VIETNAM HOLDING

CITYWIRE INVESTMENT TRUST AWARDS 2023 WINNER — EMERGING MARKET SINGLE COUNTRY — Vietnam Holding

30 November 2023

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	312.0 pence
NAV	343.1 pence
	$4.343
Discount / Premium	-9.1%
Total Net Assets	$118.5m
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	26
Median Portfolio Market Cap	$1,070m
Foreign Ownership Limit Stocks*	29.1%
Thematic Exposure	
Industrialisation	30%
Domestic Consumption	15%
Urbanisation	15%

	2023E	2024F
EPS Growth	13.1%	30.5%
P/E Ratio	11.1	9.1

*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)
Vietnam Holding NAV	12.7%	18.4%	13.6%	9.3%	9.8%
Vietnam All Share Index (VNAS)	9.0%	11.1%	4.4%	4.5%	6.5%

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: A climactic end to an anti-climatic year

Vietnam saw advances on both economic and stock market fronts to help it wind down the year on a rising tide. Trade continued its road to recovery from ongoing post-pandemic global macro risks, hitting a new record trade surplus of US$25.8bn for the eleven months of 2023 (11M2023). Exports, up +6.7% year-on-year (YoY), rebounded for three consecutive months with electronics goods showing a particularly strong pace of growth in November. 'Made in Vietnam' is attracting more attention than ever on the global stage and foreign direct investment in Vietnam remains robust. 11 months' disbursed FDI rose by +2.9% YoY and registered FDI surged by 14.8% YoY. Indeed, public investment is also accelerating, as the government ramps up key transport infrastructure projects with commitments until 2026. Investment in energy infrastructure will also be promoted further after official approval of the US$22.8bn Power Plan 8. Public investment in 11M2023, up +23% YoY and accounting for 75% of the whole year target.

During a reception hosted by Vietnam's PM in Hanoi in November, the president of the US Semiconductor Industry Association (SIA) stated that Vietnam is the most appealing destination for US investors in his industry and could serve as a strategic partner in the supply of a talented workforce. With leaders from Intel, Qualcomm, Ampere, and ARM also in attendance, he said that US corporations are willing to develop ties and increase investment in Vietnam, particularly in training workers to the highest possible skill levels. Vietnam presently has 6,000 semiconductor engineers, with a target of training 50,000 by 2030. Vietnam is also the world's second largest exporter of mobile phones after China.

Vietnam recently welcomed Chinese president Xi Jinping for a state visit to Hanoi on the 15th anniversary of the establishment of a 'comprehensive strategic partnership' between the two countries. This followed US president Joe Biden's own visit a few months earlier when Vietnam upgraded its relationship with the US to the same partnership status. China is Vietnam's largest trading partner and second largest export market, after South Korea, and is now a major source of foreign investment in Vietnam. The historic visit set new tones for what is to come in 2024 as both countries agreed to build a 'shared future' and strengthen their bilateral relationship.

November also saw positive results for Vietnam's equity market, with the benchmark VN Index gaining +6.4%. This was mainly due to eased FX risk and ample liquidity despite the ongoing volatility stemming from recurring rumours about corporate investigations. The outlook for further stock market increases is promising. Vietnam's government has been paving the way for stronger domestic consumption in 2024 and has implemented multiple measures to support the economy, including lowering interest rates, deferring loan payment timelines and cutting value added tax. Plans to change the property laws in order to unwind the bottleneck in project development are also expected to set the ground for a new growth cycle.

VNH's NAV rose 12.7% in November, outperforming VNAS (+9.0%). Year to date the fund is the top-performing Fund in Vietnam, with the discount to NAV the narrowest of the three London-listed Vietnam funds.

VNH has convened an annual general meeting (AGM) and an extraordinary general meeting (EGM) for the 21st of December 2023 in Paris and would like to remind shareholders of the trust's five-yearly continuation vote and proposed annual redemption facility, which is aimed at further narrowing the discount of the company's share price to net asset value. The Company's notice of AGM and EGM, released on 27 November 2023, can be found here.

