

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	399.0 pence
NAV	406.2 pence \$5.448
Discount / Premium	-1.8%
Total Net Assets	\$147.6m
Shares in Issue	27m
Portfolio Managers	Vu Quang Thinh Nguyen Hoang Thanh Craig Martin
Investment Manager	Dynam Capital
Ticker	VNH
Website	<a href="http://www.vietnamholding.com">www.vietnamholding.com</a>

**Portfolio**

Number of Investments	23	
Median Portfolio Market Cap	\$1,440m	
Foreign Ownership Limit Stocks*	32.9%	
<b>Thematic Exposure</b>		
Industrialisation	28%	
Domestic Consumption	14%	
Urbanisation	6%	
	<b>2024E</b>	<b>2025F</b>
EPS Growth	26.1%	19.2%
P/E Ratio	12.5	10.1

\*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	2.0%	21.3%	4.9%	13.1%	9.7%	8.4%
Vietnam All Share Index (VNAS)	2.5%	15.0%	-3.3%	7.4%	7.0%	3.4%

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: Banking on recovery**

Despite devastation caused by Typhoon Yagi in early September, particularly around the Red River Delta, which mostly affected the agricultural sector, Vietnam managed to stay strong on the ever so uncertain global stage. For the first time since becoming Vietnam's president in May, To Lam toured the world throughout the month with significant visits to China, the US, Cuba and France. Lam continued to advocate Vietnam's 'bamboo diplomacy' approach to foreign policy, widely regarded as a delicate balancing act of relations between powers like the US and China in terms of maintaining autonomy and national interests. His trip to the US coincided with the United Nations General Assembly, where he met with President Biden to reaffirm the US-Vietnam Comprehensive Strategic Partnership. While the visit to China was significant in stabilising and enhancing Vietnam-China ties, given the neighbouring countries' long history and recent tensions in the South China Sea, it was even more telling that a Chinese delegation came to Vietnam within the same month to confirm their commitment to increasing economic ties. Lam, who was previously the minister of public security, was praised both at home and abroad for his pragmatic style of attracting further foreign investment, especially in the manufacturing and technology sectors.

There is no doubt this helped keep Vietnam's projected GDP growth for 2024 in the range of 6% and 7%, which stands out globally. The IMF currently forecasts 6.1% growth, it says is driven by strong external demand, resilient foreign direct investment (FDI), and supportive fiscal and monetary policies. HSBC recently raised its forecast to 7%, highlighting Vietnam's robust Q3 performance in 2024, especially in manufacturing and exports, which have shown significant recovery, particularly in sectors like electronics, textiles, and footwear.

The equity market reflected this nicely in September as it started to price in the brighter macroeconomic outlook. A weaker US dollar and the Federal Reserve rate cuts certainly supported the sentiment of the local market too.

As for the Fund, it was up 21.3%, versus the VNAS benchmark's 15%, for the first nine months of 2024. This performance was largely due to our largest holding, which is in FPT, one of Vietnam's leading technology companies. Its stock surged by around 60% during this period and exemplifies the opportunities in Vietnam's developing growing digital economy. But we must also note our overweight in Financial Services, particularly in Sacombank (STB) and Techcombank (TCB), with respective proportions of 4.1% and 6.4%. Both stocks saw large buy-ins, given their long-term growth with strong retail operations and focus on digital transformation, even as some banks experienced selloffs. STB reported a 12% increase in profits during the first half of 2024 (1H2024) compared to the same period last year. TCB also showcased robust performance, with a reported pre-tax profit target for 2024 that reflects an 18.4% growth year-on-year. The Fund maintains selective over weights in Banks and Retails with the expectation that they will continue to ride the stride in the second half of 2024. We also expect strong EPS growth in 2H2024 and maintain the forecast of about 20% EPS growth for 2025.

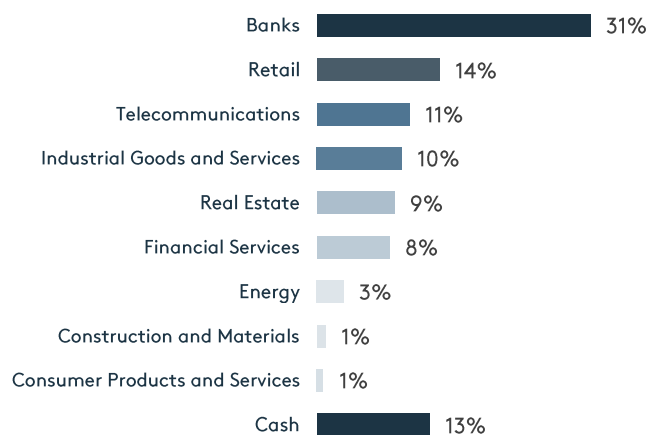
Our recent first share redemption, where ~12.6% sought to redeem (out of possible 100%) showed strong support for the fund (hence the higher than normal cash balance at month-end). The fund's discount to NAV remains the narrowest by far of the three UK listed Vietnam funds. Our AGM and Webinar is scheduled for 7<sup>th</sup> November. Register to attend the webinar [here](#).

The Fund has also been nominated for two awards – CityWire and QuotedData – the results of both will be known in November.

**Top 10**

Investments	NAV %	% +/-	Manager Comment
FPT Corp	10.5	1.0%	FPT is expected to grow 20% YoY in revenue and profit for 3Q24, driven by Global IT Services. 2024PE of 27x
Mobile World Corp	7.8	-1.2%	8M24 revenue grew 15% YoY, driven by the grocery chain (+38% YoY) and a recovery in ICT/CE sales (+7% YoY). 2024PE of 22x
Techcom Bank	6.4	4.9%	3Q24 credit growth to be bolstered by the growth in demand for real estate. 2024PB of 1.1x
MB Bank	5.7	4.7%	Received the SBV's approval to support a zero-Dong bank in 4Q24, leading to higher credit quota growth. 2024PB of 1.2x
VP Bank	5.5	7.4%	3Q24 profit before tax (PBT) likely to post strong growth driven by NIM expansion and low base effect. 2024PB of 1.1x
Asia Commercial Bank	5.4	5.1%	3Q24 PBT growth to be at the level of 12-15% YoY. 2024PB of 1.3x
Sacom Bank	4.1	10.5%	Expected strong 3Q24 PBT growth due to low base effect. 2024PB of 1.2x
Hoa Phat Group	3.6	4.6%	August sales volume was strong +38% YoY and 13% MoM thanks to demand from overseas markets. 2024PE of 14.6x
HCM Securities	3.5	7.0%	3Q24 profit is projected to grow 50% YoY due to robust margin lending and strong performance of investment activities. 2024PE of 20x
Sai Gon VRG Corp	3.4	-6.0%	Real-estate developer with over 1,000 ha in its pipeline including Industrial Park and residential area in the South. 2024PE of 14.8x

**Total**      **55.9**
**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 1 <sup>st</sup> 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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