



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 31 March 2016 (USD)

1 Month Performance:	0.36%
3 Month Performance:	-2.25%
6 Month Performance:	0.56%
1 Year:	-1.91%

Fund Information

Bloomberg Ticker	DWSVIET KY EQUITY
Authorised share capital	500,000,000 shares
Issued Share Capital	438,300,000 shares
Par Value Per Share	USD 1.0000
Nav per share as at 31 March 2016	USD 0.7653
Launch date	8th December 2006

Market Maker

LCF Rothschild Securities
Bloomberg: **LCFR <GO>**
Johnny Hewston
johnny.hewston@lcf.co.uk
Tel: **+44 20 7845 5960**

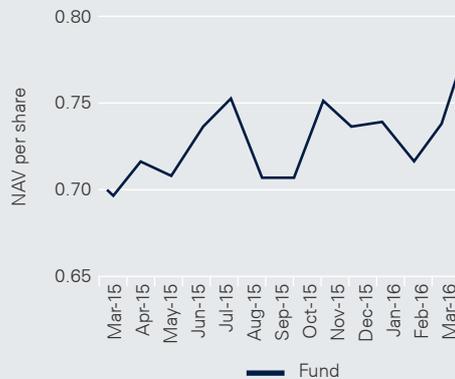
Jefferies International
Bloomberg: **JCEF <GO>**
Mark Mulholland
Tel: **+44 20 7618 3623**

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 3.59% in March 2016.

Cumulative Return

USD	1 m	YTD	1 y	3 y	5 y	S. Launch
NAV to NAV*	3.59	3.46	9.72	33.17	68.42	-23.47
VNIndex (USD terms) ¹	0.36	-2.25	-1.91	7.33	14.05	-41.91
VHIndex (USD terms) ¹	0.57	-0.28	-7.31	23.26	-18.95	-74.62

Annualised Return

3 y	5 y	S. Launch
10.02	10.99	-2.83
2.39	2.66	-5.66
7.22	-4.11	-13.69

Calendar Years Return

2015	2014	2013
4.55	10.46	26.58
0.90	6.60	20.48
-8.01	20.19	17.52

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

Performance Attribution

The listed equity portfolio rose by 1.01% in March while the VNIndex returned 0.36% (in USD terms)¹. Sentiment was good during the first half of the month thanks to the introduction of higher steel tariffs and the successful IPO of State-run Vissan, Vietnam's leading foodstuff processor. Gains during the first half of the month were however wiped off during the second half following the release of weak Q1-2016 macroeconomic data.

In March, **Vietnam Dairy Products JSC (VNM)** was the main contributor to the listed portfolio's performance with a price increase of 4.69%¹. In March the Company requested shareholders' written vote to remove specific business lines from its charter, which was approved by majority. In addition, the Company also announced at a conference with media presence that it expects its foreign ownership limit to increase to 100% by the end of April or May, which implies that FOL will be a voting matter at the upcoming Annual General Meeting. These developments supported Vinamilk's share price during March. The stock is being offered among foreign investors at a premium of 15-25% above market price.

Steel manufacturers **Hoa Sen Group (HSG)** and **Hoa Phat Group (HPG)** enjoyed good share price performance of 10.93% and 5.73%, respectively¹. Steel prices soared more than 20% after the Ministry of Industry and Trade announced safeguard duties to be levied on imported steel from March 22 to protect the local steel industry from cheap imports². According to preliminary statistics from the Vietnam Steel Association, steel consumption in March is estimated to reach 763,000 tons, up 66% compared to February and up 15% compared to the same period last year.

On the other hand, **Vietnam Container Shipping (VSC)** was a detractor to the portfolio's performance with a price decline of 11.76%¹ in March. This marked the third consecutive month of declines since the stock hit a high last year in December. VSC's management announced its business plan for 2016 during their AGM in March, with a revenue target of VND 1,015 billion (+9.4%) and PBT of VND 262 billion (-24%) compared to 2015 targets. They attribute this to higher sales volume from Green port and contribution from VIP Green port, while incurring higher expenses in a bid to fend off competition as well as depreciation and interest costs from VIP Green port's first year of operations. **Saigon Securities Inc (SSI)** was another detractor to the listed portfolio's performance, with a decline of 6.22%¹. The stock experienced a technical correction this month after rallying 22.1% from January's low to a high on March 2nd.

The closed-end funds portfolio was up 2.16% in March 2016, mainly due to the price increase of **DWS Vietnam Fund (3.77%)** and Dragon Capital's **Vietnam Enterprise Investment Fund (VEIL) (2.06%)**. During the month, the Fund completed the redemption of its entire position in **PXP Vietnam Emerging Equity Fund**.

