

## The Fund Manager writes

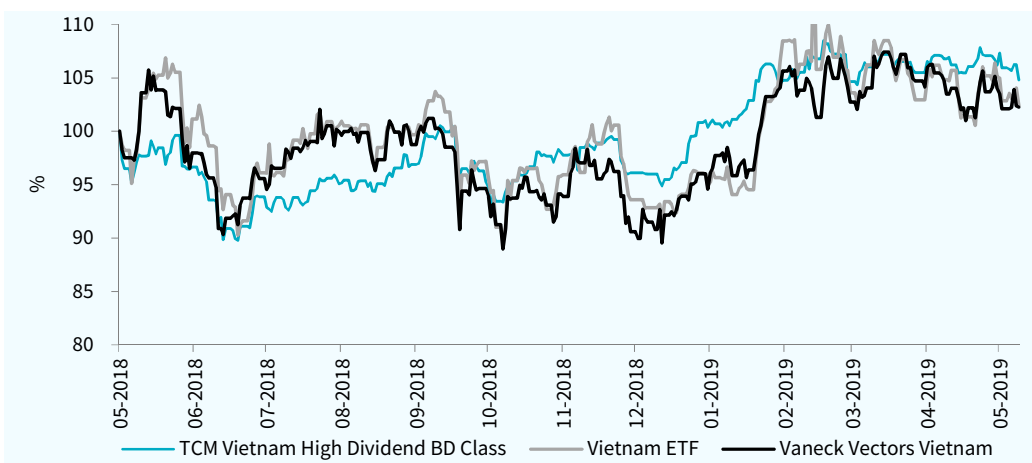
The TCM Vietnam High Dividend Fund lost 1.84% during the month of May. The fund outperformed its benchmark ETF by 0.5%. The absence of the big real estate names in the portfolio provided most of the positive contribution.

At the end of the month our holding in Vietnam Phoenix Fund announced a buy back of 13% of the outstanding shares. The current market valuation of the Phoenix fund is around 0.16 US\$ per share, the buy back is completed at the NAV of the fund 0.3375. If the Phoenix fund is able to liquidate all the remaining assets against the current NAV of US\$ of 0.3373 the TCM Vietnam fund might see a 6% upwards potential as a whole.

The month of May ended with a low average daily traded value of US\$ 155 million, the lackluster sentiment didn't inspire investors. Although more and more the results of the trade war seem to point in the direction of a positive turn out for Vietnam.

The trade deficit amounted to US\$ 1.3 billion, mainly due to high import growth +8.3% (exports +7.5%). The rise in import can be linked to the steep rise of committed FDI (+69%). As we have seen in the past a strong growth in FDI leads in the short term to a deficit on the trading account due to imports of machinery and equipment. This might be one of the first signals that production lines are moved from China to Vietnam, since more than 40% of the FDI was coming from Chinese companies. The fund currently holds 35 positions across a number of sectors. Consumer Staples and Basic Materials are the main themes weighting 18.55% and 16.91% respectively. Within these sectors we currently find the most high dividend stocks which meet our criteria. The weighting on sector level depends mainly on the relative attractiveness of a stock/sector versus other stocks/sectors. The fund allocation can therefore deviate strongly from the Vietnamese benchmark indices.

## Fund Performance



Return in euro*	1 mnth	3 mnths	2019	2018**	Since start**
TCM Vietnam High Dividend Class BD	-1,84%	-0,14%	9,19%	-4,01%	4,81%
Vietnam ETF	-2,36%	-2,79%	10,27%	-7,16%	2,38%
Vaneck Vectors Vietnam	-2,40%	-1,02%	12,61%	-9,19%	2,26%

\* Based on Total Return (Bloomberg data)

\*\* Data is from inception of the fund: 24-05-2018

## Fund Profile

The fund invests in listed Vietnamese companies or investment funds focused on Vietnam, which can be regarded as a Frontier Market at an early stage of economic development, with an attractive dividend yield. The fund primarily aims to generate a long-term return in excess of the benchmark, the FTSE Vietnam Total Return Net Index, comprising capital gains or losses plus net dividend. The equally weighted portfolio will be re-weighted and re-allocated on a periodically scale. The risk profile is high, due to investments in equities and Frontier Markets.

