

Vietnam Phoenix Fund Limited

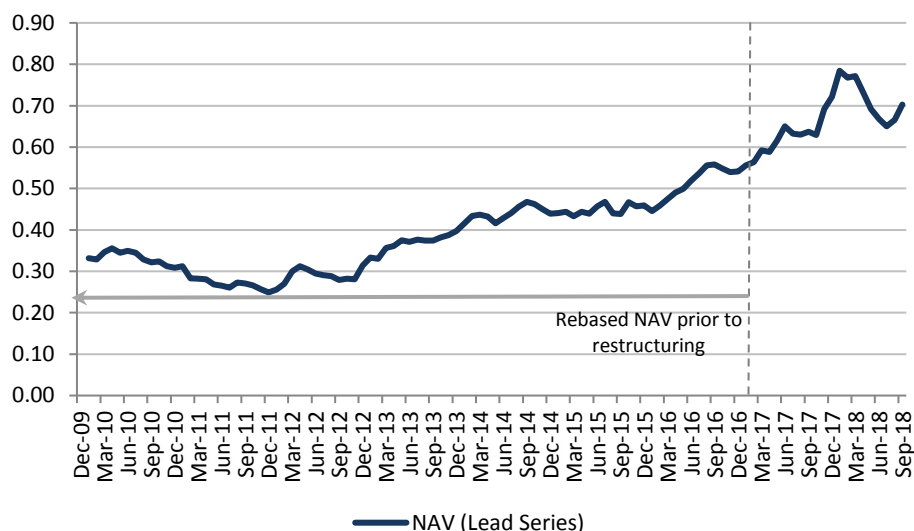
Monthly Factsheet

30th September 2018



CLASS A – Continuation Shares

NAV Performance (USD)



USD (%)	Cumulative Return				Annualised Return			
	1M	3M	6M	YTD	1Y	3Y*	5Y*	7Y*
VPF A (Lead Series)	5.54	5.19	-8.93	-2.55	10.3	17.2	13.6	14.7
VNIndex	2.66	4.23	-14.80	0.65	23.3	20.3	13.3	11.4
VHIndex	3.10	8.01	-13.82	-3.11	5.3	12.9	11.5	5.5

* Includes historical performance of Vietnam Phoenix Fund prior to the restructuring as of 31 Dec 2016. Past performance is not an indicator of future performance.

Top 3 Gainers	Price Change	Contribution to NAV Return
Vinamilk (VNM)	+ 6.5%	+ 0.98%
Khang Dien House Trading (KDH)	+ 13.2%	+ 0.95%
PV Power Corp (POW)	+ 18.4%	+ 0.66%

Top 3 Laggards	Price Change	Contribution to NAV Return
Thien Long Group Corp (TLG)	- 2.1%	- 0.05%
KIDO Frozen Foods JSC (KIDO)	-8.1%	- 0.02%
Coteccons Construction JSC (CTD)	0.3%	0.00%

Total Net Assets: \$48.46 million

NAV/Share

Lead Series: \$0.7028

Series 3: \$1.0150

Structure: Open-End Fund

Liquidity: Monthly

Identifiers

ISIN Code	KYG9363R1056
Bloomberg Ticker	VTNPHXA KY
Sedol	BDHXLD2

Website:

www.vietnamphoenixfund.com

Top 10 Holdings (%)

Vinamilk	13.6
Hoa Phat Group	10.8
FPT Corp	10.6
Khang Dien House	7.8
Mobile World	6.6
Vietnam Enterprise Inv Ltd	6.2
Vinhomes	5.9
HDBank	4.9
Kinh Bac City	4.2
PV Power	4.0
Total	74.6

Sector Allocation (%)

Consumers	24.5
Real Estate	23.0
Financials	15.2
Building Materials	10.8
Information Technology	10.6
Energy Equip & Svcs	5.9
Others*	10.0
Total	100.0

*Includes Cash & Accruals

Asset Breakdown (%)

Listed Equities	96.34
Cash and accruals^	3.66
Total	100.0

^Adjusted to include pending redemptions.

Voting Rights

The voting rights of all share classes are proportional to the value of shares at the most recent valuation date. As of 31st August 2018, the aggregate voting rights are 168,859,329.

