

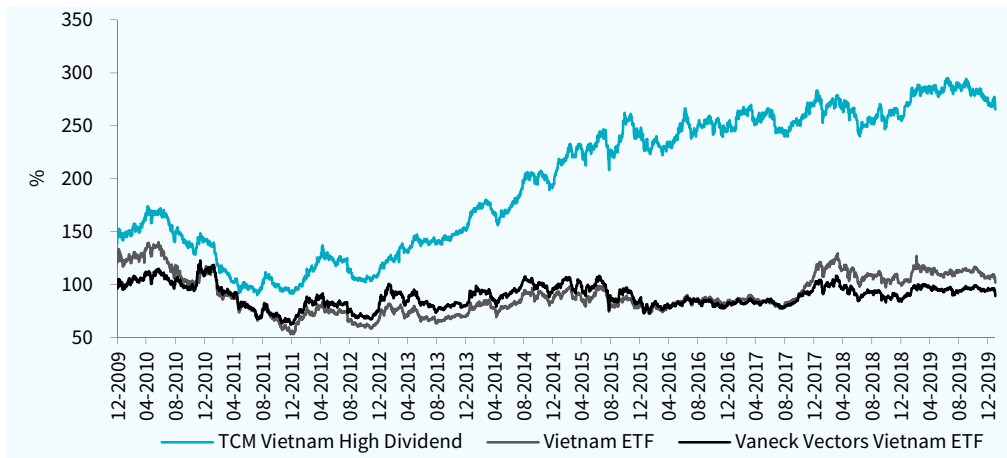
## The Fund Manager writes

The VN-Index decreased by 1.1% in January (measured in euro) whereas the funds benchmark declined by more than 4%. Two major events impacted Vietnamese markets. In early January, U.S. drones killed an Iranian general; stocks initially dropped, but the tensions eased rather quickly and markets rebounded. The coronavirus outbreak at the end of the month weighed on investment sentiment, causing another drawdown in the VN-Index (-5.5% in the last two trading days of January).

As the coronavirus is spreading to Vietnam, the government is stopping to receive tourists from areas with confirmed outbreaks, and is restricting the movement of Chinese visitors in the country to prevent the virus from spreading. By the end of January, there were five confirmed cases in Vietnam, two were Chinese tourists from Wuhan and three were Vietnamese workers who returned from a training course in Wuhan. The outbreak of the disease will affect the Vietnamese tourism industry, which accounts for about 12% of the country's GDP. Chinese visitors accounted for 32.2% of the total foreign visitors. Even though foreign investors were net buyers of \$85mn on the three Vietnamese bourses in January, they could not prevent a negative end of the month. In January, the combined average daily trading volume on the three bourses amounted to \$175mn, up by 22.0% y/y, but still 12.9% lower than the 2019 average. This lower than average liquidity is usually related to preparations for the Tet holiday-season. The January Consumer Price Index (CPI) rose by 6.4% y/y. The sharp increase was mainly due to the increase in food prices, food consumption rose by 10.9% y/y during the Lunar New Year. Additionally, the development of the African Swine Fever (ASF) disease added to more upward pressure on this month's CPI. Usually food prices tend to ease after the Lunar New Year has ended.

The fund currently holds 32 positions across a number of sectors. The dividend yield of the portfolio is currently above the 7%. Consumer Staples and Materials are the main themes weighting 19.4% and 19.3% 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.

## Fund Performance



Return in euro*	1 mnth	3 mnths	2019	2018**	Since start**
TCM Vietnam High Dividend Class BD	-6,58%	-10,15%	-6,58%	-4,01%	-5,05%
Vietnam ETF	-4,02%	-8,67%	-4,02%	-7,16%	-6,30%
Vaneck Vectors Vietnam	-5,65%	-6,97%	-5,65%	-9,19%	-4,55%

\* 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

**Net Asset Value per share:**

Share Class A - € 87.70

Share Class AD - € 87.26

**Total Fund size:** € 5.4 million

**Share Class size:**

Share Class A - € 0.004 million

Share Class AD - € 0.002 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:**

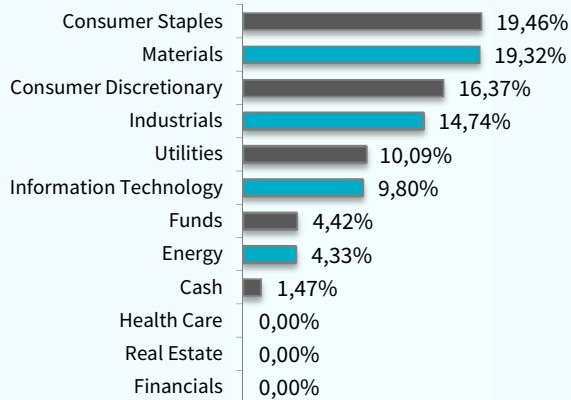
Caceis Bank Luxembourg Branch

**Paying Agent:**

Caceis Bank Luxembourg Branch



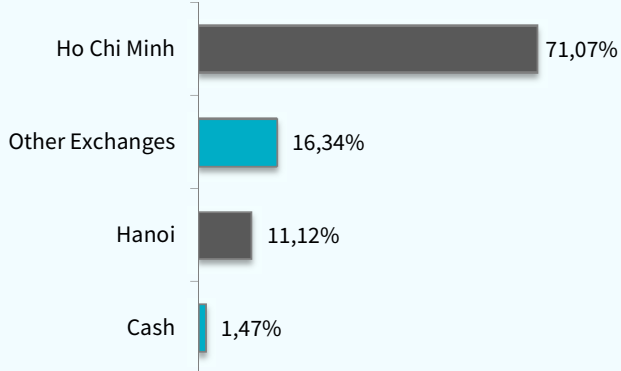
## Sector Allocation



## Top 10 Holdings

Position	Weighting
Fpt Corp	9,10%
Pha Lai Thermal Power Jsc	6,59%
Tng Investment & Trading Jsc	4,80%
Phu Tai Corp	4,69%
Hatien 1 Cement Jsc	4,67%
Quang Ngai Sugar Jsc	4,49%
Vietnam Phoenix Fund Class C	4,42%
Song Hong Garment Jsc	4,35%
Petrovietnam Transportation	4,33%
Vietnam Dairy Products Jsc	4,30%
<b>Total weightings Top 10</b>	<b>51,73%</b>

## Exchange Allocation



## Fund Characteristics

Characteristics	Fund
Number of Positions	32
Dividend Yield in %*	7,11
Price/Earnings Ratio*	7,48
Price to Book Ratio *	1,27

\* 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 (2020)	
Clean share class	
ISIN Code	
Bloomberg ticker	
Can be offered to investors in	

A Class	Accumulation
EUR 20	
EUR 10	
daily	
daily	
up to 0.5%	
up to 0.5%	
up to 0.25%	
no restrictions	
No	
2.5% per annum	
10%	
3,16%	
No	
LU1730853972	
TCMVNA LX	
FI, LU, NL, NO, SE	

AD Class	Accumulation
EUR 20	
EUR 10	
daily	
daily	
up to 0.5%	
up to 0.5%	
up to 0.25%	
no restrictions	
No	
2% per annum	
10%	
2,43%	
Yes	
LU1730854194	
TCMVNAD LX	
LU, NL	

\* 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.