

## The Fund Manager writes

The VN-Index, a market cap weighted index of the Ho Chi Minh Stock Exchange, Vietnam's main bourse, declined by almost 2% in October. The TCM Vietnam High Dividend Fund declined 3.4%, in line with the benchmark ETF. Only 167 stocks out of a total of 377 increased although most of the fund's decline could be attributed to the Vietnamese Dong which lost 2,2% versus the euro. Vietcombank (index weight of 9.35%) rose by 6.8% and was the main positive contributor to the performance of the VN-Index. Since the stock doesn't comply with our investment criteria it is not present in the fund's portfolio.

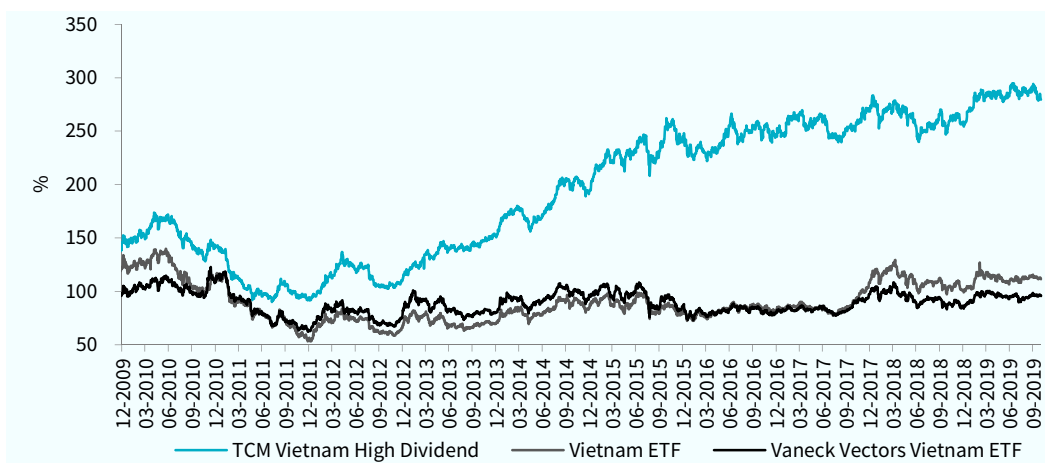
Several holdings published their 9 months figures among which Vinamilk (VNM VN) where revenue rose 6.4% y-o-y while net profit was up 5.8% y-o-y, with gross margins around 48% (stable). FPT Corp (FPT VN), the fund's largest holding, saw a net profit increase by 30% y-o-y.

The USD-VND exchange rate was stable during the month. Since the beginning of the year, the Dong has depreciated around 0.4% against the USD. According to a recent announcement of the State Bank of Vietnam (SBV), Vietnam's foreign currency reserves amounted to \$71bn by the end of October, up from \$60bn at the beginning of the year, thanks to the trade surplus, strong inflows from FDIs and remittances.

In October, the National Assembly Standing Committee convened for the 38th meeting with several draft laws reviewed on its agenda. The Committee also gave opinions on reports of socio-economic topics and the state's budget performance of 2019 as well as the fiscal plans for 2020 till 2022. The government expects that public debt will reach 56.1% of GDP by the end of 2019, and will gradually decline to 52.7% of GDP by 2022. Also, the government forecasted that the state budget deficit will be around 3.4% of GDP.

The fund currently holds 33 positions across a number of sectors. Consumer Staples and Materials are the main themes weighting 21.3% and 14.69% 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	2019	2018	2017	2016	2015	Since start**
TCM Vietnam High Dividend	-3,37%	-1,43%	7,98%	1,20%	9,65%	0,08%	26,28%	179,55%
Vietnam ETF	-3,50%	-1,21%	10,50%	-4,33%	32,02%	1,12%	-3,93%	11,42%
Vaneck Vectors Vietnam	-2,72%	0,09%	12,99%	-6,22%	21,55%	-6,93%	-11,04%	-4,20%
Ho Chi Minh Stock Index	-1,92%	1,25%	16,51%	-4,85%	34,00%	20,62%	16,61%	310,01%
Hanoi SE Equity Index	-1,91%	1,23%	5,72%	-5,93%	31,79%	6,33%	6,39%	40,74%
Dong	-2,22%	-0,09%	2,60%	2,75%	-13,62%	2,04%	5,22%	-10,31%

\* Based on Total Return (Bloomberg data)

\*\* Data is from inception of the fund: 12-01-2009

## Fund Profile

At least half of the fund capital will be invested in listed shares on the exchanges of Ho Chi Minh City and Hanoi. At the most 20% of the fund can be invested in the Vietnamese OTC market. This depends on the liquidity of this market. TCM Vietnam investment policy will be aimed at achieving capital growth as well as dividend pay outs. The risk profile is high, due to investments being channelled into frontier markets in Vietnam. The relationship between global financial markets and the Vietnamese markets is low, because the latter are less sensitive to international developments. To achieve its objective, the Fund invests 95% to 100% of its total assets through TCM Investment Funds Luxembourg in units of TCM Vietnam High Dividend Equity (Lux). The Fund qualifies as feeder-structure.

