

## The Fund Manager writes

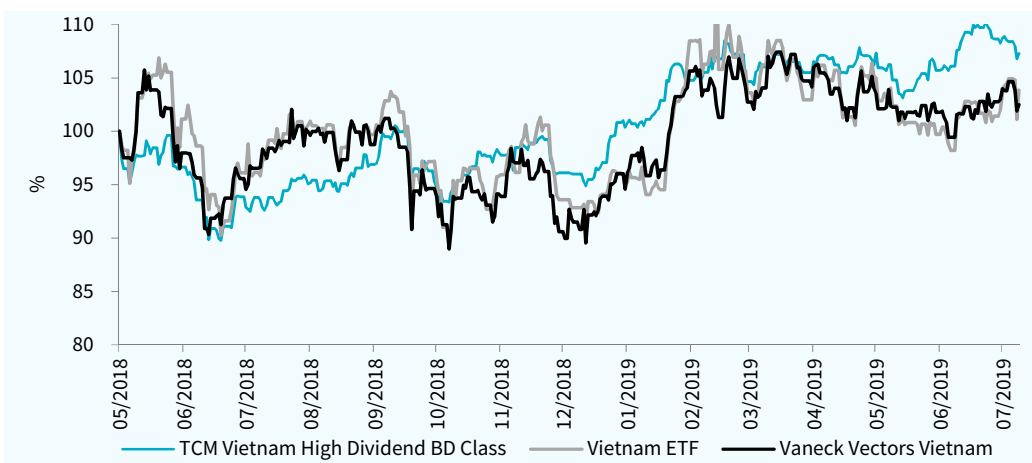
The TCM Vietnam High Dividend Fund rose 1.11% during the month of July, underperforming its benchmark ETF by more than 4%. This was mainly due to our underweight in real estate and the banking sector. In particular index heavy weights like Vietcom Bank, Vingroup, Vinhome and Vincom Retail performed well. Better than expected earnings lifted these names. Although our largest holding FPT also performed well, some of our other larger investments, like the Vietnam Phoenix fund and TNG Investment and Trading Jsc lagged this month.

The market sentiment was positive during the month. The fact that US and China decided to restart the negotiations added to this. A lot of companies released their quarterly earnings, on average results were better than expected. The average combined daily trading volume amounted to USD 193 million, similar to the H1 average. In July foreign investors' net purchases amounted to USD 95 million, of which USD 55 million was the net foreign purchase in Petrolimex (PLX) as the company sold its treasury shares. Within the Top 100 stocks by market cap, at the end of July, the Top 10 were trading at a 2019F P/E and at a P/B of 23.7x and of 4.1x respectively. The remaining stocks of the Top 100 were trading at much lower multiples (2019F P/E and P/B of 11.8x and of 1.6x respectively).

Disbursed FDI went up by 7.1% at USD 10.6 billion. During the month, PMI increased to 52.6, indicating an expanding manufacturing sector. Also the trade figures were strong with a surplus of USD 1.8 billion. Inflation increased 0.2% for the month to 2.4% for the year.

The fund currently holds 35 positions across a number of sectors. Consumer Staples and Basic Consumer Discretionary are the main themes weighting 20.89% and 15.78% 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	1.11%	0.48%	11.77%	-4.01%	7.29%
Vietnam ETF	5.75%	-0.95%	11.85%	-7.16%	3.85%
Vaneck Vectors Vietnam	3.10%	-2.16%	12.89%	-9.19%	2.51%

\* 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:** € 6.7 million

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

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

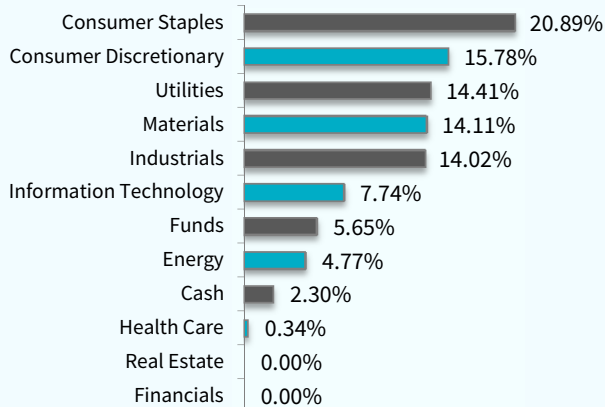
**Fund Management:**  
Frontier Markets Team  
Wytze Riemersma  
Marco Balk

**Custodian:**  
Caceis Bank Luxembourg Branch

**Paying Agent:**  
Caceis Bank Luxembourg Branch



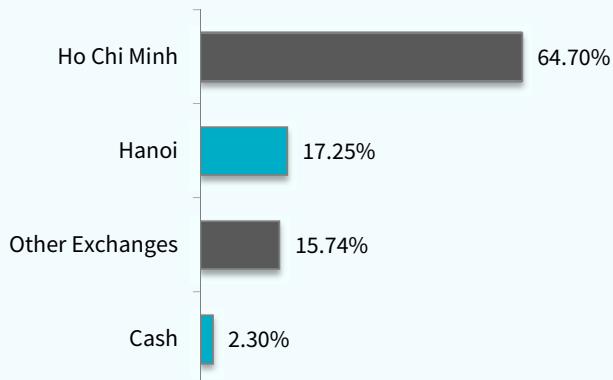
## Sector Allocation



## Top 10 Holdings

Position	Weighting
Fpt Corp	7.04%
Petrovietnam Nhon Trach 2 Po	6.35%
Vietnam Phoenix Fund Class C	5.65%
Pha Lai Thermal Power Jsc	5.37%
Tng Investment & Trading Jsc	5.15%
Sao Ta Foods Jsc	5.03%
Petrovietnam Transportation	4.77%
Hatien 1 Cement Jsc	4.27%
Binh Minh Plastics Jsc	3.97%
Masan Consumer Corp	3.84%
<b>Total weightings Top 10</b>	<b>51.44%</b>

## Exchange Allocation



## Fund Characteristics

Characteristics	Fund
Number of Positions	35
Dividend Yield in %*	7.26
Price/Earnings Ratio*	8.89
Price to Book Ratio *	1.47

\* 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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