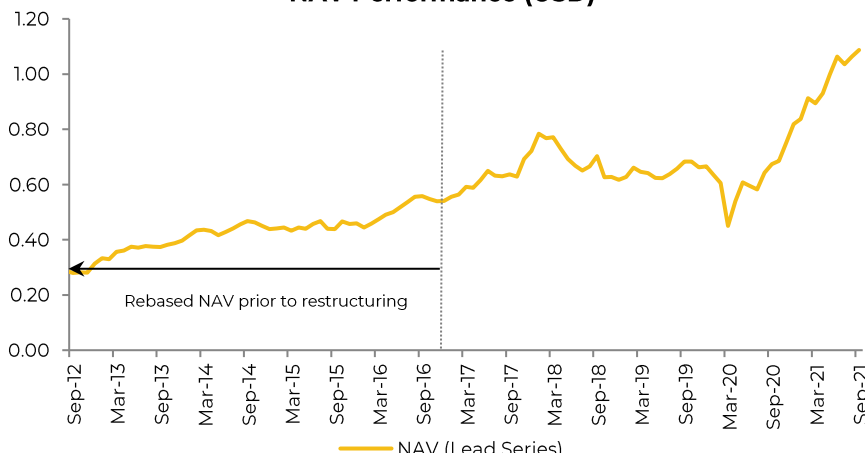


COMPANY SNAPSHOT	COMPANY NAME Vietnam Phoenix Fund Limited	INVESTMENT MANAGER Duxton Capital (Australia)	TOTAL NET ASSETS \$36.94 million
	PORTFOLIO MANAGER Sharon Seet	WEBSITE www.vietnamphoenixfund.com	EMAIL vpf@duxtonam.com

## CLASS A – Continuation Shares

NAV/Share	LEAD SERIES \$1.0873	JUL21 SERIES \$1.0217	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 September 2021, the aggregate voting rights are <b>36,940,235</b> .				

### NAV Performance (USD)



#### USD (%)

#### Cumulative Return

#### Annualised Return

	1M	3M	6M	YTD	1Y	3Y	5Y*	7Y*
VPF A (Lead Series)	2.2%	2.3%	21.5%	32.7%	61.4%	15.7%	14.4%	12.9%
VNIndex	0.9%	-3.6%	14.2%	23.4%	51.0%	10.6%	13.9%	11.1%

\* 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
Mobile World (MWG)	+15.1%	1.8%
Hoa Phat Group (HPG)	+7.3%	0.7%
Airport Corp (ACV)	+7.2%	0.3%
Top Laggards		
Vinhomes (VHM)	-3.0%	-0.2%
SSI Securities (SSI)	-4.0%	-0.2%
Vietcombank (VCB)	-2.2%	-0.1%

### IDENTIFIERS

ISIN CODE	KYC9363R1056
BLOOMBERG TICKER	VTNPHXA KY
SEDOL	BDHXL2

### TOP 10 HOLDINGS (%)

FPT CORP	12.9
MOBILE WORLD	12.9
HOA PHAT GROUP	10.6
VINHOMES	9.0
REE CORP	8.4
MBB BANK	7.7
VIETCOMBANK	6.9
SSI SECURITIES	6.1
ASIA COMMERCIAL BANK	5.5
AIRPORT CORP	5.0
TOTAL	85.0

### SECTOR ALLOCATION (%)

REAL ESTATE	26.2
FINANCIALS	25.7
CONSUMER	17.2
INFORMATION TECHNOLOGY	12.9
BUILDING MATERIALS	10.6
ENERGY EQUIP & SVCS	5.2
OTHERS*	2.2
TOTAL	100.0

\*Includes Cash & Accruals

### ASSET BREAKDOWN (%)

LISTED EQUITIES	105.3
CASH AND ACCRUALS <sup>^</sup>	-5.3
TOTAL	100.0

<sup>^</sup>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.*

### INVESTMENT MANAGER'S REPORT

#### Portfolio Overview and Commentary

As of 30 September 2021, the NAV per share of the Lead Series Class A shares increased 2.2% MoM. The VN-Index increased 0.9% MoM during the reporting month.

The main contributors were Mobile World (MWG, +15.1%), Hoa Phat Group (HPG, +7.3%) and Airports Corporation of Vietnam (ACV, +7.2%). In contrast, the main detractors were Vinhomes (VHM, -3.0%), SSI Securities (SSI, -4.0%), and Vietcombank (VCB, -2.2%).

In terms of YTD performance, the NAV per share of Class A has increased 32.7%, while the VN-Index has increased 23.4%.

