

Vietnam Phoenix Fund Limited

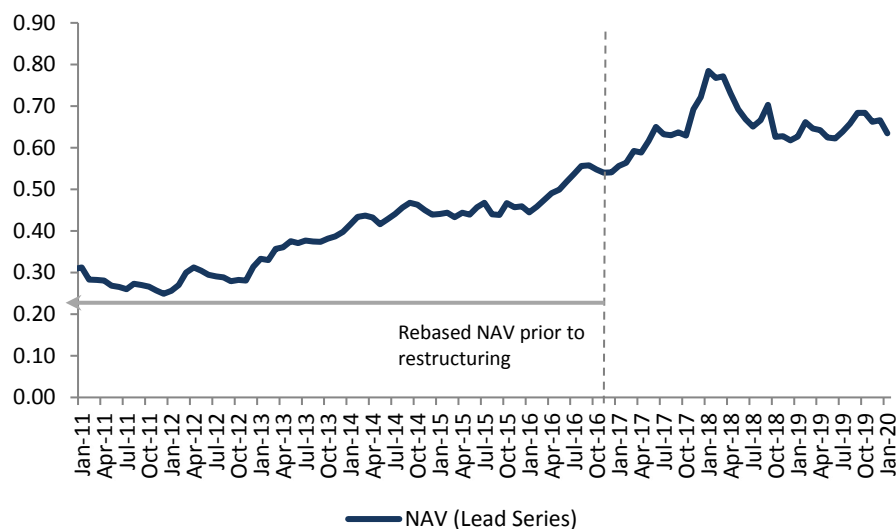
Monthly Factsheet

31st January 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)	-4.70	-7.13	-0.56	-4.70	1.21	4.52	7.69	9.74
VNIndex	-2.72	-6.30	-5.55	-2.72	2.72	9.34	8.31	8.32
VHIndex	1.58	-0.88	-0.22	1.58	1.13	6.28	2.24	5.88

* 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
Vinhomes (VHM)	+ 3.2%	+ 0.19%
Hoa Phat Group (HPG)	+2.5%	+ 0.19%
Coteccons (CTD)	+ 8.6%	+ 0.07%

Top 3 Laggards	Price Change	Contribution to NAV Return
FPT Corp (FPT)	- 10.8%	- 4.62%
Vinamilk (VNM)	-6.9%	- 1.35%
Khang Dien House (KDH)	- 7.1%	- 0.94%

Total Net Assets: \$32.24 million

NAV/Share

Lead Series: \$0.6347

Structure: Open-End Fund

Liquidity: Monthly

Identifiers

ISIN Code	KYG9363R1056
Bloomberg Ticker	VTNPHXA KY
Sedol	BDHXL2

Fund Manager: Benjamin Lim

Website:

www.vietnamphoenixfund.com

Top 10 Holdings (%)

Vinamilk	13.9
FPT Corp	12.2
Hoa Phat Group	9.3
Khang Dien House	8.2
Mobile World	7.9
Vinhomes	7.5
Vietcombank	6.8
Kinh Bac City	6.1
REE Corp	4.7
PV Power	3.9
Total	80.5

Sector Allocation (%)

Real Estate	26.9
Consumers	23.6
Information Technology	12.2
Financials	11.9
Building Materials	9.1
Energy Equip & Svcs	6.0
Others*	10.3
Total	100.0

*Includes Cash & Accruals

Asset Breakdown (%)

Listed Equities	96.5
Cash and accruals [^]	3.5
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 January 2020, the aggregate voting rights are **78,542,947***.

*Post-redemption, the number of Class C Shares outstanding is 109,768,832 and the aggregate voting rights of all share classes as of 31st January 2020 are 59,157,260.

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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 the month of January 2020, VPF A's NAV decreased 4.70%. Major contributors were Vinhomes (VHM) [+3.18% MoM], Hoa Phat Group (HPG) [+2.55% MoM] and Coteccons (CTD) [+8.58% MoM]. In contrast, the main detractors included FPT Corp (FPT) [-10.81% MoM], Vinamilk (VNM) [-6.87% MoM] and Khang Dien House (KDH) [-7.06% MoM]. During the same period, VN-index decreased 2.72%.

