

DWS Vietnam Fund Limited

**Condensed Interim Unaudited Report
and Financial Statements
for the six months ended
30 June 2016**

Deutsche Asset Management
Deutsche Bank Group



DWS VIETNAM FUND LIMITED

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GENERAL INFORMATION

The following information is derived from and should be read in conjunction with the full text and definitions section of the Prospectus of the Company (the “Prospectus”), dated 20 February 2007, a copy of which is available on request from the Administrator.

DWS Vietnam Fund Limited (the “Company”) was incorporated in the Cayman Islands on 13 September 2006 under the Companies Law, Cap. 22 (Revised) of the Cayman Islands as an exempted company with limited liability.

The investment objective of the Company is to seek long-term capital appreciation by investing directly or indirectly in a diversified portfolio of securities of companies that do some or all of their business in Vietnam.

The Company is a closed-end investment company, with an authorised share capital of US\$10,000,000 consisting of 1,000,000,000 shares of par value of US\$0.01 each. The Company is listed on the Irish Stock Exchange (“ISE”).

The Company’s assets are managed by the Investment Manager and its sub-Investment Manager as detailed below and are subject to the supervision of the Board. The Investment Manager may, in its discretion, appoint any number of sub-Investment Advisors and Segregated Fund Managers. All investments made on behalf of the Company, whether by the Investment Manager or by a Segregated Fund Manager, comply with all investment objectives, policies and restrictions of the Company. Ultimate discretion over the assets and affairs of the Company remains with the Board.

The Directors who held office during the six months ended 30 June 2016 or who have been appointed since period end are:

Jason Fitzgerald (independent)

Kevin A Phillip (independent)

Judd Kinne (independent) (appointed 19 February 2016)

Martin Adams (independent) (appointed 19 February 2016)

INVESTMENT MANAGEMENT ARRANGEMENTS

The Company was managed by Deutsche Asset Management (Asia) Limited (“DeAM Asia” or the “Investment Manager”) pursuant to the Investment Management Agreement (“IMA”), dated 15 November 2006, as amended and restated on 14 February 2007. On 18 May 2016, the Company announced to the ISE that it had received from DeAM Asia notice of its resignation as investment manager of the Company. The termination of the investment manager agreement (“IMA”) will be effective on 30 September 2016.

The Investment Manager makes investment decisions based on its knowledge of Vietnamese securities and other investments in accordance with the investment policies, objectives and restrictions of the Company.

With effect from 30 April 2009 (the “Effective Date”), DeAM Asia delegated certain of its investment management duties to Duxton Asset Management Pte. Ltd. (“Duxton” or the “sub-Investment Manager”).

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GENERAL INFORMATION (CONT/D)

INVESTMENT MANAGEMENT ARRANGEMENTS (CONT/D)

Duxton is a specialist asset manager based in Singapore. After the Effective Date, there was no material change in the personnel responsible for the management of assets of the Company as the key staff of Duxton who carried out the investment management duties were former employees of DeAM Asia, including the core team previously responsible for the management of the Company's investments. Duxton is entitled to appoint Segregated Fund Managers and Investment Advisors. The Investment Manager has appointed a Segregated Fund Manager, PXP Vietnam Asset Management Limited ("PXP") to manage certain segregated funds of the Company pursuant to the segregated fund mandate detailed in the Prospectus.

There was no increment in the management or incentive fees payable by the Company resulting from the delegation to Duxton. Any fees payable to Duxton were paid by DeAM Asia, although the Company continues to be responsible for all out of pocket costs and expenses incurred by its Investment Manager, sub-Investment Manager and Segregated Fund Manager, including Duxton.

The Board is in the final stages, subject to ISE approval, of appointing Duxton to succeed DeAM Asia as the Company's Investment Manager.

CUSTODIAN

The Company has appointed State Street Custodial Services (Ireland) Limited as Custodian of its assets. Assets held by the Company's SPEs (listed in Note 1) are held within the State Street sub-custodian network pursuant to the Custodian Agreement. The Custodian and any sub-custodian appointed by the Custodian provides safe custody for the Company's assets. The Investment Manager ensures that adequate custody arrangements have been entered into by any fund in which the Company is invested.

The Custodian and any other duly appointed sub-custodian hold all assets of the Company received by the Custodian in accordance with the terms of the Custodian Agreement. Under the Custodian Agreement, the Custodian acknowledges that investments of the Company may be made in markets where custodial and/or settlement systems are not fully developed, such as Vietnam, and that the assets of the Company and its subsidiaries which are traded in such markets are required to be held by local sub-custodians operating and established in such jurisdictions.

ADMINISTRATOR

The Company has appointed State Street Fund Services (Ireland) Limited to maintain the books and records of the Company, as Administrator pursuant to an agreement dated 10 November 2006.

LEGAL ADVISOR

The legal advisor to the Company on Cayman Islands Law is Ogier.

COMPANY SECRETARY

The Company has appointed DMS Corporate Services Ltd. as Company Secretary.

REGISTERED ADDRESS

The registered office of the Company is dms House, 20 Genesis Close, P.O. Box 1344, Grand Cayman KY1-1108, Cayman Islands

DIVIDENDS

It is not the current intention of the Directors to pay dividends to the Shareholders.

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GENERAL INFORMATION (CONT/D)

INVESTMENT MANAGEMENT ARRANGEMENTS (CONT/D)

SHARES

The shares constitute the only class of shares in the Company. All Shares have the same rights, in relation to voting, dividends, return of share capital and other matters as set out in the Articles of Association. The shares are listed on the Irish Stock Exchange.

AIFMD

The Board confirms that it has considered the implications of the European Union Directive on Alternative Investment Fund Managers 2011/61/EU (“AIFMD”) and it is satisfied that because the Company is not marketed in Europe and has been closed to new applications since 2007 there is no significant impact to the Company as a consequence of AIFMD and therefore there is no impact on the financial statements.

ANNUAL GENERAL MEETING

In accordance with the Articles, the Company holds an annual general meeting each year. At the annual general meeting to be held in 2016 a resolution will be proposed to wind up the Company, which if passed would result in the orderly winding up of the Company.

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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Each of the directors, whose names and functions are listed on page 51 in the 'Other Information' section of this report confirm that, to the best of each person's knowledge and belief:

- The condensed financial statements are prepared in accordance with the international accounting standards applicable to the interim financial reporting adopted pursuant to the procedure provided for under Article 6 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 (i.e. IAS 34).
- The condensed financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.
- The Investment Manager's report includes a fair review of the important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year.
- The related party transactions are as disclosed in Note 13 of these financial statements.

On behalf of the Board of Directors


Director
Jason Fitzgerald
Date: 30 August 2016

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Investment Manager's Report for the six months ended 30 June 2016

Nav Update

The Net Asset Value ("NAV")¹ per share of the DWS Vietnam Fund ("Fund") as of 30 June 2016 was USD 0.8355, up 12.95% from USD 0.7397 as of 31 December 2015.

