

Vietnam Phoenix Fund Limited

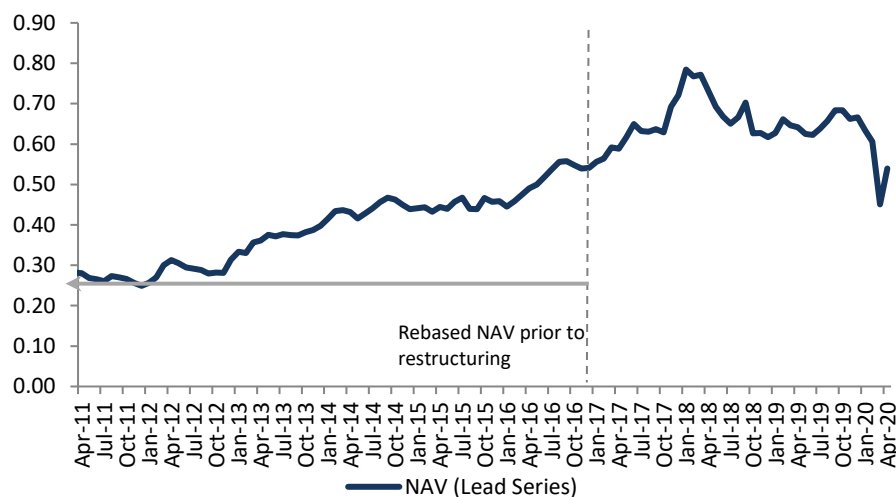
Monthly Factsheet

30th April 2020



CLASS A – Continuation Shares

NAV Performance (USD)



USD (%)	Cumulative Return				Annualised Return			
	1M	3M	6M	YTD	1Y	3Y	5Y*	7Y*
VPF A (Lead Series)	19.7	-15.0	-21.1	-19.0	-16.0	-2.9	4.1	6.0
VNIndex	17.0	-18.6	-23.8	-20.9	-22.1	1.3	4.7	5.4

* 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
FPT Corp (FPT)	23.6%	3.26%
Hoa Phat Group (HPG)	27.6%	2.59%
Mobile World (MWG)	38.7%	2.32%

Total Net Assets: \$26.36 million

NAV/Share

Lead Series: \$0.5394

Structure: Open-End Fund

Liquidity: Monthly

Identifiers

ISIN Code	KYG9363R1056
Bloomberg Ticker	VTNPHXA KY
Sedol	BDHXLD2

Fund Manager: Sharon Seet

Website:

www.vietnamphoenixfund.com

Top 10 Holdings (%)

Vinamilk	15.0
FPT Corp	14.5
Hoa Phat Group	9.9
Mobile World	6.9
Vinhomes	6.5
Khang Dien House	6.4
Kinh Bac City	6.3
Vietcombank	6.2
REE Corp	5.0
PV Power	4.7
Total	81.4

Sector Allocation (%)

Real Estate	25.3
Consumers	22.0
Information Technology	14.5
Financials	10.2
Building Materials	9.9
Energy Equip & Svcs	6.7
Others*	11.4
Total	100.0

*Includes Cash & Accruals

Asset Breakdown (%)

Listed Equities	93.9
Cash and accruals [^]	6.1
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 30th April 2020, the aggregate voting rights are **52,522,307**.

CLASS A – Continuation Shares

All opinions expressed in the Fund Manager's report are those of the Fund Manager at the time of writing, and are subject to change, dependent on future changes in the market. Any prediction, projection or forecast on the economy, stock or the economic trends of the markets is not necessarily indicative of the future or likely performance.

Fund Manager's Report

During April 2020, the NAV per share of Class A shares rose 19.7%. The main contributors to the rise in the NAV were FPT Corporation (FPT) [+23.6%], Hoa Phat Group (HPG) [+27.6%] and Mobile World Investment Corporation (MWG) [+38.7%]. There were no detractors in the portfolio during the month. The VN-Index rose 17.0% in April as the Vietnamese stock market recovered from the previous month.

The Fund Manager exited the Fund's positions in Thien Long Group (TLG) and Kido Food (KDF) on 22 April 2020 and 12 May 2020 respectively.

