

Minutes of DWS Vietnam Fund - Investor Conference call held May 28, 2015

Introductory comments from the Board of Directors

In order to improve transparency of communications to investors, the Board of Directors asked the Fund Manager to set up conference calls to discuss the fund, and to open these calls to all shareholders. Today is the first of these investor calls. Additional investor calls are planned to take place on a quarterly basis going forward. For today's call, we will have the lines kept closed. However, this may not be the way we deal with every call in future. On top of this, we will take questions from investors directly by email or a phone call.

Ahead of the call, investors have submitted questions to the manager and to the board, replies to which are discussed below.

Many of these questions are focused on how the fund is being managed for liquidity in the lead up to the 2016 AGM, at which a Special Resolution to wind up the company effective 31 December 2016 will be put to the shareholders.

Introductory comments from the Manager

Special resolution of 2016 and preparation for increasing fund liquidity

- The manager and the board are fully cognisant of the 2016 resolution vote, and that one of the outcomes of the vote could be to wind up the company. At this stage, it is expected that shareholders may have an option to open-end the fund, which would allow shareholders who choose to do so a means to exit, without forcing this option on all shareholders.
- In light of the likely need for liquidity, we are managing the fund with the objective that there be no illiquid positions owned by the fund by the end of 2016.
- No new private equity positions will be taken unless there is an associated exit mechanism (such as a put option, or term-loan) or as part of facilitating a broader exit.
- For the private equity holdings which are currently illiquid today, the Manager has shared with the Board its plans for obtaining an exit for each of the positions, and will keep the Board regularly updated. There are several exit options being pursued in parallel. Given the confidential and sensitive nature of these negotiations, public disclosure of our strategy would be at the detriment to shareholders.

Recent fund performance and outlook:

- The NAV per share of the fund stood at \$0.7156 as of the end of April 2015, up +2.8% over the prior 12-month period. The VN Index was down -5.1% over the same period.
- The share price discount to NAV stood at -20% at the end of April 2015, a marked improvement from -28% one year earlier, but still unreasonably large. The manager has continued to repurchase shares in the period February to May 2015.

Market outlook

- The Vietnamese economy appears to be on good track to reach GDP growth of 6.5%-7% this year, a slight acceleration over the recent past. Exports continue to grow, up over 8% YtD. The Purchasing Manager index remains a bullish indicator. In the last three years, inflation

has remained in low single digits, and the currency exchange rate has remained strong: only slight depreciation vs. the USD and strong appreciation vs. the Euro and the Yen.

- The expected impact of a TPP agreement would likely further benefit GDP growth for the country as a whole. In particular Vietnam textile industry would benefit from Rule of Origin provisions, gaining an advantage over competition from Bangladesh and Sri Lanka.
- A detailed market update and outlook can be found in the monthly factsheets published on the fund website (dwsvietnamfund.com)

Topic	Questions from investors, grouped by topic	Response from the manager
Share Buybacks	<p>While we are pleased with the resumption of buybacks, we are confused as to what your buyback policy is. In particular what was the reason for resuming them in Mar-2015 when the discount was significantly narrower than it had been in the c2.5 years since you last bought back shares? Please clarify.</p> <p>How many treasury shares are currently owned as of latest date?</p>	<p>The manager has periodically undertaken buybacks the fund's shares on many occasions since inception of the fund. Share buybacks, when they occurred, have only taken place at a discount to NAV, and at times during which the fund manager felt the discount represented a good buying opportunity for the fund.</p> <p>As of May 2015 the fund now owns just under 10% of its own shares, the maximum it is allowed to hold.</p>
Treasury share cancellation	<p>What is intention with current share buyback in open market in last few months? Do you intend to cancel these shares, if not, why not?</p> <p>The company previously flagged other options, such as distributing them. Is this still being considered?</p> <p>When should we expect the cancellation of the treasury shares to be effective, and what are the issues causing the delay?</p> <p>Why are the shares not treated as cancelled in the monthly NAVs?</p>	<p>Following the AGM in December 2014, the board received authorisation to cancel shares when recommended by the manager. Distribution of shares <i>in-specie</i> is no longer being considered as an option. Legal council has been engaged to advise the board on the technical aspects of cancellation, which raised a number of issues which are in the process of being resolved.</p> <p>In addition, the manager has continued to buy back shares through the end of May. We hope to cancel the treasury shares at the end of June 2015.</p> <p>Unless designated as destined for cancellation, repurchased shares are held for investment.</p>
Related party ownership of DWS Vietnam shares	<p>Could you please disclose whether Duxton, Deutsche Asset Mgmt, or its affiliates, employees, or related parties currently owns or has purchased shares in DWS Vietnam in the open market?</p> <p>If owned, can you please provide a general description of market</p>	<p>Duxton Asset Management does not own any shares directly in the DWS Vietnam Fund.</p> <p>Duxton AM manages another investment fund which owns shares in various Vietnam-related closed-end funds, including</p>