Vietnam Phoenix Fund Limited

Monthly Factsheet

30th September 2018



CLASS A – Continuation Shares

Fund Manager's Report

The NAV per share of the Class A Shares (Lead Series) increased 5.54% in September, driven by the performance of Vinamilk (VNM, +6.5%), Khang Dien House (KDH, +13.2%) and PV Power (POW, 18.4%). Laggards include Thien Long Group (TLG, -2.1%) and KIDO Food (KDF, -8.1%).¹

The VNIndex of the Ho Chi Minh Stock Exchange recovered 2.7% in September, in USD terms, driven by the utility, energy and banking sectors.¹ Market sentiment was supported by the news that global index provider FTSE Russell has added Vietnam to the watch list for possible reclassification as a Secondary Emerging Market.² Net foreign flows turned positive in September, after 3 consecutive months of outflow.¹

Vinamilk's share price recovered from two months of weakness, after having bottoming out in the first week of September. The company has recently enhanced its organic production line with the import of 200 A2 cows from New Zealand, with a plan to increase to 1,000 in 2019.³ Vinamilk is also committed to make a VND 4,000bn (more than USD 170m) investment in a 6,000-ha, hi-tech farm in Can Tho with 22,000 cows.³ Phase 2 upgrade of its Mega factory with 33 production lines was also recently completed, increasing capacity to 2.4mn litres/day (equivalent to 800mn litres per year).³ Meanwhile, both strategic shareholders Fraser and Neave (F&N) and Jardine registered to buy shares on a rolling basis.³

Both **PV Power** and **Khang Dien House** recovered strongly in September. PV Power share price was fuelled by the near prospect of the company moving its share listing from the Upcom to the main board Ho Chi Minh Stock Exchange.³ Khang Dien House, on the other hand, announced the profitable divestment of a 9-hectare project in District 9.³

Thien Long Group's share price recorded -2.1% in September as worries on higher oil prices may put pressure on the average plastic prices, its main raw material. However, we believe that Thien Long's leading market position, with more than 60% market share, will allow the company to raise its selling price across its product portfolio as seen in H1 2018. Meanwhile, the company continues to build on its long-term competitive advantage through several ongoing projects such as increasing automation and developing its own ink and pen tips.

¹ Source: Bloomberg, 30/09/18

² Source: <https://vietnamnews.vn/economy/466693/ftse-russell-adds-vn-to-reclassification-watchlist.html#i0RhfrfKvLTdJQbC.97>

³ Source: Company data or announcements

Vietnam Phoenix Fund Limited

Monthly Factsheet

30th September 2018



CLASS C – Private Equity Shares

USD (%)	Cumulative Return				Annualised Return			
	1M	3M	6M	YTD	1Y	3Y*	5Y*	7Y*
VPF C	-0.06	-2.02	-4.79	-3.72	-8.8	4.6	6.0	9.2

* Includes historical performance of Vietnam Phoenix Fund prior to the restructuring as of 31 Dec 2016. Past performance is not an indicator of future performance.

Fund Manager's Report

The NAV per share of the Class C Shares decreased by 0.06% in September.

The Private Equity asset pool contains unlisted investments and other illiquid listed investments. Unlisted investments will be re-valued every six months, or sooner in case of a significant event. The unlisted investments within the pool were last valued by Grant Thornton Vietnam Ltd in June 2018.

On **Corbyns**, in the month of September, the Fund received interest payment of \$1 million from the company and also made a follow-on investment of \$450,000 for the purpose of the restructuring. This follow-on investment represents a partial drawdown of the \$2.5 million that had been previously committed for the restructuring of Corbyns, which is on-going.

Separately, during the month, the Australian Securities Exchange (ASX) had queried VII, a subsidiary of Corbyns, on the Qualified Conclusion in the Independent Auditor's Report for VII's Half-Year Financial Report for the half year ended 30 June 2018 and VII's Board had responded accordingly to the ASX⁴. The Fund Manager has spoken to the management of VII on the supply arrangement with NTC and they are confident that this supply arrangement would help to ease production costs for the core VII business. Looking at VII's 1H 2018 results, VII's profitability had been impacted by the rising costs of steel billets although the demand for its products was still growing⁴, hence VII saw the need to cater for the new supply arrangement with NTC.

Net Assets: \$120.41 million
NAV/Share: \$0.3157
Shares Out: 381,375,002

Identifiers

ISIN Code KYG2886W1078
Bloomberg Ticker VTNPXCY
Sedol B1FHXT2

Website:

www.vietnamphoenixfund.com

Market Makers

Jefferies International
Michele White <JCEF> GO
mwhite@jefferies.com

Numis Securities
Dave Cumming <NUMI> GO
d.cumming@numis.com

FinnCap
Johnny Hewitson <JMFC> GO
jhewitson@finncap.com

Top 10 Holdings (%)

Greenfeed	32.3
Corbyns International	18.2
Anova Corp	14.7
NBB Investment Corp	11.0
An Phat Plastic	8.0
VTC Online	6.0
Tien Phong Plastic	3.1
SSG Group	1.3
Dinh Vu Port Investment	1.1
Ha Do JSC	0.2
Total	95.9

Asset Breakdown (%)

Invested Securities	95.8
Cash and accruals	4.2
Total	100.0

Voting Rights

The voting rights of all share classes are proportional to the value of shares at the most recent valuation date. As of 31st August 2018, the aggregate voting rights are 168,859,329.