**Mobile World's (MWG)** share price increased 15.1% in September 2021. The increase was likely due to better than expected results for August 2021. Due to the stricter social distancing measures implemented across the country, 70% of MWG's mobile phones and consumer electronics ("M&E") stores were temporarily closed for the entire month of August, while 50% of MWG's grocery stores in the southern provinces were not allowed to serve customers in-store from 23 August onwards.<sup>1</sup>

Despite the store closures, MWG recorded better than expected results for August with net sales of VND 6,500 billion (-25% YoY and -31% MoM) and net profit of VND 222 billion (-32% YoY and -3% MoM). The grocery segment was the main contributor, with sales of VND 3,044 billion (+52% YoY but -28% MoM) while the M&E segment performed poorly, with total sales of VND 3,465 billion (-48% YoY and -34% MoM).

Further, MWG's net profit margin increased from 2.4% in July to 3.4% in August, likely driven by cost savings due to rental reductions that the firm was able to negotiate, as well as temporary cuts in salaries of managers and directors.

Although the risks associated with the COVID-19 pandemic in the form of potential store closures and weaker discretionary spending by consumers are likely to persist, 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 COVID-19 pandemic subsides. Due to its experienced management team and continued strong cash flows, we expect MWG to capture 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 increased 7.3% in September 2021. The increase was likely due to the company's impressive results for August 2021. HPG sold 690,000 tonnes of steel in August 2021<sup>2</sup>, up 17% YoY and up 16% MoM, with hot rolled coils and steel sheets being the main contributors to growth (HPG's sales volumes grew 71% MoM and 9% MoM respectively) due to higher demand from the export markets. In contrast, the main detractors were construction steel and steel pipes with a decrease of 26% MoM and 12% MoM in sales volume respectively, due to lower domestic demand caused by lockdown disruptions to construction projects.

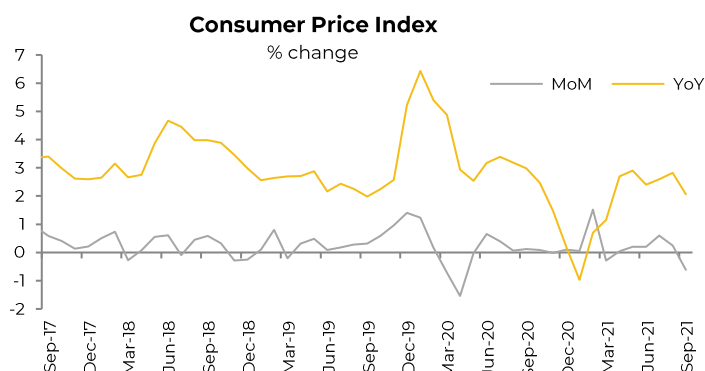
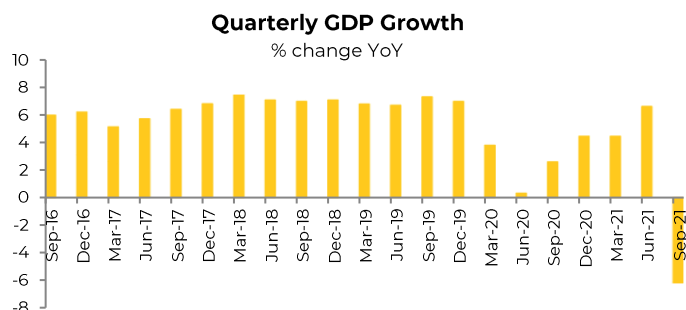
We expect domestic demand to recover from late Q3 2021 with expected stabilization of the COVID-19 pandemic situation by then as vaccination rates have been increasing strongly nationwide. Over the long term, as the dominant steel manufacturer domestically, we expect HPG to benefit from expected strong demand in the infrastructure and construction sectors in Vietnam supported by robust public investment and a recovering real estate sector. In addition, HPG's production cost advantages over its competitors are expected to strengthen as utilization at its new Dung Quat Steel Complex continues to increase.

**Vinhomes' (VHM)** share price decreased 3.0% in September 2021. The decrease was likely due to concerns over delays in new project launches caused by the lockdowns. For 1H 2021, VHM recorded pre-sales of VND 27.7 trillion (-26% YoY) including VND 12.8 trillion from 2 bulk sale transactions and VND 14.9 trillion from retail sale transactions.<sup>3</sup> The weak pre-sales were due to seasonal lows in Q1 and negative impacts of lockdowns from May 2021. As the COVID-19 pandemic situation has been more stable and lockdown restrictions have been easing steadily, we expect the sale launches of VHM's mega projects, including Wonder Park (133 ha in west Hanoi) and Dream City (Ocean Park 2 – 445 ha in south Hanoi) to proceed in Q4 2021. These projects are expected to contribute to VHM's profit from 2H 2022.

