

COMPANY SNAPSHOT	COMPANY NAME Vietnam Phoenix Fund Limited	INVESTMENT MANAGER Duxton Capital (Australia)	TOTAL NET ASSETS \$42.1 million
	FUND MANAGER Sharon Seet	WEBSITE www.vietnamphoenixfund.com	

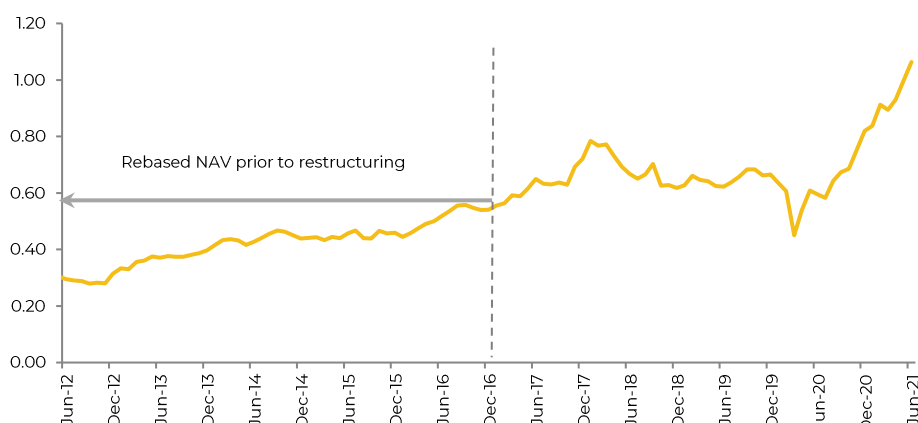
## CLASS A –Continuation Shares

NAV/Share	LEAD SERIES \$1.0633	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 30 June 2021, the aggregate voting rights are <b>42,066,257</b> .			

### IDENTIFIERS

ISIN CODE	KYG9363R1056
BLOOMBERG TICKER	VTNPHXA KY
SEDOL	BDHXL2

### NAV Performance (USD)



### TOP 10 HOLDINGS (%)

FPT CORP	13.6
HOA PHAT GROUP	12.3
MOBILE WORLD	9.3
VINHOMES	8.7
MB BANK	7.6
VIETCOMBANK	7.0
REE CORP	6.3
SSI SECURITIES	5.4
VINAMILK	4.8
KINH BAC CITY	4.7
TOTAL	79.7

### SECTOR ALLOCATION (%)

REAL ESTATE	26.9
FINANCIALS	24.2
CONSUMER	14.1
IT	13.6
BUILDING MATERIALS	12.3
ENERGY EQUIP & SVCS	4.7
OTHERS	4.2
TOTAL	100.0

\*Includes Cash & Accruals

### ASSET BREAKDOWN (%)

LISTED EQUITIES	101.9
CASH AND ACCRUALS <sup>^</sup>	-1.9
TOTAL	100.0

<sup>^</sup>Adjusted to include pending redemptions.

### USD (%)

### Cumulative Return

### Annualised Return

	1M	3M	6M	YTD	1Y	3Y	5Y*	7Y*
VPF A (Lead Series)	6.5%	18.9%	29.8%	29.8%	78.6%	16.8%	15.6%	14.0%
VNIndex	6.2%	18.5%	28.0%	28.0%	72.0%	13.5%	16.6%	12.3%

\* 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.

Top Gainers	Price Change	Contribution to NAV Return
Vinhomes (VHM)	+15.0%	1.19%
SSI Securities (SSI)	+23.9%	1.10%
Vietcombank (VCB)	+18.0%	1.06%
Top Laggards		
Hoa Phat Group (HPG)	-2.3%	-0.26%
REE Corp (REE)	-0.9%	-0.04%

## 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

### Portfolio Overview and Commentary

As of 30 June 2021, the NAV per share of Class A shares increased 6.5% MoM. The VN-Index increased 6.2% MoM during the reporting month.

The main contributors were Vinhomes (VHM, +15.0%), SSI Securities (SSI, +23.9%), and Vietcombank (VCB, +18.0%). The 2 main detractors were Hoa Phat Group (HPG, -2.3%) and REE Corporation (REE, -0.9%).

In terms of year-to-date ("YTD") performance, the NAV per share of Class A has increased 29.8%, while the VN-Index has increased 28.0%.