⁴ Source: Company data or announcements

Vietnam Phoenix Fund Limited

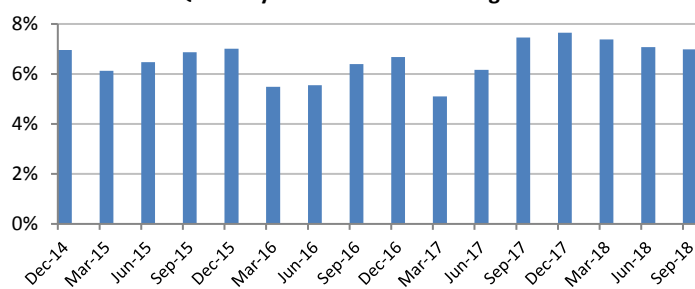
Monthly Factsheet

30th September 2018



Market Update

Quarterly GDP Growth - % change YoY

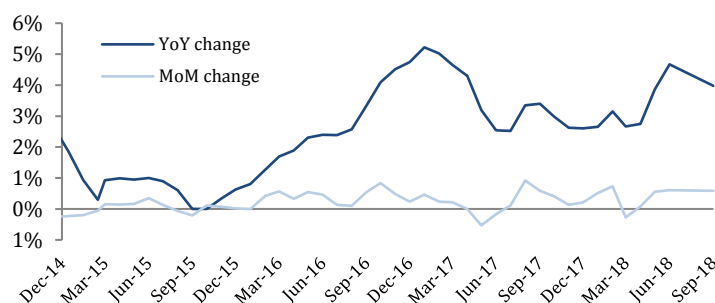


Vietnam Economic Indicators

	2015	2016	2017	2018F*
Real GDP Growth	% 6.7	6.2	6.7	6.8
CPI	% 0.9	4.7	2.6	4.0
Export Growth	% 8.1	9.0	20.6	15.0
Import Growth	% 12.0	5.2	21.3	13.5
Trade Balance	\$bn -3.5	2.7	2.3	2.0
Registered FDI	\$bn 15.6	21.0	35.9	-
FX Reserve	\$bn 31.0	41.0	52.0	58.0
USDVND	22,540	22,761	22,968	23,400

*Source: Duxton estimates

Consumer Price Index, (%) change



Data from Bloomberg		Mkt Cap (USD bn)	2018 Forward P/E	PEG	Div Yield	ROE
Indonesia	JCI	454	19.4	2.8	2.1%	25.2%
Thailand	SET	548	19.7	2.4	2.6%	17.0%
Singapore	FSSTI	412	13.3	1.4	3.9%	11.5%
Malaysia	FBMKLIC	270	20.3	5.0	2.9%	25.3%
Philippines	PCOMP	169	18.2	1.9	1.6%	13.3%
Vietnam	VNINDEX	140	18.3	1.0	1.4%	21.8%

The VNIndex of the Ho Chi Minh Stock Exchange recovered 2.7% in September, driven by the utility, energy and banking sectors.⁵ Trading volume rebounded across the three bourses, from a nine-month low in July 2018.⁵ Net foreign flows turned positive in September, after 3 consecutive months of outflows.⁵

Vietnam's Gross Domestic Product growth reached 6.98% in the first nine months of 2018, the highest since 2011.⁶ Industrial Production Index in 9M2018 increased 10.6% over the same period last year, thanks to the largest contribution from the manufacturing and processing industry, which grew 12.9% YoY.⁶ Electricity generation and distribution sector was the second largest contributor, growing 9.7% YoY.⁶ The Nikkei Purchasing Manager's Index (PMI) decreased from 53.7 in Aug to 51.5 in Sep.⁷

The Consumer Price Index (CPI) increased 0.6% MoM, bringing YTD inflation to 3.2%.⁶

The first nine months of 2018 recorded all time high trade surplus of USD 5.39bn, as exports grew more robustly than imports (+15.4% vs. +11.8% YoY).⁶ Mobile phones and spare parts remain the largest export product category, while iron and steel saw the strongest YoY growth.⁶ Meanwhile, Vietnam's largest import category – electronics and computers – grew 13.9% YoY.⁶ The U.S was still Vietnam's largest export market with a trade surplus of USD 22.2bn⁶, while China was the largest import market. The total registered Foreign Direct Investment (FDI) was estimated at USD 19.7bn, down by 7.7% YoY.⁸ However, FDI disbursement grew 6% YoY.⁸ The manufacturing sector continued to lead FDI flows, representing 49.2% of total FDI, followed by the real estate sector with 27.7%.⁸