FPT Corporation (FPT) saw its share price decreased 10.81% during January 2020. The main reason might come from under-expected results for Q4 2019 coupled with negative market sentiment due to overconcern on impact of Covid-19. For full-year 2019, FPT posted strong results showing revenue of VND 27.7 trillion (+19% YoY) and NPAT-MI of VND 3.1 trillion (+20% YoY). For Q4 2019 only, FPT posted revenue of VND 8.1 trillion (+16% YoY) and NPAT-MI of VND 757 billion (-4% YoY). The slight decrease in NPATMI came from several factors including (1) FPT recorded one-off income of VND 100 billion from reversal of provision for long-term financial investments in Q4 2018; (2) Its subsidiary - FPT Retail-FRT (FPT owns 46.53% stake) recorded a loss of VND 26 billion in Q4 2019 vs a net profit of VND 120 billion in Q4 2018¹. However, we are still confident that FPT is on track for its target thanks to growth prospects of core segments including global IT services and telecom service segments while digital transformation would be a future key driver to further expand FPT's profit margin. For 2020, FPT aim to reach VND 32.45 trillion in net sales (+17% YoY) and VND 5.5 trillion in EBT (+18% YoY)¹.

Vinamilk (VNM) share price declined 6.87% in the first month of the year. The reason might come from poor growth in Q4 2019 coupled with negative market sentiment. For full-year 2019, VNM recorded net revenue of VND 56.3 trillion (+7% YoY) and NPAT-MI of VND 10.6 trillion (+3% YoY). For Q4 2019 only, VNM recorded net revenue of VND 14.2 trillion (+9% YoY) and NPAT-MI of VND 2.2 trillion (-4% YoY). The reason came from the increase in input milk powder prices and SG&A expenses². By end of FY2019, VNM's overall market share was flat YoY, which implies a lost in market share in Q4 2019 as by end of September 2019, VNM gained 0.3 ppt market share². However, we expect that VNM's top line will be supported by several factors: (1) Modest growth in Vietnam dairy consumption as urbanization and rising income; (2) Growth of convenience stores will also play important role in expanding distribution of dairy products in longer term; (3) Acquiring of GTN will contribute around 4% of VNM's total revenue from 2020; (4) School milk program will boosted in 2020 which will strengthen VNM's brand.

Vinhomes (VHM) share price rose 3.18% in January 2020. The share price was supported by strong financial results. For full-year 2019, VHM posted net sales of VND 51.8 trillion (+34% YoY) and NPAT-MI of VND 21.3 trillion (+49% YoY). Strong performance was driven by bulk sales transactions of Vinhomes Ocean Park and Vinhomes Smart City in Hanoi and retails sales in Vinhomes Green Bay (Hanoi), Vinhomes Golden River (HCMC), Vinhomes The Hamony (Hanoi), Vinhomes Metropolis (Hanoi)³. Moreover, other business including leasing and property management also grew at double-digit in 2019³. The gross profit margin was expanded from 20.6% for FY2018 to 52.8% for FY2019 as higher contribution of bulk sales with higher margin. With a total landbank of 164 million sqm (a landbank that is 3.3x the size held by the next largest developer), VHM is arguably the leader of real estate sector in Vietnam. We expect VHM market leading position can yield relative more significant benefits from the recovery in the real estate sector.

1. Source: FPT Management
2. Source: VNM Management
3. Source: VHM 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	-0.24	-3.21	-6.21	-0.24	-27.6	-10.8	-2.5	2.2

* 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 -0.24% in January 2020.

The sales process for **Anova** continues to progress well. The Fund Manager met with the potential investor in mid-February 2020 and was updated on the due diligence process. The Fund Manager now expects a slight delay of approximately one month to complete the deal as the due diligence process was disrupted by the Tet holidays. The potential investor remains committed to conclude the deal by end April 2020. A tax advisor will be advising the Fund Manager on any potential capital gains tax payable by the Fund. Freshfields has been engaged as legal advisor to the Fund Manager on this transaction.

On **VTC Online**, the Fund Manager met with company management on 20 February 2020 to discuss its proposal to VTC Corp on progressing the Fund's exit. Management is expected to submit, within 2 weeks, 3 proposed solutions to facilitate the Fund's exit: 1) VTC Online to undertake a buyback of the Fund's stake by taking up a bank loan; 2) progressing the sale of the 18 Tam Trinh building and allocating the proceeds from the sale to the Fund; or 3) VTC Online to secure a replacement investor to buy the Fund's stake in VTC Online.

On **SSGA**, the Fund Manager is working for the company or sponsor to undertake a buyback of the Fund's stake. The Fund Manager expects to engage the company again in March 2020.

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

*Post-redemption, the number of Class C Shares outstanding is 109,768,832 and the aggregate voting rights of all share classes as of 31st January 2020 are 59,157,260.

