a forward P/E of 10x with earnings forecast to grow by c18% in 2020.

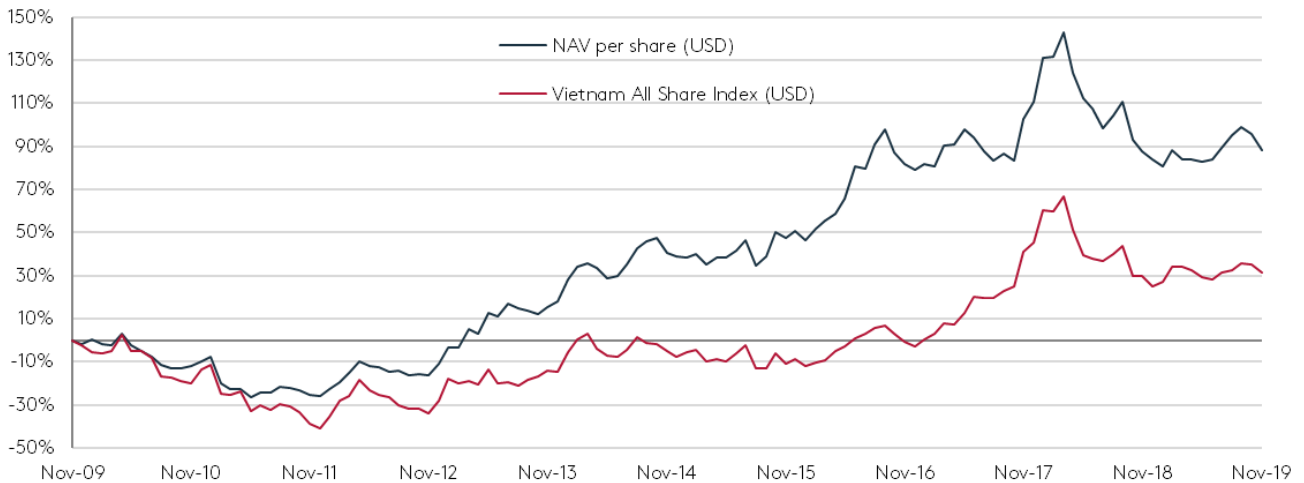
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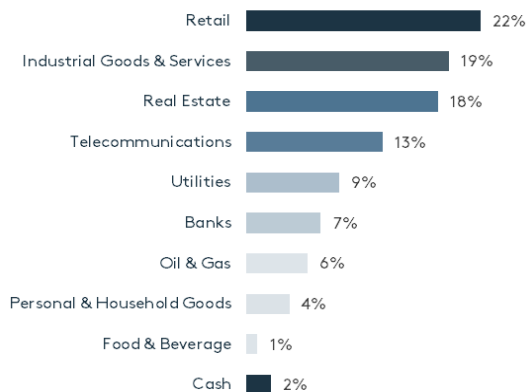


Top Ten Investments	Weighting (%)	Sector	Comment
FPT	12.7	Telecoms	Leading broadband and IT conglomerate in Vietnam
Phu Nhuan Jewelry	10.5	Retail	Largest retailer of Jewelry in Vietnam
Mobile World	7.7	Retail	One of Vietnam's largest omni-channel retailers
Sai Gon Cargo Service	7.0	Industrial	Duopoly provider of cargo handling at Tan San Nhat airport
MB Bank	6.9	Banks	Seventh largest bank by assets in Vietnam
Khang Dien House	5.9	Real Estate	Property developer focused on Ho Chi Minh City
Dat Xanh Group	4.6	Real Estate	Vietnam's largest property broker and a property developer
ABA Cooltrans	4.2	Industrial	Unlisted Convertible bond in a leading cold-chain logistics firm
PV Trans	4.1	Oil & Gas	Leading transport provider for oil and gas in Vietnam
Vincom Retail	4.0	Real Estate	Developer of a nationwide footprint of Shopping Malls.
<b>Total</b>	<b>67.6</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
Next Continuation Vote	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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