The NAV per the attached financial statements has been calculated in accordance with IFRS as adopted by the EU, whilst the NAV per this Investment Manager's Report has been calculated in accordance with the pricing and valuation policy of the Fund for the entire investment portfolio. Consequently, the NAV per share and the investment holdings analysis in this Investment Manager's Report may differ marginally to the NAV per share in these financial statements.

Fund Exposure and Performance

The gross returns of each asset class are summarized in the table below and discussed in detail in the following sections

Asset Class	Exposure on 30 June 2016	H1-2016 Performance
Listed Equities	52.55%	20.42%
Unlisted Equities	31.45%	18.88%
Collective Investment Schemes	13.14%	10.24%
Fixed Income	0.00%	2.69%
Cash and Others	2.86%	
Fund	100.00%	12.95%

Sector exposure – 30 June 2016 ²	Total
Food Products	38.81%
Building Materials	13.34%
Real Estate Management and Development	12.06%
Consumer Discretionary	7.33%
Information Technology	6.21%
Metals and Mining	5.68%
Banks	4.04%
Containers and Packaging	3.21%
Pharmaceuticals	3.12%
Energy Equipment and Services	2.13%
Diversified Financials	1.38%
Marine	1.36%
Chemicals	1.33%
Total	100.00%

¹ The NAV per the Investment Manager's report is different to the NAV reported in the Financial Statements, as it includes the Value of Treasury Shares held for investments.

² Excluding Fixed Income, Collective Investment Schemes and Cash

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Investment Manager's Report for the six months ended 30 June 2016

Peer Group Analysis**

At the end of June 2016, the Fund's indicative share price was at USD 0.6556, up 13.45% from USD 0.5779 at the end of December 2015.

In terms of price change, the Fund outperformed its peer group average of 9.60% and ranked third in the Vietnam investment fund universe, with Saigon Asset Management's Vietnam Equity Holdings (VEH) recording the largest price increase of 18.03%.

In terms of NAV change, the Fund returned 12.95%, outperforming its peer group average of 10.34%, and ranked third among its peers. Vietnam Holding Ltd (VHL) posted the largest increase of 19.98%.

Over the 5-year period, the Fund's NAV increased 14.34% per annum compared to the peer group average of 9.02% per annum.

The discount of the secondary market share price to the Fund's NAV remained unchanged at 22% between 31/12/2015 and 30/06/2016. The average discount to NAV of the peer group (excluding the two ETFs) increased slightly from 18% to 19% during the same period.

Peer group ⁽¹⁾ (2)	Fund type	Fund size USD mn	Fund Strategy	NAV Jun 2016	NAV Change YTD	NAV Change 1Y	NAV Change 5Y (annualised)	Discount to NAV Jun 2016	Mid Price (Indicative) 31-Dec-2015	Mid Price (Indicative) 30-Jun-2016	Price Change H1-2016
DWS Vietnam Fund	CE	366.2	Multi asset class balanced fund	0.8355	12.95%	13.47%	14.34%	-22%	0.58	0.66	13.45%
VOF VinaCapital	CE	588.5	Multi asset class balanced fund	3.82	17.90%	19.00%	10.30%	-27%	2.39	2.79	17.10%
PXP Vietnam Emerging Equi	OE	119.4	Primarily listed equity	7.18	9.86%	13.26%	13.91%	-10%	6.25	6.45	3.20%
VEIL Dragon Capital	CE	887.8	Primarily listed equity, small allocation to OTC equity	4.02	11.98%	11.98%	13.65%	-19%	2.97	3.25	9.44%
Vietnam Equity Holdings	OE	41.8	Primarily listed equity, small allocation to OTC equity	4.10	5.43%	1.20%	12.01%	-18%	2.85	3.36	18.03%
Vietnam Holding Ltd	CE	146.9	Primarily listed equity, small allocation to OTC equity	2.68	19.98%	27.95%	19.00%	-21%	1.92	2.13	10.95%
Market Vectors Vietnam	OE	341.0	ETF	14.62	-1.15%	-18.56%	-6.78%	NA	14.79	14.62	-1.15%
DB x-trackers Vietnam	OE	340.7	ETF	23.67	5.79%	-9.33%	-4.28%	NA	22.38	23.67	5.79%
AVERAGE					10.34%	7.37%	9.02%	-19%			9.60%
VNINDEX (USD)				0.02835	10.10%	3.85%	6.11%				
VHINDEX (USD)				0.00380	6.74%	-2.81%	0.98%				

(1) NAV quoted from Fund website/Bloomberg
(2) Mid price averaged between JCEF, LFCR and Bloomberg
CE - Closed-end funds
OE - Open-ended funds

** - The peer group analysis was performed using the information received from multiple sources; mainly from the member fund's published data. Quotes from NUMI (Numis Securities) and JCEF (Jefferies Funds) were used when public prices were not available. However, investors should note that the secondary markets for closed-end funds, such as this Fund, are not very transparent. There may be several market makers for each fund, but price quotes from these market makers may not be publicly recorded or available. Therefore, the analysis presented in this section is only indicative. Also, when analysing the performance of a fund relative to its peers, one needs to be mindful of the different fund strategies across the funds. The DWS Vietnam Fund is a multi-asset class fund where we look to find opportunities across the economic landscape of Vietnam rather than limiting ourselves solely to the listed equities. Also, this universe of peers may not be complete due to insufficient data of other funds.

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Performance Commentary

The largest holdings of the Fund as of 30 June 2016 are listed below:

Top 5 Onshore Listed Holdings		
Security Name	Market Value (USD)	% of Fund
Vinamilk	51,450,757	14.05%
Hoa Phat Group	16,397,061	4.48%
FPT Corp	15,987,501	4.37%
Hoa Sen Group	14,350,848	3.92%
Bank for Foreign Trade	8,054,119	2.20%
Total	106,240,286	29.02%

Top 5 Other Holdings				
Rank	Security Name	Asset Class	Market Value (USD)	% of Fund
1	Greenfeed	Unlisted	60,254,430	16.45%
2	Vietnam Enterprise Fund	CIS ³	37,379,030	10.21%
3	Corbyns International Ltd	Unlisted	18,591,363	5.08%
4	Anova Corp	Unlisted	15,871,602	4.33%
5	DWS Vietnam Fund	CIS ³	9,539,344	2.60%
	Total		141,635,769	38.67%

1. Listed Equities (Onshore and Offshore) Performance

The Fund's exposure to listed equities was 52.55% as of 30 June 2016, representing the largest asset class of the Fund. The listed portfolio returned 20.42% in H1-2016, outperforming the VNIndex by 10.32 absolute percentage points (in USD terms), thanks to the performance of big cap stocks such as Vinamilk (VNM), Hoa Sen Group (HSG), and Hoa Phat Group (HPG). VNM's share price increased on the back of better business performance and expectations of the removal of its foreign ownership limit (FOL). The steel companies, on the other hand, received support from the government in terms of anti-dumping tariffs on Chinese imported steel, while experiencing strong demand in light of the real estate recovery.

