

Vietnam Phoenix Fund Limited

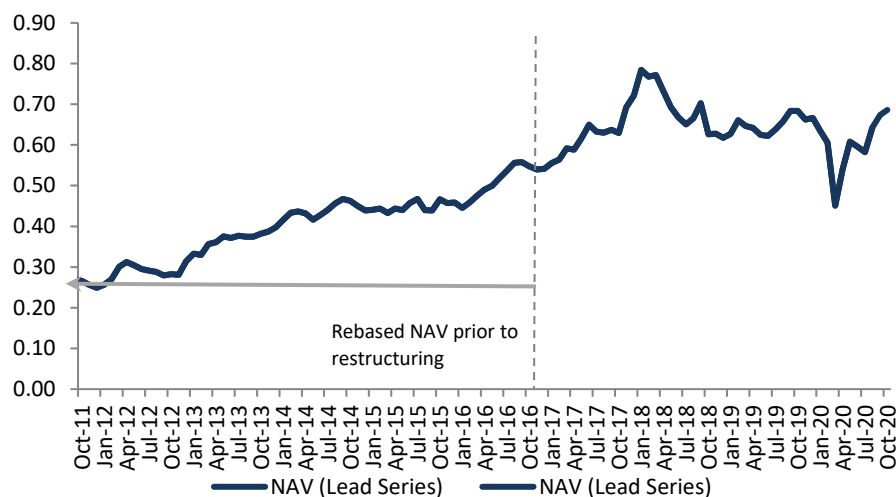
Monthly Factsheet

31st October 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)	1.8	17.8	27.2	3.0	0.4	2.9	8.1	8.8
VNIndex	2.3	15.5	21.7	-3.7	-7.2	2.7	8.0	7.8

* 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)	15.7%	1.68%
FPT Group (FPT)	3.0%	0.42%
REE Corp (REE)	4.2%	0.24%

Top Laggards	Price Change	Contribution to NAV Return
Airports Corporation of Vietnam JSC (ACV)	-7.9%	-0.27%
PVPower (POW)	-8.3%	-0.26%
Kinh Bac City (KBC)	-2.5%	-0.12%

Total Net Assets: \$30.64 million

NAV/Share

Lead Series: \$0.6860

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 (%)

FPT Corp	14.9
Vinamilk	13.9
Hoa Phat Group	10.9
Vinhomes	9.2
Mobile World	7.7
Vietcombank	6.6
REE Corp	6.0
Kinh Bac City	5.5
Khang Dien House	4.7
MB Bank	4.0
Total	83.4

Sector Allocation (%)

Real Estate	25.5
Consumers	21.6
Financials	15.0
Information Technology	14.9
Building Materials	10.9
Energy Equip & Svcs	5.6
Others*	6.5
Total	100.0

*Includes Cash & Accruals

Asset Breakdown (%)

Listed Equities	98.0
Cash and accruals [^]	2.0
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 October 2020, the aggregate voting rights are **56,353,855**.

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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

As of 31 October 2020, the NAV per share of Class A shares increased 1.8% MoM. Main contributors were Hoa Phat Group (HPG) [+15.7% MoM], FPT Corporation (FPT) [+3.0% MoM] and REE Corporation (REE) [+4.2% MoM]. In contrast, main detractors were Airports Corporation of Vietnam JSC (ACV) [-7.9%], PVPower (POW) [-8.3% MoM] and Kinh Bac City (KBC) [-2.5%]. The VN-Index increased 2.3% MoM during the reporting month.

Hoa Phat Group's (HPG) share price rose 15.7% MoM in October 2020. The increase was likely due to better-than-expected results for Q3 2020. For Q3 2020, HPG recorded net sales of VND 24,685 billion (+63.6% YoY) and NPAT of VND 3,772 billion (+115% YoY). The growth drivers were (1) 56.4% YoY increase in construction steel sales volume; (2) the contribution of billets (nil last year). We estimated billets to contribute around 20% of HPG's revenue in Q3 2020; (3) higher utilization at Dung Quat Steel Complex, improving the profit margins of the steel segment and; (4) an increase of 53.7% YoY in the agricultural segment's revenue due to a strong growth in the sale volumes and selling prices of pork¹. For 9M 2020, HPG posted net sales of VND 45,683 billion (+40.8% YoY) and NPAT of VND 8,845 billion (+57.4% YoY). 9M 2020 results fulfilled 74.8% of its full-year sale target and 98.3% of its full-year NPAT target. 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 advantages over competitors are expected to strengthen as utilization at Dung Quat Steel Complex increases.

