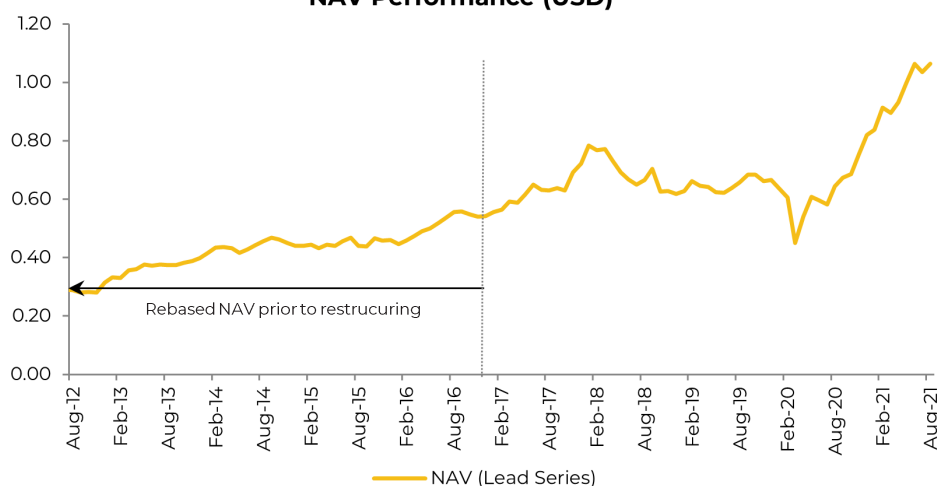


<b>COMPANY SNAPSHOT</b>	<b>COMPANY NAME</b> Vietnam Phoenix Fund Limited	<b>INVESTMENT MANAGER</b> Duxton Capital (Australia)	<b>TOTAL NET ASSETS</b> \$37.21 million
	<b>PORTFOLIO MANAGER</b> Sharon Seet	<b>WEBSITE</b> www.vietnamphoenixfund.com	

## CLASS A – Continuation Shares

<b>NAV/Share</b>	<b>LEAD SERIES</b> \$1.0636	<b>JUL21 SERIES</b> \$1.0004	<b>STRUCTURE</b> Open-End Fund	<b>LIQUIDITY</b> Monthly
The voting rights of all share classes are proportional to the value of shares at the most recent valuation date. As of 31 August 2021, the aggregate voting rights are <b>37,213,541</b> .				

### NAV Performance (USD)



USD (%)

Cumulative Return

Annualised Return

	1M	3M	6M	YTD	1Y	3Y	5Y*	7Y*
<b>VPF A (Lead Series)</b>	<b>2.7%</b>	<b>6.5%</b>	<b>16.5%</b>	<b>29.8%</b>	<b>65.4%</b>	<b>16.9%</b>	<b>14.0%</b>	<b>12.9%</b>
VNIndex	2.4%	1.4%	15.1%	22.3%	53.6%	11.2%	14.1%	10.0%

\* 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
REE Corp (REE)	+20.0%	1.3%
Kinh Bac City (KBC)	+23.7%	0.7%
SSI Securities (SSI)	+13.2%	0.7%
Top Laggards		
Asia Commercial Bank (ACB)	-11.5%	-0.6%
MBB Bank (MBB)	-3.5%	-0.2%
Khang Dien House (KDH)	-2.3%	-0.1%

### IDENTIFIERS

<b>ISIN CODE</b>	KYG9363R1056
<b>BLOOMBERG TICKER</b>	VTNPHXA KY
<b>SEDOL</b>	BDHXL2

### TOP 10 HOLDINGS (%)

FPT CORP	13.6
MOBILE WORLD	11.6
HOA PHAT GROUP	9.5
VINHOMES	8.9
REE CORP	8.2
MBB BANK	7.4
VIETCOMBANK	6.7
SSI SECURITIES	6.1
ASIA COMMERCIAL BANK	5.4
AIRPORT CORP	4.5
<b>TOTAL</b>	<b>81.9</b>

### SECTOR ALLOCATION (%)

REAL ESTATE	26.8
FINANCIALS	25.6
CONSUMER	15.8
INFORMATION TECHNOLOGY	13.5
BUILDING MATERIALS	10.3
ENERGY EQUIP & SVCS	4.8
OTHERS*	3.2
<b>TOTAL</b>	<b>100.0</b>

\*Includes Cash & Accruals

### ASSET BREAKDOWN (%)

LISTED EQUITIES	102.6
CASH AND ACCRUALS^	-2.6
<b>TOTAL</b>	<b>100.0</b>

^Adjusted to include pending redemptions.