A few small/mid-cap stocks in the portfolio also contributed positively to performance, such as Thong Nhat Production & Investment (GTN) and Dry Cell & Storage Battery (PAC). In January 2016, the Fund, through a private placement, invested in GTN, a listed agri/consumer player with a strategy to acquire State-owned companies in that sector. The company received abundant interest from foreign investors as it focuses on restructuring previously mis-managed companies, while creating value by re-branding, adding premium products and leveraging on its existing distribution system. It has established a good track record through the acquisition of Ladofoods, the largest wine maker in Vietnam.

³ Collective Investment Schemes

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PAC's share price benefitted from an optimistic outlook on the battery industry given Vietnam's strong demand for cars and trucks over the next few years.

Detractors to the listed portfolio's performance in H1-2016 include Bank for Investment and Development (BID) due to bad debt problems and Ha Do Group (HDG) due to a delay in the development of its flagship project in Ho Chi Minh City. However, their negative returns were largely offset by the positive contributors.

The key philosophy of the Fund Manager is to seek long-term gains for investors. Therefore, the Fund is well-diversified across the key driving industries of the Vietnamese economy.

1.1. Vietnam Dairy Products JSC (Vinamilk) (VNM, +11.29%⁴)

Vinamilk is Vietnam's leading dairy producer. The company has a strong market position with over 200 different types of dairy products. It has well-known brand names for good quality products, among which liquid milk is the biggest segment in terms of both revenue and profits with an estimated market share of 54%, followed by powdered milk (19% market share), yoghurt (84% market share) and condensed milk (80% market share). Compared to June 2015, its market share has slightly increased in liquid and powdered milk, while maintaining in other segments⁵.

Vinamilk possesses a modern production line with 13 factories and 7 cow farms around the country, containing nearly 15,000 cows, plus 4 foreign subsidiaries and associates. Cattle development is the company's focus for the future to ensure supply of fresh milk material for production. The company operates an extensive distribution system with 243 exclusive distributors, 212,000 points of sale and 60 self-branded shops. VNM targets revenue of \$3 billion and to feature among the top 50 dairy firms in the world by 2017⁶.

For the first quarter of 2016, VNM achieved VND 10,370 billion in sales and VND 2,162 billion in net profit, equivalent to growth rates of 18.2% YoY and 38.6% YoY, respectively. This result was attributed to the impressive growth in both domestic and export market. Thanks to an increased spending on advertising and marketing, VNM was able to boost its market share in two of its largest segments: liquid milk and powder milk. The downtrend in global raw milk prices resulted in gross margin improving from 35.44% in Q1-2015 to 41.84% in Q1-2016. Given that Vinamilk purchases milk powder a couple of quarters ahead of production, margin expansion is expected to continue in 2016.

During the first half of the year, Vinamilk took steps to increase its presence in foreign markets with official product launch ceremonies in Myanmar and the Thaiflex Exhibition in Thailand. The company aims to further expand in markets with good potential such as Japan and some African countries⁶. Since 28th June 2016, Vinamilk's Board of Directors have approved to remove the foreign ownership limit (previously capped at 49%). Foreign investors have been net buyers of VNM shares since the Foreign Ownership Limits (FOL) removal was effective on the Ho Chi Minh City Stock Exchange (HOSE) on 21st July 2016. At the end of June 2016, Vinamilk traded at a forward 2016 P/E of 19.15x⁴.

⁴ Source: Bloomberg

⁵ Source: Ho Chi Minh Securities

⁶ Source: company data or announcements

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1.2. Hoa Phat Group (HPG, +35.62%⁷)

Hoa Phat Group is one of the leading private industrial production groups. Manufacturing construction steel is the firm's core business which contributed 79.3% of total revenue and 82.3% of net profit in 2015⁸. During the first half of 2016, Hoa Phat's market share in construction steel was 20.27%, placing second behind VN Steel's 23.16%.⁹ Hoa Phat Group remains the largest steel pipe manufacturer in Vietnam with an estimated market share of 24% compared to its competitor Hoa Sen Group with 21%.⁹ HPG's strengths lie in 1) its integrated production system, which allows it to produce at a lower cost and sell at a competitive price and, 2) widely recognized brand name as well as being the market leader for construction steel in Vietnam.

HPG's consolidated earnings for H1-2016 have not been released at the time of writing this report. According to management, Q1-2016 revenue reached VND 7.2 trillion, increasing 22.5% YoY, while net income surpassed VND 1 trillion, increasing 57.7% YoY. Hoa Phat's construction steel sales volume reached nearly 680,000 tons while steel pipe sales were over 132,000 tons for the first five months of 2016, an increase of more than 19% and 30%, respectively, over the same period last year. Hoa Phat has exported approximately 7,800 tons of steel for the first five months of 2016. Given the strong Q1-2016 earnings, HPG is expected to surpass the modest objective of 2016 by nearly 10% in H2-2016.

One of the major concerns for HPG's business prospects was future competitor Formosa's Ha Tinh steel project (FHS), which was intended to commence operation in early 2016. However, FHS has postponed the operation commencement indefinitely after the scandal of tax evasion and responsibility for causing millions of fish deaths along the Central Vietnamese coast¹⁰. HPG's Integrated Steel Complex has finished Phase 3 and is set to raise its total capacity to 2 million tons per year. Operating lines are also upgraded with new Italian welding systems to ensure quality and durability of steel products. HPG is aiming for a manufacturing output of 1.6 million tons in 2016, which is 16% more than 2015.

To protect the domestic steel industry against the surplus supply from China, the Ministry of Industry and Trade has granted a temporary tariff of 23.3% on steel billets and 14.2% on long steel products which is gradually diminishing to 0% over the next five years. In H1-2016, data showed that there was a drop of 3.4% YoY in Chinese steel exports and the amount is forecast to fall further in H2-2016¹¹. HPG's share price has been reflective of these developments.

HPG's Hung Yen Animal Feed Factory was put into service with annual capacity of 300,000 tons in early 2016. The company has taken a cautious approach into its feed and livestock business by utilising its own capital and limiting the use of loans. The company targets revenue of VND 3,000 billion in the next three years when more factories of the chain are inaugurated. Vietnam's total market size for animal feed is estimated to be over 18 million tons in 2016. The firm targets 1 million tons of animal feed by 2020¹².

At the end of June 2016, HPG traded at a forward 2016 P/E of 6.71x⁷.

⁷ Source: Bloomberg

⁸ Source: company data or announcements

⁹ Source: Vietnam Steel Association

¹⁰ Source: thesaigontimes.vn

¹¹ Source: Chinese custom's statistic

¹² Source: company data or announcements

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Investment Manager's Report for the six months ended 30 June 2016

1.3. FPT Corporation (FPT, +1.66%¹³)

FPT is Vietnam's leading Information and Communication Technology (ICT) company with market-leading positions in its three main services: 1) Technology, 2) Telecom and 3) Distribution and Retailing. In June 2014, Forbes magazine named FPT the best listed tech company in Vietnam based on criteria including outstanding business result in the industry, key position in the market and high profit for investors.

