

The Fund Manager writes

The VN-Index ended the year 48.5% higher (measured in euro). The TCM Vietnam High Dividend Fund recorded a performance of 72.3%, outperforming its benchmark and other Vietnamese markets by a broad margin. The allocation to mid cap companies proved to be one of the attributers to the substantial outperformance. Despite the positive sentiment foreign investors were net sellers during the year, resulting in a total net outflow of \$2.7bn. Therefore the market was dominated by domestic investors, which contributed 85-90% of the market's total trading volume in 2021.

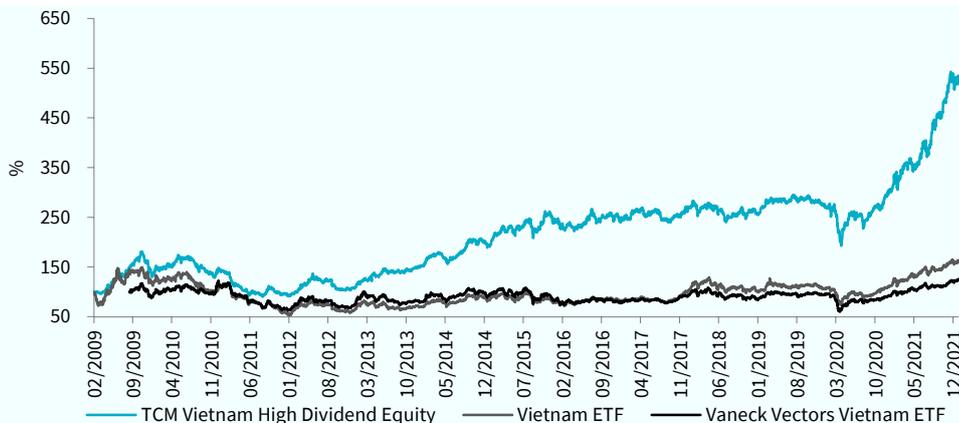
There is a fair chance that this may change during the second half of 2022 as Vietnam will get closer to be classified as an emerging market. The new trading system on the stock exchanges and the change of settlement procedures is one more step in the right direction.

Despite the fact that the Vietnamese markets have done very well, we might see another good year ahead. At the end of 2021 our portfolio is valued at a price/earnings ratio of 11.3 (VN Index: 14.1), which is still attractive given the strong underlying earnings growth. Compared to regional peers Vietnam valuation can also be seen as attractive.

Thanks to the eased Corona measures the economy showed a positive growth in Q4 as Vietnam's GDP rose at a rate of 5.6% y/y. For the whole year, Vietnam's GDP expanded at 2.6% despite the severe lockdowns due to COVID-19. The agriculture sector ended up growing 2.9% y/y as this sector was not extremely hit by the lock downs. The manufacturing and the service sectors showed relative weak results with growth of "only" 4.3% and 1.1%. However when we look at the Q4 figures we can see a fast catch up with 6.1% and 5.7% growth in these two sectors.

The economy is well positioned to further prosper in 2022. A lot of the global concerns (higher inflation, interest rate hikes, and high debt levels) look to be less of a risk factor in Vietnam. The debt to GDP ratio is at 48%, leaving more than enough room for stimulus in the next few years. Interest rates and inflation hover around acceptable levels. Compared to China, Vietnam is also able to avoid the political turmoil.

Fund Performance



Return in euro*	1 mnth	3 mnths	2021	2020	2019	2018	2017	Since start**
TCM Vietnam High Dividend	-2.21%	15.81%	72.31%	12.84%	4.79%	-3.53%	9.65%	425.01%
Vietnam ETF	0.28%	10.20%	41.56%	6.98%	5.14%	-6.65%	32.02%	67.14%
Vaneck Vectors Vietnam	2.20%	12.57%	31.04%	0.89%	11.41%	-12.69%	21.55%	24.88%
Ho Chi Minh Stock Index	0.47%	13.50%	49.24%	7.83%	11.96%	-4.85%	34.00%	534.18%
Hanoi SE Equity Index	2.44%	34.99%	157.29%	86.21%	2.65%	-5.93%	31.79%	553.50%
Dong	-0.23%	1.71%	8.33%	-8.54%	2.00%	2.74%	-13.62%	-10.44%

* 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, 31-12-2021)

Net Asset Value: € 32.59

Share Price: € 32.75

Total Net Assets: € 11.3 million

Number of Shares: 347.445

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:

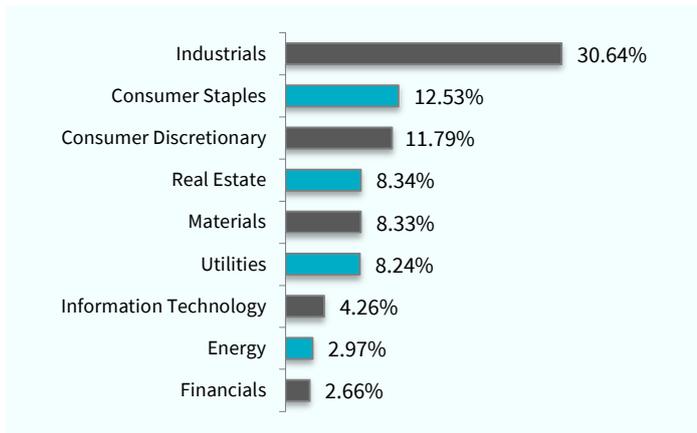
Frontier Markets Team:

Wytze Riemersma

Marco Balk



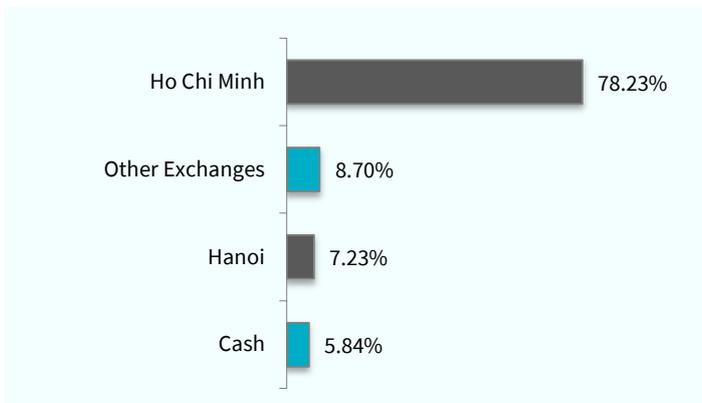
Sector Allocation



Top 10 Holdings

Position	Weighting
Bamboo Capital Jsc	6.60%
Fpt Corp	4.26%
Tng Investment & Trading Jsc	3.80%
Petrovietnam Nhon Trach 2 Po	3.34%
Hai An Transport & Stevedori	3.24%
Hoang Huy Investment Financi	3.11%
Sao Ta Foods Jsc	3.05%
Dong Hai Jsc Of Bentre	3.01%
Petrovietnam Transportation	2.97%
Vietnam Engine & Agricultura	2.91%
Total weightings Top 10	36.27%

Exchange Allocation



Fund Characteristics

Characteristic	Fund
Number of Positions	39
Dividend Yield in %*	3.42
Price/Earnings Ratio*	11.33
Price to Book Ratio *	2.28
* 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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