**Vinhomes's (VHM)** share price increased 15.0% MoM in June 2021, likely due to positive expectations on the launches of its three new mega projects, which include Wonder Park (133 ha in west Hanoi), Dream City (Ocean Park 2 – 445 ha in south Hanoi) and Co Loa (74 ha in northeast Hanoi). The management expects to launch these projects in 2H 2021, with most of its existing mega projects already sold out. These projects are expected to contribute to VHM's profit from 2H 2022.

VHM also held its' AGM on 4 June 2021 and the AGM saw the approval of the Company's 2021 targets of 26% YoY growth in revenue and 24% YoY growth in NPAT. Company growth over the long-term is expected to be driven by three key segments, including retail sales (55-60% revenue), bulk sales (30-35% revenue), and industrial parks (5-10% revenue).<sup>1</sup>

We maintain a positive view on VHM, supported by several factors: (1) as the leader in the Vietnamese real estate development sector, VHM is expected to be the largest beneficiary of the recovery in the Vietnamese real estate market over the long term; (2) with its sizable land bank at strategic locations in the north, VHM's industrial real estate segment should be well positioned to benefit from the increase in foreign direct investment and the adjustment of global supply chains as manufacturers diversify their manufacturing operations away from China to Vietnam, and; (3) VHM's substantial residential land bank is sizeable enough to support VHM's growth for approximately the next 10 years.

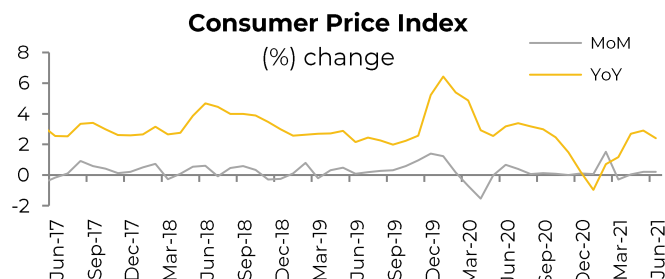
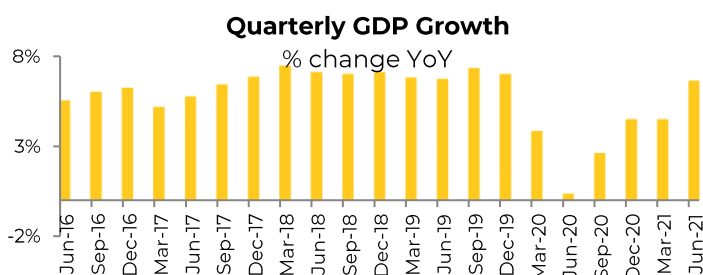
**SSI Securities' (SSI)** share price rose 23.9% MoM in June 2021, likely due to the strong performance of Vietnamese stock market during the month which would positively impact SSI's profitability due to the expected high number of brokerage transactions. In June 2021, VN-Index reached its new all-time-high and was one of the best performing stock markets globally. The market was driven by robust inflows from retail investors. In 1H 2021, domestic investors opened 620,000 new trading accounts (+58% YoY) while the average trading value for 1H 2021 reached USD 816 million, up 299% YoY.<sup>2</sup> As SSI is one of largest brokerage firms in Vietnam with a market share of 11% in Ho Chi Minh Stock Exchange and 7% in Hanoi Stock Exchange for 1H 2021<sup>3</sup>, SSI was one of the major beneficiaries of the substantial liquidity inflow into Vietnamese stock market. For 2H 2021, we expect retail trading activity for 2H 2021 to remain robust due to interest rates continuing to remain low, and brokerages continuing to extend margin loans.

**Hoa Phat Group's (HPG)** share price decreased 2.3% MoM in June 2021, likely due to its disappointing sales volumes coupled with a decrease in its selling price in the reporting month. In June 2021, HPG's construction steel sales volume declined 9% YoY while its selling price declined 8% MTD.<sup>4</sup> The decreases were due to weak domestic demand which was hit by the new wave of COVID-19 and lower inventory acquisition of agents during the down trend of steel prices. We expect domestic demand to recover from late Q3 2021 as the COVID-19 vaccination ramps up nationwide. Over the long term, as the dominant steel manufacturer domestically, we expect HPG 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: VHM's Management
2. Source: Vietnam Securities Depository
3. Source: Ho Chi Minh Stock Exchange and Hanoi Stock Exchange
4. Source: HPG's Management

## Macroeconomic Overview and Commentary



**Worsening COVID-19 pandemic situation** – starting from 27 April 2021, the fourth wave of COVID-19 has caused 33,909 cases of community infections as of 14 July 2021, accounting for 95% of total infection cases in Vietnam over this period. Ho Chi Minh city (“HCMC”) has accounted for ~50% of total infection cases in this wave. The city has been put under lockdown from 31 May 2021 and stricter social distancing measures were imposed from 9 July 2021. Authorities in HCMC ordered the closure of all factories which are not able to apply the COVID-19 preventative measures from 15 July. As HCMC is the largest city of Vietnam, contributing ~22% of total GDP of Vietnam, the emerging fourth wave of COVID-19 pandemic is expected to be more economically disruptive than previous waves.