FPT's consolidated earnings for H1-2016 have not been released at the time of writing this report. During the first four months of 2016, FPT recorded revenues of VND 11.5 billion, fulfilling 98% of its four-month target. Net profit after tax reached VND 504 billion, outperforming its four-month target by 6%. Two main contributors to the impressive performance came from the software outsourcing and retail technology products. Software outsourcing, which contributed 38% and 23% to revenue and profit before tax, respectively, performed well thanks to exports to Japan – FPT's biggest export market which grew 59%. FPT recently commenced operation of the biggest service centre in the Central Vietnam which is projected to contribute USD 1 million to software outsourcing revenue in 2020. Growth in the distribution and retail segments, which accounted for 34% of total revenue and 36% of profit before tax, was driven by the constant expansion of its retail network with 58 new shops being added to the system since the beginning of 2016. FPT continues to prove its leadership position in the technology retail market by possessing the top share in laptop sales, which is equal to a stake of 13%.

FPT is expected to go through a transition period during 2016-2018. The management's strategic business plan is for the company to become part of an international technology value chain by transforming into a world-class and global corporation. Besides setting up strategic partnerships with many international brands such as IBM, Microsoft, etc, FPT is looking forward to expand its foreign market presence by establishing new delivery centres. It was also the first foreign enterprise licensed to provide fixed line telecommunication in Myanmar in 2015. FPT also won the single contract from the Bangladesh tax authority to execute and develop tax management systems which opened up a new development direction in the South Asian market.

At the end of June 2016, FPT traded at a forward 2016 P/E of 8.80x¹³

1.4. Hoa Sen Group (HSG, +109.77%¹³)

Hoa Sen Group (HSG) is a one of Vietnam's leading steel producers. The company is the dominant player in Vietnam's steel sheet market, with a 31.6% market share¹⁴. Galvanised steel sheet, steel pipe and plastic pipe are its main products and the company is actively expanding its product line and productivity. In 2016, two more factories were put into operation, adding up to a total of 5 factories. The company aims for an output of 2 million tons/year, USD 1.5 billion in revenue and 300 retail branches by 2017¹⁵. Among the Vietnamese steel companies, HSG possesses the strongest sales network with 190 retail branches and 6 base depots at the end of 2015.

¹³ Source: Bloomberg

¹⁴ Source: Vietnam Steel Association

¹⁵ Source: company data or announcements

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In H1-2016 (fiscal year ending 30 September), reported earnings were higher than expected. Thanks to a dynamic recovery of real estate market, significant sales volume in H1-2016 (up 22.1% YoY) it was able to offset the drop in steel prices caused by Chinese steel dumping. Despite a slight 5.2% decline in revenue in H1-2016, gross profit grew 67% YoY and gross margin increased 9 percentage points¹⁶. Net profit after tax more than doubled YoY, equal to 58% of the annual target. The 110% performance of HSG's stock over the last 6 months reflects the strong return of the real estate market, leading to robust demand for steel, as well as HSG's advantage of owning an extensive distribution channel.

Over the next year, we continue to expect strong growth in earnings for HSG. In 2016, the company added the Nghe An plant, increasing steel sheet capacity by 26% and steel pipe's by 16%. In 2017, the new Hoa Sen Nhon Hoi – Binh Dinh steel plant will add another 15% to steel sheet capacity. Besides, the investment in the new Yen Bai real estate complex may also provide a good value add to HSG's earnings.

At the end of June 2016, HSG traded at a forward 2016 P/E of 8.86x¹⁷

1.5. Bank for Foreign Trade JSC or Vietcombank (VCB, +7.74%¹⁷)

Vietcombank is Vietnam's largest listed State-owned commercial bank in terms of market capitalisation. The Bank operates a universal banking model across a wide range of financial services spanning retail, corporate and financial institution clients, as well as investment banking, insurance and other financial services. VCB has more than 450 branches/transaction offices across the country, employing more than 14,000 employees.

The Bank maintains a BB- rating by Standard & Poor's and a B+ by Fitch with Stable outlook. The State Bank of Vietnam owns 77.1% of Vietcombank, while its Japanese strategic investor Mizuho owns 15%, the remainder is owned by other foreign and domestic investors.

At the time of writing this report, H1-2016 consolidated earnings results have not been published. Q1-2016 earning results were remarkable thanks to higher net interest margin and lowered provisions expenses. Credit growth in Q1-2016 was 6.3% YTD or 24.4% YoY. Robust growth in retail lending started to show a positive impact in both loan volume and loan yield. Meanwhile, a rather flat deposit growth at low cost led to a higher loan-to-deposit ratio and contributed to an improvement in net interest margin. Customer deposits were the largest source of total funding (approximately 75%) with the deposit structure of 44% corporate and 56% individual customers. Non-interest income also grew strongly at 24.5% YoY. In terms of bad debt clearing, diligent provisioning over the past few years has helped speed up the process and thus lowered Q1-2016's provision expenses. As a result, NPAT grew 62.3% YoY while ROA and ROE achieved 1.1% and 16%, respectively. The outlook for the second half of the year for VCB remains bright as long as VCB can maintain its competitive advantage in lower loan rates and provision expenses.

¹⁶ Source: company data or announcements

¹⁷ Source: Bloomberg

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VCB has scored remarkable achievements in both quantity and quality management. VCB's market share has grown 10% on the back of strong nationwide brand recognition and its loyal customer base. As of Q1-2016, VCB was the market leader in trade financing and international settlement. VCB was also the No.1 bank for banking cards with a 44% market share by credit card payment volume assisted by extensive nationwide coverage for ATMs and point of sale stations.

In our view, VCB is currently Vietnam's best performing bank. At the end of H1-2016, VCB traded at P/B of 2.59x, higher than its peer group average of 1.34x¹⁸.

Outlook for Listed Equities

We continue to maintain a positive outlook on the Vietnamese listed stock market for the remainder of the year. While the performance in the first half was strong, leading to an increase in valuation, we think the broad market index could still be following an uptrend on the back of strong consumption, investment and trade numbers.

As Vinamilk started to trade from 21 July 2016 with a foreign ownership limit of 100%, it sends a positive signal to both foreign and domestic markets. The expansion of the FOL is finally effective and can be applied to other high potential stocks, signalling an enhanced access to Vietnamese investments as well as the start of a gradual shift in perspective and outlook as foreign investors take a more important part of the ownership.

The sub-Investment Manager will continue to focus on stocks with high growth potential and attractive valuation in the sectors of consumers, real estate and manufacturing.

2. Fixed Income

The fixed income portfolio returned 2.69%, taking into account that the 3-year Vietnamese government sinking bond reached maturity on the 12th of March 2016. As of that day, the Fund has no positions in its fixed income portfolio.

During the first 6 months of 2016, the yield on the benchmark 3-year Government bond inched down from 5.75% at the end of December 2015 to 5.42% at the end of June 2016¹⁸.

3. Unlisted Equities Investments

As of 30 June 2016, unlisted investments constituted 31.45% of the Fund's Net Asset Value.

The unlisted equities portfolio returned 18.88% during the first 6 months of 2016 due to an increase in An Phat's share price and the upward revaluation of Greenfeed. An Phat's share price increased by 154.2% in H1-2016¹⁸ as a result of improving business sentiment and the impending change of listing to the Ho Chi Minh Stock Exchange. Greenfeed, which represented 16.5% of the Fund's Net Asset Value, also performed well, as sales volume of animal feed rose. The company remains as one of the leading animal feed players in Vietnam.