We maintain a positive view on VHM, supported by several factors: (1) as the leader in Vietnamese real estate development sector, VHM is expected to be the largest beneficiary of the recovery of Vietnamese real estate market once the COVID-19 pandemic and lockdown restrictions subside; (2) VHM's substantial residential land bank is sizeable enough to support VHM's growth for approximately the next 10 years; (3) 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 structural shift of global manufacturing activity to Vietnam.

1. Source: [https://mwg.vn/uploads/eng/2021/9/bc-thang\\_-8t2021\\_en\\_final-1.pdf](https://mwg.vn/uploads/eng/2021/9/bc-thang_-8t2021_en_final-1.pdf)  
2. Source: HPG's Management  
3. Source: [https://ir.vinhomes.vn/wp-content/uploads/2021/07/2021.07.29-VHM-2Q21-NDT-Presentation\\_vF.pdf](https://ir.vinhomes.vn/wp-content/uploads/2021/07/2021.07.29-VHM-2Q21-NDT-Presentation_vF.pdf)

## Macroeconomic Overview and Commentary



**Better control of COVID-19 pandemic situation** – for the first 2 weeks of October, Vietnam recorded an average of 3,500 cases of community infections per day, down 70% MoM. With increasing vaccination rates and infection rates declining, most provinces have relaxed social distancing restrictions, including major cities such as Ho Chi Minh, Ha Noi, Hai Phong and Da Nang. Domestic commercial flights reopened from 10 October after being suspended for 2 months.

**Robust increase in COVID-19 vaccination rate** – Vietnam's vaccination rate increased from 26% as of 15 September 2021 to 46% as of 17 October 2021, of which 18% are fully vaccinated and 28% have received their first shots<sup>4</sup>. With the COVID-19 vaccination program ramping-up, Vietnam now has the fifth highest vaccination rate in Southeast Asia, compared to the second lowest last month.

**Negative GDP growth in Q3 2021** – Vietnam's gross domestic product ("GDP") contracted 6.2% YoY in Q3 2021 – the lowest GDP growth level in recorded history for Vietnam. Case numbers related to the fourth wave of COVID-19 started to increase in June and several provinces were placed into strict lockdowns for most of Q3 2021, including Hanoi, Ho Chi Minh and 18 other provinces in the south which together contribute over 70% of Vietnam's total GDP. As a result, Vietnam's economy was substantially impacted. The GDP contraction in Q3 was contributed by a decrease of 9.3% YoY in the services sector and a decrease of 5.0% YoY in the industry and construction sector. In contrast, the agriculture sector increased by 1% YoY. For 9M 2021, Vietnam's GDP grew by only 1.4%. The Ministry of Planning and Investment expects a GDP growth of between 3-3.5% for full-year 2021.

**CPI remained low** – Vietnam's consumer price index (CPI) for September 2021 decreased 0.62% MoM but has increased 2.06% YoY. The decrease in September CPI was mainly due to the adjustment in food prices after lockdown restrictions in some provinces were eased. For 9M2021, Vietnam's average CPI rose 1.82% YoY – the lowest YoY increase in CPI for the first 9 months since 2016.

**PMI remained at 40** – the Nikkei Vietnam manufacturing purchasing manager index ("PMI") remained at 40.2 in September 2021, the lowest level since April 2020. Despite lockdown restrictions relaxing, Vietnam's manufacturers still face difficulties, including higher raw material costs, logistic and labor shortages.

**Recovering FDI** – As of 20 September 2021, Vietnam YTD has attracted USD 18.9 billion (+22% YoY) of total newly registered FDI and additional FDI from existing investors. For September 2021 alone, the newly registered FDI and additional FDI tripled YoY to USD 2.6 billion. The strong increase in registered FDI implies positive expectations of foreign investors regarding the robust recovery of Vietnam once the COVID-19 pandemic subsides. However, disbursed FDI decreased by 4% YoY to USD 13.3 billion due to social distancing measures implemented across the country.

**Trade slows down** – According to Vietnam Customs, the country exported USD 241 billion (+19% YoY) and imported USD 243 billion (+31% YoY) in 9M 2021, generating a trade deficit of USD 2.5 billion vs a trade surplus of USD 16.5 billion in the same period last year. For September 2021 alone, Vietnam recorded a decrease of 1% YoY in exports but an increase of 10% YoY in imports. The main contribution to the decrease in September exports were textile and garments with a decrease of 21% YoY to USD 2.3 billion and footwear with a decrease of 46% YoY to USD 0.7 billion. In contrast, the main contributions to the increase in September imports were mobile phones and mobile phone components with an increase of 18% YoY to USD 2.2 billion, and medicines with an increase of 65% YoY to USD 0.4 billion.

