

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	396.0 pence
NAV	406.4 pence
	\$5.137
Discount / Premium	-2.6%
Total Net Assets	\$140.2m
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	24	
Median Portfolio Market Cap	\$1,207m	
Foreign Ownership Limit Stocks*	34.3%	
<b>Thematic Exposure</b>		
Industrialisation	45%	
Domestic Consumption	13%	
Urbanisation	6%	
	<b>2024E</b>	<b>2025F</b>
EPS Growth	19.5%	20.0%
P/E Ratio	16.2	12.9

\*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	0.6%	14.4%	3.9%	13.6%	10.3%	11.0%
Vietnam All Share Index (VNAS)	-0.8%	7.0%	-6.2%	7.1%	6.9%	5.0%

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: New Era of Growth

Vietnam enjoyed accelerated growth during the second quarter of 2024 (2Q2024) with sustainable recovery across sectors driving GDP up by 6.9%, the second highest second quarter surge since 2019. In fact, June proved how the country's economic growth has been bolstered by resilient rebounds of exports in key products – not least in computers and electronics, up 28.6% year-on-year (YoY) – across all major markets.

GDP growth for the first half of the year (1H2024) was +6.4% YoY thanks to sustained industrial production, effective inflation control measures, and ever-increasing foreign investment. Although the industrial production index showed slower growth in the first quarter of 2024 compared to pre-pandemic levels, efforts to boost manufacturing activities have only intensified throughout 1H2024 and we saw Vietnam's PMI climb to a near record high in June. The Vietnamese government and local authorities have been actively supporting enterprises by facilitating access to new raw material sources and markets, as well as implementing incentive policies for businesses facing production and export challenges amidst the many global economic uncertainties today.

As anticipated, foreign direct investment (FDI) disbursement in Vietnam continued to flourish in June, reaching US\$10.8bn for 1H2024, up +8.2% YoY, the highest rise for the first half of a year since 2012. Furthermore, disbursed FDI is forecast to increase 10% per annum throughout 2024 to 2026 due to large registrations recorded in 2023. Vietnam remains in an increasingly attractive position in terms of location, its educated workforce and growing middle class, plus the fact that multinational companies continue to diversify supply chains from China. Recent upgrades of diplomatic ties between Vietnam and the US, Japan, and Australia, are also strengthening its role in global trade.

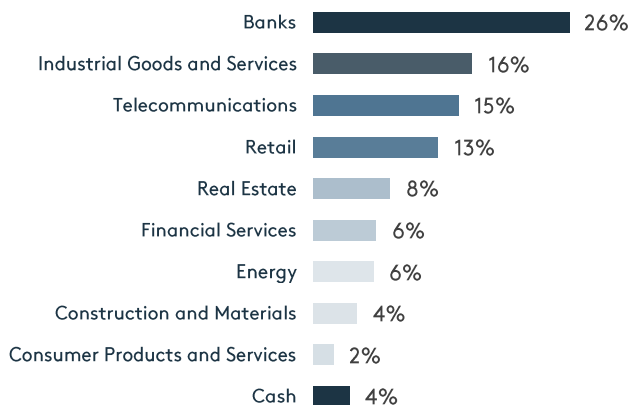
Vietnam continued to reap healthy retail sales in June, up +9.1% from May. This stems mainly from hospitality, food services and tourism, with international arrivals jumping a massive +58.4% YoY in 1H2024, +4.1% above the pre-pandemic level. Indeed, Vietnam's wider consumer services sector has been crucial to driving growth this year, contributing 43.4% of GDP in June, and thus reflecting a broad-based recovery in domestic consumption and services. Increased public investment, up 4.8% for 1H2024, has played another instrumental part in the country's growth story by enhancing connectivity and supporting manufacturing activities. According to the Ministry of Finance, there was a fiscal surplus of US\$9.5bn in the first five months of 2024 (5M2024), further enabling the government to do more to bolster economic recovery. We expect credit growth in 2024 to be around 13-15% and the government to continue easing monetary and fiscal policy throughout the second half of the year.

Vietnam's stock market showed an overall solid performance in 2Q2024, with significant gains across various sectors, particularly in technology which has been dominated by digitalisation and AI developments. The VN-Index was up 10.2% YoY in 2Q2024, outperforming the MSCI EM Index and neighbouring markets and still offering attractive valuation for long-term growth versus peers. In June, it briefly crossed 1,300 points for the first time since 2022, even though market indices went sideways as most local investors were waiting for Q2 business results. Investor enthusiasm in technology continues apace, not least after a NVIDIA delegation visited the country and announced various collaborations with companies, such as FPT, VNH's top holding. Although the portfolio also went sideways in June given local investors' sentiment, FPT performed exceptionally well as investors were willing to pay a premium for Vietnam's fast-growing IT sector and how it facilitates the world's rapid green and digital transformations.

**Top 10**

Investments	NAV %	% +/-	Manager Comment
FPT Corp	14.7	12.2%	5M24 revenues & net profit after tax (NPAT) rose by over 20% YoY driven by Digital Transformation and Global IT Services. 2024PE of 27.5x
Mobile World Corp	6.6	-1.1%	The grocery chain (BHX) achieved VND2bn revenue per store per month since May, heading towards profitability. 2024PE of 30.6x
Gemadep	6.4	-1.0%	1H2024's core PBT (excluding gains from divestment) was USD28mn (+15% YoY). 2024PE of 16.7x
PV Technical Services	6.1	-6.5%	5M24's PBT was USD23mn (+50% YoY), mainly driven by strong M&C segments. 2024PE of 15.2x
Techcom Bank	5.3	-0.7%	2Q24 NPAT bolstered by increasing credit growth of 12%-14% YTD from a low base. 2024 PB 1.1x
IDICO	5.3	-2.7%	A strong pipeline, 470 Hectare Tan Phuoc 1 and 495 Hectare Vinh Quang Industrial Park, can support 2025-2026 business. 2024PE of 13.1x
Asia Commercial Bank	5.0	-3.5%	2Q24 NPAT is estimated to increase 20-25% YoY on improved credit growth from a low base. 2024 PB 1.2x
MB Bank	4.8	2.1%	2Q24 NPAT is expected to grow at more than 20% YoY driven by credit growth of 5% YTD. 2024 PB 1.0x
VP Bank	4.6	3.6%	2Q24 NPAT is estimated to post strong growth driven on lower provisioning expenses in its consumer finance company. 2024PB of 1.0x
Hoa Phat Group	4.4	-1.1%	5M24 domestic sales volume grew by 36.2% YoY, margin expansion could support earnings in 2H24. 2024PE of 14.0x

**Total 63.7**
**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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