

## The Fund Manager writes

The VN-Index rose strongly by 6.3% in May, in comparison the TCM Vietnam High Dividend Fund rose 4.99%. Vietnam continues to be one of the best performing markets this year. The positive performance of the VN-Index was largely driven by financials, with a 35% weight within the VN-Index the sector's performance of 16% had a lot of impact. Q1/2021 earnings proved to be strong as Banks aggregated net profits were up by more than 76%. Next to the banking sector also the materials sector, led by steel companies accounted for a large part of the VN -Index increase.

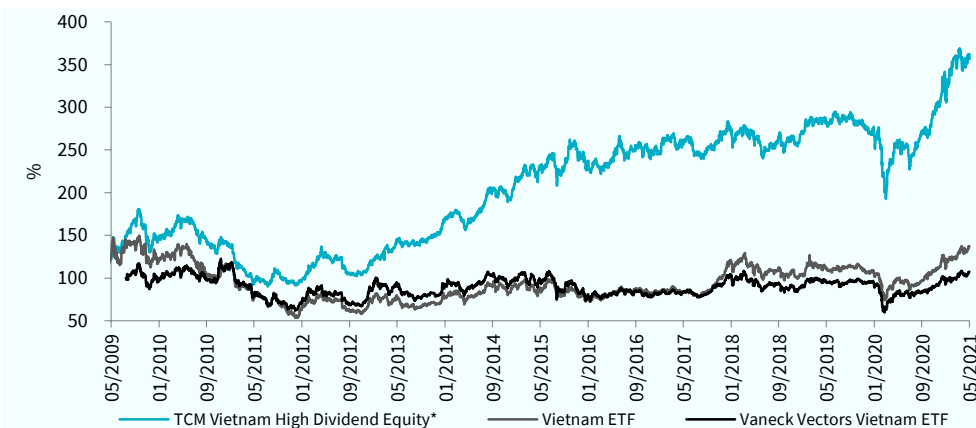
Since the TCM Vietnam High Dividend Fund has a underweighted position in Banks, the performance lagged this month. On the portfolio level we saw most of our holdings reporting better than expected Q1 figures. Given the P/E ratio of 11.7, we expect to see some more upside potential the coming months.

Foreign investors were net-sellers again in May, leading to a total net outflow of \$1.1bn since the start of the year. Other regional markets such as Thailand (-\$2.2bn), the Philippines (-\$1.5bn), and Malaysia (-\$0.8bn) were also confronted with net selling foreign investors. Despite this, the local investors remain the most important factor to guide the markets higher, as they accounted for over 85% of trading in May.

Although markets rose, Vietnam experienced a fourth wave of new Covid cases (+4906). Again the government stepped in and closed down activities in the areas where the concentration of cases was located. The Government announced that 110 million vaccines would be available in 2021. Next to these Pfizer en AstraZeneca vaccines, also local producer and developer NanoCovac is close to introducing its vaccine on the market. Production is expected to start around September this year. The Consumer Price Index (CPI) rose by 2.9%, due to rising costs of transportation and construction materials. Part of the rise can be attributed to the low cost base, during the Covid crisis a year ago.

The fund currently holds 32 positions. Industrials and Consumer Staples are the main themes weighting 20.6% and 16.3% 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	2021	2020	2019	Since start***
TCM Vietnam High Dividend Class BD	4.99%	6.07%	18.26%	15.66%	5.89%	39.03%
Vietnam ETF	6.11%	12.60%	21.06%	6.98%	5.14%	26.43%
Vaneck Vectors Vietnam	2.91%	10.71%	12.74%	0.89%	11.41%	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 - € 123.46

**Total Fund size:** € 6.7 million

**Share Class size:**  
Share Class A - € 0.017 million

**Management Company:**  
Davy Global Fund Management Luxembourg S.A.

**Investment Manager:**  
Trustus Capital Management B.V.

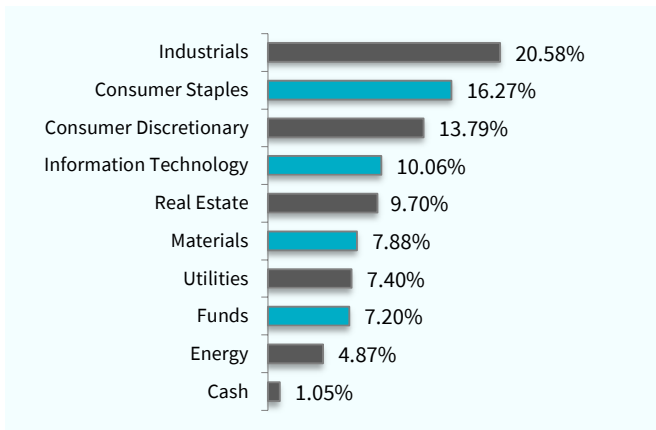
**Fund Management:**  
Frontier Markets Team  
Wytze Riemersma  
Marco Balk

**Custodian:**  
Caceis Bank Luxembourg Branch

**Paying Agent:**  
Caceis Bank Luxembourg Branch



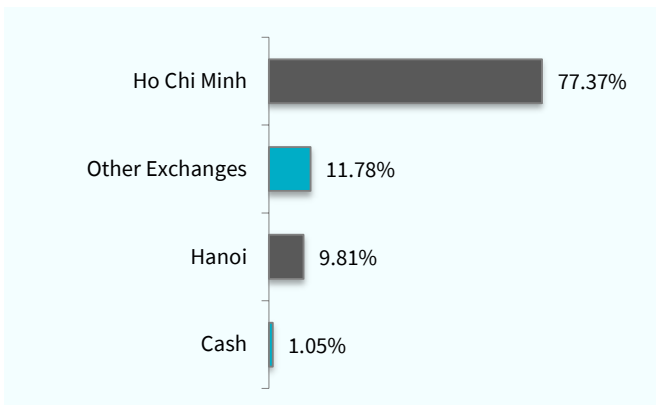
## Sector Allocation



## Top 10 Holdings

Position	Weighting
Fpt Corp	9.13%
Petrovietnam Transportation	4.87%
Hoa Phat Group Jsc	4.83%
Danang Rubber Jsc	4.68%
Pha Lai Thermal Power Jsc	4.66%
Song Hong Garment Jsc	4.61%
Tng Investment & Trading Jsc	4.50%
Binh Minh Plastics Jsc	4.48%
Sao Ta Foods Jsc	4.21%
Hai An Transport & Stevedori	4.10%
<b>Total weightings Top 10</b>	<b>50.08%</b>

## Exchange Allocation



## Fund Characteristics

Characteristics	Fund
Number of Positions	32
Dividend Yield in %*	5.17
Price/Earnings Ratio*	11.72
Price to Book Ratio *	1.6
* 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 (2021)	
Clean share class	
ISIN Code	
Bloomberg ticker	
Can be offered to investors in	

A Class	AD Class
<b>Accumulation</b>	<b>Accumulation</b>
EUR 20	EUR 20
EUR 10	EUR 10
daily	daily
daily	daily
up to 0.5%	up to 0.5%
up to 0.5%	up to 0.5%
up to 0.25%	up to 0.25%
no restrictions	no restrictions
No	No
2.5% per annum	2% per annum
10%	10%
3.18%	2.66%
No	Yes
LU1730853972	LU1730854194
TCMVNA LX	TCMVNAD LX
FI, LU, NL, NO, SE	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.davygfm.com](http://www.davygfm.com). 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.