FPT Corporation's (FPT) share price rose 3.0% MoM in October 2020. The increase was likely due to the strong growth in new signed contract values at FPT's global IT segment. For 9M 2020, FPT signed VND 9,595 billion worth of new contracts to provide IT services globally, up 22% YoY². For 9M 2020, FPT posted net revenue of VND 21,164 billion (+8.0% YoY), PBT of VND 3,814 billion (+8.7% YoY) and NPAT of VND 3,170 billion (+7.8% YoY). The key growth contributors were the global IT segment with a revenue of VND 8,779 billion (+12.6% YoY) and PBT of VND 1,418 billion (+13.8% YoY) and the telecom services segment with a revenue of VND 7,948 billion (+11.4% YoY) and PBT of VND 1,303 billion (+21.4% YoY).

In contrast, the main detractors for FPT's growth in 9M 2020 were the domestic IT segment with a revenue of VND 2,932 billion (-10.4% YoY) and PBT of VND 188 billion (-16.2% YoY) and the online advertising segment with a revenue of VND 364 billion (-15.0% YoY) and PBT of VND 159 billion (-27.8% YoY). The decline in the top and bottom lines for both business segments reflect the negative impacts of COVID-19 as corporate clients scaled back on IT investments and marketing spend amidst the pandemic³. We maintain a positive view on FPT, with the expectation that its strong backlog will support the company's growth in the medium term.

Airports Corporation of Vietnam JSC's (ACV) share price decreased 7.9% MoM in October 2020. The decrease was likely due to the suspension of international commercial flights from 8 Oct 2020⁴. For 9M 2020, ACV posted a revenue of VND 6,083 billion (-54.9% YoY), PBT of VND 1,672 billion (-77.1% YoY) and NPAT of VND 1,399 billion (-76.8% YoY). 9M 2020 results fulfilled 98% of its full-year 2020 PBT target. ACV's YTD results have been severely affected by COVID-19 as the company's main income contributor is passenger service charges. For FY2020, due to COVID-19, ACV has set a conservative PBT target of VND 1,700 billion (-83.2% YoY). For Q3 2020 alone, ACV recorded a revenue of VND 1,443 billion (-68.6% YoY) and NPAT of VND 139 billion (-93.7% YoY). However, on a QoQ basis comparison, ACV displayed signs of recovery with a growth of 9% QoQ in revenue and profit in NPAT vs a net loss of VND 356 billion in Q2 2020, mainly due to lifting of domestic travel restriction from mid-May 2020. ACV, as the sole operator of airports in Vietnam, is expected to strongly benefit when air traffic in Vietnam resumes growth.

1. Source: HPG's management

2. Source: <https://www.fpt.com.vn/Images/files/cong-bo/2020/Thang-10/Earning-Report-Q3.pdf>

3. Source: FPT's management

4. Source: <https://tuoitrenews.vn/news/society/20201008/vietnam-suspends-inbound-flights-pending-official-quarantine-procedures/57167.html>

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CLASS C – Private Equity Shares

USD (%)	Cumulative Return					Annualised Return		
	1M	3M	6M	YTD	1Y	3Y	5Y*	7Y*
VPF C	0.0	-1.9	-1.7	-4.5	-7.3	-11.8	-4.4	-0.4

* 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.

Fund Manager's Report

On **Anova's** divestment process, the approval for the deal was received from the Department of Planning and Investment (DPI) on 16 November 2020. The buyer has also on 9 November 2020 confirmed that the deal has turned unconditional with the closing date estimated to be 18 December 2020, with the divestment proceeds expected to be received by the Fund shortly after.

