



Factsheet

Investment Policy

The primary investment objective of DVF is to seek long-term capital appreciation of its assets by investing in a diversified portfolio of Vietnamese-related securities (onshore and offshore), such as equity, fixed-income and money market instruments and closed end fund vehicles which may or may not be listed. In addition, DVF may invest in private equity securities and real estate funds and through structured notes, leveraged notes or any other derivative instruments which provide Vietnam exposure.

VN Index Performance as at 30 November 2015 (USD)

1 Month Performance:	-6.29%
3 Month Performance:	1.43%
6 Month Performance:	-2.41%
1 Year:	-4.07%

Fund Information

Bloomberg Ticker	DWSVIET KY EQUITY
Authorised share capital	500,000,000 shares
Issued Share Capital	438,300,000 shares
Par Value Per Share	USD 1.0000
Nav per share as at 30 November 2015	USD 0.7365
Launch date	8th December 2006

Market Maker

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Performance

Fund Performance



Assets Under Management



Performance Review

The NAV of DWS Vietnam Fund was down 2.06% in November 2015.

Cumulative Return

USD	1 m	YTD	1 y	3 y	5 y	S. Launch
NAV to NAV*	-2.06	4.10	1.59	62.73	46.42	-26.35
VNIndex (USD terms) ¹	-6.29	-0.16	-4.07	40.54	10.02	-41.20
VHIndex (USD terms) ¹	-2.72	-7.49	-12.68	46.12	-35.61	-74.41

Annualised Return

3 y	5 y	S. Launch
17.62	7.92	-3.35
12.01	1.93	-5.74
13.48	-8.43	-14.08

Calendar Years Return

2014	2013	2012
10.46	26.58	26.06
6.60	20.48	18.91
20.19	17.52	-1.79

* Performance is based on NAV to NAV (taking into account the front end load).

Performance Attribution

The Fund's return by asset class in November 2015 breaks down as: listed equity -3.60%, closed-end funds 1.66%, unlisted equity -0.87% and fixed income 0.24%.

In November, the listed portfolio experienced a correction after the strong return of 10.56% in October. Stocks that weighed the portfolio down include **Hoa Sen Group** (HPG, -11.38%), **PetroVietnam Drilling and Well Services** (PVD, -14.95%) and banking stocks **Vietcombank** (VCB, -10.06%) and **Bank for Investment and Development** (BID, -15.35%). HSG announced their full fiscal year results in which revenue grew 16.4% YoY and net income grew 58.7% YoY, surpassing management target by 45%. Despite the good results, HSG stock price suffered from concerns regarding increasing Chinese dumping of steel sheets in Vietnam. Most of the listed banks saw a correction in their stock price due to widespread concerns regarding the individual ownership cap, as the monetary authority enforces control of the cross ownership limit among banks.

Meanwhile, **Vinamilk** (VNM, +5.08%) was the best contributor to the listed portfolio's performance when its share price reached an all-time high of VND 135,000/share in November, following the recent announcement on the State divestment of VNM shares and good earnings results. Demand for Vinamilk stock is high among both domestic and foreign investors. Total monthly put-through transaction volume was nearly 17 million shares, circa 6x the average monthly volume for the first 10 months of the year. **Binh Chanh Construction** (BCI, +10.70%) was the best performer in November following the acquisition by **Khang Dien Housing**, putting an end to State ownership in BCI. Battery producer **Pinaco** (PAC, +3.34%) also performed against the broader market's trend thanks to good earnings prospects as a result of declining price of lead, which constitutes 70% of Pinaco's cost of goods sold.

The closed-end funds portfolio was up 1.66% in November 2015. The price of **PXP Vietnam Emerging Equity** increased 8.33%, which represented its NAV change in October, while **Vietnam Growth Fund** and **Vietnam Enterprise Investment Fund** increased by 1.32% and 1.26%, respectively. **DWS Vietnam Fund's** price decreased by 0.57%.

The Fund's fixed income portfolio was up 0.24% in November.

