

The Fund Manager writes

The VN-Index as a gauge for Vietnam's stock market rose by 4.8% in September measured in euro. The increase was broad-based as 65% of the stocks were up. The fund also showed a strong performance during the month of September (+7.26%). Since the start of the year the fund outperformed its benchmark by more than 7%.

It has now been two months since Vietnam reported a "second wave" of Covid infections. The country has done a great job containing the outbreak so far. The government did not impose a strict lockdown this time and because of that domestic retail services recovered by 4.5% in Q3. As a result total retail services (ytd) stayed unchanged compared with the same period of last year. Currently there are only 50 Covid cases known and investors are confident on government's effective measures. The General Statistics Office of Vietnam (GSO) announced that Vietnam's Gross Domestic Product (GDP) rose by "only" 2.6% in Q3. However, in a worldwide context, this performance is quite encouraging. The consumer price index (CPI) increased by 3.0% y/y, which was slightly lower than August's increase. Prices of hog increased during the last few months, due to the return of the African Swine Flu (ASF). On the other hand prices of transportation were still significantly lower than in the same period of last year (-12.6% y/y).

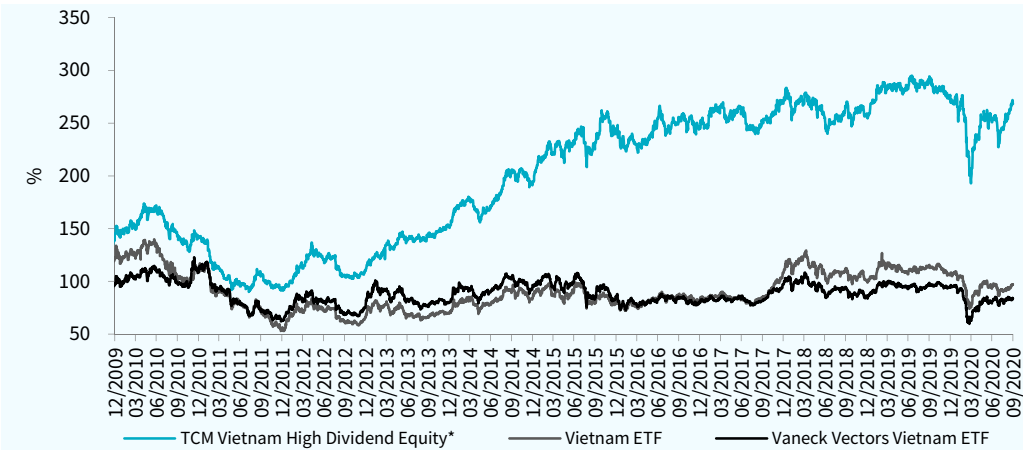
The Vietnam Manufacturing Purchasing Managers Index (PMI) recorded 52.2 in September from 45.7 in August, the highest level since July 2019.

The State Bank of Vietnam (SBV) cut the main interest rates with 25 and 50 basis points. The credit growth is still below the Vietnam state bank's target, the cut should increase the demand for loans.

Vietnam's weight in the MSCI Frontier Index is likely to increase from 12.2% to 30.0% in the MSCI November 2020 update as Kuwait is expected to be upgraded to the Emerging Market status. Estimates show this might lead to a \$680mn inflow into Vietnam's stock market. We expect a positive effect on especially our large cap holdings.

The fund currently holds 28 positions. Consumer Staples and Industrials are the main themes weighting 21.8% and 20.5% respectively.

Fund Performance



Return in euro**	1 mnth	3 mnths	2020	2019	2018	Since start***
TCM Vietnam High Dividend Class BD	7.26%	8.61%	0.29%	5.89%	-4.01%	1.93%
Vietnam ETF	6.85%	4.39%	-8.33%	5.14%	-7.16%	-10.52%
Vaneck Vectors Vietnam	2.93%	5.98%	-11.04%	11.41%	-9.19%	-10.00%

* 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 - € 93.37

Share Class AD - € 93.60

Total Fund size: € 4.9 million

Share Class size:

Share Class A - € 0.005 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:

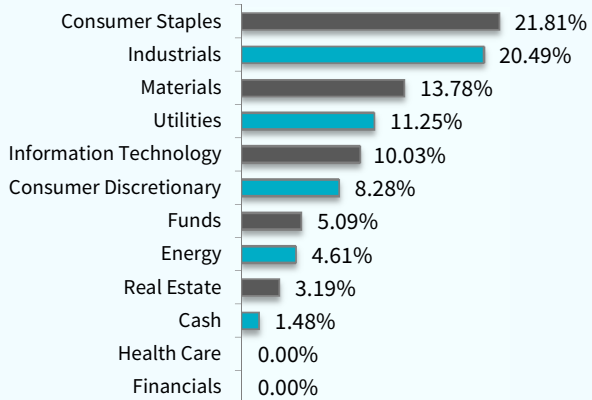
Caceis Bank Luxembourg Branch

Paying Agent:

Caceis Bank Luxembourg Branch



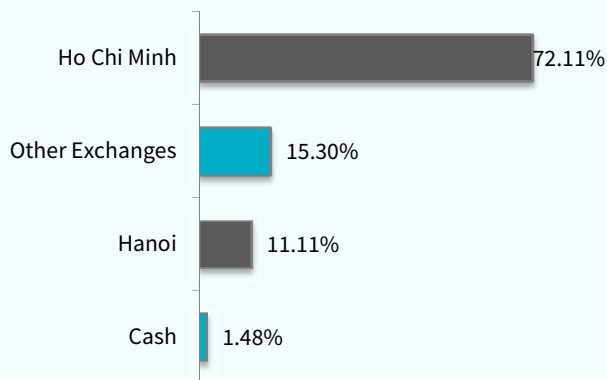
Sector Allocation



Top 10 Holdings

Position	Weighting
Fpt Corp	9.17%
Pha Lai Thermal Power Jsc	6.65%
Binh Minh Plastics Jsc	6.56%
Quang Ngai Sugar Jsc	5.98%
Vietnam Dairy Products Jsc	5.64%
Sao Ta Foods Jsc	5.10%
Hoa Phat Group Jsc	5.01%
Tng Investment & Trading Jsc	4.64%
Petrovietnam Transportation	4.61%
Petrovietnam Nhon Trach 2 Po	4.59%
Total weightings Top 10	57.96%

Exchange Allocation



Fund Characteristics

Characteristics	Fund
Number of Positions	28
Dividend Yield in %*	5.10
Price/Earnings Ratio*	8.19
Price to Book Ratio *	1.31

* 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.