¹⁸ Source: Bloomberg

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One of the detractors to the unlisted portfolio's performance in H1-2016 was VTC Online as the company is undertaking restructuring activities to recover profitability.

The Fund's Private Equity investments are revalued by the Global Valuation Group (GVG) of Deutsche Bank AG Singapore Branch, on a quarterly basis. The unlisted portfolio also includes holdings in instruments which were unlisted at the point of investment but subsequently became listed instruments due to certain events, for example, conversion. Securities in the unlisted portfolio that are currently quoted in an active market represented 4.34% of the Fund's Net Asset Value.

3.1. GreenFeed Vietnam Corporation

In May 2010, the Fund made an USD 9.5 million investment in GreenFeed Vietnam Corporation (GFVN), a leading producer of animal feed. The investment was made via USD 4.0 million in secondary shares and USD 5.5 million in a convertible instrument, for a fully diluted 17.2% stake in the company. In June 2014, the Fund invested USD 0.7 million to purchase additional secondary shares and converted the existing convertible instrument into shares. This increased the Fund's fully diluted stake in the company to 17.9%.

FVN is the second largest domestic player in animal feed competing against large foreign companies like Charoen Pokphand of Thailand and Cargill of US. GFVN is among the top five players (including foreign companies) who collectively account for approximately 60% of total market share. Given the highly fragmented nature of the market, GFVN is gearing up to capture a larger share in the next few years. The company is looking to expand capacity further given that their existing factories are operating at close to 100% utilization.

For H1-2016, net sales were up 13.0% YoY due to an increase in sales volume. Gross margins increased to 20.1% as raw materials prices remained low. As such, net income increased 56.7% YoY.

There is currently no trading market for this investment in GreenFeed, this position is valued by GVG on a quarterly basis. As of 30 June 2016, the valuation of the Fund's position stood at USD 60.25 million.

3.2. Corbyns International Limited

In February 2013, the Fund invested USD 12.2 million via a convertible loan in Corbyns International Limited (Corbyns), which owns Vietnam Industrial Investments (VII). Listed on the ASX, VII is a leading steel manufacturer, primarily manufacturing wire rods and rebars used in construction and infrastructure projects. The Fund indirectly owns 24.4% of Corbyns.

DWS VIETNAM FUND LIMITED

Investment Manager's Report for the six months ended 30 June 2016

This investment is a special situation opportunity which resulted in favourable terms for the Fund. Corbyns is amongst the top four steel manufacturers in Vietnam which control about 50% of the market. VII's key brands are well recognized in the marketplace and they remain the leading brand in their own product segments. VII maintains a robust distribution platform that includes 30 tier I distributors and 100 tier 2 distributors across all regions of Vietnam; they are, however, particularly strong in Northern Vietnam.

There is currently no trading market for the convertible loan, this position is valued by GVG on a quarterly basis. As of 30 June 2016, the Fund's position was valued at USD 18.59 million.

3.3. Anova Corporation

In May 2011, the Fund made a USD 8.7 million investment in Anova Corporation ("Anova") via 3-year convertible bonds, extended for another two-year period through 2015. In June 2012, the Fund invested USD 1.7 million, exercising its pre-emptive right to subscribe to ordinary shares via a rights issue for Anova to acquire an animal feed company. In September 2015, the Fund invested USD 2.2 million via a second rights issue for Anova to expand the animal feed business. The synergies available between feed, feed additives and animal health products will create opportunities over the next few years for Anova to gain market share and penetrate new markets. IFC closed its USD 15 million investment in June 2016. As such, the Fund's total fully diluted stake in Anova is 16.3%.

Anova is the leading manufacturer of veterinary health products in Vietnam as well as the leading importer and distributor of raw materials for the animal health and feed sectors. Anova maintains a market share of 17% in the manufacturing and sale of finished veterinary products with the next closest competitor, Vemedin, at 12% of the total market.

For H1-2016, net sales increased 26.1% YoY and net income increased 21.7% YoY. All businesses did better than the previous year due to the improving Vietnam business sentiment as well as the continued improvement in the Feed and Veterinary Health segments of the market as consumers demanded higher quality products.

There is currently no trading market for the convertible bonds or ordinary shares, this position is valued by GVG on a quarterly basis. As of 30 June 2016, the Fund's position was valued at USD 15.87 million.

3.4. NBB Investment Corporation JSC

In December 2010, the Fund invested USD 10.7 million in redeemable convertible preference shares (RCPS) issued in a private placement by NBB Investment Corporation JSC (NBB). In August 2013, the Fund invested USD 1.2 million in the company's rights issue to subscribe to additional ordinary listed shares. In October and November 2013, the Fund received the first instalment of USD 1.48 million from the company as compensation for financial underperformance. In December 2013, the Fund's RCPS were converted into ordinary listed shares. In July 2014, the Fund invested USD 1.2 million in NBB via a rights issue. In December 2014, the Fund received USD 0.5 million from NBB for financial underperformance. In September 2015, the Fund invested USD 2.4 million in convertible bonds. In May 2016, the Fund received USD 0.5 million from NBB for financial underperformance. The Fund's fully diluted stake in NBB is 15.0% and is currently held in listed shares and convertible bond.

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Listed on the HOSE, NBB is an investment holding company focused on developing Grade C residential property that is typically priced at USD 700-1,000/sqm. NBB is a play on fundamental trends such as rising urbanization and a growing middle class that are stimulating demand for affordable housing in Vietnam, particularly in Ho Chi Minh City. The company's large, low-cost land bank and a pipeline of projects, make it well-positioned to become a direct beneficiary of these trends.

For Q1 2016, net sales were down 72.7% YoY to VND 10.5 billion due to delay in revenue recognition and net income was up 130.2% YoY to VND 1.4 billion due to a one-off gain from divestment of non-core asset. NBB's most active project in 2015, City Gate, is 100% sold and under construction. However, revenue recognition for City Gate will only occur in 2017 when the units are handed over to buyers, with 2016 financial performance remaining subdued. This is reflected in the underperforming share price which declined 10.5% to VND18,800/share as at the end of June 2016.

As of 30 June 2016, the investment was valued at USD 9.13 million.

3.5. An Phat Plastics and Green Environment JSC

At the end of 2007, the Fund made a USD 2.0 million equity investment in An Phat Plastics and Green Environment JSC (An Phat). In April 2009, the Fund made a follow-on investment of USD 2.8 million via a convertible bond to fund the company's expansion plans.

An Phat is the largest plastic recycler in North Vietnam. The recycled plastic is manufactured into bio-degradable plastic bags and re-usable plastic bags for both the domestic and international markets.

An Phat was listed on the Hanoi stock exchange in 2010, the Fund exited its equity portion by selling the shares in the open market. In December 2012, the convertible bond of An Phat was partially redeemed and the balance was favourably restructured into ordinary listed shares of An Phat. In February 2014, the Fund sold 10,000 listed shares of An Phat in the open market. In September 2014, the Fund invested USD 1.4 million in An Phat via a rights issue for the company to set up a factory in Laos. The Fund currently owns 13.2% in An Phat.