**Nationwide COVID-19 vaccination program is ramping up but remains slow** – as of 13 July 2021, Vietnam has received 8.2 million doses of COVID-19 vaccine including AstraZeneca (5.5 million doses), Moderna (2 million doses), Sinopharm (0.5 million doses) and Pfizer (97,000 doses). The vaccination rate increased from 1.1% as of 31 May to 3.8% as of 13 July 2021. However, it remained the second lowest in Southeast Asia. The country has ordered 110 million doses of COVID-19 vaccines, including 69 million AstraZeneca doses and 31 million Pfizer doses. Vietnam expects to purchase 150 million additional doses of COVID-19 vaccines, covering 70-75% of its population.

**Weaker-than-expected GDP growth** – Vietnam achieved GDP growth of 6.61% for Q2 2021, generating 1H 2021 GDP growth of 5.64% - slightly lower than the government forecast of 5.8%. This was likely due to the negative impact of the fourth wave of COVID-19 on June performance of Vietnamese economy. The largest contributor to Vietnam’s GDP growth in 1H 2021 was the industrial and construction sector with growth of 8.4%, contributing 59% to total GDP, followed by the services sector with a growth of 4.0%, contributing 33% to total GDP, and the agriculture, forestry, and fishery sector with a growth of 3.8%, contributing 8% to total GDP.

**Inflation under control** – Vietnam’s consumer price index (CPI) for June 2021 increased 0.2% MoM and 2.4% YoY. For 6M2021, Vietnam’s average CPI rose 1.47% YoY. The increase was primarily due to a 17% YoY increase in gasoline prices and a 5% YoY increase in education services prices.

**Lowest PMI since August 2020** – the Nikkei Vietnam manufacturing purchasing manager index (“PMI”) strongly decreased from 53.1 in May 2021 to 44.1 in June 2021. The worsening COVID-19 outbreak has caused operating disruptions in the manufacturing sector while new orders are expected to decrease due to higher raw material costs and logistic difficulties that.

**Relatively muted FDI growth** – As of 20 June 2021, Vietnam YTD has attracted USD 13.7 billion (+12% YoY) of total newly registered FDI and additional FDI from existing investors. The manufacturing sector remained the most attractive sector, accounting for 46% of newly registered FDI, followed by the electricity and gas sector and the real estate sector, accounting for 35% and 7% of newly registered FDI, respectively. Disbursed FDI increased by 7% YoY to USD 9.24 billion.

**Trade YTD remains strong** – According to Vietnam Customs, the country exported USD 158.3 billion (+29% YoY) and imported USD 159.3 billion (+36% YoY) in 1H 2021, generating a trade deficit of USD 1.0 billion vs a trade surplus of USD 5.9 billion in the same period last year. Mobile phones and mobile phone components remained the largest contributor to Vietnam’s exports with total exports of USD 25.0 billion (+14% YoY), followed by computers, electronics, and electronic components with total exports of USD 23.9 billion (+23% YoY). In terms of imports, computers, electronics, and electronic components were the largest contributor to Vietnam’s imports with total imports of USD 33.6 billion (+24% YoY), followed by machinery with total imports of USD 22.9 billion (+37% YoY).

## CLASS C – Private Equity Shares

<b>FUND MANAGER</b> Sharon Seet	<b>WEBSITE</b> <a href="http://www.vietnamphoenixfund.com">www.vietnamphoenixfund.com</a>
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IDENTIFIERS	
<b>ISIN CODE</b>	KYG2886W1078
<b>BLOOMBERG TICKER</b>	VTNPHXC KY
<b>SEDOL</b>	B1FHXT2

## FUND MANAGER'S REPORT

The 21 June 2021 Final Cash Distribution of Class C shares has been successfully completed.

The Company has retained ~USD 25,000 to settle all remaining estimated and unforeseen costs, including the 2021 audit. The cash retention will be held on the VPF balance sheet as a liability until used or donated to the Saigon Children's Charity, consistent with the resolution approved by Private Equity Shareholders at the Company's Extraordinary General Meeting held on 30 December 2020.

### 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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