The Investment Manager has commenced working with the buyer's deal team on the mechanism for closing, including documentation and tax related requirements.

The Investment Manager continues to maintain its contingency plans to mitigate any unforeseen circumstances.

The Investment Manager will subsequently propose a final redemption exercise to return capital to the 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: \$25.72 million
NAV/Share: \$0.2343
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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Top 10 Holdings (%)

Anova Corp 77.8
Total 77.8

Asset Breakdown (%)

Invested Securities 77.8
Cash and accruals 22.2
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 October 2020, the aggregate voting rights are 56,353,855.

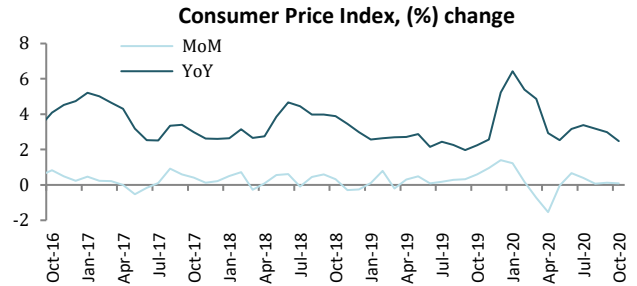
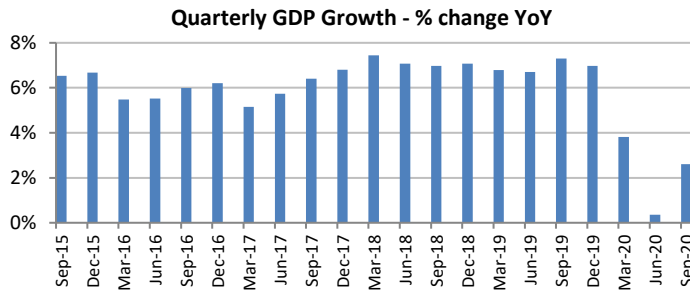
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Market Update



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	421	19.2	4.0	3.9%	13.2%
Indonesia	JCI	404	18.7	3.3	0.7%	17.7%
Singapore	FSSTI	317	13.2	3.4	3.8%	7.3%
Malaysia	FBMKLCI	229	20.8	8.1	3.1%	20.4%
Philippines	PCOMP	167	24.3	8.9	2.0%	8.9%
Vietnam	VNINDEX	145	19.5	3.5	N/A	17.5%

On the macroeconomic front, October 2020 continued to show recovery signals in the domestic economy.

CPI remained low – Vietnam’s consumer price index (CPI) for October 2020 rose 0.09% MoM and 2.47% YoY - the lowest growth rate for the month October since 2016. The slight increase was mainly due to an increase of 1.35% in education service prices as 9 provinces raised school fees for the semester 2020-2021. For 10M 2020, the average CPI growth rate is 2.52%, well within the government’s full-year target of 4.0%.

PMI remained above 50 - the Nikkei Vietnam manufacturing purchasing manager index (PMI) declined slightly from 52.2 in September 2020 to 51.8 in October 2020.

Slight decrease in FDI – as of 20 October 2020, Vietnam attracted USD 17.4 billion (-4.9% 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 43.5% YoY to USD 6.1 billion. The disbursed FDI declined by 2.5% YoY to USD 15.8 billion.

Trade recovered - The General Statistic Office of Vietnam estimated Vietnam to export USD 229.3 billion (+4.7% YoY) and import USD 210.6 billion (+0.4% YoY) for 10M 2020, generating a trade surplus of USD 18.7 billion (+115% YoY). The US remained the largest export destination for Vietnam with total export value of USD 62.3 billion (+24% YoY), followed by China with total export value of USD 37.6 billion (+14% YoY) and EU with total export value of USD 28.9 billion (-3% YoY). On the import side, China was still the largest import market for Vietnam with total import value of USD 65.8 billion (+6% YoY), followed by South Korea with total import value of USD 37.4 billion (-5% YoY) and ASEAN with total import value of USD 24.4 billion (-8% YoY).

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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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