

The Fund Manager writes

The VN-Index rallied by an impressive 10.5% in August. The weaker US\$ and the pegged Vietnamese Dong limited the increase in Euro to 9%. The TCM Vietnam High Dividend Fund also had a strong month with a performance of 8.30%. The outperformance grew versus the benchmark ETF during August, mostly because of the underweight of real estate allocations in the fund. We believe there is still a lot of room left for a normalization of P/E en P/B ratios in our portfolio. The current valuation discount offers together with the 7% dividend yield ample upside potential going forward.

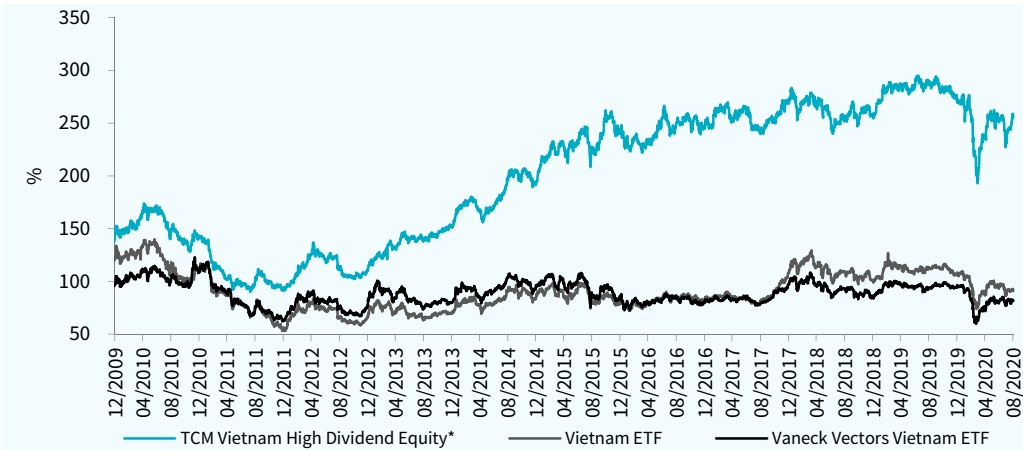
The increase was broad-based as 337 out of 383 stocks were up. Foreigners were still net sellers during the month, although the announcement of a Taiwan fund to invest up to USD 160 million in large cap stocks was received positively. Maybe this type of investments could spark a new period of foreign stock buying, since foreigners have been net sellers since the beginning of the year.

As far as Covid-19 is concerned, the situation in the two red zones, i.e. in Da Nang and in Hai Duong, seems to be under control. More than 70,000 people, who have been in contact with identified infected patients, had to stay in quarantine. Since the beginning of the outbreak, Vietnam recorded 1,044 infections. 34 people died, and 707 patients recovered so far.

According to the General Statistics Office of Vietnam, during the first eight months of 2020, Vietnam's exports amounted to \$174.1 billion, +1.6% y/y, while imports came in at \$162.2 billion, -3.0% y/y. The trade surplus reached a sound \$11.9 billion during this period. In August, Vietnam's imports reached \$23.0bn, + 2.8% y/y, reflecting a sign of recovery of new orders. August exports amounted to \$26.5bn, +2.5% y/y, due to demand for Samsung's flagship products. Vietnam still relies on imports for its manufacturing sector, including the production of laptops and electrical products. The majority of these imports come from China.

The Vietnam Manufacturing Purchasing Managers Index (PMI) dropped to 45.7 in August, from 47.6 in July due to the second outbreak of COVID-19. Looking at the broader economic picture we think this was a reflection of the short term panic and not a first sign of weaker economic indicators to come.

Fund Performance



Return in euro**	1 mnth	3 mnths	2020	2019	2018	Since start***
TCM Vietnam High Dividend Class BD	8.30%	-0.42%	-6.50%	5.89%	-4.01%	-4.97%
Vietnam ETF	4.94%	-8.57%	-14.21%	5.14%	-7.16%	-16.25%
Vaneck Vectors Vietnam	5.92%	-0.30%	-13.57%	11.41%	-9.19%	-12.56%

* 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 - € 87.12

Share Class AD - € 87.29

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:

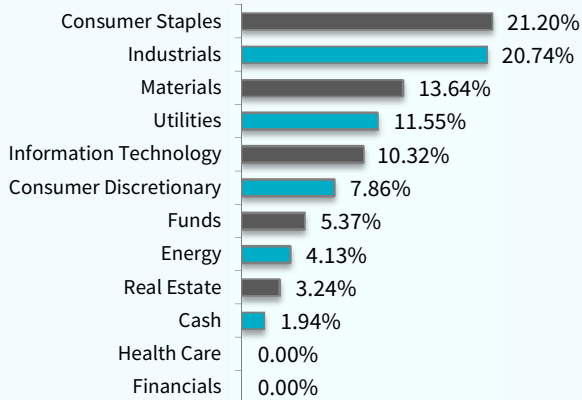
Caceis Bank Luxembourg Branch

Paying Agent:

Caceis Bank Luxembourg Branch



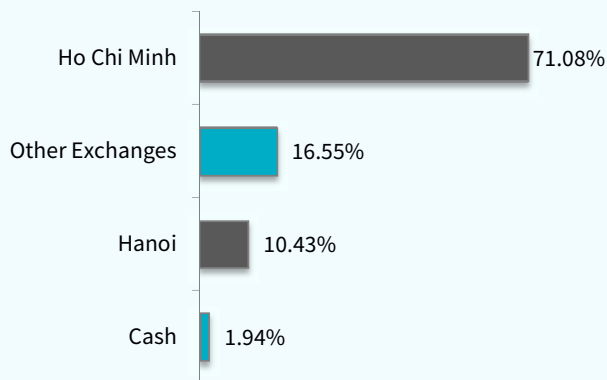
Sector Allocation



Top 10 Holdings

Position	Weighting
Fpt Corp	9.43%
Pha Lai Thermal Power Jsc	6.85%
Binh Minh Plastics Jsc	6.65%
Quang Ngai Sugar Jsc	6.59%
Vietnam Dairy Products Jsc	5.43%
Hoa Phat Group Jsc	4.84%
Petrovietnam Nhon Trach 2 Po	4.70%
Vietnam Engine & Agricultura	4.58%
Sao Ta Foods Jsc	4.49%
Hatien 1 Cement Jsc	4.49%
Total weightings Top 10	58.06%

Exchange Allocation



Fund Characteristics

Characteristics	Fund
Number of Positions	28
Dividend Yield in %*	5.89
Price/Earnings Ratio*	7.88
Price to Book Ratio *	1.23

* 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.