The unlisted portfolio fell by 0.87% in November 2015. The unlisted portfolio includes holdings in instruments which were unlisted at the point of investment but subsequently became listed instruments due to certain events, for example, conversion. These investments are subject to market fluctuations which affect the stock prices. Some holdings are in OTC stocks which are also affected by market fluctuations. Lastly, the unlisted portfolio includes private equity holdings that are re-valued quarterly.

The decrease this month was mainly due to a 3.57% decrease in share price for **NBB Investment Corp** (NBB).



Current Positioning

9771% of the Fund's NAV was invested at the end of November 2015. Cash including receivables and payables represented 2.29% of the Fund's NAV, of which receivables made up 0.70%. The top 10 holdings remained unchanged compared to the previous month, with **Greenfeed** and **Vinamilk** individually representing more than 10% of NAV. In total, the top ten holdings represent 62.84% of the Fund's NAV. During November, the Fund continued its share buyback of **DWS Vietnam Fund** and increased its position in **Hoa Sen Group** (HSG), while continuing to gradually divest from **Hazelwood Resources** (HAZ). The fund also reduced its positions in **Vietnam Sun Corp** (VNS) and **Development Investment Construction JSC** (DIG).

Market Update

Economic update

Booming Foreign Direct Investment (FDI) reaffirmed the upswing of the Vietnamese economy.

Nikkei's Purchasing Manager Index (PMI) slowed to 49.4 in November from 50.1 in October, signalling a slight deterioration of business conditions. New orders and employment witnessed a slight drop, though production output remained unchanged. Meanwhile, the Industrial Production Index saw a modest improvement, reaching 8.9% YoY in November from 8.8% YoY last month. This translates into an expansion of 9.7% YoY during the eleven-month period, much higher than the growth of 7.5% YoY during the same period last year¹.

November's Consumer Price Index (CPI) rose 0.07% MoM and 0.34% YoY¹. CPI this month was driven by price hikes of the housing and construction materials basket as well as consumer-related categories including F&B, garments and household goods. This was partially offset by the decline of transportation prices owing to the cumulative reduction in pump prices. Inflation this year is expected to hit its lowest level since 2001, given that there is little chance of a price hike in December as transportation prices are expected to witness another month of decline. This would also result in soft increases in prices for food and foodstuff, despite rising demand ahead of the holiday season. Lastly, healthcare costs should remain unchanged next month as the Ministry of Health has delayed the implementation of a new pricing schedule to 2016.

Trade balance registered a deficit of USD 200 million in November, widening YTD trade deficit to USD 3.8 billion¹. Export growth reached 8.3% in 11M2015, much lower than the growth of 13.7% last year due to sluggish global demand, though still outperforming other export-oriented economies such as China or ASEAN-5¹. Vietnam's trade deficit with China increased to USD 29.5 billion by end of November².

Registered Foreign Direct Investment (FDI) rose 16.7% YoY to reach USD 20.2 billion at the end of November, with manufacturing contributing the most¹. Disbursed FDI, on the other hand, reached a record high of USD 13.2 billion, up 17.9% YoY, providing an abundant source of USD supply amid the rising trade deficit situation¹.

According to the State Bank of Vietnam (SBV), credit rose 14.5-15% in 11M2015, and is most likely to surpass 17% for the whole year as a number of banks such as VPBank, SHB, LienViet Post Bank, etc. have reported excessive credit growth, above the target allowed by the SBV.

Stock market update

The VNIndex on the Ho Chi Minh Stock Exchange declined 6.29% (USD terms)³ in November. Both average daily trading volume and value saw increases of 16.84% and 7.78% respectively³. A strong gain was witnessed across large cap stocks such as VNM and FPT during the first half of the month, as well as non-steel construction materials and building contractors, reflecting the recovery of construction activities. Banking tickers saw a downtrend due to the widespread concerns regarding the individual ownership cap. Foreigners took a net selling position this month amid the lack of supporting news and the end of earnings season. MSN topped the foreign net-sell list with total selling amount of more than USD 21 million in November alone⁴. The Vietnamese stock market traded at 11.2x P/E, far below an average of 21.0x P/E for other emerging markets including Indonesia, Philippines, India and Thailand⁵.