An Phat has announced that it will move its listing to the Ho Chi Minh Stock Exchange by the end of 2016.

For H1-2016, An Phat's net sales increased 36.8% YoY to VND 940.6 billion due to volume growth and net income increased to VND 62.0 billion.

As of 30 June 2016, the Fund's position was valued at USD 8.79 million based on the stock price. The stock price has increased 154.2% to VND30,000/share as at the end of June 2016 on back of improving business sentiment and impending change in listing to the Ho Chi Minh Stock Exchange.

3.6. VTC Online

In July 2012, the Fund made a USD 10 million investment via subscription of ordinary shares, in VTC Online, an online games publisher in Vietnam. The Fund owns 19.5% of VTC Online's.

DWS VIETNAM FUND LIMITED

Investment Manager's Report for the six months ended 30 June 2016

For Q1 2016, VTC Online's net sales increased 176.0% YoY and net income increased 130.2% YoY due to launch of new games. The company underwent a cost rationalisation exercise last year and is now re-focusing its resources to the mobile space namely in three areas; i) games, ii) education, and iii) ecosystem platform.

There is currently no trading market for the ordinary shares, this position is valued by GVG on a quarterly basis. As of 30 June 2016, the Fund's position was valued at USD 1.84 million.

Outlook for Unlisted Equities

In the next 12-18 months, we anticipate that some of the investee companies could seek to IPO, list on one of Vietnam's two stock exchanges or be acquired by a corporate or strategic investor. Such events will give the Fund Manager an opportunity to consider exiting the investments.

4. Collective Investment Schemes (CIS)

As of 30 June 2016, the CIS portfolio constituted 13.14% of the Fund's Net Asset Value, compared to 13.80% at the end of December 2015. There were three funds within the portfolio:

- DWS Vietnam Fund Limited (closed-end fund)
- Vietnam Enterprise Investments Limited (VEIL, closed-end fund)
- Vietnam Blue-Chips Fund (VFMVF4, open-ended fund)

The CIS portfolio earned a return of 10.24% during the first six months of 2016. This return is calculated using 1) prices collected from a number of OTC brokers including Jefferies, Rothschild and Numis for closed-end funds trading OTC, and 2) NAV net of redemption fees for open-ended funds.

In terms of performance, Dragon Capital's Vietnam Enterprise Investment Fund was an outperformer with a price increase of 9.44% during the period. PXP Vietnam Emerging Equity Fund's price increased 3.20%. In March 2016, the Fund fully exited its position in PXP Vietnam Emerging Equity Fund.

Going forward, the Investment Manager will continue to maintain an allocation to closed-end funds given the targeted exposure to specific sectors that some of these funds provide and their attractive discount to NAV.

5. Share Buy-back and Cancellation

During the six month period ended 30 June 2016, the Fund repurchased a total of 1,550,000 shares through Teignmouth Limited, a special purpose vehicle wholly owned by the Fund. As of 30 June 2016, the Fund held 14,550,000 treasury shares, all within Teignmouth Limited, representing 3.32% of the total outstanding shares.¹⁹

¹⁹ Note that the Investment Manager intends to seek Board's approval to cancel all repurchased shares prior to 30 September 2016

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Investment Manager's Report for the six months ended 30 June 2016

Market Overview

GDP growth constrained by slowdowns in agricultural and mining production – Vietnam's GDP grew by 5.55% YoY in the second quarter of 2016, bringing GDP growth in the first half of this year (H1-2016) to 5.52% YoY, lower than the 6.32% growth in the same period last year²⁰. The Services sector achieved the highest growth since the first quarter of 2012 at 6.35% YoY on rapid growth of sub-sectors, including wholesale & retail (8.1% YoY) and education & training (7.15% YoY)²⁰, while the Industry and Construction sector experienced lower growth of 7.12% YoY compared to the same period in 2015. This was due to a decline in mining production (-2.2% YoY), amid falling energy prices and depletion of resources²⁰. On the other hand, the Agriculture-Forestry-Aquaculture sector recorded negative growth of 0.18% owing to the historic cold in the North, the severe drought in the Central and salinity in Mekong Delta, all of which had a severe impact on agricultural production²⁰.

Amidst moderate inflation – The Consumer Price Index inched up 2.35% YTD and 2.4% YoY by the end of June²⁰. The impact of drought and salinity on agricultural production and high demand for food during the Tet holiday month, put upward pressure on food prices (+2.32% YTD) during the first half of the year²⁰. CPI of healthcare service and education sectors also picked up 25.37% and 2.27% YTD, respectively, due to adjustment in health care fees and education services²⁰. Rising healthcare costs and higher education fees on the commencement of the new school year will put more pressure on inflation in the second half of this year.

Reduction in lending rates with a view of credit growth target at 18-20% – In view of the State Bank of Vietnam's (SBV) target to lower lending rates by 1% this year, many banks followed suit, lowering their lending rates by 0.3-0.5% per annum and applied a cap on mid-term and long-term lending rates of 10% for high credit profile customers in the second quarter²¹. Credit growth settled at 8.16% in the first half of 2016, higher than 7.86% in the same period last year and on track to reach the full year target of 18-20%²². Meanwhile, M2 and deposit growth reached 8.07% and 8.23% YTD respectively as of 20th June 2016²², compared to growth of 4.58% in H1-2015. The surprising growth was driven by increments to the deposit rates of local banks. For instance, BIDV increased its deposit rates by 0.2-0.7% a year for tenures between three and 36 months and above, while Vietcombank raised three-month, six-month and nine-month interest rates by 0.1% a year²³. In terms of bad debt resolution, the Vietnam Asset Management Company (VAMC) purchased only approximately VND 4 trillion worth of bad debt as of 20th June 2016, completing only 10% of 2016 plan. As NPL was lower than expected in the banking system during the first half of the year, fewer credit institutions were required to sell their bad debt to the VAMC²³.

²⁰ Source: General Statistics Office of Vietnam

²¹ Source: VnExpress

²² Source: The State Bank of Vietnam

²³ Source: SSI Securities Services

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Investment Manager's Report for the six months ended 30 June 2016

Vietnam's trade performance remains exceptionally strong – Trade balance recorded a surplus of USD 1.5 billion by end of June, compared to a trade deficit of USD 3.2 billion in H1-2015²⁴. Exports slowed to 5.9% YoY during H1-2016, mainly due to a combination of decreasing exports of rice and oil and slower growth of manufacturing exports²⁴. Meanwhile, imports slid 0.5%, reflecting a slowdown in imports of machinery and equipment and a drop in global commodity prices²⁴. Foreign-invested enterprises continued to lead Vietnam's trade activities and dominated key manufacturing exports. The participation of domestic enterprises in trade is expected to improve, aided by upcoming trade agreements such as the Trans Pacific Partnership (TPP) Agreement, the ASEAN Economic Community and the EU Free Trade Agreement, which would provide further opportunities for domestic export firms.

