

VietNam Holding Limited ("VNH" or the "Company")

Monthly Investor Report

A report detailing the activities of the Company for the month of February 2025 has been issued by Dynam Capital Limited, the investment manager of the Company. Electronic copies of the report have been made available to shareholders on the [Company's website](#) and a summary of the report is included below.

Manager Commentary: The dogs of war

Trump's 2.0 trade war dominated the world in February and although Vietnam benefited from tensions between the US and China during the President's first administration, it was clear that no country would be immune from the battle of tariffs today.

Despite the inevitable stock market fluctuations and slower than usual manufacturing momentum, Vietnam's economy managed to hold strong, and the government was determined to take diplomatic and economic steps to ensure the country's fundamentals were least affected. Vietnamese Trade Minister Nguyen Hong Dien met with US energy and trade officials to review adaptation plans, such as boosting collaboration in several areas and expanding imports of US agricultural products and liquefied natural gas. In another example, the Civil Aviation Authority of Vietnam proposed recognising Chinese aircraft certifications to help diversify its aviation sector, strengthen regional ties, and strategically counterbalance global trade risks.

Nevertheless, the real backbone of Vietnam's economy amid all the tariff announcements in February was the sustained flow of registered FDI, which reached US 6.9bn, reflecting a 35.5% year-on-year (YoY) increase for the first two months of the year (2M2025). Global manufacturers still see Vietnam as an alternative to China with companies like Samsung and Foxconn continuing to expand their operations and show confidence in the country's long-term potential as a resilient manufacturing hub. In February, Samsung Display invested US 1.2bn in additional registered capital.

Tourism also helps offset external risks and reinforce Vietnam's position as more than just a manufacturing destination. Tet spurred a significant increase in international arrivals, up +23.7% YoY in February. This bodes well for retail, food services and the hospitality sector. We expect tourism to continue to be a powerful growth engine for Vietnam regardless of the fast-shifting trade trends.

Public investment was another strong defence throughout the month. Despite the rising geopolitical tensions and unlike previous crises, where public investment often slowed in response to global shocks, the government stayed firm on public spending plans. February saw steady progress on major smart city developments, including projects in Hanoi's Hoa Lac Hi-Tech Park and Thu Thiem Urban Area in Ho Chi Minh City, both crucial in building Vietnam as a modern-day tech and financial centre. Additionally, the Vietnamese government continued to press ahead on renewable energy and high-speed rail projects, guaranteeing that these areas would continue to attract investment.

As our most recent [Viva Vietnam post](#) discusses, Vietnam's burgeoning AI sector can also help mitigate the country's vulnerability to trade war threats by increasing productivity in areas such as manufacturing, banking, and logistics. Companies like FPT, our largest holding, have been developing a wider range of AI-powered automation solutions to improve efficiency. We also see Vietnam's AI push becoming more evident in financial services, where banks like TCB and VPB are using AI across a wider range of functions to streamline operations, enhance cybersecurity, and improve credit risk analysis. These investments not only stimulate financial sector growth but also provide a hedge against external economic shocks. Vietnam is catching up rapidly with AI leaders like Singapore and South Korea. While it may not yet have the same level of AI infrastructure, strong government support and foreign investment in startups, including new M&As in education and healthcare, positions Vietnam as a key player in Southeast Asia's increasingly AI-focused economy.

Despite the short-term volatility caused by tectonic trade shifts and uncertain economic times, Vietnam's internal growth drivers continue to offer opportunities for selective investment. The country is not just enduring the storm but evolving into a more balanced, self-sustaining economy. And February showed that it can adapt and thrive as the current trade war saga continues in 2025.

The Fund's NAV fell 2.2% during the month, underperforming the index, as domestic investors returned to some key index stocks we don't hold, and foreign investors continued to sell-off some of our conviction names.

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