Economic Indicators

	October 2015	November 2015
Real GDP growth (cumulative, YoY)	-	-
Industrial Production Index (cumulative, YoY)	9.70%	9.70%
Inventory Index (YoY)	9.80%	9.70%
Retail Sales and Services (cumulative, YoY)	9.60%	9.40%
Purchasing Manager Index (PMI) (*)	50.1	49.4
Credit growth (YTD) (**)	12.51%	14.50%
Inflation (YoY)	0.00%	0.34%
Import growth (cumulative, YoY)	14.30%	13.70%
Export growth (cumulative, YoY)	8.50%	8.30%
Trade balance (cumulative, USD million)	(4,130)	(3,779)
Registered FDI (YTD, USD billion)	19.30	20.20
Disbursed FDI (YTD, USD billion)	11.80	13.20
Exchange rate (per USD) (***)	22,336	22,505

Source: General Statistics of Vietnam, except:

(*) Markit

(**) State Bank of Vietnam

(***) Bloomberg



Material Event Disclosure

The next quarterly conference call is combined with the Annual General Meeting, to be held on 31st December 2015. If you would like to participate in the conference call, please send an email to dvf@duxtonam.com.

Outlook

Relative to other economies in the South East Asian region, Vietnam is currently standing out as a strong performer with strong economic growth, controlled inflation and benign currency devaluation, less commodity-driven and less likely to be affected by China's economic slowdown or a possible Fed rate hike. According to the World Bank's latest report, the Trans-Pacific Partnership (TPP) deal is expected to contribute as much as 8% to Vietnam's GDP, 17% to the national export and 12% to the country's capital market over the next 20 years. The TPP will not only improve Vietnam's access to the global market, including the procurement markets in the US, Japan and Canada, but also facilitate the structural reforms in Vietnam to the next level. Moreover, strong growth momentum in foreign-invested enterprises, combined with recovering domestic demand will play an important role in supporting the country's near-term growth. We continue to believe this economic performance will be translated into a comparable stock market performance, stimulated by developments such as foreign ownership expansion and SOE equitization.

Footnote

- 1 Source: The General Statistics Office of Vietnam
- 2 Source: Viet Capital Securities
- 3 Bloomberg
- 4 SSI Securities Services



Asset Class Performance	1 mth%	3 mth%
Listed equities	-3.60	6.28
Closed End Funds	1.66	8.16
Fixed Income Securities	0.24	1.79
Unlisted equities	-0.87	1.88

Top 5 Onshore Listed Holdings	%
Vinamilk	12.10
FPT Corp	4.68
Hoa Phat Group	3.68
Hoa Sen Group	2.72
Bank For Foreign Trade JSC	1.92

Top 5 Other Holdings	%
Greenfeed	16.91
Vietnam Enterprise Fund	5.76
Corbyns International	5.41
Vietnam Growth Fund	4.46
Anova Corp	4.10

Asset Class Exposure	%
Listed Equities	52.75
Unlisted Equities ^a	31.28
Closed-End Funds	13.53
Receivables	0.70
Fixed Income Securities	0.15
Cash and payables	1.59
Total	100.00

Currency Exposure	USD	VND	AUD
Total Assets of which	21.05%	78.93%	0.02%
Receivables	100.00%	0.00%	0.00%
Cash and payables	26.45%	72.57%	0.98%

Sector breakdown	%
Food Products	39.43
Real Estate Management and Devel	12.71
Building Materials	12.30
Information Technology	7.10
Consumer Discretionary	5.27
Metals and Mining	5.01
Banks	4.45
Energy Equipment and Services	3.89
Pharmaceuticals	3.71
Diversified Financials	1.73
Chemicals	1.52
Marine	1.50
Containers and Packaging	1.32
Industrials	0.05
Total	100.00

(a Unlisted equities include PIPE deals, i.e. Private Investments in Public Companies)



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