FPT Corporation (FPT)'s share price rose by 23.6% in April 2020. The increase in share price was likely due to strong results for Q1 2020. FPT posted revenues of VND 6,631 billion (+17% YoY), profit before tax (PBT) of VND 1,142 billion (+19% YoY) and net profit after tax minus minority interest (NPAT-MI) of VND 747 billion (+19% YoY). The Q1 results fulfilled 20% of the company's full-year revenue target and 21% of its full-year PBT target. The key growth drivers for Q1 2020's top line were the growth in its telecom segment (27% YoY in revenue), and the growth in its technology outsourcing segment (29% YoY in revenue). Most of its export markets saw robust growth in Q1 2020 - Japan (+19% YoY), US (+28% YoY), EU (+17% YoY) and APAC (+59% YoY)¹. However, growth in revenue in export markets began to slow down in March 2020 due to the impact of COVID-19. For March 2020 alone, outsourcing revenue from the US market grew only 12% YoY vs 38% YoY in 2M 2020 while outsourcing revenue from the EU market declined 12% YoY vs a growth of 41% YoY in 2M 2020¹. The COVID-19 pandemic has presented both challenges and opportunities for the company. Management has conveyed that delays in signing of new contracts for software outsourcing business and reduction in client's advertisement budget are possible challenges if the pandemic persists. However, FPT noted that COVID-19 may present opportunities for the company as corporates accelerate their digital transformation following the COVID-19 crisis. Moreover, the demand for internet and home entertainment has been increasing during the lockdown period. For full-year 2020, FPT targets VND 32.45 trillion in revenue (+17% YoY) and VND 5.5 trillion in PBT (+18% YoY). We maintain a positive view on FPT as most of their services are essential services, while actively monitoring the downside risk from FPT's export markets, especially if COVID-19 persists.

Hoa Phat Group (HPG)'s share price increased by 27.6% in April 2020. The increase in share price was likely due to strong results for Q1 2020. For Q1 2020, HPG posted net sales of VND 19,233 billion (+29% YoY) and NPAT-MI of VND 2,285 billion (+27% YoY). The company's growth was driven by several factors: (1) growth in construction steel sales volume to 732,433 tonnes (5% YOY); (2) new contribution of 350,000 tonnes of steel billet sales during the quarter (zero in Q1 2019); and (3) growth in its agricultural segment (56% YoY) due to an increase in pork price by 59% YoY². For full-year 2020, the company is targeting that the agriculture segment will contribute 10% of revenues and 12% of NPAT-MI³. On the other hand, steel pipe sales volume declined by 16% YoY in Q1 2020. HPG's construction steel market share has expanded from 26% as at the end 2019 to 32% as at the end Q1 2020, while the company's steel pipe market share maintained at 31%². The impact of COVID-19 on HPG's operations seems to be muted so far. Despite the social distancing measures implemented during the first 22 days of April, HPG's construction steel sale volume rose by 14% YoY in April 2020⁴. HPG remains the dominant steel manufacturer domestically and should benefit from robust public investment expected in 2H 2020.

Mobile World Investment Corporation (MWG)'s share price rose by 38.7% during April 2020. The increase in share price was likely due to strong results for Q1 2020. MWG posted net revenue of VND 29,353 billion (+17% YoY) and NPAT-MI of VND 1,132 billion (+9% YoY) in Q1 2020. However, for March 2020 alone, MWG posted revenue growth of 16% YoY, but an 8% YoY decrease in NPAT. This was due to (1) strong growth in revenue for the grocery segment, but which has yet to record any profit, and (2) decrease in revenue and profit of mobile phones and consumer electronics amid the COVID-19 pandemic. MWG was affected by the outbreak of COVID-19 as the company had to close its The Gioi Di Dong mobile phone chain stores and Dien May Xanh consumer electronics chain stores as part of Vietnam's implementation of social distancing measures. These stores had to be shut across the 5 largest cities (Hanoi, Ho Chi Minh, Da Nang, Hai Phong, Can Tho) from 28 March 2020, and nationwide from 1 to 22 April 2020 as they were classified as non-essential services⁵. MWG's management has conveyed that while COVID-19 will have a negative impact on consumer income and the demand for discretionary goods (including mobile phones and consumer electronics) in the short term, the pandemic may present opportunities for MWG to strengthen its dominant market position as the company gains market share from smaller competitors. MWG is targeting to increase its mobile market share from 48% to 50%, and its consumer electronics market share from 38% to 48% by end of FY2020⁵. MWG will focus on optimizing costs for The Gioi Di Dong and Dien May Xanh, expanding its Bach Hoa Xanh chain and online channels⁵. We expect MWG to emerge in a stronger position after COVID-19 subsides, due to its experienced management team and continued strong cash flows, enabling it to respond nimbly to the situation and opportunities as they arise.