Registered Foreign Direct Investment (FDI) surged 105.4% YoY to USD 11.3 billion by end of June thanks to improvements in infrastructure and investment conditions²⁵. In the first half of 2016, there were a few big projects underway such as LG Display in Hai Phong (USD 1.5 billion), Samsung R&D Centre (USD 300 million), South Korea – Tra Vinh wind power project (USD 247.6 million) and the Midtown real estate project of Cayman Islands (USD 225.6 million)²⁵. Disbursed FDI grew to USD 7.3 billion, up 15.1% YoY²⁴.

In terms of foreign exchange, the rate between the Vietnamese Dong and the U.S dollar stabilised during the first six months of the year, thanks to the U.S Federal Reserve's decision to delay interest rate hikes and Vietnam recording a trade surplus in H1-2016. Additionally, the SBV adopted the central rate mechanism to support the Dong and reduce pressure on the exchange rate.

Overall – Vietnam's economy was strongly influenced by both weak agricultural production and a contraction in mining output, while Consumer Price Index ticked up in H1-2016 because of a sharp increase in healthcare, education and food-stuff sectors. The SBV outlined the banking sector's target of lowering lending rates to boost credit growth and achieve 2016's target GDP. Trade balance registered a surplus, of which foreign-invested enterprises contributed 64.7% of total trade. Notably, most of the big projects in the first six months of 2016 were in manufacturing and garment sectors.

Risk In The Second Half Of 2016

Whilst the sub-Investment Manager is fully aware of the inherent risks of investing in an emerging market such as Vietnam, additional attentions should be drawn to the following uncertainties and principal risks which could adversely impact the Fund's performance over the next six-month period:

Widening fiscal deficit – The country's budget deficit increased to USD 3.71 billion in the first six months of 2016²⁴, an increase of USD 200 million from the same period in 2015. This is due to increasing recurrent expenditures such as administration, social security, pensions, wages and salaries, security and defence. Vietnam's public debt has increased from 56.3% of GDP in 2010 to 62.2% of GDP in March 2016²⁴, and according to experts at HSBC, it is projected to rise to 64.5% for 2016. Failing to address this issue may result in Vietnam being unable to consolidate its finances and this will impact its economic growth.

²⁴ Source: General Statistics Office of Vietnam

²⁵ Source: Viet Capital Securities

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Volatility of oil prices – The first half of 2016 has seen crude oil prices drop to less than USD 30/barrel at the start of the year and rallying to a high of USD 60/barrel in June. This impact has clearly been felt in different parts of the Vietnamese economy, with lower retail pump prices and input costs helping to stimulate domestic production and consumption. Although this has helped keep inflation at its lowest level in the past 16 years, the lower oil prices have also created a shortage to the state budget, of which exported crude oil makes up 10%. According to the Ministry of Finance, each USD 1 decrease in oil prices causes a VND 1 trillion (USD 44 million) loss to the budget. The fluctuations of oil prices will therefore test the Vietnamese government's ability to adapt and implement suitable economic policies to stabilise the economy and fulfil its targets on growth, inflation and budget.

Balancing act with China – The Vietnamese government faces a complicated task having to address anti-China sentiment brought about by the territorial dispute in the South China Sea while also acknowledging its heavy economic dependence on China. China remains one of Vietnam's biggest trading partners, accounting for over 10% of total exports, and 25% of total imports in the first half of 2016²⁶. Last year, Vietnam set a record high USD 32.29 billion trade deficit with China, driven by the manufacturing sector's demand for machinery, equipment and raw materials etc. Despite reporting lower H1-2016 deficit figures compared to last year, Vietnam is still expected to record an estimated USD 28 billion trade deficit with China for 2016. Unless the government reduces this reliance and diversifies its imports from other markets, their decision to respond more affirmatively against any future provocation from China will likely be hindered.

General Outlook

The World Bank's medium term economic outlook on Vietnam remains positive, supported by robust domestic demand. This is reflective of strong domestic consumption and high growth of foreign capital inflows. Meanwhile, Vietnam's full year GDP growth is forecast to reach 6%, while headline inflation is expected to stay below 5%. Additionally, the Trans Pacific Partnership (TPP) and other trade agreements would give Vietnam greater access to large consumer markets, while encouraging foreign direct investments. However, issues such as the slow progress on structural reforms and delays in implementing fiscal consolidation could pose risks to Vietnam's debt sustainability and stability of future growth.

**Deutsche Asset Management (Asia) Ltd.,
August 2016**

²⁶ Source: General Statistics Office of Vietnam

DWS VIETNAM FUND LIMITED

Investment Manager's Report for the six months ended 30 June 2016

List of holdings as of June 30, 2016 (unaudited)			
Asset Class	Security Name	Ticker	Value
Listed Equities			192,429,918
	ASIA COMMERCIAL BANK	ACB VN Equity	307,549
	BINH CHANH CONSTRUCTION	BCI VN Equity	4,528,447
	BANK FOR INVESTMENT AND DEVE	BID VN Equity	1,932,528
	BAOMINH INSURANCE CORP	BMI VN Equity	932,421
	HO CHI MINH CITY INFRASTRUCT	CII VN Equity	286,477
	DEVELOPMENT INVESTMENT CONST	DIG VN Equity	2,029,907
	PETROVIETNAM FERT & CHEMICAL	DPM VN Equity	1,738,702
	DONG PHU RUBBER JSC	DPR VN Equity	324,830
	DANANG RUBBER JSC	DRC VN Equity	1,611,943
	DINH VU PORT INVESTMENT & DE	DVP VN Equity	2,098,727
	DAT XANH REAL ESTATE SERVICE	DXG VN Equity	2,092,226
	FECON CORP	FCN VN Equity	1,602,338
	FPT CORP	FPT VN Equity	15,987,501
	THONG NHAT PRODUCTION & INV	GTN VN Equity	5,962,159
	HOA BINH CONSTRUCTION AND RE	HBC VN Equity	1,728,596
	HO CHI MINH CITY SECURITIES	HCM VN Equity	2,365,453
	HA DO JSC	HDG VN Equity	3,862,544
	HOA PHAT GROUP JSC	HPG VN Equity	16,397,061
	HOA SEN GROUP	HSG VN Equity	14,350,848
	KINH BAC CITY DEVELOPMENT SH	KBC VN Equity	7,296,897
	LAM THAO FERTILIZERS AND CHE	LAS VN Equity	210,954
	MILITARY COMMERCIAL JOINT	MBB VN Equity	1,062,849
	MY CHAU PRINTING AND PACKAGI	MCP VN Equity	233,075
	MASAN GROUP CORP	MSN VN Equity	104,353
	MOBILE WORLD INVESTMENT CORP	MWG VN Equity	3,498,805
	NAM LONG INVESTMENT CORP	NLG VN Equity	353,076
	NATIONAL SEED JSC	NSC VN Equity	2,690,100
	PETROVIETNAM NHON TRACH 2 PO	NT2 VN Equity	1,132,912
	TIEN PHONG PLASTIC JSC	NTP VN Equity	3,428,014
	DRY CELL & STORAGE BATTERY J	PAC VN Equity	4,203,873
	PETROVIETNAM GENERAL SERVICE	PET VN Equity	187,119
	PHUOC HOA RUBBER JSC	PHR VN Equity	1,896,527
	PETROVIETNAM DRILLING AND WE	PVD VN Equity	5,323,203
	REFRIGERATION ELECTRICAL ENG	REE VN Equity	1,835,011
	SAVIMEX CORP	SAV VN Equity	8,469
	CAN DON HYDRO POWER JSC	SJD VN Equity	948,008
	SMC INVESTMENT TRADING JSC	SMC VN Equity	203,042
	SAIGON SECURITIES INC	SSI VN Equity	4,762,796
	SAIGON THUONG TIN COMMERCIAL	STB VN Equity	549,209