	<p>activity of these entities over the past one year period?</p> <p>Given Duxton is a related / affiliated party to DWS Vietnam, should these type of transactions be disclosed in the normal course of business similar to repurchases by DWS Vietnam of its own stock?</p>	<p>the DWS Vietnam Fund. Duxton has seed capital in this fund. Trading by this fund in DWS Vietnam Fund shares is subject to the same restrictions (e.g limited dealing dates) as apply to DWS trading in its own shares. To date it has only acquired and has never disposed of DWS shares.</p> <p>Duxton employees are not permitted to trade directly in the DWS Vietnam Fund. This restriction has been in place since 2010. Employees are allowed to invest in other Duxton Managed Funds, subject to internal policies regarding personal account trading and conflicts of interest.</p> <p>Deutsche Asset Management holds a substantial number of shares in the fund on behalf of its clients, but is not an owner on its own behalf. Deutsche Bank staff have restrictions in terms of personal account trading and conflicts of interest.</p> <p>Only repurchases by the Fund of its own shares are required by the Irish Stock Exchange to be disclosed and are published on the Irish Stock Exchange website with 24 hours after purchase.</p>
Reporting	<p>Why does the fund no longer provide a Schedule of Investments in its report & accounts? If this is related to the change of accounting standards, was this optional? Are there any plans to make this information available by other means?</p>	<p>The report change came about due to a mandatory change in the IFRS Accounting Standards (as required under IFRS 10 “Consolidated Financial Statements” applicable from 2014 onwards). The Manager has sought to overcome this by providing supplementary information in the form of a full list of holdings under the Company’s Website. This information will be updated quarterly. The Fund does not plan to disclose individual positions.</p> <p>The fund continues to report the top-ten positions in the monthly factsheets.</p>

<p>PE investments prior to 2016</p>	<p>The manager made comments in the annual report that “we continue to see great investment as well as exit opportunities in private equity” and “we continue to see good opportunities for new private equity investments in Vietnam and remain keen on agriculture, healthcare services, technology/media, real estate and the consumer space”. This stands in contrast to the manager’s comments in investor meetings that no new PE investments would be made ahead of the 2016 wind-up vote. Please comment on this apparent inconsistency.</p> <p>How does the manager intend to manage fund liquidity going into wind-up vote given illiquidity of current portfolio?</p> <p>The annual report talked of exit initiatives in 2015. Can you expand on this, please (like which companies these are)?</p>	<p>Although we see many opportunities in general for private equity investment in Vietnam, the manager is cognisant of the 2016 wind-up vote, and will not enter into any new illiquid investment which does not have a self-liquidating feature (such as a put option, or a bond-like structure with a fixed repayment date) in order to prepare for the possible 2016 wind-up.</p> <p>Potential exit plans have been formulated for all the private equity investments. Some may result in exit in 2015. We have shared our plans with the Board, but cannot discuss our exit strategies in a public forum, as this could hinder our ability to obtain the best exit price and would be at a detriment to shareholders.</p>
<p>Investment policy</p>	<p>If the manager is indeed committed to making no new private equity investments ahead of the 2016 wind-up vote, will you amend your investment policy to adopt this formally?</p>	<p>While we are committed to preparing the fund for a potential wind-up following a vote to take place in 2016, we do not believe the investment policy needs to be formally modified.</p>
<p>Asset Allocation</p>	<p>How do you broadly see the asset allocation of the Fund changing over the next three to six months between listed investments, unlisted investments, funds, cash and any other asset classes?</p>	<p>The current split is 30% in unlisted investments, 65% in listed investments [of which 8% in DVF shares], and remainder in cash and other. The broad changes to this mix would be the expected cancellation of DVF shares, and the ultimate reduction in private equity exposure as and when exits are realized, the timing of which has been discussed above.</p>
<p>Wind up vote</p>	<p>We note the complete lack of any reference in the 2014 annual report to the wind-up vote in 2016.</p>	<p>The manager does favour proposing to shareholders an option to open-end the fund, rather than a simple yes/no vote to either continue the fund as-is, or to wind-up the fund.</p>

