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Vietnam fund managers target consumer for growth

David Thorpe 3 Oct 2016 | [News](#) - [Comment now](#)

The managers of the Vietnam Holdings, an AIM listed investment trust, have revealed for What Investment how they intend to find value in the coming year.

Vietnam Holdings has returned 241 per cent over the past five years. The managers commented that while the Vietnamese stock market has been volatile, the currency has retained its value, a sign of the stability of the national economy.

The managers commented that the key to growth in the near term is that the Vietnamese government is at present selling off its minority shareholdings in a number of listed companies, something he feels will boost the liquidity of the market, and the performance of many sectors of the economy.



The Vietnamese economy continues to grow strongly

The two sectors of the economy the managers find most interesting right now are agriculture and the consumer. They noted that companies such as Samsung have been investing heavily in Vietnam, creating jobs filled by people leaving rural areas. That pushes income up, and consequently consumption rises.

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One of the largest investments in the fund is Thien Long Group, which the fund managers described as the largest distributor and seller of stationery in the country. They contend that as the Vietnamese economy evolves, a corporate culture will develop, and stationery sales will rise.

They commented that the company has '57,600' points of sale for its products in the country.

The managers also believe that the healthcare sector will be an area of growth. This is because they feel as incomes rise, the population will focus more on their health, and spend more on healthcare products.

A company they like in this space is Traphoco, which is a provider of herbal medicines.

The Vietnam Holdings Investment Trust returned 15 per cent in 2015.

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