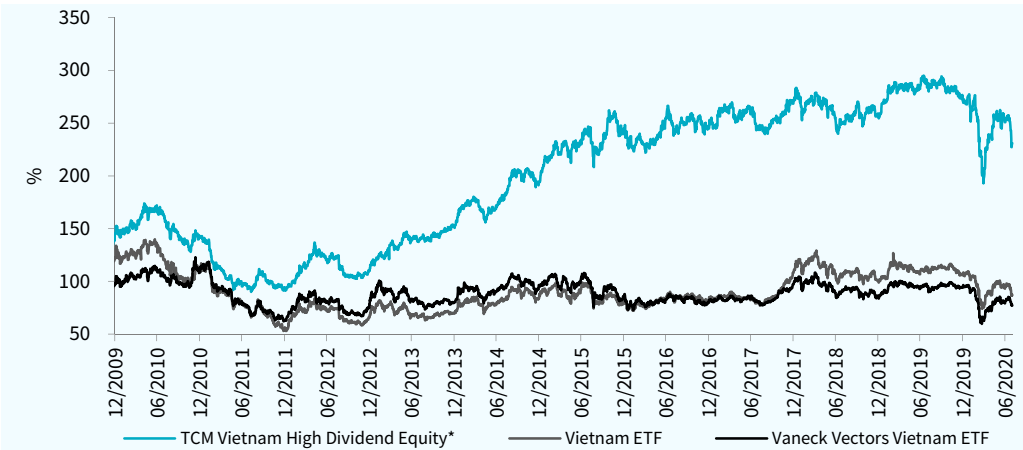


## The Fund Manager writes

In July Covid-19 returned to the headlines in Vietnam, after a period of no new cases. By the end of the month the total number of cases in Vietnam amounted to 509, whereas 369 people have recovered from the virus. Vietnam also recorded the first casualty connected to Covid-19, though this patient was in a critical condition before the Covid-19 infection. Measures taken by the government include a broad scope of testing and a complete lockdown of Danang City and a soft lockdown in Hanoi and in Ho Chi Minh City, closing bars and recreational activities that can gather more than 30 people. The VN-Index decreased by 7.23% in July measured in euro. The sharp drop of the US\$ and therefore the Vietnamese Dong versus the euro was responsible for a 4.73% of the total decline. Communication Services (-9.7%), Consumer Discretionary (-7.3%), and Energy (-5.5%) were the worst performers, while Healthcare (+0.5%) and Real Estate (+0.3%) showed positive returns. The underweight of the fund in the Real Estate sector amounted to a limited underperformance this month, the fund lost 6.50%. The General Statistics Office of Vietnam (GSO) estimated that during the first 7 months of 2020, Vietnam's imported value amounted to \$139.3 billion and exported value to \$145.8 billion, respectively a decrease of 3% and an increase of 0.2% on a yearly basis. The trade surplus reached \$6.5 billion during this period. In July, Vietnam's exports reached \$23.0bn, unchanged versus last year. On the other hand, imports recorded \$22.0bn this month, down by 2.9% y/y. Which leads to the conclusion that the Covid crisis hasn't tipped the scale of the positive trade balance. On short term the EU-Vietnam Free Trade Agreement (EVFTA) will become effective per the 1st of August. The agreement will see to it that a lot of tariff lines will gradually be reduced to zero. According to the Ministry of Planning and Investment, FDI disbursement reached \$10.1bn year to date, down by 4.1% y/y. But FDI disbursement in July was up by 1.4% y/y, reaching \$1.5bn. The fund currently holds 28 positions. Consumer Staples and Industrials are the main themes weighting 20.45% and 19.8% 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	-6.50%	-1.37%	-13.67%	5.89%	-4.01%	-12.25%
Vietnam ETF	-6.91%	-0.02%	-18.25%	5.14%	-7.16%	-20.20%
Vaneck Vectors Vietnam	-2.80%	2.07%	-18.41%	11.41%	-9.19%	-17.45%

\* 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 - € 80.51

Share Class AD - € 80.63

**Total Fund size:** € 4.3 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:**

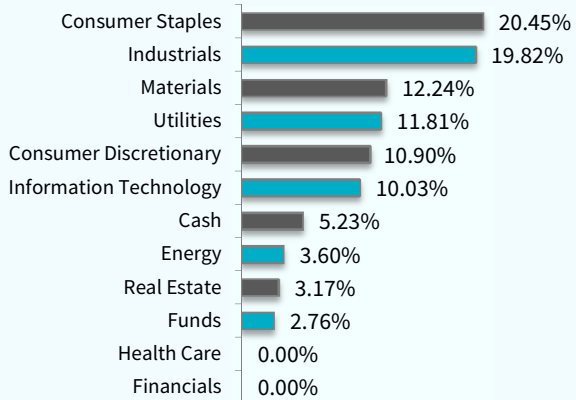
Caceis Bank Luxembourg Branch

**Paying Agent:**

Caceis Bank Luxembourg Branch



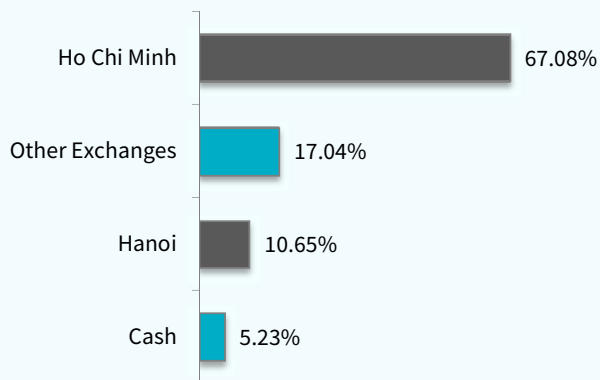
## Sector Allocation



## Top 10 Holdings

Position	Weighting
Fpt Corp	9.22%
Pha Lai Thermal Power Jsc	7.30%
Quang Ngai Sugar Jsc	6.33%
Binh Minh Plastics Jsc	5.98%
Vietnam Dairy Products Jsc	5.22%
Vietnam Engine & Agricultura	4.59%
Petrovietnam Nhon Trach 2 Po	4.59%
Cmc Jsc	4.50%
Tng Investment & Trading Jsc	4.28%
Sao Ta Foods Jsc	4.13%
<b>Total weightings Top 10</b>	<b>56.14%</b>

## Exchange Allocation



## Fund Characteristics

Characteristics	Fund
Number of Positions	28
Dividend Yield in %*	7.65
Price/Earnings Ratio*	6.81
Price to Book Ratio *	1.13

\* 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.