

COMPANY SNAPSHOT	COMPANY NAME Vietnam Phoenix Fund Limited	INVESTMENT MANAGER Duxton Capital (Australia)	TOTAL NET ASSETS \$36.67 million
	PORTFOLIO MANAGER Sharon Seet	WEBSITE www.vietnamphoenixfund.com	EMAIL vpf@duxtonam.com

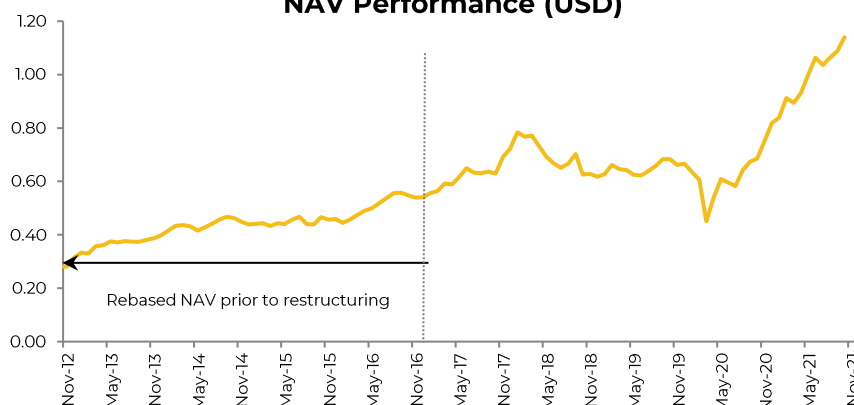
## CLASS A – Continuation Shares

NAV/Share	LEAD SERIES \$1.1467	JUL21 SERIES \$1.0755	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 November 2021, the aggregate voting rights are <b>36,668,166</b> .				

### IDENTIFIERS

ISIN CODE	KYC9363R1056
BLOOMBERG TICKER	VTNPHXA KY
SEDOL	BDHXL2

### NAV Performance (USD)



### TOP 10 HOLDINGS (%)

MOBILE WORLD	12.9
FPT CORP	12.5
VINHOMES	9.2
HOA PHAT GROUP	9.0
REE CORP	8.7
MBB BANK	7.7
SSI SECURITIES	6.9
VIETCOMBANK	6.7
ASIA COMMERCIAL BANK	5.6
AIRPORTS CORP	4.7
TOTAL	83.9

### SECTOR ALLOCATION (%)

FINANCIALS	26.9
REAL ESTATES	26.6
CONSUMER	17.0
INFORMATION TECHNOLOGY	12.5
BUILDING MATERIALS	9.0
ENERGY EQUIP & SVCS	5.4
OTHERS*	2.6
TOTAL	100.0

\*Includes Cash & Accruals

### ASSET BREAKDOWN (%)

LISTED EQUITIES	104.8
CASH AND ACCRUALS <sup>^</sup>	-4.8
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)	0.6%	7.8%	14.8%	40.0%	52.7%	22.3%	16.4%	14.4%
VNIndex	2.5%	11.3%	12.9%	36.1%	50.1%	17.9%	17.3%	13.7%

\* 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
SSI Securities (SSI)	+38.0%	1.87%
Mobile World (MWG)	+5.7%	0.73%
Saigon Cargo Services (SCS)	+16.8%	0.38%
Top Laggards		
Hoa Phat Group (HPG)	-14.3%	-1.47%
REE Corp (REE)	-5.7%	-0.52%
Airports Corp (ACV)	-6.9%	-0.34%

## 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 30 November, the NAV per share of the Lead Series Class A shares increased 0.6% MoM. The VN-Index increased 2.5% MoM during the reporting month.

The main contributors were SSI Securities (SSI, +38.0% MoM), Mobile World (MWG, +5.7% MoM) and Saigon Cargo Services (SCS, +16.8% MoM). In contrast, the main detractors were Hoa Phat Group (HPG, -14.3% MoM), REE Corporation (REE, -5.8% MoM) and Airports Corporation of Vietnam (ACV, -6.9% MoM).