	<p>The manager has consistently said in investor meetings that an open-ending is their favoured policy. Will you clarify what the company's plans are ahead of 2016 and when we should expect such clarification?</p> <p>What specifically will be put to shareholders, such as option to receive cash, in-kind, roll interest into new LP structure?</p> <p>What are current expectations regarding amount of remaining shareholders after wind-up vote and resulting liquidity of remaining portfolio for continuing shareholders?</p>	<p>Our expectation is that in advance of the 2016 AGM, the board would present such an option.</p> <p>We do not know how shareholders would vote, especial as no specific proposal has yet been communicated for shareholder consideration. In any event, we are preparing the fund to be able to become fully liquid by the end of 2016.</p>
Preparation for windup	<p>If the board favours the option of open-ending the fund in lieu of continuation vote next year, what consideration has been given to how to amend the IMA ahead of any such change? Is it fair to conclude that the fee structure would change?</p> <p>When does the Board expect to set out plans / arrangements for next year's vote, including what structure the fund could have going forward, fee structure, and what could be done to clean up the management arrangements</p>	<p>Yes, the fee structure and other aspects of the fund would require changes. These proposed changes would be presented at the time the proposal to shareholders is determined.</p> <p>The timeframe for communication of proposed changes would be sufficiently in advance of the 2016 AGM.</p>
Board composition	<p>Are there any plans to replace those candidates that were voted off at the last AGM? The board has numbered 4-5 directors since the company's formation. Do you believe that your current board of 2 directors is sufficient?</p> <p>Two directors is an unusually small board and given both are from the same firm (DMS Offshore) with the same support staff, it could be argued the fund is operating with a one-man board. Given numerous other directorships, do the directors have sufficient time to engage with shareholders?</p>	<p>We believe a board consisting of 2 independent directors is sufficient to oversee the fund. Historically, the board had contained additional (and non-remunerated) members, who assisted in carrying out executive functions. In the last board election, shareholders saw fit to remove these directors. These individuals have continued to assist in these roles, but not as directors.</p>

<p>Greenfeed</p>	<p>Please provide an overview of the business prospects for Greenfeed (17.1% of the portfolio as at March-end) including sales and profits growth forecasts for 2015 and 2016. How does the company plan to finance its expansion plans and when does the company expect to expand its facilities?</p> <p>Please provide details of key assumptions / drivers for Green Feed Vietnam which are being provided to DB GVG for valuation. For instance: sales growth assumptions for next few years which are material to valuation (or preferably, more granular data – seed, agrochem sales growth assumptions, etc). Discount rate used as well as any recent changes to this variable. Future profit margin assumptions (up, flat, down) and why?</p> <p>Greenfeed’s earnings appear to be extremely sensitive to input prices. Would you mind reminding us what these various inputs are (in layman’s terms).</p> <p>How does the decision to expand capacity at Greenfeed impact the exit timeframe, if at all?</p> <p>Could you provide an overview of the valuation process for this holding and what metrics are used to value the company?</p>	<p>We have confidence in the business prospects of Greenfeed. As stated in the Annual Report, the company is looking to expand its production capacity and capture greater market share.</p> <p>However, as a private company into which we have invested, the business plan information we have received is subject to confidentiality agreements. In addition, we are in the process of conducting sensitive negotiations for a potential exit of our holding. As such, although we can share our views with the Board, it is inappropriate for us to provide our detail views on the company including financial forecasts on the company in a public forum, as this information could be revealed to people looking to purchase our holdings.</p> <p>For investors who have interest, we could facilitate an introduction to Greenfeed management, who may be able to discuss their business prospects directly, as the information we have on the company is privileged.</p> <p>Current expansion plans at Greenfeed have no impact on the fund’s timeframe to exit.</p> <p>Valuations for all private equity holdings in the Fund are provided by the Deutsche Bank Global Valuation Group (“GVG”), and are updated on a quarterly basis. The valuation of Greenfeed is based on a combination of DCF and peer-group relative value methodologies. Please refer to the FAQ on GVG Valuations, on the DWS Vietnam Fund website.</p>
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