The FTSE Russell had on Sep 27th added Vietnam into their watch list for possible reclassification into Secondary Emerging market status, since the country's stock market satisfied 9 out of 21⁹ of its classification criteria. This is one step forward towards a full upgrade to Emerging market status for both FTSE Russell and MSCI. For this to materialise, Vietnam is making efforts in restructuring the market, including a new Securities Law Draft allowing 100% foreign ownership for public companies in non-restricted sectors.¹⁰ Positive developments were also revealed in our meeting this month with officers from the State Securities Commission of Vietnam, who laid out a detailed action plan for upgrading.

5 Source: Bloomberg, 30/09/18

6 Source: General Statistics Office of Vietnam

7 Source: Nikkei

8 Source: Foreign Investment Agency (FIA) (of VN's Ministry of Planning and Investment)

9 Source: https://www.ftse.com/products/downloads/Watch-List_latest.pdf

10 Source: <https://asia.nikkei.com/Economy/Vietnam-to-remove-49-foreign-ownership-cap-on-listed-companies>

Vietnam Phoenix Fund Limited

Monthly Factsheet

30th September 2018



About Duxton Asset Management Pte Ltd

Duxton Asset Management is a boutique asset manager with a dual focus: Agriculture and Asian Emerging Markets. A carve-out from one of the world's foremost financial institutions, Duxton is regulated by the Monetary Authority of Singapore as a holder of a Capital Markets Services License to conduct the regulated activity of fund management for accredited investors and institutional investors. The Duxton Group has approximately USD 972 million worth of assets under management and advice as of Aug 2018.

Disclaimer

This factsheet is directed at institutional investors and accredited investors as defined in the Securities and Futures Act, Chapter 289 of Singapore or investor in an equivalent class under the laws of the country or territory ("Permitted Investors"), and is not intended for use by retail investors. The content of this factsheet is intended as a source of general information for Permitted Investors only, and is not the basis for any contract to deal in the Vietnam Phoenix Fund Limited* ("VPFL") or any security or instrument, or for Duxton Asset Management ("Duxton") or their affiliates to enter into or arrange any type of transaction as a consequence of any information contained. The terms of VPFL are set out in the fund prospectus ("Prospectus") of VPFL, and should there be any conflict between the terms set out in this factsheet and the Prospectus, the terms in the Prospectus shall prevail.

Information from this factsheet must not be issued in any jurisdiction where prohibited by law and must not be used in any way that would be contrary to local law or regulation. Specifically, this shall not be construed as the making of any offer or invitation to anyone in any jurisdiction in which such offer is not authorized 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 factsheet does not constitute investment, tax, legal or any other form of 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. If you require investment or financial advice please contact a regulated financial adviser. No representation or warranty, either expressed or implied, or is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is it intended to be a complete statement or summary of the securities, markets or developments referred to in this factsheet.

Duxton or its affiliates may hold positions in the securities referred. Where stocks are mentioned, it should not be construed that these are recommendations to buy or sell those stocks. The investment schemes referred are not obligations of, deposits in, or guaranteed by Duxton or any of its affiliates.

You are not authorized to redistribute this document nor qualified to make any offer, representation or contract on behalf of Duxton or its affiliates. Although the information was compiled from sources believed to be reliable, no liability for any error or omission is accepted by Duxton or its affiliates or any of their directors or employees. The information and opinions contained may also change.

Copyright protection exists in this factsheet. The contents of this factsheet are strictly confidential and it may not be disclosed, reproduced, distributed or published by any person for any purpose without our written consent. To the extent permitted by applicable law, none of Duxton Asset Management, their affiliates, or any officer or employee of Duxton accepts any liability whatsoever for any direct or consequential loss arising from any use of this factsheet or its contents, including for negligence.

*Formerly known as DWS Vietnam Fund Limited. The Fund was renamed to Vietnam Phoenix Fund Limited following the resignation of Deutsche Asset Management (Asia) Limited as Investment Manager on 30 September 2016. Duxton Asset Management has since been appointed the Investment Manager of Vietnam Phoenix Fund Limited.

Contact Information

8 Eu Tong Sen Street, The Central, #23-89 Singapore 059818

T: + 65 6511 0362

F: + 65 6220 7956

E: vpf@duxtonam.com