

The Fund Manager writes

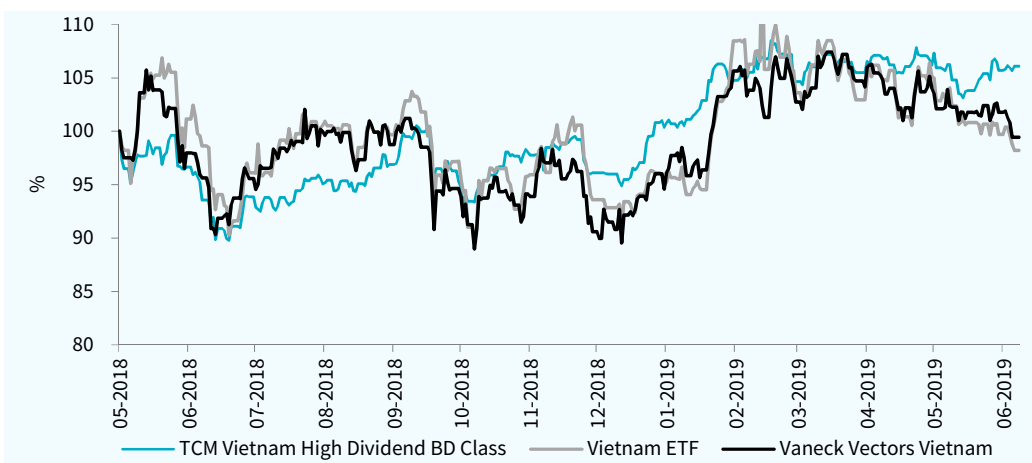
Vietnamese shares ended the second quarter on a negative note as the Vietnam benchmark ETF closed 4% lower and the Ho Chi Minh Stock index and Hanoi Stock Exchange lost 2.12% and 1.49% respectively. The TCM Vietnam High Dividend fund outperformed with a positive performance of 1.24%. During the first half year the fund outperformed the benchmark ETF by almost 5%.

In the next few weeks listed companies will deliver their quarterly earnings reports and the earnings season could support the market's long term uptrend. There have been many recent articles highlighting the benefits to Vietnam of the US-China trade war. But the US runs a large trade deficit of around USD40 billion with Vietnam, ranking it as the fifth-largest trade imbalance with the US. Vietnam was recently also placed on the US Treasury's currency manipulation watchlist. This also occurred to president Trump, who remarked that Vietnam could be targeted with tariffs as well. A 400% tariff on steel from China but exported through Vietnam was a first indication of possible actions to follow. At the beginning of July markets rallied again on the news that the negotiations between the US and China had started again.

At the end of June, some Vietnamese brokerage companies offered covered warrants on a number of stocks that have reached the Foreign Ownership Limit (FOL). These are well-known large caps such as FPT Corporation (FPT), Vinamilk (VNM), and Hoa Phat Group (HPG). These call-only warrants (for the time being) would have a maturity of 3-12 months and would be targeted predominantly at retail investors. The introduction of the (call) warrants indicates that the Vietnamese stock market is getting more and more mature.

The fund currently holds 36 positions across a number of sectors. Consumer Staples and Consumer Discretionary are the main themes weighting 17.5% and 16.4% 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	1,24%	0,07%	10,54%	-4,01%	6,11%
Vietnam ETF	-4,08%	-7,54%	5,77%	-7,16%	-1,80%
Vaneck Vectors Vietnam	-2,77%	-4,44%	9,50%	-9,19%	-0,56%

* 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 Controversial Weapons (screening by Sustainalytics)

Status: UCITS

Structure: Open-end

Domicile: Luxembourg

Inception Date: 24 May 2018

Currency: EUR

Total Fund size: € 6.7 million

Management Company:
Novacap Asset Management S.A.

Investment Manager:
Trustus Capital Management B.V.

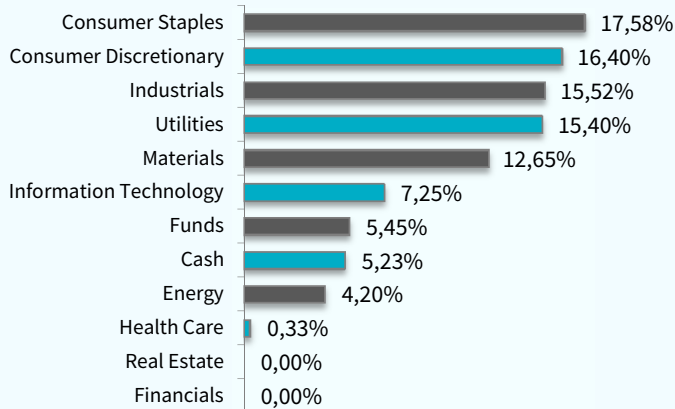
Fund Management:
Frontier Markets Team
Wytze Riemersma
Marco Balk

Custodian:
Caceis Bank Luxembourg Branch

Paying Agent:
Caceis Bank Luxembourg Branch



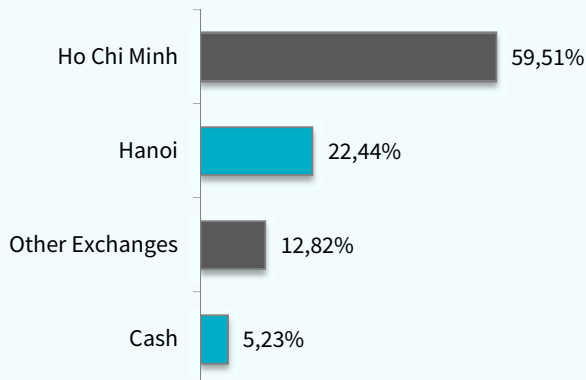
Sector Allocation



Top 10 Holdings

Position	Weighting
Petrovietnam Nhon Trach 2 Po	6,57%
Fpt Corp	6,54%
Pha Lai Thermal Power Jsc	6,08%
Tng Investment & Trading Jsc	5,94%
Vietnam Phoenix Fund Class C	5,45%
Sao Ta Foods Jsc	4,84%
Hatien 1 Cement Jsc	4,27%
Petrovietnam Transportation	4,20%
Halong Canned Food Jsc	4,05%
Masan Consumer Corp	3,95%
Total weightings Top 10	51,89%

Exchange Allocation



Fund Characteristics

Characteristics	Fund
Number of Positions	36
Dividend Yield in %*	6,93
Price/Earnings Ratio*	8,50
Price to Book Ratio *	1,41

* 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. 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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