

# Vietnam Phoenix Fund Limited

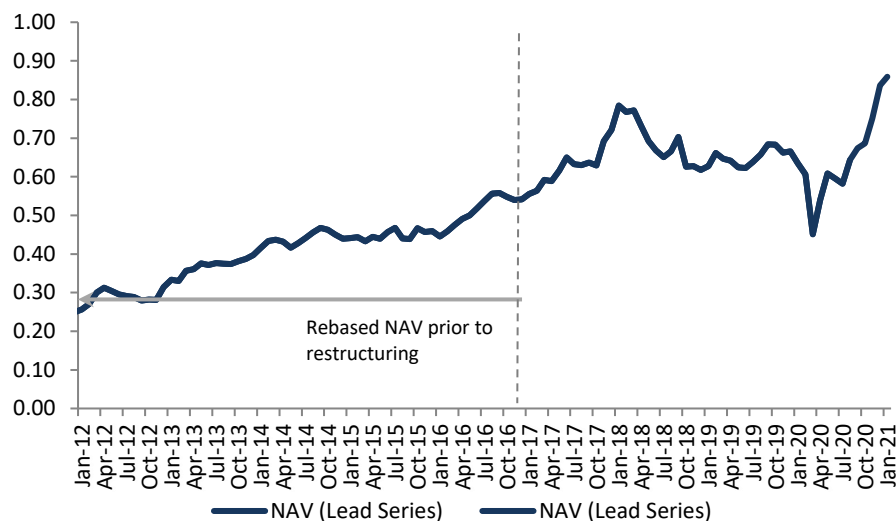
## Monthly Factsheet

31<sup>st</sup> January 2021



### CLASS A – Continuation Shares

NAV Performance (USD)



USD (%)	Cumulative Return				Annualised Return			
	1M	3M	6M	YTD	1Y	3Y	5Y*	7Y*
<b>VPF A (Lead Series)</b>	2.7	25.2	47.5	2.7	35.3	3.1	14.2	11.0
<b>VNIndex</b>	-4.1	14.8	32.6	-4.1	13.6	-2.1	13.3	8.2

\* 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.

Top Gainers	Price Change	Contribution to NAV Return
Kinh Bac City (KBC)	51.0%	2.87%
Mobile World (MWG)	11.6%	0.88%
FPT Corp (FPT)	6.1%	0.85%

Top Laggards	Price Change	Contribution to NAV Return
Hoa Phat Group (HPG)	-5.5%	-0.60%
Airports Corporation of Vietnam (ACV)	-13.5%	-0.49%
Vinamilk (VNM)	-5.5%	-0.48%

**Total Net Assets: \$35.95 million**

#### NAV/Share

**Lead Series: \$0.8588**

**Structure: Open-End Fund**

**Liquidity: Monthly**

#### Identifiers

ISIN Code	KYG9363R1056
Bloomberg Ticker	VTNPHXA KY
Sedol	BDHXL2

**Fund Manager: Sharon Seet**

#### Website:

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

#### Top 10 Holdings (%)

FPT Corp	14.6
Hoa Phat Group	11.1
Vinamilk	10.3
Vinhomes	9.8
Mobile World	8.5
Kinh Bac City	7.8
REE Corp	6.4
Vietcombank	6.4
MB Bank	4.7
Khang Dien House	4.0
<b>Total</b>	<b>83.6</b>

#### Sector Allocation (%)

Real Estate	28.1
Consumers	18.6
Financials	16.3
Information Technology	14.6
Building Materials	11.1
Energy Equip & Svcs	4.1
Others*	7.2
<b>Total</b>	<b>100.0</b>

\*Includes Cash & Accruals

#### Asset Breakdown (%)

Listed Equities	97.2
Cash and accruals^	2.8
<b>Total</b>	<b>100.0</b>

^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 31<sup>st</sup> January 2021, the aggregate voting rights are **62,125,287**.

### 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 January 2021, the NAV per share of Class A shares increased 2.7% MoM. The main contributors were Kinh Bac City (KBC) [+51.0%], Mobile World (MWG) [+11.6%] and FPT Corp (FPT) [+6.1%]. In contrast, the main detractors were Hoa Phat Group (HPG) [-5.5%], Airports Corporation of Vietnam (ACV) [-13.5%] and Vinamilk (VNM) [-5.5%]. The VN-Index decreased 4.1% MoM during the reporting month.