The Fund's fixed income portfolio was up 0.07% in March. The only fixed income security held by the Fund, a Vietnamese government sinking bond, reached maturity on the 12th of March.



The unlisted portfolio gained 12.04% in March 2016. 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 re-valued quarterly.

The increase this month was mainly due to the revaluation of the private equity holdings. **Anova Corporation** was up 23.3%. The company achieved its best quarter in 4Q 2015. Net income increased 55.0% QoQ as the company expands its feed business.

Greenfeed was up 10.3%. The Company continues to grow as one of the leading animal feed players in Vietnam. Net income increased by 30.6% YoY as the Company increases its sales volume.

Current Positioning

97.23% of the Fund's NAV was invested at the end of March 2016. Cash including receivables and payables represented 2.77% of the Fund's NAV, of which receivables made up 0.89%. The top 10 holdings remained unchanged compared to the previous month, with **GreenFeed**, **Vinamilk** and **Vietnam Enterprise Investment Fund (VEIL)** representing more than 10% of NAV. In total, the top ten holdings represent 66.93% of the Fund's NAV. During March, the Fund increased its exposure to **Thu Duc Housing Development Corp (TDH)** via right exercise and entered a position in **Dat Xanh Real Estate Service JSC (DXG)**. The Fund also increased its exposure in VEIL, while fully exiting its position in **PXP Vietnam Emerging Equity Fund (PXPVEEF)**. After the maturity of the Vietnamese government sinking bond on the 12th of March, the Fund has no positions in its fixed income portfolio.

Market Update

Economic update

Vietnam's economic growth came in lower than the expectation as agricultural production heavily affected by the ongoing drought.

Vietnam's GDP grew by 5.46% YoY in the first quarter of 2016, lower than the growth of 6.12% YoY in the same period last year³. The agriculture, forestry and fisheries sector was the main reason for the slowdown with a negative growth of 1.23% for the first time in over 15 years as drought and salinity dampened production in the Mekong Delta, while the service sector posted the strongest growth of 6.13% YoY since 2012¹.

Growth in the industry and construction sector remains firm at 6.72% YoY for the first quarter of the year. Consistently, Nikkei released the Purchasing Manager Index (PMI) of 50.7 in March, up slightly from 50.3 in February, driven by the acceleration of both output and new orders. The Industrial Production Index in the first quarter of 2016 also rose 6.3% YoY, of which manufacturing posted positive growth of 7.9% YoY¹.

March's Consumer Price Index (CPI) rose 0.57% MoM and the headline inflation settled at 1.69% YoY¹. The rally was attributed to the pickup of 23.34% MoM in medicine and health service and 0.66% MoM in education, while the remaining items in the basket declined compared to last month with the sharpest fall in transportation at 3.64% YoY¹. Domestic consumption remained firm in March with retail sales growth of 9.1% YoY¹.

Trade balance in March registered a slight surplus of USD 100 million, widening YTD trade surplus to USD 776 million¹. Export was estimated to 4.1% YoY in the first quarter of 2016, while import turned negative as imports of machinery and equipment dropped from a high base¹. China continued to account for the largest proportion of Vietnam's import turnover.

Registered Foreign Direct Investment (FDI) climbed to USD 4.0 billion in the first quarter of 2016¹, fueled by the USD 300 million Samsung R&D Centre project and the USD 210 million computerized lottery project of Barjaya Corporation Berhad and Vietlott⁴. Disbursed FDI reached USD 3.5 billion, up 14.8% YoY¹.



Banking Sector

According to the State Bank of Vietnam (SBV), credit grew 1.54% YTD as of March 21st while customer deposits inched up 2.26% and total liquidity (M2) expanded 3.08%. The surprisingly high deposit growth compared to the growth rate of 0.94% in March last year was attributed to rate raises at local banks².

On March 18th, the Government issued Decree 18/2016/NĐ-CP to revise Decree 53/2013/NĐ-CP on the operation of the Vietnam Asset Management Company (VAMC). Accordingly, (i) the VAMC will charge an annual fee which will be decided by the SBV after consultation with the Ministry of Finance on the outstanding volume of bad debt purchased by special bond and the VAMC will also charge a fee on the amount of resolved bad debt, (ii) when selling bad debt to the VAMC at market price, the banks are allowed to gradually book the losses as operation expense for at most five years, given the banks are either incurring losses or incurring losses after fully booking the loss from selling bad debt at market price and (iii) the special bond tenure could be extended for restructured banks or banks facing financial difficulties and the total tenure consist of extended and original tenures could not exceed ten years.

