

The Fund Manager writes

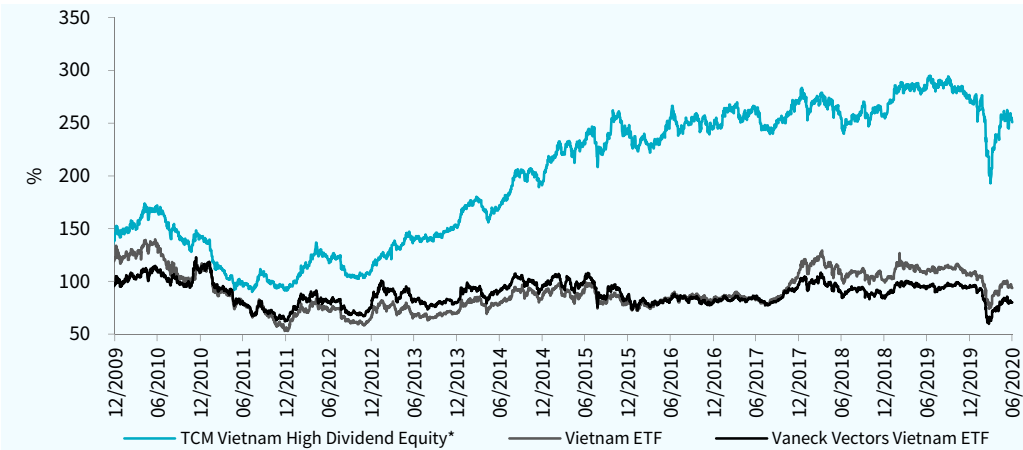
The VN-Index as a gauge for Vietnam's stock market corrected by more than 5% in June. As a result of the negative performance in June, the VN index ended the first half of the year with a loss of 13.9% (all measured in euro). The TCM Vietnam High Dividend fund lost 1.66% during the month of June, which led to an YTD performance of -7.66%. The fund outperformed its benchmark ETF and the VN Index by margins between 4 and 5% so far this year. Major contributors to the outperformance were Vinhkhánh Cable Plastic Corp (+71% ytd), Quang Ngai Sugar (+18% ytd), Binh Minh Plastics JSC (+19% ytd) and steelmaker Hoa Phat Group JSC (+10% ytd).

During the last weeks of June many listed companies organized their Annual General Meetings to outline their financial goals for 2020 and to shine a light on the projected Q2 results. In general, second quarter results were weak as expected, this may come as no surprise. However, the recovery might take some more time as originally thought, Q3 results will still be (partly) influenced by the Covid-19 pandemic, according to comments from the boards at the AGM's.

Figures released from the General Statistics Office show that Vietnam's GDP is expected to grow by 0.4% y/y in the April-June period, despite the slump in economic activities during the lockdown period. But as business activities are resuming and people are more and more confident that the pandemic is finally over thanks to the aggressive measures taken by the government, figures are improving fast. In June, retail sales rebounded by 5.3% y/y after declining for 3 consecutive months.

During the first half of 2020, Vietnam's exports amounted to \$121.2 billion, -1.1% y/y, while imports totaled \$117.2 billion, -3.0% y/y, according to first estimates. This resulted in a trade surplus of \$4.0 billion during this period. In June, Vietnam's exports declined slightly by 2.0% y/y, reaching \$21.0bn. On the other hand, the country's imports recorded \$20.5bn this month, up by 5.3% y/y. However, the rise in imports could well indicate a potential recovery in exports in coming months as Vietnam needs to import raw materials for its export-oriented manufacturing sector. Imports of electrical components, used for mobile phones and laptop assembling, rose by 30.8% y/y in June. The fund currently holds 29 positions at the end of the first half year. Industrials and Consumer Staples are the main themes weighting 22.05% and 20.16% respectively.

Fund Performance



Return in euro**	1 mnth	3 mnths	2020	2019	2018	Since start***
TCM Vietnam High Dividend Class BD	-1.66%	25.75%	-7.66%	5.89%	-4.01%	-6.15%
Vietnam ETF	-6.40%	23.88%	-12.19%	5.14%	-7.16%	-14.28%
Vaneck Vectors Vietnam	-3.16%	25.62%	-16.05%	11.41%	-9.19%	-15.07%

* Since start of the High Dividend Strategy of the fund

** Based on Total Return (Bloomberg data)

*** Data is from inception of the share class: 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 - € 86.17

Share Class AD - € 86.24

Total Fund size: € 4.6 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:

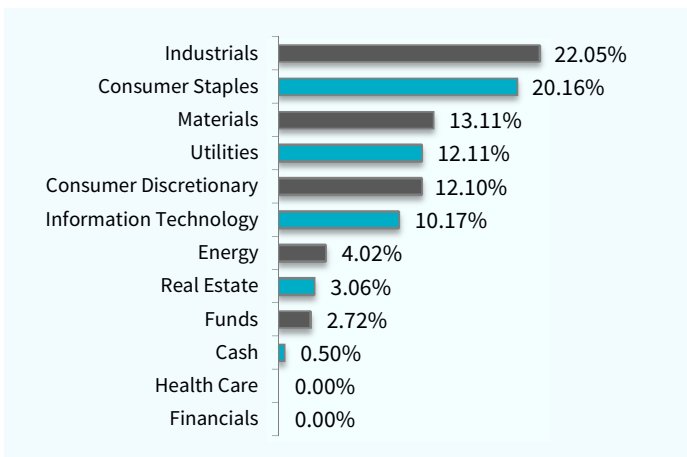
Caceis Bank Luxembourg Branch

Paying Agent:

Caceis Bank Luxembourg Branch



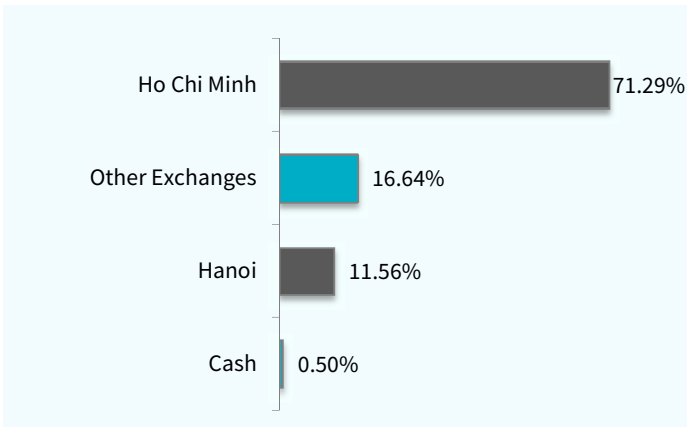
Sector Allocation



Top 10 Holdings

Position	Weighting
Fpt Corp	9.25%
Pha Lai Thermal Power Jsc	7.46%
Binh Minh Plastics Jsc	6.18%
Quang Ngai Sugar Jsc	5.70%
Vietnam Dairy Products Jsc	5.38%
Hoa Phat Group Jsc	4.69%
Petrovietnam Nhon Trach 2 Po	4.65%
Vietnam Engine & Agricultura	4.56%
Tng Investment & Trading Jsc	4.42%
Cmc Jsc	4.31%
Total weightings Top 10	56.58%

Exchange Allocation



Fund Characteristics

Characteristics	Fund
Number of Positions	29
Dividend Yield in %*	7.65
Price/Earnings Ratio*	7.74
Price to Book Ratio *	1.2

* 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. 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.