Underperformance in November 2021 was largely due to the following factors: (1) the Fund had no exposure to Vin Group (VIC), whose share price increased 9.7% MoM, contributing 0.6% to the VN-Index's return, (2) the Fund is relatively underweight in the banking sector, which saw a strong recovery during the month.

In terms of YTD performance, the NAV per share of Class A has increased 40.0%, while the VN-Index has increased 36.1%.

**SSI Securities' (SSI)** share price increased 38.0% in November 2021, most likely due to investor expectations of improved profitability from increased trading volumes and opening of new accounts due to a strong market performance. The VN-Index rose 2.5% MoM in November and reached an all-time high on 25 November 2021. Market liquidity and the number of new account openings also hit new peaks of USD 1.6 billion in November (+52% MoM and 309% YoY) and approximately 221,000 accounts (+70% MoM and +437% YoY), respectively.<sup>1</sup>

As one of the leading brokerage firms in Vietnam with a trading value market share of 11% in Ho Chi Minh Stock Exchange and 8% in Hanoi Stock Exchange in 9M 2021<sup>2</sup>, SSI was one of the major beneficiaries of substantial liquidity inflow into Vietnam's stock market. For 9M 2021, SSI recorded total operating income of VND 5,020 billion (+57% YoY) and NPAT of VND 1,697 billion (+94% YoY).

We expect SSI to benefit from continued growth of the Vietnamese stock market, which is currently being driven by increasing inflows from local investors due to low interest rates and expectations that stocks will re-rate on the back of potential recoveries in the underlying operations of these businesses. In order to capture the growth of the local stock market, SSI raised its charter capital by 33% in October 2021 and the broker is planning another capital raise of 50% in June 2022. The strong capital funding is expected to strengthen SSI's position as the largest brokerage firm in Vietnam in terms of capital and ability to extend margin loans.

1. Source: Vietnam Securities Depository

2. Source: Ho Chi Minh Stock Exchange, Hanoi Stock Exchange

**Mobile World's (MWG)** share price increased 5.7% in the month, likely due to investor expectations of a strong recovery in its operations post lockdown. For October 2021 alone, MWG recorded total revenue of VND 12,186 billion (+46% MoM and 39% YoY) and NPAT of VND 568 billion (+71% MoM and 86% YoY). The main contributor in October was a growth of 62% MoM and 51% YoY in total combined revenue of mobile phone and consumer electronic store chains. Several factors contributed to growth including (1) 70% of these stores were temporarily closed during the lockdowns and they were reopened from 1 October; (2) laptops sales rose by 130% YoY due to the strong demand for online studying and working; (3) the launch of Apple's iPhone 13 series and MWG's Topzone chain – an Apple Authorized Reseller and Apple Premium Reseller store; and (4) a robust growth of 33% YoY in online sales.<sup>3</sup>

We maintain our positive view on MWG. The company has been weathering the negative impacts of COVID-19 well and we expect the company to emerge in a stronger position after the pandemic subsides. Due to its experienced management team and continued strong cash flows, we expect MWG to capture the market share from smaller competitors over time, allowing it to build a durable franchise of multiple stores combined with a strong online presence that can further withstand competitive pressure.

**Hoa Phat Group's (HPG)** share price decreased 14.3% MoM in November 2021, likely due to weak sales volume reported during the month. In November 2021, HPG sold 765,000 tonnes of steel<sup>4</sup>, up 1.5% YoY but down 21% MoM as lower inventories built up from agencies following the decrease in steel prices. Average construction steel prices declined 2% MoM in November 2021.

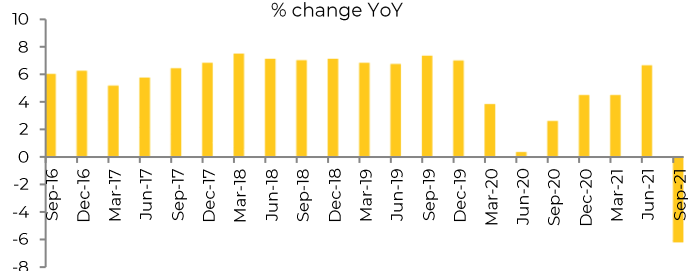
We expect a recovery in demand for steel from infrastructure projects due to increasing public investment spending at the year-end, offsetting the decrease in steel prices in December 2021. Over the long term, as the dominant steel manufacturer domestically, we expect HPG to benefit from expected strong demand in the infrastructure and construction sectors in Vietnam supported by robust public investment and a recovering real estate sector.