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

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

Duxton Capital (Australia) Pty Ltd is a boutique asset manager with a dual focus: agriculture and Asian Emerging Markets. Spun out from one of the world's foremost financial institutions, Duxton Capital (Australia) Pty Ltd [ACN: 164 225 647] is regulated by the Australian Securities and Investments Commission as a holder of an Australian Financial Services License ("AFSL") [AFSL no. 450218] to conduct fund management activities for clients who include those qualified as 'sophisticated investors', 'professional investors', or wholesale. The Duxton Group has approximately USD 662 million worth of assets under management and advice as of December 2020.

#### Disclaimer

This factsheet is directed only at sophisticated investors and wholesale clients as defined in the Corporations Act 2001 (Cth) ("Act") or investors in an equivalent class under the laws of the country or territory ("Permitted Investors") and is not intended for use by retail clients. The content of this factsheet is intended as a source of general information for Permitted Investors only, and is not the basis for any contract to deal in the Vietnam Phoenix Fund Limited\* ("VPFL") or any security or instrument, or for Duxton Capital (Australia) Pty Ltd [ACN: 164 225 647; AFSL no. 450218] ("DCA") or their affiliates to enter into or arrange any type of transaction as a consequence of any information contained in this factsheet. This factsheet is not financial product advice as defined in the Act. This factsheet is a statement of facts and is for general information only. The terms of VPFL are set out in the fund prospectus ("Prospectus") of VPFL and should there be any conflict between the terms set out in this factsheet and the Prospectus, the terms in the Prospectus shall prevail.

Information from this factsheet must not be issued in any jurisdiction where prohibited by law and must not be used in any way that would be contrary to local law or regulation. Specifically, this shall not be construed as the making of any offer or invitation to anyone in any jurisdiction in which such offer is not authorized or in which the person making such offer is not qualified to do so or to anyone to whom it is unlawful to make such an offer. This factsheet is not intended to influence any person in making a decision in relation to any funds managed by DCA or an interest in VPFL. Prospective investors should consult their professional advisers accordingly.

The information contained in this factsheet is subject to updating, revision and amendment, and no liability whatsoever is accepted by DCA, VPFL or any other person, in relation thereto. Market information such as Index and share price performance are obtained from open sources such as Bloomberg unless otherwise stated. This document may contain company-specific news sourced from the investee companies' websites and announcements at the relevant stock exchanges. Economic and industry data pertaining to Vietnam are obtained from General Statistics Office ("GSO") of Vietnam unless otherwise stated. If you are in any doubt about this document or any information contained in this document, you should obtain independent professional advice.

The forecasts provided are based upon our opinion of the market as at this date and are subject to change, dependent on future changes in the market. Any prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets is not necessarily indicative of the future or likely performance. Investments are subject to risks, including possible loss of principal amount invested. The value of shares/ units and their derived income may fall as well as rise. Past performance or any prediction or forecast is not necessarily indicative of future performance. No assurance is given that the investment objective or the targets will be met. Returns are not guaranteed.

This factsheet does not constitute investment, tax, legal or any other form of advice or recommendation and was prepared without regard to the specific objectives, financial situation or needs of any particular person who may receive it. Investors should study all relevant information and consider whether the investment is appropriate for them. If you require investment or financial advice, please contact a regulated financial adviser. No representation or warranty, either expressed or implied, or is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is it intended to be a complete statement or summary of the securities, markets or developments referred to in this factsheet.

DCA or its affiliates may hold positions in the securities referred. Where stocks are mentioned, it should not be construed that these are recommendations to buy or sell those stocks. The investment schemes referred are not obligations of, deposits in, or guaranteed by DCA or any of its affiliates.

You are not authorised to redistribute this document nor qualified to make any offer, representation or contract on behalf of DCA or its affiliates. Although the information was compiled from sources believed to be reliable, no liability for any error or omission is accepted by DCA or its affiliates or any of their directors or employees. The information and opinions contained may also change.

All third-party data (such as MSCI, S&P and Bloomberg) are copyrighted by and proprietary to the provider. Copyright protection exists in this factsheet. The contents of this factsheet are strictly confidential, and it may not be disclosed, reproduced, distributed or published by any person for any purpose without our written consent. To the extent permitted by applicable law, none of DCA, their affiliates, or any officer or employee of DCA accepts any liability whatsoever for any direct or consequential loss arising from any use of this factsheet or its contents, including for negligence.

\*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

7 Pomona Road, Stirling SA 5152, Australia  
+61 8 8130 9500  
[vpf@duxtonam.com](mailto:vpf@duxtonam.com)