

COMPANY SNAPSHOT	COMPANY NAME Vietnam Phoenix Fund Limited	INVESTMENT MANAGER Duxton Capital (Australia)	TOTAL NET ASSETS \$36.96 million
	PORTFOLIO MANAGER Sharon Seet	WEBSITE www.vietnamphoenixfund.com	EMAIL vpf@duxtonam.com

CLASS A – Continuation Shares

NAV/Share	LEAD SERIES \$1.1437	JUL21 SERIES \$1.0727	DEC21 SERIES \$0.9972	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 28 January 2022, the aggregate voting rights are 36,964,523 .					

IDENTIFIERS	
ISIN CODE	KYC9363R1056
BLOOMBERG TICKER	VTNPHXA KY
SEDOL	BDHXL2

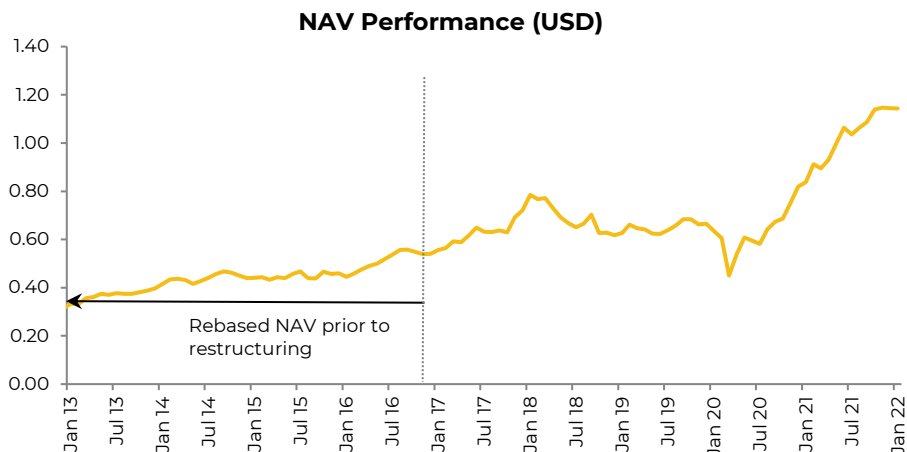
TOP 10 HOLDINGS (%)	
FPT CORP	11.5
MOBILE WORLD	10.0
MB BANK	9.0
VINHOMES	8.7
REE CORP	8.5
VIETCOMBANK	8.1
HOA PHAT GROUP	7.7
ASIA COMMERCIAL BANK	5.8
AIRPORTS CORP	5.0
VINAMILK	4.8
TOTAL	79.1

SECTOR ALLOCATION (%)	
FINANCIALS	28.2
REAL ESTATES	26.3
CONSUMER	14.8
INFORMATION TECHNOLOGY	11.5
BUILDING MATERIALS	7.7
ENERGY EQUIP & SVCS	7.6
OTHERS*	3.9
TOTAL	100.0

*Includes Cash & Accruals

ASSET BREAKDOWN (%)	
LISTED EQUITIES	103.9
CASH AND ACCRUALS [^]	-3.9
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%	0.4%	10.5%	-0.1%	36.5%	22.2%	15.5%	14.7%
VNIndex	-0.6%	2.8%	14.3%	-0.6%	42.4%	18.4%	16.2%	13.4%

* 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
MB Bank (MBB)	+16.6%	1.31%
Vietcombank (VCB)	+12.9%	1.06%
PV Gas (GAS)	+13.3%	0.27%
Top Laggards		
Hoa Phat Group (HPG)	-9.1%	-0.70%
SSI Securities (SSI)	-13.0%	-0.60%
Dat Xanh Real Estate Service (DXS)	-11.5%	-0.38%

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 28 January 2022, the NAV per share of the Lead Series Class A shares decreased 0.1% YTD. The VN-Index decreased 0.6% YTD during the reporting month.

The main contributors were Military Commercial Joint Stock Bank ("MB Bank") (MBB, +16.6%), Vietcombank (VCB, +12.9%) and PetroVietnam Gas Joint Stock Corporation ("PV GAS") (GAS, +13.3%). In contrast, the main detractors were Hoa Phat Group (HPG, -9.1%), SSI Securities (SSI, -13.0%) and Dat Xanh Real Estate Service (DXS, -11.5%).

Hoa Phat Group's (HPG) share price decreased 9.1% in January 2022, likely due to investor concerns of the impact of the long TET public holiday on HPG's sales. For January 2022, HPG sold 725,100 tonnes of steels, up 13.6% YoY but down 9.3% MoM. The main contributor was construction steels with sales volume of 382,000 tonnes (+105.0% YoY and 8.0% MoM)¹ due to agencies increasing their inventory levels following the strengthening steel price. During the month, HPG increased its selling price for construction steel by approximately 2.5% MoM.²

In contrast, the main lagger was billet with sales volume of 22,000 tonnes (-83.6% YoY and -82.4% MoM).¹ The strong decrease in billet sales volume was due to (1) the company proactively reducing billet sales to focus on higher profitability products including rebar, wire-rod and PC bar; and (2) lower demand from the China 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.

SSI Securities' (SSI) share price decreased 13.0% in January 2022. The strong decrease was likely due to investor concerns on the impact of the long TET holiday on the stock market's liquidity. In January 2022, the average daily trading volume on the Ho Chi Minh Stock Exchange reached approximately USD 1.2 billion, up only 1.8% MoM.³

In 2021, SSI recorded NPAT of VND 2,695 billion, ~USD 117 million (+115% YoY). The strong growth was due to several factors including (1) a 70% YoY increase in operating income as revenue from brokerage and margin lending doubled; (2) a 64% YoY increase in financial income, notably contributed to by the divestment of The PAN Group in Q4 2021; and (3) financial expenses increasing by only 16% YoY due to a 50bps decrease in the cost of borrowing.

