



Factsheet

Investment Policy

The primary investment objective of DVF is to seek long-term capital appreciation of its assets by investing in a diversified portfolio of Vietnamese-related securities (onshore and offshore), such as equity, fixed-income and money market instruments and closed end fund vehicles which may or may not be listed. In addition, DVF may invest in private equity securities and real estate funds and through structured notes, leveraged notes or any other derivative instruments which provide Vietnam exposure.

VN Index Performance as at 28 February 2015 (USD)

1 Month Performance:	2.55%
3 Month Performance:	4.52%
6 Month Performance:	-7.56%
1 Year:	-0.14%

Fund Information

Bloomberg Ticker	DWSVIET KY EQUITY
Authorised share capital	500,000,000 shares
Issued Share Capital	486,931,392 shares
Par Value Per Share	USD 1.0000
Nav per share as at 28 February 2015	USD 0.7153
Launch date	8th December 2006

Market Maker

LCF Rothschild Securities Bloomberg:	LCFR <GO> Johnny Hewiston fun@lcrf.co.uk
Tel:	+44 20 7845 5960
Jefferies International Bloomberg:	JCEF <GO> Mark Mulholland
Tel:	+44 20 7618 3623
Dexion Capital Bloomberg:	DEXA <GO> Richard Crawford richard.crawford@dexioncapital.com
Tel:	+44 20 7832 0999
Numis Securities Bloomberg:	NUMI <GO> Dave Cumming
Tel:	+44 20 7260 1376

Performance

Fund Performance



Assets Under Management



Performance Review

The NAV of DWS Vietnam Fund was up 0.66% in February 2015.

Cumulative Return

USD	1 m	YTD	1 y	3 y	5 y	S. Launch
NAV to NAV*	0.66	1.10	2.32	64.25	35.14	-28.47
VNIndex (USD terms) ¹	2.55	8.78	-0.14	36.48	6.56	-35.93
VHIndex (USD terms) ¹	0.00	3.88	2.03	21.82	-52.82	-71.27

Annualised Return

3 y	5 y	S. Launch
17.99	6.21	-3.99
10.92	1.28	-5.27
6.80	-13.95	-14.06

Calendar Years Return

2014	2013	2012
10.46	26.58	26.06
6.60	20.48	18.91
20.19	17.52	-1.79

* Performance is based on NAV to NAV (taking into account the front end load).

Performance Attribution

The Fund's return by asset class in February 2015 breaks down as listed equity 0.93%, closed-end funds 1.74%, unlisted equity 0.30% and fixed income -0.16%.

The listed portfolio returned 0.93% in February, underperforming the VNIndex which returned 2.55% during the month¹. While **Vinamilk** (VNM, +3.85%), **FPT Corp** (FPT, +2.74%), **PetroVietnam Gas** (GAS, +2.60%), **Kinh Bac City** (KBC, +3.82%) and **Mobile World** (MWG, +8.06%) positively contributed to the Fund's performance, steel stocks such as **Hoa Sen Group** (HSG, -9.51%) and **Hoa Phat Group** (HPG, -1.46%)¹ continued to weight the Fund's performance down due to the prolonged concern on Chinese steel dumping.

FPT released its unaudited 2014 business results, showing robust net sales growth of 20.8% YoY and almost flat EBT growth of -2.3% YoY.² Software development, Telecom services and Distribution & Retail segments remain its key earners, while System integration, IT services and Online services continued to experience a turbulent year. We are positive on FPT's outlook for 2015 as the economy continues to recover, supporting consumers' IT spending and help the System integration, IT services and Software segments to return to growth, since a large backlog has been signed in late 2014.

KBC estimated its 2014 sales to be flat while net profit after tax increased fourfold YoY thanks to strong bookings of leased contracts in Trang Due Industrial Park (IP) in the last half of the year, some new leased contracts in the Tan Phu Trung IP; and a one-off booking of gains from investment disposals.² Trang Due IP was upgraded into the Dinh Vu Economic Zone last year, giving tenants access to a series of investment incentives and therefore attracting foreign direct investments. The gains in investment disposals from selling shares in Nam Viet Real estate and Song Tranh Hydropower Plant totalled VND 113bn, therefore accounted for more than one third of net income. Outlook for 2015 is positive for both top and bottom lines thanks to expected bookings of the remaining 50% of the LG contract and another leasing contract to Incheon Vision Association in Trang Due IP. Debt restructuring took place as the successful VND 1,200bn convertible bond issuance was swiftly followed by conversion. The proceeds will be used to restructure KBC's current debt of about VND 3,500bn with and financing future development in IPs such as Nam Son Hap Linh in Bac Ninh and Trang Due in Hai Phong.

The closed-end funds portfolio was up 1.74% in February 2015. **DWS Vietnam Fund's** price increased 3.52% following share buybacks. All shares of **PXP Vietnam Fund** were converted into shares of **PXP Vietnam Emerging Equity Fund** in February as the two merged.³

The Fund's fixed income portfolio returned -0.16% in February.