Net Assets: \$46.30 million
NAV/Share: \$0.2446
Shares Out: 189,256,596

Identifiers

ISIN Code KYG2886W1078
Bloomberg Ticker VTNPFXC KY
Sedol B1FHXT2

Fund Manager: Sharon Seet

Website:

www.vietnamphoenixfund.com

Market Makers

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Top 10 Holdings (%)

Anova Corp	42.7
VTC Online	3.3
SSG Group	2.7
Total	48.7

Asset Breakdown (%)

Invested Securities	48.7
Cash and accruals	51.3
Total	100.0

Voting Rights

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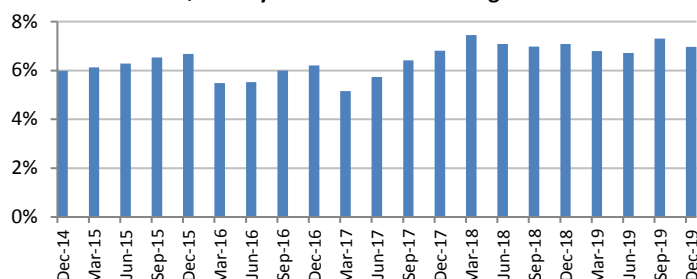
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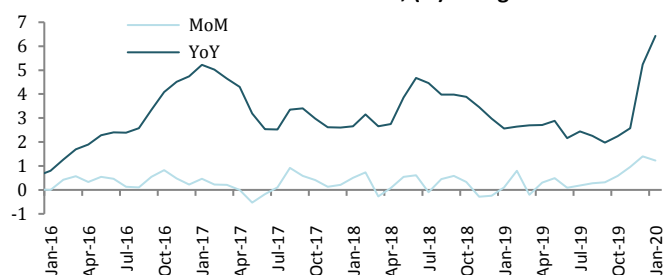


Market Update

Quarterly GDP Growth - % change YoY



Consumer Price Index, (%) change



Vietnam Economic Indicators

		2016	2017	2018	2019
Real GDP Growth	%	6.2	6.7	7.08	7.02
CPI	%	4.7	2.6	3.54	2.79
Export Growth	%	9.0	20.6	13.8	8.4
Import Growth	%	5.2	21.3	11.5	6.8
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	505	20.3	2.7	0.7%	20.2%
Thailand	SET	514	21.6	2.3	3.9%	15.1%
Singapore	FSSTI	405	13.4	5.0	3.1%	10.5%
Malaysia	FBMKLCI	240	20.5	N.A	3.3%	19.0%
Philippines	PCOMP	176	16.7	1.5	1.6%	13.4%
Vietnam	VNINDEX	138	17.6	1.4	2.84%	21.1

On the macroeconomics front, during January 2020, Vietnam's consumer price index (CPI) increased 1.23% MoM and 6.43% YoY. It is highest growth rate over last seven years. Food and catering services witness highest growth at 2.29%, followed by an increase of 1.47% in housing and construction materials and an increase of 0.92% in goods and other services. The main reason came from higher demand for food and foodstuff, drinks, textiles for Tet holiday.

In January 2020, Nikkei Vietnam manufacturing purchasing managers index (PMI) posted at 50.6. As remaining above the 50.0 neutral mark in January, the health of manufacturing sector is expected to modest improve in 2020.

In the first 20 days of 2020, Vietnam attracted USD 4.8 billion of total newly registered foreign direct investment (FDI) and additional FDI, up 319% YoY. However, the capital contribution and share purchases by foreign investors decreased by 29.8% YoY to USD 534.8 million. Bac Lieu LNG to power projects with total registered capital of USD 4 billion was the main contributor for January 2020⁴. And then the project's investor - Singapore became biggest FDI contributor into Vietnam in January 2020.

According to Vietnam Customs, for January 2020, Vietnam exported USD 18.3 billion (-17.7% YoY) and imported USD 18.6 billion (-13.7% YoY). It turned from trade surplus of USD 638 million in January 2019 to trade deficit of USD 276 million in January 2020. US continued to be the largest export destination market for Vietnam with total export value of USD 4.8 billion (-7.6% YoY). Most of export markets of Vietnam witnessed the decrease except for China. In January 2020, Vietnam exported USD 3.7 billion to China, up 32.8% YoY. For imports, China was still the largest import source market for Vietnam with total import value of USD 6.2 billion (-7.1% YoY), followed by South Korea at USD 3.2 billion (-22.8% YoY) and ASEAN at USD 2.4 billion (-10.8% YoY).

4. Source: <https://www.vir.com.vn/bac-lieu-lng-to-power-project-triples-january-fdi-inflow-73439.html>

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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. Duxton Asset Management has since been appointed the Investment Manager of Vietnam Phoenix Fund Limited.

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