

COMPANY SNAPSHOT	COMPANY NAME Vietnam Phoenix Fund Limited	INVESTMENT MANAGER Duxton Capital (Australia)	TOTAL NET ASSETS \$37.11 million
	PORTFOLIO MANAGER Sharon Seet	WEBSITE www.vietnamphoenixfund.com	EMAIL vpf@duxtonam.com

CLASS A – Continuation Shares

NAV/Share	LEAD SERIES \$1.1450	JUL21 SERIES \$1.0740	DEC21 SERIES \$0.9984	STRUCTURE Open-End Fund	LIQUIDITY Monthly
The voting rights of all share classes are proportional to the value of shares at the most recent valuation date. As of 31 December 2021, the aggregate voting rights are 37,116,291 .					

IDENTIFIERS	
ISIN CODE	KYC9363R1056
BLOOMBERG TICKER	VTNPHXA KY
SEDOL	BDHXLD2

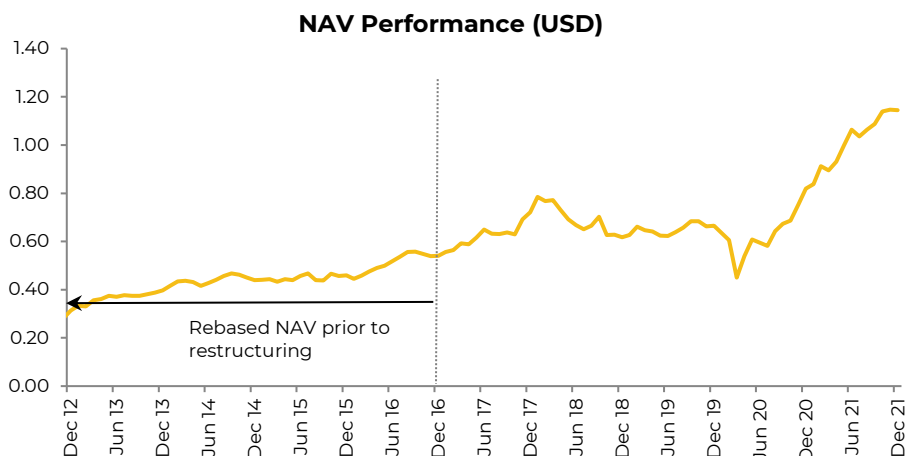
TOP 10 HOLDINGS (%)	
FPT CORP	11.7
MOBILE WORLD	10.1
VINHOMES	8.7
REE CORP	8.4
HOA PHAT GROUP	8.3
VIETCOMBANK	7.9
MB BANK	7.5
ASIA COMMERCIAL BANK	5.7
AIRPORTS CORP	4.9
VINAMILK	4.9
TOTAL	78.1

SECTOR ALLOCATION (%)	
FINANCIALS	26.8
REAL ESTATES	26.8
CONSUMER	15.0
INFORMATION TECHNOLOGY	11.7
BUILDING MATERIALS	8.3
ENERGY EQUIP & SVCS	7.6
OTHERS*	3.8
TOTAL	100.0

*Includes Cash & Accruals

ASSET BREAKDOWN (%)	
LISTED EQUITIES	103.8
CASH AND ACCRUALS [^]	-3.8
TOTAL	100.0

[^]Adjusted to include pending redemptions.



USD (%)	Cumulative Return				Annualised Return			
	1M	3M	6M	YTD	1Y	3Y	5Y*	7Y*
VPF A (Lead Series)	-0.1%	5.3%	7.7%	39.8%	39.8%	22.9%	16.2%	14.8%
VNIndex	0.9%	11.3%	7.3%	37.4%	37.4%	19.5%	17.6%	14.4%

* 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 Gainers	Price Change	Contribution to NAV Return
Kinh Bac City (KBC)	+21.6%	0.59%
PetroVietnam Power (POW)	+29.6%	0.46%
Dat Xanh Real Estate Service (DXS)	+13.9%	0.42%
Top Laggards		
FPT Corp (FPT)	-4.2%	-0.57%
Hoa Phat Group (HPG)	-5.2%	-0.50%
SSI Securities Corporation (SSI)	-7.3%	-0.48%

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.

INVESTMENT MANAGER'S REPORT

Portfolio Overview and Commentary

As of 31 December 2021, the NAV per share of the Lead Series Class A shares dipped 0.1% MoM. The VN-Index increased 0.9% MoM during the reporting month.