## CLASS A – Continuation Shares

*All opinions expressed in the Investment Manager's report are those of the Investment 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

#### Portfolio Overview and Commentary

As of 31 August 2021, the NAV per share of the Lead Series Class A shares increased 2.7% MoM. The VN-Index increased 2.4% MoM during the reporting month.

The main contributors were REE Corporation (REE, +20.0%), Kinh Bac City (KBC, +23.7%) and SSI Securities (SSI, +13.2%). The main detractors were Asia Commercial Bank (ACB, -11.5%), MBB Bank (MBB, -3.5%) and Khang Dien House (KDH, -2.3%).

In terms of YTD performance, the NAV per share of Class A has increased 29.8%, while the VN-Index has increased 22.3%.

**REE Corporation's (REE)** share price increased 20.0% MoM in August 2021. The increase was likely due to positive investor expectations on the operations of Vinh Son Song Hinh Hydropower JSC ("VSH"), which was consolidated into REE's results when REE raised its shareholding in VSH from 49.52% to 50.45% in April 2021. VSH's new hydropower plant – Thuong Kontum, with a capacity of 220 MW, commenced operations in Q2 2021, enabling VSH's total power generation capacity to increase from 136 MW to 356 MW. VSH is now the largest private hydropower company in Vietnam based on power generation capacity, with Thuong Kontum being the largest project in REE's hydropower portfolio.<sup>1</sup>

With its focus on hydropower, we expect REE to structurally benefit from the growth and transition of Vietnam's power generation market to a more competitive one, as hydropower plants are the most cost competitive plants domestically<sup>1</sup>. REE's total power generation capacity is expected to expand by 11% in 2021 and 15% in 2022, with the operation of the Thuong Kontum hydropower project in 2021 and 3 wind projects and 1 solar rooftop project in 2022<sup>1</sup>. The expansion and diversification of REE's power portfolio we expect to enable REE to further strengthen its position in the electricity market over the long-term.

We also expect REE's office leasing segment to become another key growth driver for REE in the long-term, as its office portfolio is expected to expand by around 25% from mid-2023 onwards, with the launch of new office building - E-town 6.

**Kinh Bac City's (KBC)** share price increased 23.7% in August 2021. The increase was likely due to investor expectations of a potential recovery in foreign direct investment ("FDI") and KBC's operations as the COVID-19 situation in Vietnam has become more stable from late August, especially in northern areas. On 4 August 2021, the Ministry of Health announced that inbound travelers to Vietnam who are fully vaccinated and test negative for COVID-19 will only have to quarantine for 7 days (versus 21 days previously) and home quarantine for another 7 days (versus 14 days previously) if they stay in Vietnam for more than 14 days, with no quarantine requirements if they stay in Vietnam for less than 14 days<sup>2</sup>. We expect the loosening of quarantine restrictions to help boost FDI disbursement over time as more foreign investors will be able to visit and conduct their due diligence and negotiations on the ground.

We maintain a long-term positive view on KBC. As one of the largest IP developers in Vietnam, KBC is expected to benefit from the structural shift of global manufacturing activity to Vietnam. While KBC continues to expand its land bank aggressively, it already has a substantial land bank of 4,713 ha of industrial land and 939 ha of urban land, which is expected to be able to support the company's growth for at least 10 years.

**Asia Commercial Bank's (ACB)** share price decreased 11.5% in August 2021. The decrease was likely due to concerns over the bank's reduction of lending rates in 2H 2021. In a bid to support its existing customers impacted by the recent COVID-19 wave, whilst also seeking to expand its customer base, ACB has implemented a lending rate cut program from 15 July 2021 to 15 October 2021. The lending rate cut program applies for secured loans to borrowers whose loans are not yet due and are deemed to be able to pay the interest and principal on such loans on time. The bank is expected to reduce its lending rates by up to 0.8% for short-term loans, and by up to 1% for medium and long-term loans. While management estimates the bank's net interest margin will decrease by 0.5% in 2H 2021 through this rate cut program, the program is also targeted to increase its customer base by more than by 30% by attracting around 1 million new customers (of which 960,000 are expected to be retail customers)<sup>3</sup>.