The unlisted portfolio returned 0.30% in February 2015. The unlisted portfolio includes holdings in instruments which were unlisted at the point of investment but subsequently became listed instruments due to certain events, for example, conversion. These investments are subject to market fluctuations which affect the stock prices. Some holdings are in OTC stocks which are also affected by market fluctuations. Lastly, the unlisted portfolio includes private equity holdings that are revalued quarterly.

The increase this month was mainly due to the increase in share price for the listed holding **NBB Investment Corp** (NBB, +1.49%) and **An Phat Plastics** (AAA, 4.62%).

Current Positioning

97.82% of the Fund's NAV was invested at the end of February 2015. Cash including receivables and payables represented 3.17% of the Fund's NAV, of which receivables were 1.20%. The top ten positions remained unchanged compared to last month with **Greenfeed**, **Vinamilk** and **DWS Vietnam Fund** at the top three positions. The Fund repurchased 2.4 million of its shares in February, therefore increasing the total amount of treasury shares to 8.73% of total shares outstanding.

At the end of February, the Fund held 46 positions across all asset classes, allocated among 15 industry sectors, of which food products was the largest exposure.

Market Update

Economic update

The Vietnamese economy is seeing clear signs of recovery with positive economic indicators in February.

HSBC's Purchasing Manager Index inched up marginally to 51.7 in February from 51.5 in January, driven by solid growth of both output and new orders as well as a further reduction in input prices due to lower fuel cost. Meanwhile, the Industrial Production Index (IIP) in the first two months of 2015 also rose 12% YoY, much higher than the growth of 5.4% YoY during the same period last year⁴.

February's Consumer Price Index (CPI) continued to decrease 0.05% MoM and the headline inflation settled at 0.34% YoY⁴. Much of the decline was attributable to a drop of 4.41% MoM in transportation basket due to lower oil prices, while food and foodstuff basket witnessed a modest increase of 0.53% MoM despite of the Lunar New Year holiday⁴. The real retail sales growth of 10.7% in February pointed out the recovery of domestic demand and reaffirmed low inflation was mainly driven by cheaper production costs⁴.

Vietnam's YTD trade deficit was narrowed to USD 61 million as February's trade balance registered a surplus of USD 300 million⁴. In which, Samsung's cell phones led export while machinery, PCs and electrical equipment topped import category⁴. Trade surplus combined with strong remittance inflows and solid foreign reserve continues to support the stable exchange rate policy of Vietnam in 2015.

Registered Foreign Direct Investment (FDI) totalled USD 1.2 billion, down 22.5% compared to the same period last year⁴. Disbursed FDI, in contrast, continued to grow to USD 1.2 billion, up 7.1% YoY⁴.

Banking Reforms

Credit rose 0.96% as of Feb 24th 2015, a surprising growth compared to a decline of 1.67% in February last year⁵. It is believed that economic recovery, low interest rate and the central bank's policy to allow banks to use up to 60% of short-term deposits for medium and long term loans were the rationale behind this lending growth.

Deposit interest rates were falling down across the local banks. Eximbank, for instance, has lowered its deposit rates by 0.08% a year for 1-month term, 0.1-0.18% a year for 6 to 11-month term, and 0.28% a year for 12-month term⁶. HSBC also expected the State Bank of Vietnam (SBV) to announce another 50 bps cut on open-market operations interest rate to 4.5% on the back of low CPI.

Stock market update

The VN-Index on Ho Chi Minh Stock Exchange gained 2.55% (USD terms)¹ to end the month at 592.57, mainly driven by bank stocks' gains on the back of merger news, positive earnings and strong foreign interest. Both average daily trading volume and value saw a slowdown of approximately 24%¹. The Vietnamese stock market traded at 13.1x P/E at the end of February, far below an average of 21.8x P/E for other emerging markets including Indonesia, Philippines, India and Thailand¹. Foreign investors continued to be net buyers this month.



Economic Indicators

	January 2015	February 2015
Real GDP growth (cumulative, YoY)	-	-
Industrial Production Index (cumulative, YoY)	17.50%	12.00%
Inventory Index (YoY)	9.60%	11.30%
Retail Sales and Services (cumulative, YoY)	13.00%	11.40%
Purchasing Manager Index (PMI) (*)	51.50	51.70
Credit growth (YTD) (**)	-0.50%	0.96%
Inflation (YoY)	0.94%	0.34%
Import growth (cumulative, YoY)	35.50%	16.30%
Export growth (cumulative, YoY)	9.70%	8.60%
Trade balance (YTD, USD million)	(500)	(61)
Registered FDI (YTD, USD billion)	0.70	1.20
Disbursed FDI (YTD, USD billion)	0.50	1.20
Exchange rate (per USD) (***)	21,317	21,348

Source: General Statistics of Vietnam, except:

(*) HSBC

(**) State Bank of Vietnam

(***) Bloomberg

Material Event Disclosure

During February, the Fund repurchased 2.4 million of its shares, therefore increasing the total amount of treasury shares to 8.73% of total shares outstanding.