Regarding the VND 30 trillion social housing package, the SBV called the banks for a halt in signing new contracts with customers under this package from March 31st as the pledge of loan reached VND 30.12 trillion for 46,246 customers, exceeding the budget for social housing package². In addition, the Prime Minister agreed to extend the disbursement for package after the deadline of May 31st, 2016 and refinance the banks joining the social housing package that they could continue disbursing low interest loan.

Stock market update

The VNIndex on the Ho Chi Minh Stock Exchange increased 0.36% (USD terms)¹ in March to end the month at 561.22. Both average daily trading volume and value increased by 24.9% and 29.6%, respectively¹. A combination of factors such as the successful IPO of State-run Vissan Co. (Vietnam's leading foodstuff processor), the Ministry of Industry & Trade's (MOIT) measures to protect domestic steel enterprises from cheap Chinese imports and the increase in crude oil prices, helped push up the market in the first week of March. This rally was however short-lived as the market clawed back its gains after the release of weak macroeconomic data. At the end of March, the VNIndex traded at 12.0x P/E, far below an average of 21.4x P/E for other emerging markets including Indonesia, Philippines, India and Thailand¹.

Economic Indicators

	February 2016	March 2016
Real GDP growth (cumulative, YoY)	-	5.46%
Industrial Production Index (cumulative, YoY)	6.60%	6.30%
Inventory Index (YoY)	8.90%	8.70%
Retail Sales and Services (cumulative, YoY)	9.70%	9.10%
Purchasing Manager Index (PMI) (*)	50.3	50.7
Credit growth (YTD) (**)	(Not Available)	1.54%
Inflation (YoY)	1.27%	1.69%
Import growth (cumulative, YoY)	-6.60%	-4.80%
Export growth (cumulative, YoY)	2.90%	4.10%
Trade balance (cumulative, USD million)	865	776
Registered FDI (YTD, USD billion)	2.8	4.0
Disbursed FDI (YTD, USD billion)	1.5	3.5
Exchange rate (per USD) (***)	22,300	22,293

Source: General Statistics of Vietnam, except:

(*) Markit

(**) State Bank of Vietnam

(***) Bloomberg



Material Event Disclosure

The last quarterly conference call was held on 31st March 2016. The next call will be scheduled for June 2016. Investors interested in participating in the conference calls are invited to send an email to dvf@duxtonam.com to obtain details.

Outlook

Despite a slow growth in the first quarter, Vietnam is still expected to maintain relatively high economic growth. While the weak performance in the first quarter was driven by a soft agricultural sector, growth going forward will still be supported by the manufacturing sector which has been showing consistently strong growth and robust leading indicator. In addition, the prudence in policy making and priority given to macro-economic stabilization would result in positive outcomes and ensure sustainable economic development. The government has taken actions to create more favorable conditions for foreign investors such as opening up the retail market after the signing of new Free Trade Agreements and relaxing regulations on foreign ownership at local public firms.

Footnote

- 1 Bloomberg
- 2 VN Express News
- 3 The General Statistic Office of Vietnam
- 4 SSI Securities Services



Asset Class Performance	1 mth%	3 mth%
Listed equities	1.01	1.11
Closed End Funds	2.16	0.88
Fixed Income Securities	0.07	1.38
Unlisted equities	12.04	13.23

Top 5 Onshore Listed Holdings	%
Vinamilk	12.70
FPT Corp	4.43
Hoa Phat Group	3.46
Hoa Sen Group	3.01
Bank For Foreign Trade JSC	2.08

Top 5 Other Holdings	%
Greenfeed	18.41
Vietnam Enterprise Fund	10.08
Corbyns International	5.18
Anova Corp	4.71
NBB Investment Corp	2.55

Asset Class Exposure	%
Listed Equities	51.55
Unlisted Equities ^a	33.19
Closed-End Funds	12.49
Receivables	0.89
Fixed Income Securities	0.00
Cash and payables	1.87
Total	100.00

Currency Exposure	USD	VND	AUD
Total Assets of which	19.44%	80.56%	0.00%
Receivables	100.00%	0.00%	0.00%
Cash and payables	26.85%	73.15%	0.00%

Sector breakdown	%
Food Products	41.36
Real Estate Management and Devel	12.25
Building Materials	11.66
Information Technology	7.36
Consumer Discretionary	6.63
Metals and Mining	4.60
Banks	4.10
Energy Equipment and Services	3.91
Pharmaceuticals	2.09
Diversified Financials	1.95
Chemicals	1.53
Marine	1.34
Containers and Packaging	1.23
Industrials	0.00
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