1. Source: https://www.fpt.com.vn/Images/files/cong-bo/2020/Thang-4/B%E1%BA%A3n-tin-th%C3%A1ng-03_2020.pdf
2. Source: <https://www.hoaphat.com.vn/news/hoa-phat-profit-totaled-vnd-2-300-billion-in-the-first-quarter-of-2020.html>
3. Source: HPG's management
4. Source: HSC report
5. Source: MWG's management

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CLASS C – Private Equity Shares

USD (%)	Cumulative Return					Annualised Return		
	1M	3M	6M	YTD	1Y	3Y	5Y*	7Y*
VPF C	1.5	-2.6	-5.7	-2.8	-29.6	-12.6	-3.1	0.7

* 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 increased 1.45% in April 2020 as the Vietnamese Dong strengthened 0.8% against the US Dollar. The divestment of VTC Online also contributed to the increase in NAV per share.

The sales process for **Anova** continues to progress well. The potential investor has completed the tax and financial due diligence. The Fund Manager expects to receive a binding offer from the potential investor by early June 2020. A tax advisor will be advising the Fund Manager on any potential capital gains tax payable by the fund once the structure of the deal is firmed up. Freshfields has been engaged as legal advisor to the Fund Manager on this transaction.

On **VTC Online**, the Fund Manager has successfully divested the Fund's stake for USD 1.7mn, approximately 14.5% above the carrying value as at 30 March 2020, net of foreign exchange movement.

On **SSGA**, the Fund Manager has received a positive response from the management for a possible share buyback. The Fund Manager continues to explore various exit options, including engaging management to undertake a share buyback, as well as speaking with various financial intermediaries to seek potential external investors.

The Fund has conducted five redemption exercises to return capital to investors post restructuring of the Fund in January 2017.

S/No	Redemption Tranche	NAV/ share	Remarks
1	10%	USD 0.3222	June 2018's NAV
2	13%	USD 0.3375	March 2019's NAV
3	8%	USD 0.2609	Aug 2019's NAV
4	38%	USD 0.2617	Sept 2019's NAV
5	42%	USD 0.2524	Nov 2019's NAV

Net Assets: \$26.16 million
NAV/Share: \$0.2383
Shares Out: 109,768,831

Identifiers

ISIN Code KYG2886W1078
Bloomberg Ticker VTNPFXC KY
Sedol B1FHXT2

Fund Manager: Sharon Seet

Website:

www.vietnamphoenixfund.com

Market Makers

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FinnCap
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Top 10 Holdings (%)

Anova Corp 74.9
SSG Group 4.8
Total 79.7

Asset Breakdown (%)

Invested Securities 79.7
Cash and accruals 20.3
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 30th April 2020, the aggregate voting rights are **52,522,307**.

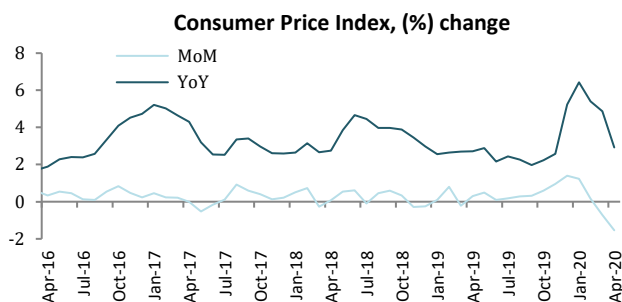
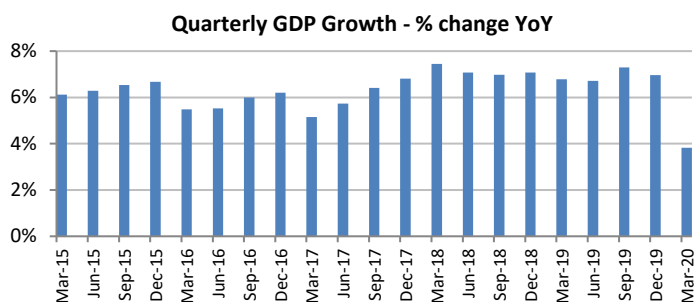
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30th April 2020