## TCM Vietnam High Dividend Equity (Lux)

**Strategy:** High Dividend Equity

**Universe:**  
Vietnam

**Benchmark:** FTSE (Total Return)

**ESG:** UN Global Compact and Controversia Weapons (screening by Sustainalytics)

**Status:** UCITS

**Structure:** Open-end

**Domicile:** Luxembourg

**Inception Date:** 24 May 2018

**Currency:** EUR

**Total Fund size:** € 6.5 million

**Management Company:**  
Novacap Asset Management S.A.

**Investment Manager:**  
Trustus Capital Management B.V.

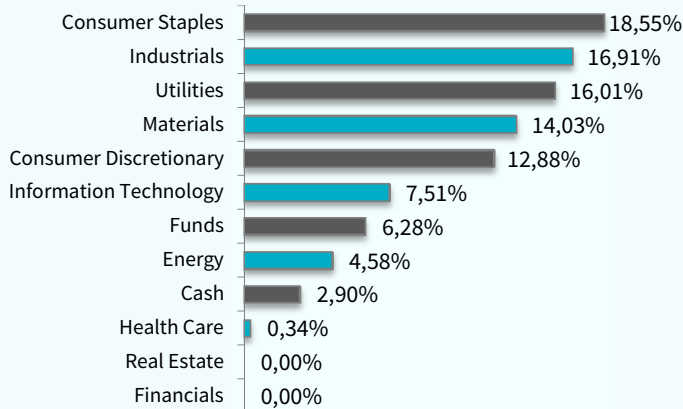
**Fund Management:**  
Frontier Markets Team  
Wytze Riemersma  
Marco Balk

**Custodian:**  
Caceis Bank Luxembourg Branch

**Paying Agent:**  
Caceis Bank Luxembourg Branch



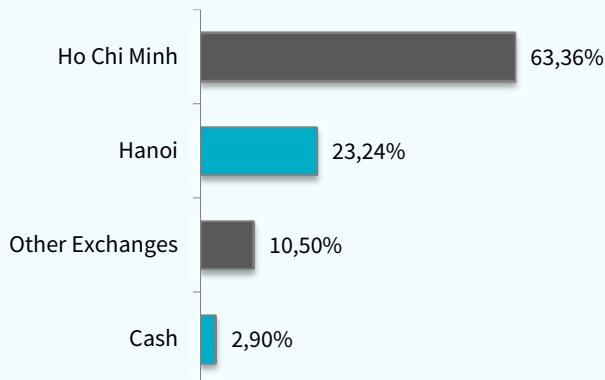
## Sector Allocation



## Top 10 Holdings

Position	Weighting
Vietnam Phoenix Fund Class C	7,03%
Petrovietnam Nhon Trach 2 Po	6,70%
Digiworld Corp	6,28%
Fpt Corp	6,02%
Masan Consumer Corp	5,43%
Sao Ta Foods Jsc	4,96%
Pha Lai Thermal Power Jsc	4,63%
Tng Investment & Trading Jsc	4,58%
Hatien 1 Cement Jsc	4,28%
An Phat Plastic And Green En	4,22%
<b>Total weightings Top 10</b>	<b>54,14%</b>

## Exchange Allocation



## Fund Characteristics

Characteristics	Fund
Number of Positions	35
Dividend Yield in %*	6,51
Price/Earnings Ratio*	8,57
Price to Book Ratio *	1,42

\* source: Bloomberg/TCM

## Subscription information

Minimum subscription	
Additional subscription	
Subscription frequency	
Redemption frequency	
Subscription Fee *	
Redemption Fee *	
Conversion Fee *	
Investor Restriction	
Dividend pay-out	
Investment Management Fee	
Performance Fee	
Ongoing Charges Figure (2019)	
Clean share class	
ISIN Code	
Bloomberg ticker	

### A Class

#### Accumulation

EUR 5.000
EUR 200
daily
daily
up to 0.5%
up to 0.5%
up to 0.25%
no restrictions
No
2% per annum
10%
2.66%
No
LU1730853972
TCMVNA LX

### AD Class

#### Accumulation

EUR 5.000
EUR 200
daily
daily
up to 0.5%
up to 0.5%
up to 0.25%
investors located in the Netherlands
No
2% per annum
10%
2.66%
Yes
LU1730854194
TCMVNAD LX

\* added back to the fund

## Sustainability

TCM has entered into an agreement with Sustainalytics for the screening of the portfolios of the TCM equity funds on ESG criteria (UN Global Compact and Controversial Weapons).



## Disclaimer

TCM Vietnam High Dividend Equity (Lux) is a sub fund of TCM Investment Funds Luxembourg, domiciled in Luxembourg. The fund is authorized in Luxembourg and is regulated by the Commission de Surveillance du Secteur Financier. The information in this document provides insufficient information for an investment decision. Please read the Key Investor Document and the prospectus. These documents as well as annual report, semi-annual report and the articles of incorporation of the fund are available free of charge at the registered office of the fund located at 5, Allée Scheffer, L-2520 Luxembourg and on the website of the Management Company: [www.novacap-am.com/en/funds](http://www.novacap-am.com/en/funds). The value of your investment may fluctuate. Past performance provides no guarantee for the future. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units.

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