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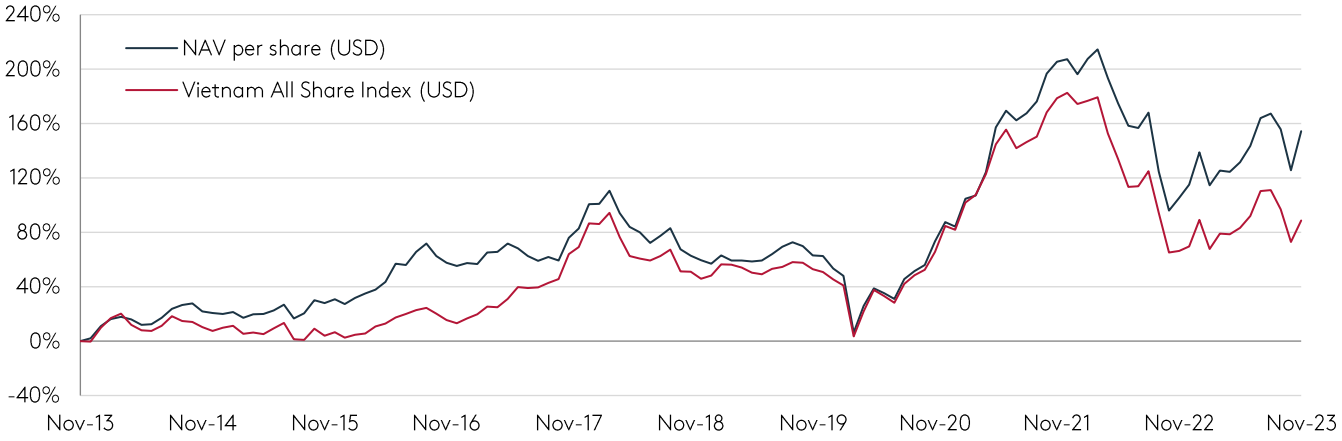
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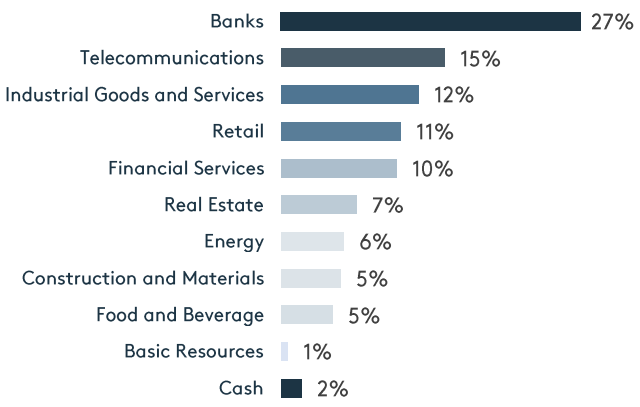
Top 10 Investments

Investments	NAV %	% +/-	Manager Comment
FPT	14.7	12.1%	YTD Oct Net Profit After Tax (NPAT) reached USD272mn (+18% YoY), driven by 30% growth in global IT revenue. 2024PE of 14.6x
Sacombank	5.8	3.1%	Lower funding costs & acceleration in plan to resolve legacy bad assets could enhance earnings in coming periods. 2024PB 1.0x
PV Technical Service	5.6	18.4%	Recently awarded a second contract of the Block B Gas project, worth up to USD400mn. 2024PE of 14.2x
MBbank	5.5	5.4%	Expected strong loan expansion in the last quarter of 2023 could bolster profit growth. 2024PB 0.8x
Vietcombank	5.4	-1.2%	Lower earnings guidance for 2023 mostly due to cuts in lending interest rate and conservative loan growth. 2024PB 2.6x
Gemadept	5.4	20.5%	Expected to book the divestment of Nam Hải port in 1Q2024. 2024PE of 17.6x
IDICO Corp	5.0	16.8%	Expeected to book one-off revenue recognition from its Long An project Q1 20224. 2024PE of 8.3x
Asia Commercial Bank	4.6	3.9%	Accelerating loan growth, in line with additional credit growth quota. 2024PB 0.9x
FPT Digital Retail	4.3	19.2%	Strong revenues from Pharmacy business, but recorded a loss of VND225bn in 9M2023 due to weaker ICT sales. 2024PE of 30.6x
Phu Nhuan Jewelry	4.3	13.2%	Overall weak demand in retail sale YTD Oct 2023, NPAT reported as increasing a modest 3.1% YoY. 2024PE of 12.8x
Total	**60.6**		

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
Life	Continuation vote 21 Dec 2023
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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