Market Update



Vietnam Economic Indicators

		2016	2017	2018	2019
Real GDP Growth	%	6.2	6.7	7.1	7.0
CPI	%	4.7	2.6	3.5	2.8
Export Growth	%	9.0	20.6	13.8	8.4
Import Growth	%	5.2	21.3	11.5	6.5
Trade Balance	\$bn	2.7	2.3	7.2	11.1
Registered FDI	\$bn	21.0	35.9	25.6	22.5
FX Reserve	\$bn	41.0	52.0	60.0	80.0
USDVND	VND	22,761	22,968	23,245	23,173

		Mkt Cap (USD bn)	2020 Forward P/E	PEG	Div Yield	ROE
Indonesia	JCI	368	20.9	2.9	0.7%	19.3%
Thailand	SET	432	26.0	4.7	3.5%	15.3%
Singapore	FSSTI	323	13.3	9.1	4.3%	10.6%
Malaysia	FBMKLCI	210	22.6	7.6	3.1%	21.4%
Philippines	PCOMP	142	15.5	8.5	2.0%	13.5%
Vietnam	VNINDEX	115	15.7	3.1	2.6%	19.9%

On the macroeconomics front, the impact of COVID-19 on Vietnam's economy was reflected in April 2020.

CPI hit a 4-year low – Vietnam's consumer price index (CPI) for April 2020 decreased 1.54% MoM – the lowest since 2016. The monthly drop was mainly attributed to the decrease in prices of six groups of goods including (1) transportation; (2) housing and construction material; (3) recreational and tourism; (4) apparel, hats and footwear; (5) telecommunication; (6) other goods.

PMI dropped to a historical low – the Nikkei Vietnam manufacturing purchasing managers index (PMI) declined to 32.7 in April 2020. This reflects the general pessimistic views held by manufacturers with regards to the production outlook in the coming months. COVID-19 has caused disruption to the supply chain for the manufacturing sector and suspension of operations for some manufacturers. Softer demand for goods also contributed to the negative sentiment.

Reduced FDI disbursement rate – as of 20 April 2020, Vietnam attracted USD 9.8 billion of newly registered foreign direct investment (FDI) and additional FDI, up 31% YoY. However, the capital contribution and share purchases by foreign investors decreased by 65% YoY to USD 3 million. The disbursed FDI declined by 10% YoY to USD 5.2 billion.

Impact on trade - According to Vietnam Customs, Vietnam exported USD 80.86 billion (+2.0% YoY) and imported USD 78.09 billion (-0.3% YoY) for 4M 2020, generating a trade surplus of USD 2.77 billion. For 4M 2020, key drivers for export growth were electronics (+26.0% YoY), machinery (+27.4% YoY) and wooden furniture (+5.1% YoY). Key detractors were garment and textile (-8.8% YoY) and vegetables (-12.5% YoY). The US was still the biggest export destination market for Vietnam with a total export value of USD 20.2 billion (+12.9% YoY) while China was one of the highest growing export destination markets for Vietnam with a growth of 22.1% to USD 12.7 billion. In contrast, most other export markets witnessed a decrease, including EU (-8.1% YoY), ASEAN (-3.4% YoY) and South Korea (-1.0% YoY). On the import side, key drivers for import growth were computers and computer components (+11.5% YoY), mobiles and mobile components (+6.7% YoY) and crude oil (+32.7% YoY). China was the biggest import source market for Vietnam with a total import value of USD 22.7 billion (-0.1% YoY), followed by South Korea with USD 15.5 billion (+2.5% YoY). For April 2020 alone, Vietnam's exports decreased 13.9% YoY to USD 17.6 billion while imports decreased by 11.4% YoY to USD 18.5 billion.

Vietnam Phoenix Fund Limited

Monthly Factsheet

30th April 2020



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*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. Following the resignation of Deutsche Asset Management (Asia) Limited Duxton Asset Management Pte Ltd was appointed the Investment Manager of Vietnam Phoenix Fund Limited. On 1 May 2020 Duxton Asset Management Pte Ltd resigned as Investment Manager and Duxton Capital (Australia) Pty Ltd was appointed.

Contact Information

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