The main contributors were Kinh Bac City (KBC, +21.6% MoM), PetroVietnam Power Corporation (POW, +29.6%), Dat Xanh Real Estate Service (DXS, +13.9% MoM). In the contrast, the main detractors were FPT Corporation (FPT, -4.2% MoM), Hoa Phat Group (HPG, -5.2% MoM) and SSI Securities (SSI, -7.3% MoM).

Underperformance in December 2021 was largely due to the following factors: (1) the Fund had no exposure to Masan Group (MSN) whose share price increased 14.5% MoM, contributing 0.5% to the VN-Index's overall 0.9% return, (2) the Fund's relative underweight in the banking sector, which saw a strong recovery during the month.

For full-year 2021, the NAV per share of Class A increased 39.8%, while the VN-Index increased 37.4%.

Kinh Bac City's (KBC) share price rose 21.6% in December 2021. The strong increase was likely due to investor expectations of improved profits for the company resulting from The Trang Cat project set to begin in 2022 as the project obtained permission to begin construction in December 2021. Trang Cat is an urbanization project wholly owned by KBC, with a total saleable area of 250 ha in Hai Phong province. The company expects to conduct a bulk sale of 50ha in Trang Cat in 2022 at a price of VND 20 million per sqm, generating revenue of VND 11 trillion ~ 3 times of KBC's 9M 2021 revenue.¹

We view the launch of Trang Cat project as the key growth driver for the company in the medium term. In the long-term, 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.

FPT Corporation's (FPT) share price decreased 4.2% MoM in December 2021. For 11M 2021, FPT recorded a growth of 21% YoY in revenue and 20% YoY in NPAT- MI. The main contributor to its strong growth was the IT segment with growth of 25% YoY in revenue and 27% YoY in PBT. Within FPT's IT segment, the digital transformation revenue (being FPT's business focusing on artificial intelligence, cloud computing, hyper network, and cybersecurity) rose by 76% YoY due to high growth rates in its services including Low Code platform, Cloud computing, and AI technology. As of end November 2021, FPT has signed approximately USD 660 million of new contracts YTD, up 30% YoY.²

We believe the company's strong IT contracts backlog will support its growth over the medium term while FPT's digital transformation will be a key growth driver for the company over the long-term due to accelerating demand of digital transformation projects from corporate clients domestically and internationally. Vietnam's government is targeting an increase in the digital economy's share of GDP from 5% in 2019 to 20% in 2025³.

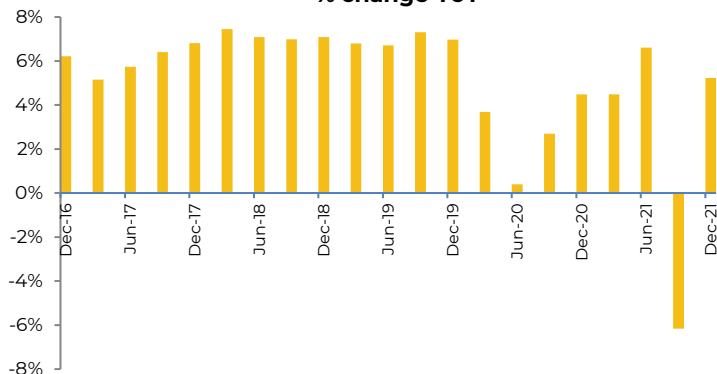
Hoa Phat Group's (HPG) share price decreased 5.2% MoM in December 2021, likely due to weaker-than-expected sales volumes in December 2021. In December 2021, HPG sold 799,000 tonnes of steel, up 14% YoY and 4% MoM.⁴ The main contributor was construction steels with sales volumes of 350,000 tonnes (+11% YoY and +30% MoM) due to the recovery in domestic demand while the main lagger was billet with sales volume of 125,000 tonnes (+26% YoY but -28% MoM) due to lower demand from the Chinese market.

Over the long term, as the dominant steel manufacturer domestically, we expect HPG to benefit from expected strong demand in the infrastructure and construction sectors in Vietnam supported by robust public investment and a recovering real estate sector.