3. Source: MWG's Management

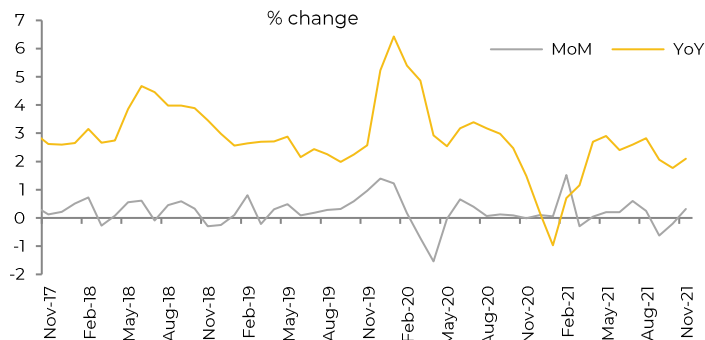
4. Source: <https://www.hoaphat.com.vn/news/hoa-phat-posted-8-million-tons-of-steel-output-hrc-reached-3-million-tons-in-11-months.html>

## Macroeconomic Overview and Commentary

**Quarterly GDP Growth**  
% change YoY



**Consumer Price Index**  
% change



**Urgent COVID-19 situation but the new normal is adapted** – Vietnam recorded a daily average of 15,200 cases of community infections in the first 2 weeks of December, doubling the same period during November. No COVID-19 infections caused by the new Omicron variant have been recorded in Vietnam as of 15 December 2021. Vietnam's COVID-19 vaccination rate has increased robustly and as of 15 December 2021, 54% of Vietnam's population has been fully vaccinated, and in addition, 20% have received their first shots.<sup>5</sup> Vietnam reached the third highest vaccination rate in Southeast Asia. With vaccination rates above 50%, the country plans to open its travel borders with 8 countries including China, Japan, South Korea, Thailand, Singapore, Laos, Cambodia, and the US from 1 January 2022.

**CPI bounced back** – Vietnam's consumer price index (CPI) for November 2021 increased 0.32% MoM and 2.1% YoY. The increase in November CPI was mainly due to the recovery of fuel and commodities' prices. For 11M2021, Vietnam's average CPI rose 1.8% YoY – the lowest rise for the first 11 months since 2016.

**PMI remained above 50** – the Nikkei Vietnam manufacturing purchasing manager index ("PMI") increased slightly from 52.1 in October 2021 to 52.2 in November 2021. Manufacturers have resumed their operations post lockdown and new production orders for the coming seasons have returned.

**Robust growth in new registered FDI** – As of 20 November 2021, Vietnam YTD has attracted USD 22.1 billion (+11% YoY) of total newly registered FDI and additional FDI from existing investors. However, disbursed FDI dipped by 1% YoY to USD 17.1 billion due to remaining travel restrictions.

**Trade recovered strongly** – According to Vietnam Customs, the country exported USD 301.7 billion (+18% YoY) and imported USD 300.3 billion (+28% YoY) in 11M 2021, generating a trade surplus of USD 1.5 billion. After 5 months of seeing a trade deficit, Vietnam's net trading balance has returned to surplus from October 2021. The US remains Vietnam's largest export destination with a total export value of USD 84.8 billion (+22% YoY), followed by China with a total export value of USD 50.5 billion (+17% YoY), and EU with a total export value of USD 35.7 billion (+12% YoY). For imports, China remains the largest import market for Vietnam with a total import value of USD 98.5 billion (+32% YoY), followed by South Korea with a total import value of USD 50.3 billion (+20% YoY) and ASEAN with a total import value of USD 37.0 billion (+36% YoY).

5. Source: <https://ourworldindata.org/covid-vaccinations>

#### 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.

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