

## The Fund Manager writes

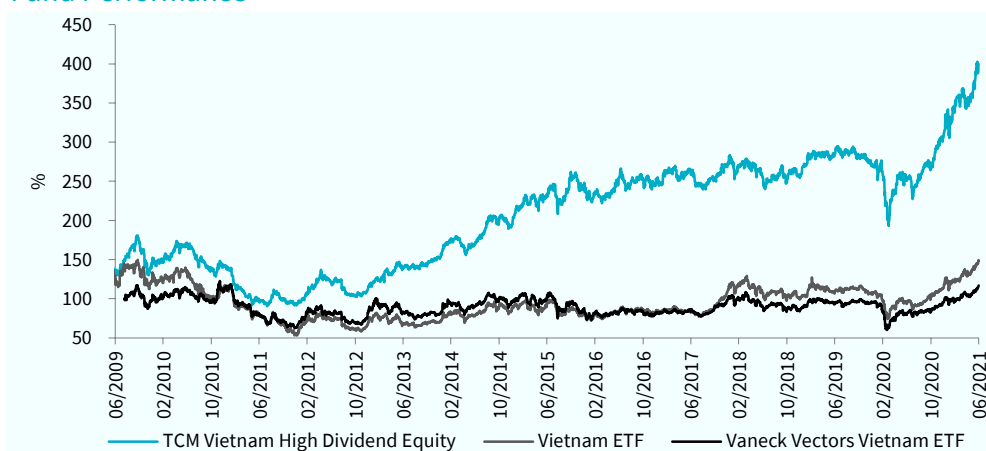
The month of June brought a 10.3% performance for investors in the TCM Vietnam High Dividend Fund, outperforming the benchmark ETF by 1.7%. Strong corporate earnings caused a strong momentum on the three Vietnamese exchanges.

During the second quarter Vietnam's GDP growth amounted to 6.6%, despite the fact that a new wave of Covid-19 started in May. The GDP growth figures over the first half of 2021 were broadly in line with expectations. Because of new outbreaks and the slow start of the vaccination process the second half of the year might show some lower growth. Currently social distancing has been in place and for example restaurants had to close at the start of June. The government has launched a vaccination campaign, aiming at having 70% of the population vaccinated by the end of the year. Campaigns have started to convince the public that vaccination is the best option to contain the pandemic without the impact of possible lock downs.

Exports and imports numbers continued to be impressive during the first six months. Exports grew by 28% to \$157.5bn, and imports increased even by 36% to \$159bn. Vietnam recorded a trade deficit of \$1.5bn after a longer period of trade surpluses. This was basically attributable to the lock down of some industrial production areas which heavily contribute to the export numbers. The higher import numbers are generally regarded as a signal that new orders are increasing and exports will follow swift as many important export markets are reopening.

The fund holds 32 positions across a number of sectors at the end of June 2021. The average TCM Vietnam portfolio P/E is at 10.6 and the dividend yield currently amounts to 4.75%. The fund is tilted towards higher dividend paying ("value") companies in the mid- and small cap area. Consumer Staples and Industrials are the main sectors weighting 20.9% and 14.9%. Within these sectors we currently find the most high dividend stocks which meet our criteria. The weighting of a sector in the fund 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	2018	2017	Since start**
TCM Vietnam High Dividend	10.28%	11.00%	30.43%	12.84%	4.79%	-3.53%	9.65%	299.29%
Vietnam ETF	8.50%	16.67%	31.36%	6.98%	5.14%	-6.65%	32.02%	48.97%
Vaneck Vectors Vietnam	8.78%	13.90%	22.64%	0.89%	11.41%	-12.69%	21.55%	16.87%
Ho Chi Minh Stock Index	9.88%	17.95%	32.81%	7.83%	11.96%	-4.85%	34.00%	464.18%
Hanoi SE Equity Index	7.50%	12.56%	65.76%	86.21%	2.65%	-5.93%	31.79%	321.78%
Dong	3.01%	-0.64%	3.43%	-8.54%	2.00%	2.74%	-13.62%	-16.34%

\* 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™



(3 years, 30-06-2021)

**Net Asset Value:** € 24.67

**Share Price:** € 24.79

**Total Net Assets:** € 7.4 million

**Number of Shares:** 299.338

**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:**

2021-05: € 0,75 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:**

2.90% (Budget 2021)

**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:

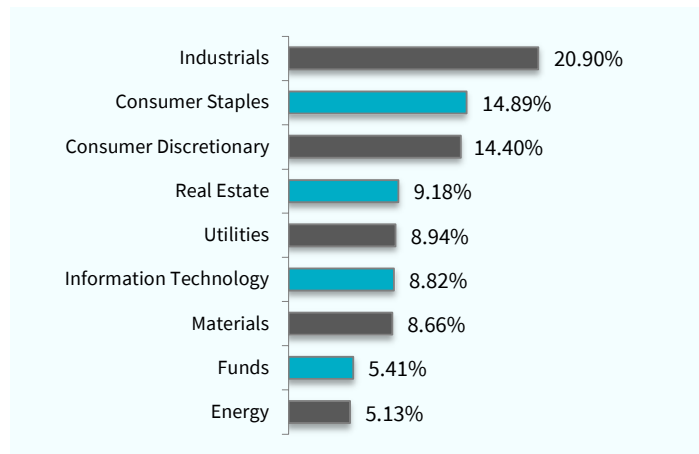
Frontier Markets Team:

Wytze Riemersma

Marco Balk



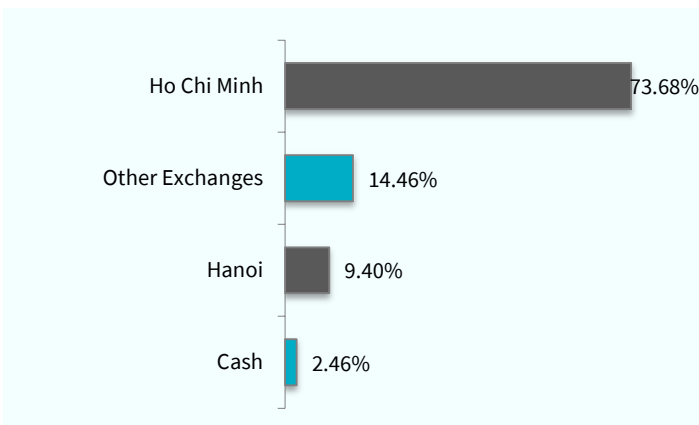
## Sector Allocation



## Top 10 Holdings

Position	Weighting
Fpt Corp	7.98%
Hoa Phat Group Jsc	5.78%
Vietnam Holding Ltd	5.41%
Petrovietnam Transportation	5.13%
Vietnam Engine & Agricultura	4.92%
Song Hong Garment Jsc	4.90%
Tng Investment & Trading Jsc	4.86%
Danang Rubber Jsc	4.64%
Pha Lai Thermal Power Jsc	4.54%
Sao Ta Foods Jsc	4.26%
<b>Total weightings Top 10</b>	<b>52.43%</b>

## Exchange Allocation



## Fund Characteristics

Characteristic	Fund
Number of Positions	32
Dividend Yield in %*	4.75
Price/Earnings Ratio*	10.69
Price to Book Ratio *	1.75
* 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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