

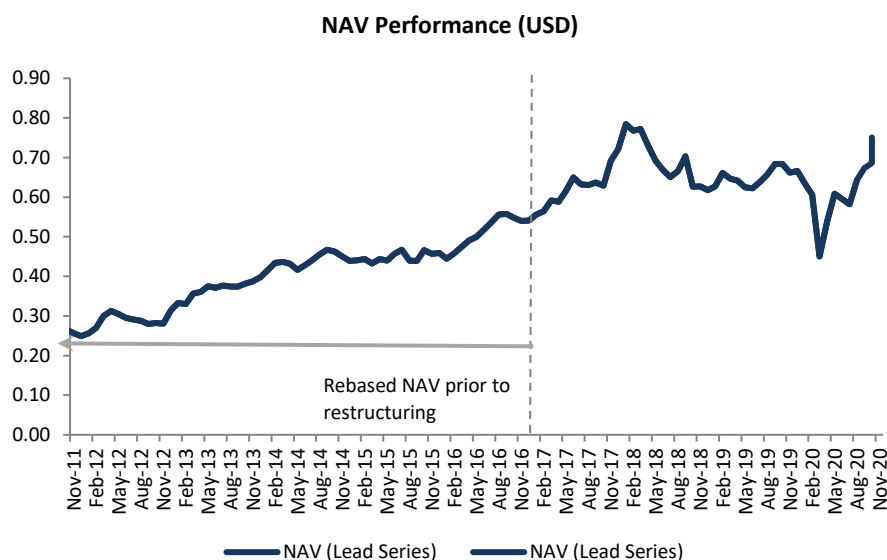
# Vietnam Phoenix Fund Limited

## Monthly Factsheet

30<sup>th</sup> November 2020



### CLASS A – Continuation Shares



USD (%)	Cumulative Return				Annualised Return			
	1M	3M	6M	YTD	1Y	3Y	5Y*	7Y*
<b>VPF A (Lead Series)</b>	9.5	16.8	23.5	12.8	13.5	2.8	10.6	10.0
<b>VNIndex</b>	8.5	13.9	16.7	4.5	3.6	1.2	11.2	8.8

\* 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 Gainers	Price Change	Contribution to NAV Return
Hoa Phat Group (HPG)	16.2%	1.78%
FPT Group (FPT)	7.6%	1.15%
REE Corp (REE)	16.0%	0.97%

**Total Net Assets: \$33.42 million**

#### NAV/Share

**Lead Series: \$0.7511**

**Structure: Open-End Fund**

**Liquidity: Monthly**

#### Identifiers

ISIN Code	KYG9363R1056
Bloomberg Ticker	VTNPHXA KY
Sedol	BDHXLD2

**Fund Manager: Sharon Seet**

#### Website:

[www.vietnamphoenixfund.com](http://www.vietnamphoenixfund.com)

#### Top 10 Holdings (%)

FPT Corp	15.3
Vinamilk	12.4
Hoa Phat Group	12.0
Vinhomes	9.6
Mobile World	8.1
Vietcombank	7.0
REE Corp	6.7
Kinh Bac City	5.0
MB Bank	4.4
Khang Dien House	3.7
<b>Total</b>	<b>84.2</b>

#### Sector Allocation (%)

Real Estate	25.0
Consumers	20.5
Financials	16.1
Information Technology	15.3
Building Materials	12.0
Energy Equip & Svcs	4.9
Others*	6.2
<b>Total</b>	<b>100.0</b>

\*Includes Cash & Accruals

#### Asset Breakdown (%)

Listed Equities	98.8
Cash and accruals <sup>^</sup>	1.2
<b>Total</b>	<b>100.0</b>

<sup>^</sup>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 30<sup>th</sup> November 2020, the aggregate voting rights are **59,037,151**.