As one of the leading brokerage firms in Vietnam, 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 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.

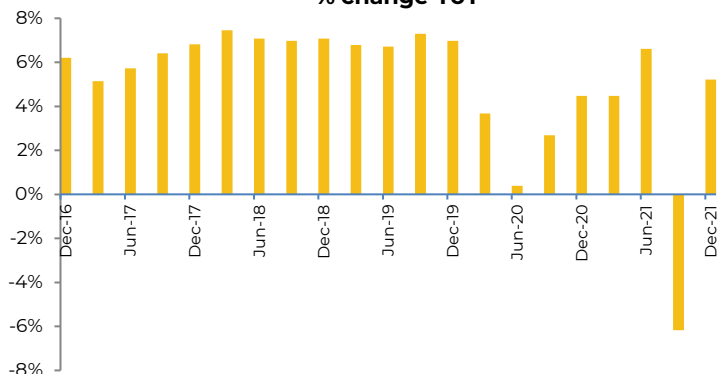
MB Bank's (MBB) share price increased 16.6% in January 2022. The strong increase was likely due to better-than-expected results in Q4 2021. MBB posted a NPAT of VND 3,526 billion (+83% YoY) in Q4 2021, driven by (1) a credit growth of 25% YoY, given by an increase of 62% YoY in corporate bond investment and an increase of 22% YoY in customer loans; (2) net interest margins remained YoY at 5.5% despite a cut by 1% in lending interest rates; and (3) non-interest income rose by 53% YoY, mainly contributed by recovery gains from written-off bad debts.

We maintain a positive view on MBB. As the third largest private bank in Vietnam in terms of total assets⁴, MBB is well positioned to capture the expected growth in domestic banking due to (1) its aggressive loan provisioning enables the bank to maintain its better-than-peer asset quality; and (2) its low funding cost competitive advantage is expected to be remain due to the bank's solid current account savings ("CASA"). As at the end of FY2021, MBB has the second highest CASA level in Vietnam's banking industry⁴; (3) Its retail-focused strategy coupled with a strong development in digital solutions has not only strengthen its CASA level but also driven the growth of fees income.

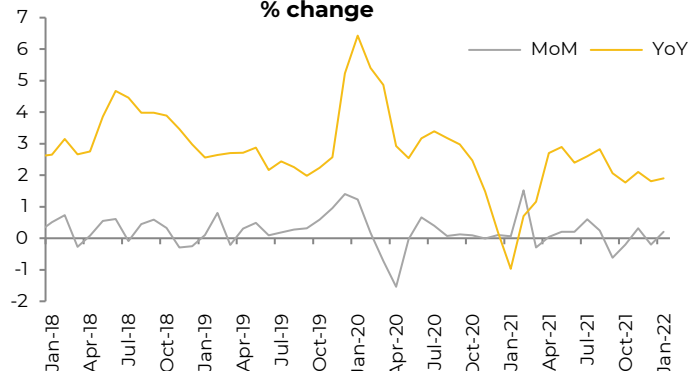
1. Source: <https://www.hoaphat.com.vn/news/hoa-phat--s-construction-steel-output-double-in-january.html>
2. Source: HPG's management
3. Source: Bloomberg
4. Source: Duxton research

Macroeconomic Overview and Commentary

Quarterly GDP Growth
% change YoY



Consumer Price Index
% change



COVID-19 cases hit a record high, but the booster program is ramping up – after TET, Vietnam recorded a daily average of 37,000 cases of community infections in the third weeks of February 2022. As of 20 February 2022, Vietnam recorded 205 cases of Omicron variant.⁵ The surge in number of COVID-19 cases was partly due to the long TET public holiday and the cold weather in the north. The COVID-19 booster rate increased from 6% of population as of 31 December 2021 to 37% of population as of 20 February 2022.⁶

CPI bounced back – Vietnam’s consumer price index (CPI) increased by 0.2% MoM and 1.9% YoY in January 2022. The strong CPI was likely due to higher consumption demand during TET coupled with a hike in fuel prices.

PMI back to pre-lockdown level – the Nikkei Vietnam manufacturing purchasing manager index (“PMI”) increased from 52.5 in December 2021 to 53.7 in January 2022. This was the strongest improvement in PMI since April 2021, implying a recovery in manufacturing to pre-lockdown level. New production orders for the coming season have returned strongly.

Slow-down in registered FDI but faster disbursement – as of 20 January 2022, Vietnam YTD has attracted USD 1.59 billion (-12% YoY) of total newly registered FDI and additional FDI from existing investors. However, disbursed FDI rose by 7% YoY to 1.61 billion. The reopening of travel borders from 1 January 2022 has improved FDI disbursement as foreign investors have been able to visit and conduct their due diligence and negotiations on the ground.

Trade remained strong – According to Vietnam Customs, in January 2022, Vietnam exported USD 30.8 billion (+8% YoY) and imported USD 29.4 billion (+11% YoY), generating a trading surplus of USD 1.4 billion (-33% YoY). On the export side, the main contributing markets were the US with total exports of USD 9.7 billion (+19% YoY) and the EU with total exports of USD 4.3 billion (+18% YoY). In contrast, China was a lagging market with total exports of USD 3.9 billion (-15% YoY).

On the import side, China remained the largest import source with total imports of USD 10.8 billion (+17% YoY), followed by South Korea with total imports of USD 5.1 billion (+7% YoY) and ASEAN countries with total imports of USD 3.4 billion (+9% YoY).

5. Source: Vietnam’s Ministry of Health Portal

6. Source: <https://e.vnexpress.net/covid-19/vaccine>

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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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