

## The Fund Manager writes

The Ho Chi Minh Index continued to recover in May with a strong gain of 10.7%. In total 273 out of 387 stocks were up. The year to date decline was brought back to 9.1%. The TCM Vietnam High Dividend Fund was up 7.26%, after mid- and small caps underperformed the broader markets this month. Foreign investors have been net sellers for 4 consecutive months now, total foreign net outflow comes down to \$654mn this year. Local investors continue to be the supportive force behind the strong market performance. The number of (local) account openings increased significantly during the last months. Figures show an average of 34,242 new accounts per month during March and April vs. 15,652 on average in 2019.

The absence of foreign inflow might continue in the near future, next to the fact that the next months might show more Covid-19 related warnings, the market could become vulnerable for a (short) correction. A short correction and the prospect of the return of the foreign investors offers a good opportunity to expand the positions in the Vietnamese stockmarket, as we remain positive about the prospects of the Vietnamese stock markets.

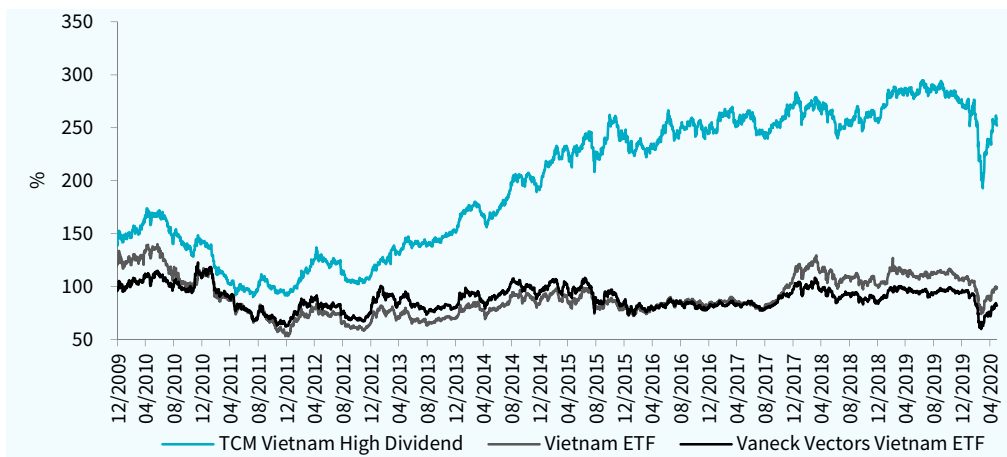
The General Statistics Office of Vietnam (GSO) announced that Vietnam's exports amounted to \$99.3 billion, -1.7% y/y, while imports totalled \$97.5 billion, -3.8% y/y for the first 5 months. Zooming in on the May figures showed Vietnam's exports declined by 15.5% y/y. Vietnam's main export products such as textile & garment (-34.3% y/y) and mobile phones (-30% y/y) dropped as the Covid-19 impact worsened. Imports were down by 15.9% y/y.

In May, the State Bank of Vietnam (SBV) lowered its policy rates to support the banking system and the economy.

The Vietnamese government recently announced new infrastructure projects and a speed up of existing projects. It's also urging the provincial authorities to speed up budget disbursement, which might have a significant positive effect during the last quarter.

The fund currently holds 29 positions. Industrials and Consumer Staples are the main themes weighting 20.1% 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. The fund allocation can therefore deviate strongly from the Vietnamese benchmark indices.

## Fund Performance



Return in euro*	1 mnth	3 mnths	2020	2019	2018**	Since start**
TCM Vietnam High Dividend						
Class BD	7.26%	-1.67%	-6.11%	5.89%	-4.01%	-4.57%
Vietnam ETF	14.74%	3.79%	-6.18%	5.14%	-7.16%	-8.41%
Vaneck Vectors Vietnam	8.44%	-1.16%	-13.31%	11.41%	-9.19%	-12.30%