### 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

As of 30 November 2020, the NAV per share of Class A shares increased 9.5% MoM. Main contributors were Hoa Phat Group (HPG) [+16.2% MoM], FPT Corporation (FPT) [+7.6% MoM], and REE Corporation (REE) [+16.0% MoM]. No stocks in the fund performed negatively during the reporting month. The VN-Index increased 8.5% MoM during the reporting month.

**Hoa Phat Group's (HPG)** share price rose 16.2% MoM in November 2020. The stock continued to perform strongly, likely due to better-than-expected growth in sales volumes for November 2020, coupled with several increases in its selling prices. In November 2020, HPG's construction steel sales volume rose by 14.2% YoY to 340,000 tonnes, and billet sales volume doubled to 170,000 tonnes<sup>1</sup>. The company was able to maintain month-on-month growth despite its operations being slightly impacted by floods in central Vietnam in October and November. Since 1 November 2020, HPG has, on four occasions, raised its selling price of construction steel, resulting in selling prices increasing by 8.0% MoM<sup>2</sup>. We continue to maintain a positive view on HPG. As the dominant steel manufacturer domestically, HPG is expected to benefit from the strong demand from the infrastructure and construction sectors in Vietnam, supported by robust public investment and a recovering real estate sector. In addition, HPG's production cost advantage over competitors is expected to strengthen as utilization at its Dung Quat Steel Complex continues to increase.

**FPT Corporation's (FPT)** share price rose 7.6% MoM in November 2020. The increase was likely due to positive results by the Company for the month of October with a growth of 2.5% YoY in revenue and 10.7% YoY in NPAT. For 10M 2020, FPT recorded net sales of VND 23,635 billion (+7.4% YoY) and NPAT of VND 3,625 billion (+8.2% YoY). For 10M 2020, FPT signed VND 10,944 billion worth of new contracts to provide IT services globally, up 25.4% YoY. FPT also signed VND 4,387 billion worth of new contracts to provide IT service domestically, up 16.1% YoY<sup>3</sup>. During October 2020, FPT University attracted 8,680 new enrollments for the 2020-2021 school year, up 43% YoY. We maintain a positive view on FPT, with the expectation that its' strong backlog will support the company's growth over the medium term.

**REE Corporation's (REE)** share price rose 16.0% MoM in November 2020. The increase was likely due to investors' expectations of strong growth in its hydropower business in Q4 2020, driven by favorable rainfall. For 9M 2020, REE recorded a revenue of VND 3,974 billion (+11.5% YoY), NPAT of VND 1,049 billion (-15.5% YoY) and NPAT-MI of VND 977 billion (-17.8% YoY). The key contributor to REE's earnings growth for 9M 2020 was the leasing segment with a revenue of VND 722 billion (+10.7% YoY) and NPAT-MI of VND 366 billion (+24.1% YoY), driven by the contribution of E-town 5 which has been operational since Q2 2019 and higher occupancy rates in existing office buildings<sup>4</sup>. In contrast, the electricity segment was the main detractor to REE's earnings growth for 9M 2020 with revenue of VND 877 billion (+45.0% YoY) but a NPAT-MI of VND 271 billion (-50.5% YoY), largely due to lower generation volumes at Pha Lai Thermal Power (REE owns a 24.14% stake), and at Thac Mo Hydropower (REE owns a 42.63% stake)<sup>4</sup>. We expect REE's profitability to recover in Q4 2020, supported by a higher contribution from hydropower plants due to higher seasonal rainfall and a higher contribution from E-town5 as the building has seen full occupancy from Q2 2020 onwards.

1. Source: <https://www.hoaphat.com.vn/news/hoa-phat-group-sold-over-3-million-tons-of-steels-in-11-months.html>
2. Source: HPG's Management
3. Source: FPT's Management
4. Source: REE's Management

# Vietnam Phoenix Fund Limited

## Monthly Factsheet

30<sup>th</sup> November 2020



### CLASS C – Private Equity Shares

USD (%)	Cumulative Return					Annualised Return		
	1M	3M	6M	YTD	1Y	3Y	5Y*	7Y*
<b>VPF C</b>	-0.4	-1.9	-2.3	-4.8	-7.5	-12.9	-4.1	-0.6

\* 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

On Anova's divestment process, after several delays due to the negotiation and finalisation of legal documents, the potential buyer subsequently informed the Investment Manager that their Limited Partner (investor) unexpectedly communicated that they would not be able to disburse the funds on time to the buyer for them to complete the deal. In light of the uncertainty over the timing of the arrival of funds, the Investment Manager engaged Anova and the Sponsor to buy out the Fund's stake in the company.