The Fund Manager continues to be active in the secondary market for DWS Vietnam shares when it believes that they represent a good buying opportunity. The Fund traded at a 24% discount to NAV at the end of February, which has narrowed from 52% over the last two years.

Outlook

Experts believe that Vietnam's economy shall carry over its robust momentum to 2015 on the back of trade surplus, strong FDI inflows and solid performance of the manufacturing and export sectors. However, the country's banking reforms are facing challenges due to the slow progress in state-owned enterprise privatization and the multiple delays in the implementation of Circular 2, according to Fitch Ratings. We continue to closely watch the banking sectors while overweighting real estate, construction materials, consumers and selected manufacturing investments.

Footnote

- 1 Source: Bloomberg
- 2 Source: Company data or announcements
- 3 Source: OTC brokers including Jefferies, Rothschild and Numis
- 4 Source: General Statistics Office of Vietnam
- 5 Source: State Bank of Vietnam
- 6 Source: The Voice of Vietnam



Asset Class Performance	1 mth%	3 mth%
Listed equities	0.93	-2.99
Closed End Funds	1.74	-0.77
Fixed Income Securities	-0.16	1.31
Unlisted equities	0.30	-1.33

Top 5 Onshore Listed Holdings	%
Vinamilk	8.58
Hoa Phat Group	5.71
FPT Corp	4.01
PetroVietnam Drilling and Well	3.64
PetroVietnam Gas	3.00

Top 5 Other Holdings	%
Greenfeed	15.17
DWS Vietnam Fund	6.65
Vietnam Enterprise Fund	5.87
Vietnam Growth Fund	4.87
Corbyns International	4.40

Asset Class Exposure	%
Listed Equities	50.22
Unlisted Equities ^a	28.40
Closed-End Funds	18.79
Receivables	1.23
Fixed Income Securities	0.42
Cash and payables	0.95
Total	100.00

Currency Exposure	USD	VND	AUD
Total Assets of which	26.00%	73.84%	0.17%
Receivables	100.00%	0.00%	0.00%
Cash and payables	18.76%	80.68%	0.55%

Sector breakdown	%
Food Products	37.00
Real Estate Management and Devel	10.83
Energy Equipment and Services	10.33
Building Materials	9.91
Metals and Mining	8.49
Information Technology	6.79
Consumer Discretionary	4.87
Pharmaceuticals	4.53
Containers and Packaging	1.38
Banks	1.27
Health Care	1.24
Chemicals	1.22
Marine	0.95
Diversified Financials	0.74
Industrials	0.47
Total	100.00

(a Unlisted equities include PIPE deals, i.e. Private Investments in Public Companies)



Important Information

This document is for your information only and is provided at your request. It is not intended to be a complete financial report for the fund. It is not the basis for any contract to deal in any security or instrument, or for Deutsche Asset Management (Asia) Limited ("DeAM") or its affiliates to enter into or arrange any type of transaction as a consequence of any information contained. This shall not be construed as the making of any offer or invitation to anyone in any jurisdiction in which such offer is not authorised or in which the person making such offer is not qualified to do so or to anyone to whom it is unlawful to make such an offer. The forecasts provided are based upon our opinion of the market as at this date and are subject to change, dependent on future changes in the market. Any prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets is not necessarily indicative of the future or likely performance. Investments are subject to risks, including possible loss of principal amount invested. The value of shares/ units and their derived income may fall as well as rise. Past performance or any prediction or forecast is not necessarily indicative of future performance. No assurance is given that the investment objective or the targets will be met. This document does not constitute investment advice or recommendation and was prepared without regard to the specific objectives, financial situation or needs of any particular person who may receive it. Investors should study all relevant information and consider whether the investment is appropriate for them. DeAM or its affiliates may hold positions in the securities referred. The investment schemes referred are not obligations of, deposits in, or guaranteed by DeAM or any of its affiliates. You are not authorised to redistribute this document nor qualified to make any offer, representation or contract on behalf of DeAM or its affiliates. Although the information was compiled from sources believed to be reliable, no warranty or representation is given in respect of the accuracy or completeness of the information contained herein and no responsibility or liability is accepted by DeAM, its affiliates, sub-managers, agents or any of their directors or employees in respect of the use of this document or its contents or for any error or omission. The information and opinions contained may also change.

All third party data (such as MSCI, S&P & Bloomberg) are copyrighted by and proprietary to the provider.

Address

One Raffles Quay #20-00,
South Tower Singapore 048583
Tel: +65 6538 7011
Fax: +65 6538 3171
www.DWS.com.sg