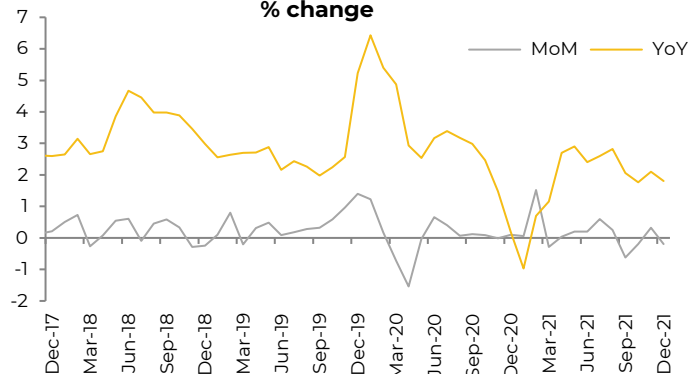
1. Source: KBC's management
2. Source: FPT's investor monthly report
3. Source: <https://e.vnexpress.net/news/business/economy/vietnam-aims-digital-economy-to-represent-20-pct-of-gdp-4340822.html>
4. Source: <https://www.hoaphat.com.vn/news/hoa-phat-achieved-steel-sales-of-8-8-million-tones-in-2021-posting-35-y-o-y-hike.html>

Macroeconomic Overview and Commentary

**Quarterly GDP Growth
% change YoY**



**Consumer Price Index
% change**



GDP recovered in Q4 2021 – Vietnam’s COVID-19 situation has been more stable from late August with the rapid vaccination rollout enabling provinces to loosen lockdown restrictions from mid-September. From 30 August 2021 to 31 December 2021, the number of administered vaccines rose from 20.2 million to 150.9 million, covering 75% of the country’s population.⁵ Social distancing requirements on residents have been removed, and manufacturers have resumed their operations post lockdown. As a result, GDP recovered strongly to 5.2% YoY in Q4 2021.

For full-year 2021, Vietnam recorded a GDP growth of 2.6% YoY - one of the lowest GDP growth rates in Southeast Asia. The main contributor was the industrial and construction sector with a growth of 4.0% YoY, contributing 37.9% to total GDP. This is followed by the services sector with a growth of 1.2% YoY, contributing 40.9% to total GDP, and the agriculture, forestry, and fishery sector with a growth of 2.9% YoY, contributing 12.4% to total GDP.

CPI was well managed – Vietnam’s consumer price index (“CPI”) decreased by 0.18% MoM but increased 1.81% YoY in December 2021. For full-year 2021, the average CPI rose 1.84% YoY in 2021 – the lowest average full-year CPI since 2016. This figure was well below the Government’s target of 4%. The increase in CPI was mainly due to increases in gasoline and commodities prices. These increases were partly offset by the reduction in telecom service and education service prices in a bid to support households and businesses who were impacted by the COVID-19 pandemic.

PMI remained positive – The Nikkei Vietnam manufacturing purchasing manager index increased slight from 52.2 in November to 52.5 in December. Manufacturing has been recovering post lockdown and new production orders for the coming season have returned. The pressure from the hike in commodity prices and the disruptions in supply chains has subsided.

A record high in FDI – As of 20 December 2021, Vietnam YTD has attracted USD 24.26 billion (+16% YoY) of total newly registered FDI and additional FDI from existing investors. Disbursed FDI dipped by 1% YoY to USD 19.74 billion. Despite the constraints resulting from travel restrictions, FDI strongly bounced back from its negative performance in 2020, implying positive foreign investors’ expectations as to the recovery of Vietnam’s economy once the COVID-19 pandemic subsides.

Trade recovered strongly – According to Vietnam’s General Statistics Office, in 2021, Vietnam exported USD 336.25 billion (+19% YoY) and imported USD 332.25 billion (+26% YoY), generating a trade surplus of USD 4.0 billion (-80% YoY). Mobile phones and mobile phone components remained the largest contributor to Vietnam’s exports with total exports of USD 57.5 billion (+12% YoY), followed by computers, electronics, and electronic components with total exports of USD 51.1 billion (+14% YoY). In terms of imports, computers, electronics, and electronic components were the largest contributor with total imports of USD 75.9 billion (+19% YoY), followed by machinery with total imports of USD 46.2 billion (+24% YoY).

Vietnam’s key trading partners recovered strongly in 2021. The US continued to be the largest export destination of Vietnam with total exports of USD 95.6 billion (+24% YoY), followed by China with total exports of USD 55.9 billion (+14% YoY) and the EU with total exports of USD 39.9 billion (+14% YoY). On the import side, China remained the largest import source with total imports of USD 109.9 billion (+30% YoY), followed by South Korea with total imports of USD 56.1 billion (+20% YoY) and ASEAN countries with total imports of USD 41.1 billion (+35% YoY).

5. Source: <https://covidvax.live/location/vnm>

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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.

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