Anova and the Sponsor subsequently agreed to buy back the Fund's stake for an aggregate sum of USD 20mn in the following manner:

1. The Sponsor, via companies that it controls, to buy back the Fund's shares at ~USD12.3mn (~USD11.4mn net of tax) by 18 December 2020.
2. Anova to redeem the Fund's Convertible Bond at par (~USD 7.7mn) by Jan 2021.

Anova shares were subsequently sold on 18 December 2020 with the Vietnamese Dong proceeds, currently equivalent to approximately US\$11.4 million net of taxes, being held by the Company's sub-Custodian in Vietnam. Following settlement of the related tax liability and completion of other procedures in Vietnam, the proceeds will be converted to US dollars and remitted to the Fund's Custodian.

Furthermore, an agreement with Anova has been executed to redeem the Fund's Convertible Bond at par during January 2021. The Vietnamese Dong proceeds equate currently to approximately US\$7.7 million net of taxes.

As the Class C shares currently have a fixed life expiring no later than 31 December 2020, and the receipt of sales proceeds is expected to take place only after this date, the Board of Directors have decided to convene an Extraordinary General Meeting (EGM) to propose and extension of the life of the Class C shares to 31 March 2021 in order to facilitate the final liquidation of Fund assets and to make final redemptions to Class C shareholders.

After the US dollar proceeds have been received by the Custodian and subject to the approval of the Resolution at the EGM, the Board intends to announce a further redemption of the Class C Shares.

Please follow the link below to access additional information on the EGM:  
<https://vietnamphoenixfund.com/>

**Net Assets:** \$25.61 million  
**NAV/Share:** \$0.2334  
**Shares Out:** 109,768,831

#### Identifiers

ISIN Code KYG2886W1078  
Bloomberg Ticker VTNPFXC KY  
Sedol B1FHXT2

**Fund Manager:** Sharon Seet

#### Website:

[www.vietnamphoenixfund.com](http://www.vietnamphoenixfund.com)

#### Market Makers

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FinnCap  
Johnny Hewitson <JMFC> GO  
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#### Top 10 Holdings (%)

Anova Corp	78.1
<b>Total</b>	<b>78.1</b>

#### Asset Breakdown (%)

Invested Securities	78.1
Cash and accruals	21.9
<b>Total</b>	<b>100.0</b>

#### Voting Rights

The voting rights of all share classes are proportional to the value of shares at the most recent valuation date. As of 30<sup>th</sup> November 2020, the aggregate voting rights are 59,037,151.

# Vietnam Phoenix Fund Limited

## Monthly Factsheet

30<sup>th</sup> November 2020



### CLASS C – Private Equity Shares

#### Fund Manager's Report

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

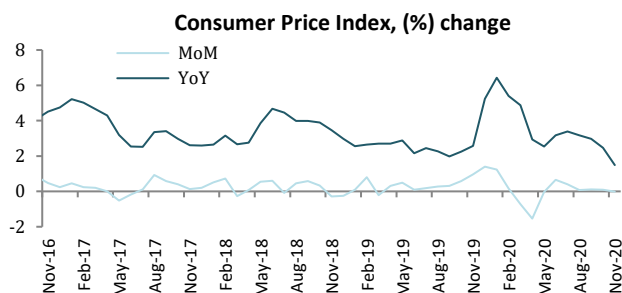
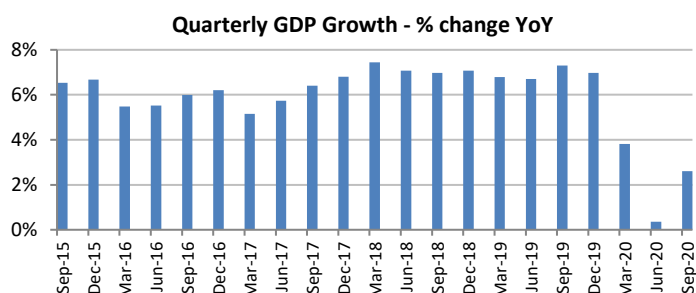
# Vietnam Phoenix Fund Limited