**Kinh Bac City's (KBC)** share price rose 51.0% MoM in January 2021. The strong increase was likely due to investors' expectations of a significant recovery in KBC's business in 2021. The company estimates it will record a total revenue of VND 3 trillion and NPAT of 1 trillion from its signed contracts in 2020 and early 2021 - most of the contribution from these contracts are expected to be realized in 2021.<sup>1</sup> This implies a strong recovery in earnings for the company in 2021. The company also plans to launch its major urban project in 2021 – the Trang Cat project, which KBC fully owns. This project includes 583.9ha located in Hai Phong province, of which 582ha has already been cleared. KBC has since submitted the fees for land use rights, and the company is expected to receive a land use right certificate soon.<sup>1</sup> For FY2020, KBC recorded weaker-than-expected results showing net revenue of VND 2,154 billion (-32.9% YoY) and NPAT of VND 206 billion (-77.5% YoY) as COVID-19 travel restrictions affected potential foreign tenants from entering Vietnam and also restricted KBC from conducting overseas marketing. As a result, KBC managed to only lease out 59.6 ha (-48% YoY) of industrial land and sell 2.4 ha (-41% YoY) of residential land in 2020. We continue to maintain a long-term positive view on KBC. As one of the largest industrial park developers in Vietnam, KBC is expected to continue to be a major beneficiary from the structural shifts of global manufacturing bases to Vietnam. We expect KBC's huge land bank of 5,278 ha of industrial land and 939 ha of urban to be able to support the company's growth for approximately the next 10 years.

**Mobile World's (MWG)** share price increased 11.6% MoM in January 2021. The increase was likely due to strong results for Q4 2020. MWG recorded revenues of VND 27,194 billion (+7% YoY) and NPAT of VND 942 billion (+10% YoY) for the quarter. For the full-year 2020, MWG recorded net revenue of VND 108,546 billion (+6% YoY) and NPAT of VND 3,918 billion (+2% YoY). Topline growth was mainly driven by a 98% YoY increase in revenue from its grocery stores chain (Bach Hoa Xanh). This substantial increase was only partly offset by a decrease of 11% YoY in revenue from its mobile phone stores chain (The Gioi Di Dong), and a decrease of 1% YoY in revenue from its consumer electronics store chain (Dien May Xanh). Overall gross profit margins expanded from 19.1% to 22.1%, largely due to higher gross profit margins at its Bach Hoa Xanh's grocery stores. For the full-year 2021, MWG's management aims to achieve VND 125 trillion (+13.6% YoY) of revenue and VND 4,750 billion (+37.7% YoY) of NPAT.<sup>2</sup> Although the risks associated with COVID-19 (store closures and weaker consumer discretionary spending) are expected to persist through 2021, we continue to maintain our positive view on MWG as we expect MWG to emerge in a stronger position after COVID-19 subsides. Due to its experienced management team and continued strong cash flows, MWG is expected to continue to gain market share from smaller competitors, and benefit from the network effect of having both brick and mortar stores and a strong online presence.

**Hoa Phat Group's (HPG)** share price decreased 5.5% MoM in January 2021. The decrease was likely due to lower sale volumes of construction steel in January 2021. In January 2021, HPG sold 186,000 tonnes of construction steel (+6% YoY but -42% MoM), 140,000 tonnes of billet (+33% YoY and +56% MoM) and 252,000 tonnes of HRC (+47% MoM, nil. last year). The decrease in construction steel volume was mainly due to seasonal factors. For the full-year 2020, HPG recorded net sales of VND 90.1 trillion (+42% YoY) and NPAT of VND 13.5 trillion (+78% YoY). The topline was mainly driven by a growth of 50% YoY in revenue from the steel segments to VND 76.3 trillion and a growth of 32% YoY to 10.6 trillion in revenue from the agriculture segments. However, there was a decrease of 21% YoY in revenue from the industrial segment to VND 2.5 trillion and a decrease of 55% YoY in revenue from real estate segment to VND 726 trillion. Gross profit margins expanded from 17.6% in 2019 to 21.0% in 2020. We continue to maintain a positive view on HPG. As the dominant steel manufacturer domestically, HPG is expected to benefit from the strong demand in 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.

1. Source: <https://en.vietstock.vn/2021/02/kbc-expectsrevenue-to-reach-vnd3-trillion-in-q1-on-industrial-zones-113-435728.htm>

2. Source: <https://e.nhipcaudautu.vn/companies/mobile-world-targets-2021-after-tax-profit-at-2048-million-up-nearly-38-3338696/>

3. Source: <https://www.hoaphat.com.vn/news/hoa-phat--s-hrc-achived-252-000-tonnes-in-january.html>

# Vietnam Phoenix Fund Limited

## Monthly Factsheet

31<sup>st</sup> January 2021



### CLASS C – Private Equity Shares

USD (%)	Cumulative Return					Annualised Return		
	1M	3M	6M	YTD	1Y	3Y	5Y*	7Y*
<b>VPF C</b>	-0.3	1.8	-0.1	-0.3	-2.5	-11.1	-3.2	-1.3

\* 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 Fund is 100% cash after the successful sale of the Fund's final holding in Anova.

The sale of Anova was successfully agreed to in November 2020 with the Fund receiving payments of:

1. ~USD12.3mn (~11.4mn net of tax) on 18 December 2020 for the Fund's shares; and
2. ~USD7.8mn on 15 January 2021 for the Fund's convertible bonds.