\* 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 - € 87.85

Share Class AD - € 87.59

**Total Fund size:** € 4.8 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:**

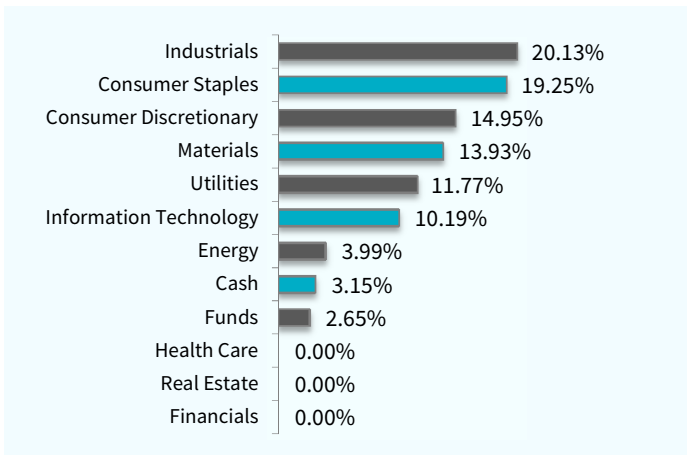
Caceis Bank Luxembourg Branch

**Paying Agent:**

Caceis Bank Luxembourg Branch



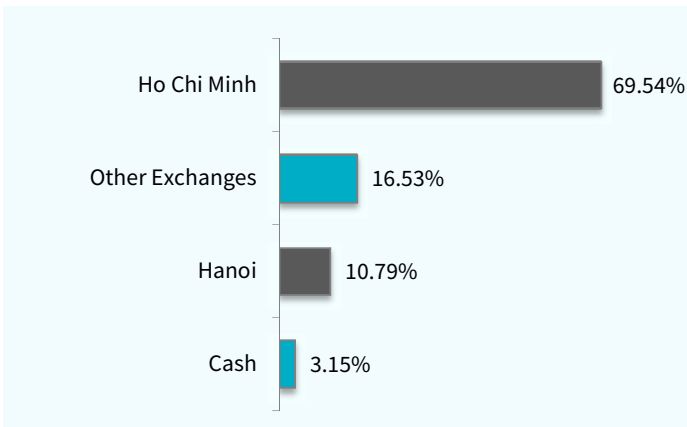
## Sector Allocation



## Top 10 Holdings

Position	Weighting
Fpt Corp	9.43%
Pha Lai Thermal Power Jsc	7.25%
Binh Minh Plastics Jsc	5.51%
Vietnam Dairy Products Jsc	5.32%
Hoa Phat Group Jsc	5.20%
Tng Investment & Trading Jsc	4.94%
Quang Ngai Sugar Jsc	4.92%
Sao Ta Foods Jsc	4.92%
Petrovietnam Nhon Trach 2 Po	4.52%
Hatien 1 Cement Jsc	4.40%
<b>Total weightings Top 10</b>	<b>56.42%</b>

## Exchange Allocation



## Fund Characteristics

Characteristics	Fund
Number of Positions	29
Dividend Yield in %*	8.13
Price/Earnings Ratio*	7.67
Price to Book Ratio *	1.21

\* 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
Minimum subscription	EUR 20
Additional subscription	EUR 10
Subscription frequency	daily
Redemption frequency	daily
Subscription Fee *	up to 0.5%
Redemption Fee *	up to 0.5%
Conversion Fee *	up to 0.25%
Investor Restriction	no restrictions
Dividend pay-out	No
Investment Management Fee	2.5% per annum
Performance Fee	10%
Ongoing Charges Figure (2020)	3.16%
Clean share class	No
ISIN Code	LU1730853972
Bloomberg ticker	TCMVNA LX
Can be offered to investors in	FI, LU, NL, NO, SE

AD Class	Accumulation
Minimum subscription	EUR 20
Additional subscription	EUR 10
Subscription frequency	daily
Redemption frequency	daily
Subscription Fee *	up to 0.5%
Redemption Fee *	up to 0.5%
Conversion Fee *	up to 0.25%
Investor Restriction	no restrictions
Dividend pay-out	No
Investment Management Fee	2% per annum
Performance Fee	10%
Ongoing Charges Figure (2020)	2.43%
Clean share class	Yes
ISIN Code	LU1730854194
Bloomberg ticker	TCMVNAD LX
Can be offered to investors in	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.