## Monthly Factsheet

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### 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
Thailand	SET	511	21.6	5.4	3.5%	11.7%
Indonesia	JCI	459	19.9	7.8	0.6%	15.7%
Singapore	FSSTI	373	14.6	3.9	3.2%	6.3%
Malaysia	FBMKLCI	249	21.0	11.0	3.4%	19.0%
Philippines	PCOMP	179	23.8	11.0	1.8%	7.4%
<b>Vietnam</b>	<b>VNINDEX</b>	<b>162</b>	<b>19.1</b>	<b>3.5</b>	<b>1.5%</b>	<b>16.3%</b>

On the macroeconomic front, November 2020 showed stronger recovery signals in trade.

**CPI decreased MoM** – Vietnam’s consumer price index (CPI) for November 2020 decreased 0.01% MoM but increased 1.48% YoY. The decrease was mainly due to a decline of 1.32% MoM in gasoline prices, and a decline of 0.17% MoM in telecommunication service prices as telecommunication companies boosted promotions during the year end. For 11M 2020, the average CPI rose 2.43% YoY, well within the government’s full-year target of 4.0%.

**PMI dipped below 50** – the Nikkei Vietnam manufacturing purchasing manager index (PMI) declined from 51.8 in October 2020 to 49.9 in November 2020. The decrease was likely due to the several storms and floods during the month, which impacted the operation of manufactures in central Vietnam.

**FDI remained weak** – as of 20 November 2020, Vietnam attracted USD 19.9 billion (-3.2% YoY) of total newly registered foreign direct investment (FDI) and additional FDI from existing investors. Capital contribution and share purchases by foreign investors decreased by 41.8% YoY to USD 6.5 billion. Disbursed FDI declined by 2.4% YoY to USD 17.2 billion.

**Strong trade surplus** – The General Statistic Office of Vietnam estimated Vietnam exported USD 254.6 billion (+5.3% YoY) and imported USD 234.5 billion (+1.5% YoY) for 11M 2020, generating a trade surplus of USD 20.1 billion (+86.1% YoY). Mobile phones and mobile phone components remained the largest contributor to Vietnam’s exports with a total export value of USD 46.9 billion (-3.4% YoY), followed by computers, electrical products and electrical components with a total export value of USD 40.2 billion (+24.3% YoY), and textiles with a total export value of USD 26.7 billion (-10.5% YoY). The US remained the largest export destination for Vietnam with total export value of USD 69.9 billion (+25.7% YoY), followed by China with total export value of USD 43.1 billion (+16.0% YoY). China was followed by the EU with total export value of USD 32.2 billion (-2.4% YoY). On the import side, computers, electrical products and electrical components remained the largest contributor to Vietnam’s imports with a total import value of USD 57.4 billion (+22.0% YoY), followed by machinery with a total import value of USD 33.1 billion (flat YoY) and mobile phones and mobile phone components with a total import value of USD 14.6 billion (+9.3% YoY). China was still the largest import market for Vietnam with total import value of USD 73.9 billion (+7.9% YoY), followed by South Korea with total import value of USD 42.0 billion (-2.9% YoY), and ASEAN with total import value of USD 27.3 billion (-6.9% YoY).

# Vietnam Phoenix Fund Limited

## Monthly Factsheet

30<sup>th</sup> November 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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