On 30th December 2020, an Extraordinary General Meeting was held with the sole resolution to extend the final redemption date of the Class C Shares from 31 December 2020 to 31 March 2021. This sole resolution was duly passed.

The final redemption process to Class C shareholders is expected to be announced in March.

**Net Assets:** \$26.17 million  
**NAV/Share:** \$0.2385  
**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  
[jhewitson@finncap.com](mailto:jhewitson@finncap.com)

#### Top 10 Holdings (%)

**Total** **0.0**

#### Asset Breakdown (%)

Invested Securities 0.0  
Cash and accruals 100.0  
**Total** **100.0**

#### Voting Rights

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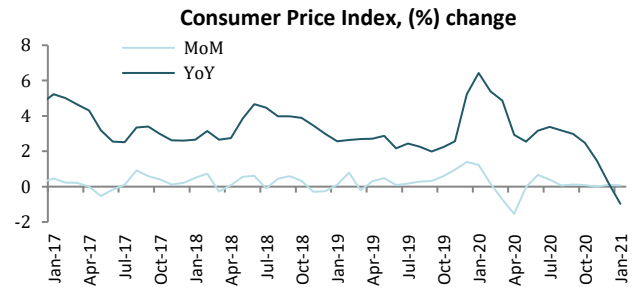
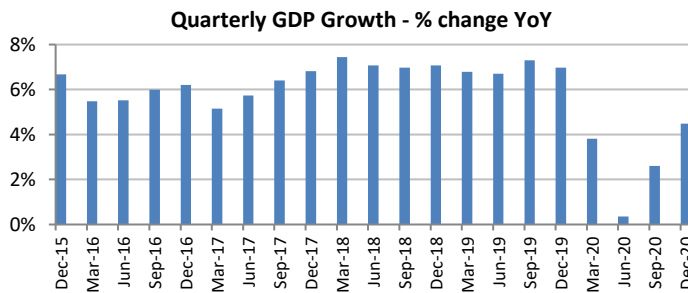
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### Market Update



### Vietnam Economic Indicators

		2017	2018	2019	2020
Real GDP Growth	%	6.7	7.1	7.0	2.9
CPI	%	2.6	3.5	2.8	3.2
Export Growth	%	20.6	13.8	8.4	6.5
Import Growth	%	21.3	11.5	6.5	3.6
Trade Balance	\$bn	2.3	7.2	11.1	19.1
Registered FDI	\$bn	35.9	25.6	22.5	21.0
FX Reserve	\$bn	52.0	60.0	80.0	95
USDVND	VND	22,968	23,245	23,173	23,098

		Mkt Cap (USD bn)	2020 Forward P/E	PEG	Div Yield	ROE
Thailand	SET	543	24.1	64.9	3.5%	11.5%
Indonesia	JCI	484	21.0	3.5	0.6%	14.0%
Singapore	FSSTI	394	15.0	7.2	3.0%	6.4%
Malaysia	FBMKLIC	250	19.7	15.9	3.4%	23.7%
Philippines	PCOMP	174	21.7	13.6	1.8%	7.5%
<b>Vietnam</b>	<b>VNINDEX</b>	<b>171</b>	<b>17.7</b>	<b>3.5</b>	<b>1.5%</b>	<b>17.1%</b>

On the macroeconomic front, the country's economic indicators recorded positive performance in January 2021.

**CPI remained low**– Vietnam's consumer price index (CPI) for January 2021 increased 0.06% MoM but decreased 0.97% YoY. The main contributors to CPI's MoM growth were an increase of 2.29% MoM in transportation prices and 0.64% MoM in food prices due to higher consumption demand prior lunar new year.

**PMI remained above 50** – the Nikkei Vietnam manufacturing purchasing manager index (PMI) dipped from 51.7 in December 2020 to 51.3 in January 2021. Vietnamese manufacturing production, employment and purchasing activity were broadly stable in January.

**FDI remained weak** – as of 20 January 2021, Vietnam attracted USD 1.8 billion (-62.5% 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 58.7% YoY to USD 0.2 billion. Disbursed FDI increased 4.1% YoY to USD 1.5 billion.

**Strong growth in trade** – The General Statistic Office of Vietnam estimated Vietnam to export USD 27.7 billion (+50.5% YoY) and import USD 26.4 billion (+41% YoY) in January 2021, generating a trade surplus of USD 1.3 billion (vs a trade deficit of USD 276 million in January 2020). Most major trading markets of Vietnam witnessed strong recovery. The US was the largest export destination for Vietnam with a total export value of USD 7.5 billion (+57.4% YoY), followed by China with USD 5.8 billion (+111.6% YoY) and EU with USD 2.8 billion (+14.8% YoY). On the import side, China was still the largest import market for Vietnam with total import value of USD 9.6 billion (+72.7% YoY), followed by South Korea with total import value of USD 5.1 billion (+29.3% YoY), and ASEAN with total import value of USD 3.4 billion (+63.3% YoY).

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31<sup>st</sup> January 2021



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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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