### Morningstar Rating™



(5 years 31-10-2019)

**Net Asset Value:** € 18.75

**Share Price:** € 18.66

**Total Net Assets:** € 6.5 million

**Number of Shares:** 344,338

**Start Date:** 12 January 2009

**Structure:** Open end

**Aim:** high dividend income as well as long term capital appreciation

**Dividend:** ± 4% per annum, payable at least once a year

**Latest Dividend:**

2019-05: € 0,74 gross dps

(for historical dividends see website)

**Management Fee:** 1.5% per annum

**Performance fee:** 10%

(these costs will only be charged at the level of the Master fund in Luxembourg)

**Ongoing Charges Figure:**

2.84% (Budget 2019)

**Benchmark:** FTSE Vietnam Index TR

(this is the benchmark of the Master fund in Luxembourg)

**ISIN Code:** NL0006489189

**Bloomberg Ticker:** TCMVN NA

### Trading:

The fund is listed on Euronext, which means that the fund can be traded on trading days through any bank or broker. On trading days the fund will sell shares against NAV with a positive deviation of 0.5% and buy back against NAV with negative deviation of 0.5%.

### Managing Company:

TRUSTUS Capital Management

### Fund Management:

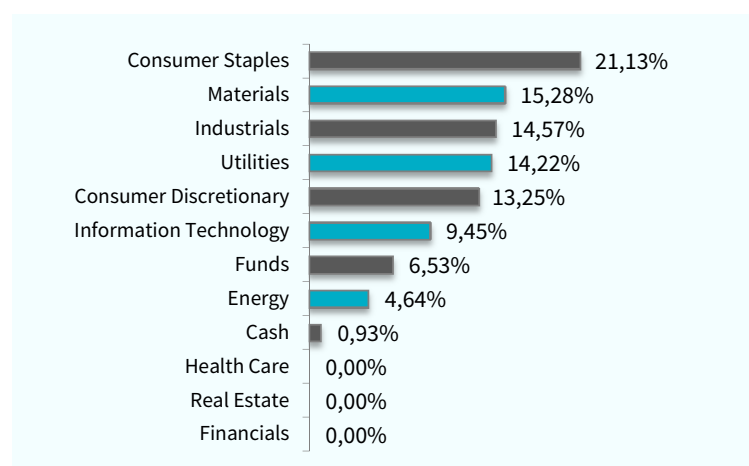
Frontier Markets Team:

Wytze Riemersma

Marco Balk



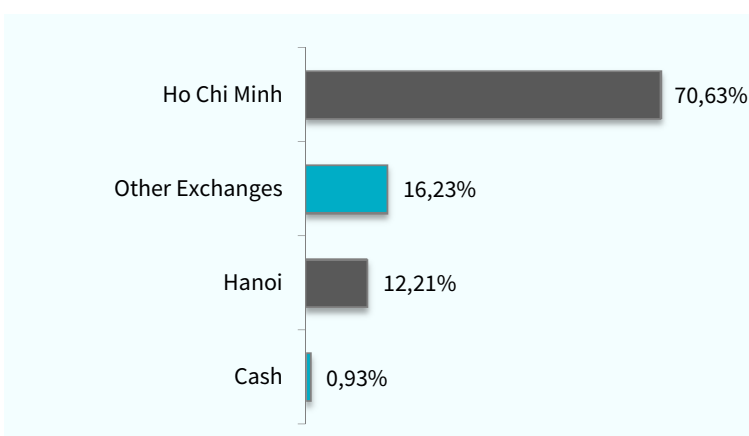
## Sector Allocation



## Top 10 Holdings

Position	Weighting
Fpt Corp	8,77%
Vietnam Phoenix Fund Class C	6,53%
Petrovietnam Nhon Trach 2 Po	5,96%
Pha Lai Thermal Power Jsc	5,73%
Sao Ta Foods Jsc	4,79%
Hatien 1 Cement Jsc	4,77%
Petrovietnam Transportation	4,64%
Binh Minh Plastics Jsc	4,53%
Vietnam Dairy Products Jsc	4,44%
Cmc Jsc	4,18%
<b>Total weightings Top 10</b>	<b>54,33%</b>

## Exchange Allocation



## Fund Characteristics

Characteristic	Fund
Number of Positions	33
Dividend Yield in %*	7,90
Price/Earnings Ratio*	10,04
Price to Book Ratio *	1,39
* source: Bloomberg/TCM	

The above data refers to the underlying portfolio of the master fund in Luxembourg in which the Dutch feeder fund invests for 95% to 100%.

## 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).



## Morningstar

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**TCM investment funds**  
Your connection to new markets



**TCM Vietnam**  
High Dividend

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