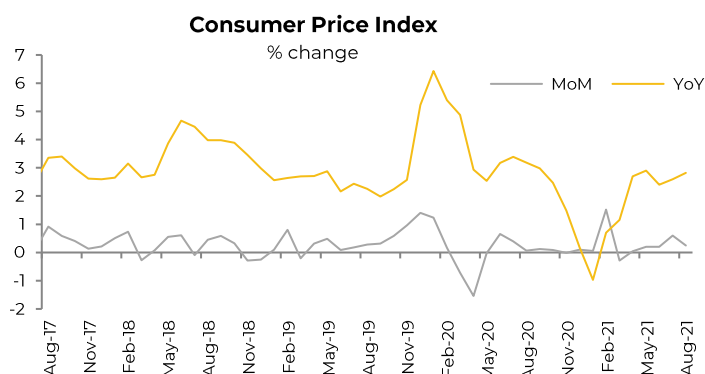
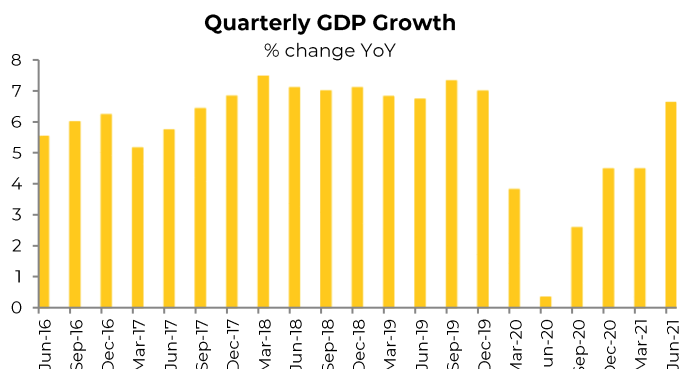
We continue to maintain a very positive view on ACB. We believe the better-than-peer asset quality and aggressive loan provisioning enables ACB to better weather the negative impacts of COVID-19 and drive sustainable growth over the long-term.

1. Source: Duxton Capital

2. Source: <https://www.bloomberg.com/news/articles/2021-08-04/vietnam-to-cut-isolation-time-for-vaccinated-visitors-vnexpress>

3. Source: ACB's Management

## Macroeconomic Overview and Commentary



**The COVID-19 pandemic situation has been more stable from late August** – starting from 27 Apr 2021, the fourth wave of the COVID-19 pandemic has caused 641,244 cases of community infections in 58/62 cities and provinces as of 15 September. Most cases come from the COVID-19 Delta variant. Currently, Vietnam records an average of 11,000 cases per day, however, the situation has become more stable since late August, especially in northern Vietnam. After 2 months of strict lockdowns with several extensions and tightening of restrictions, some provinces such as Hanoi, Hai Phong and Da Nang have announced the loosening of lockdown restrictions from 15 September 2021. Ho Chi Minh City is also preparing to loosen lockdown restrictions in some districts.

**COVID-19 vaccination program is ramping up and focusing on infected provinces** – Vietnam's vaccination rate increased from 5.8% as of 31 July 2021 to 26% as of 15 September 2021, of which, 6% of citizens are fully vaccinated and 20% have received their first shots. 90% of Ho Chi Minh City's citizens and 80% of Hanoi's citizens have received their first shots. While progress has been made, Vietnam's vaccination rate remains the second lowest in Southeast Asia.

**CPI remained low** – Vietnam's consumer price index ("CPI") for August 2021 increased 0.25% MoM and 2.82% YoY. The increase was mainly due to higher food prices caused by difficulties in logistics during the lockdown. For 8M2021, Vietnam's average CPI rose 1.79% YoY – the lowest CPI for the first 8 months since 2011.

**PMI dropped to 40** – the Nikkei Vietnam manufacturing purchasing manager index ("PMI") strongly decreased from 45.1 in July 2021 to 40.2 in August 2021, its lowest level since April 2020. Stricter social distancing measures during Vietnam's fourth wave of the COVID-19 pandemic have caused some disruptions in the manufacturing sector while new orders are expected to decrease due to higher raw material costs and logistic difficulties.

**Decreased FDI** – As of 20 August 2021, Vietnam YTD has attracted USD 16.3 billion (+12% YoY) of total newly registered FDI and additional FDI from existing investors. Disbursed FDI increased by 2% YoY to USD 11.6 billion. However, for August 2021 alone, the disbursed FDI decreased by 17% YoY to USD 1.1 billion.

**Slow-down trade** – According to Vietnam Customs, the country exported USD 214 billion (+22% YoY) and imported USD 216 billion (+34% YoY) in 8M2021, generating a trade deficit of USD 2.3 billion versus a trade surplus of USD 13.7 billion in the same period last year. For August 2021 alone, Vietnam recorded a decrease of 2% YoY in exports and 6% YoY in imports. The new wave of COVID-19 has caused some disruptions in the agricultural sector and industrial manufacturing sector which are key export industries for Vietnam. In August 2021, rice exports decreased by 15% YoY in volume and 7% YoY in value while textile and footwear exports decreased by 11% YoY and 40% YoY in value, respectively.

#### About Duxton Capital (Australia) Pty Ltd

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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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