DWS VIETNAM FUND LIMITED

Investment Manager's Report for the six months ended 30 June 2016

List of holdings as of June 30, 2016 (unaudited)			
Asset Class	Security Name	Ticker	Value
	THU DUC HOUSING DEVELOPMENT	TDH VN Equity	1,871,838
	TAY NINH RUBBER JSC	TRC VN Equity	181,041
	BANK FOR FOREIGN TRADE JSC	VCB VN Equity	8,054,119
	VINH HOAN CORP	VHC VN Equity	2,177,162
	VNDIRECT SECURITIES CORP	VND VN Equity	1,271,580
	VIETNAM DAIRY PRODUCTS JSC	VNM VN Equity	51,450,757
	VIETNAM NATIONAL REINSURANCE	VNR VN Equity	135,374
	VIETNAM SUN CORP	VNS VN Equity	1
	VIETNAM CONTAINER SHIPPING	VSC VN Equity	5,903,769
	VANECK VECTORS VIETNAM ETF	VNM US Equity	1,315,728
Unlisted Equities			115,188,602
	ANOVA CORPORATION - ordinary shares	N.A	7,338,561
	ANOVA CORPORATION - CB	N.A	8,533,041
	ANPHAT PLASTIC AND GREEN ENV	AAA VN Equity	8,791,749
	Corbyns International Limited (VIETNAM)	N.A	18,591,363
	GREENFEED - ordinary shares	N.A	60,254,430
	NBB INVESTMENT CORP	NBB VN Equity	7,083,930
	NBB INVESTMENT CORP - CB	N.A	2,047,141
	SSGA CONSTRUCTION REAL ESTATE	N.A	708,143
	VTC Online	N.A	1,840,244
Collective Investment Schemes			38,566,971
	VIETNAM BLUE-CHIP FUND	VFMVF4 VN EQUITY	1,187,941
	VIETNAM ENTERPRISE INV LTD-R	VIETENI KY Equity	37,379,030
Cash & Others			10,480,940
Total			356,666,431

Shares invested in DWS Vietnam Fund			9,539,344
	DWS VIETNAM FUND LTD Vietnam	DWSVIET KY Equity	9,539,344

Total including shares invested in DWS Vietnam Fund			366,205,775
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DWS VIETNAM FUND LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Notes	30/06/2016 US\$	30/06/2015 US\$
Income			
Net gain on investments at fair value through profit or loss		55,291,649	2,660,195
Total income		55,291,649	2,660,195
Operating expenses	3	(14,366,349)	(4,218,198)
Profit / (loss) for the period before taxation		40,925,300	(1,558,003)
Total comprehensive income / (loss) for the period		40,925,300	(1,558,003)
Earnings per Share			
Basic and diluted	10	9.64c	(0.35)c
Weighted average shares outstanding			
Basic and diluted	10	424,431,344	441,522,909

The accompanying notes form an integral part of these condensed financial statements.

DWS VIETNAM FUND LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Notes	30/06/2016	31/12/2015
		US\$	US\$
Assets			
Cash and cash equivalents	6	10,314,531	291,929
Accounts receivable	5	1,049,199	981,548
Financial assets at fair value through profit or loss		356,599,512	316,109,803
Total assets		367,963,242	317,383,280
Liabilities			
Accounts payable	7	(11,296,811)	(693,439)
Total liabilities		(11,296,811)	(693,439)
Net Assets		356,666,431	316,689,841
Shareholders' equity			
Share capital	8	4,383,000	4,383,000
Share premium	9	441,960,634	442,909,344
Capital redemption reserve		16,603,907	16,603,907
Retained losses		(106,281,110)	(147,206,410)
Total shareholders' equity		356,666,431	316,689,841

The accompanying notes form an integral part of these condensed financial statements.

DWS VIETNAM FUND LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Share Capital US\$	Share Premium US\$	Capital Redemption Reserve US\$	Retained gains/(losses) US\$	Total Equity US\$
Balance at 1 January 2016	4,383,000	442,909,344	16,603,907	(147,206,410)	316,689,841
Repurchase of share capital	-	(948,710)	-	-	(948,710)
Cancellation of share capital	-	-	-	-	-
Total comprehensive income	-	-	-	40,925,300	40,925,300
Balance at 30 June 2016	4,383,000	441,960,634	16,603,907	(106,281,110)	356,666,431

For the six months ended 30 June 2015

	Share Capital US\$	Share Premium US\$	Capital Redemption Reserve US\$	Retained gains/(losses) US\$	Total Equity US\$
Balance at 1 January 2015	4,869,314	471,302,202	-	(161,198,004)	314,973,512
Repurchase of share capital	-	2,608,265	-	-	2,608,265
Cancellation of share capital	(486,314)	(16,117,593)	16,603,907	-	-
Total comprehensive income	-	-	-	(1,558,003)	(1,558,003)
Balance at 30 June 2015	4,383,000	457,792,874	16,603,907	(162,756,007)	316,023,774

The accompanying notes form an integral part of these condensed financial statements.

DWS VIETNAM FUND LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Notes	30/06/2016 US\$	30/06/2015 US\$
Cash flows from operating activities			
Total comprehensive income / (loss) for the period		40,925,300	(1,558,003)
<i>Adjustment for non-cash items:</i>			
Increase in financial assets at fair value through profit or loss		(40,489,709)	(2,444,136)
<i>Changes in operating assets and liabilities</i>			
(Increase) / Decrease in accounts receivable	5	(67,651)	1,700,000
Increase / (Decrease) in accounts payable	7	10,603,373	(66,492)
Total cash generated from/ (provided by) operating activities		10,971,312	(2,368,631)
Cash flows from financing activities			
Repurchase of Share Capital	8	(948,710)	(4,777,782)
Redemption of Share Capital		-	7,386,047
Total cash (outflow)/inflow from financing activities		(948,710)	2,608,265
Net increase in cash and cash equivalents		10,022,602	239,634
Cash and cash equivalents at the beginning of the period		291,929	1,301,462
Cash and cash equivalents at the end of the period		10,314,531	1,541,096

The accompanying notes form an integral part of these condensed financial statements.

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

1 Incorporation and principal activity

DWS Vietnam Fund Limited (the “Company”) is a closed ended exempted company with limited liability formed under the laws of the Cayman Islands on 13 September 2006. The registered office of the Company is located at: DMS House, 20 Genesis Close, P.O. Box 1344, Grand Cayman KY1-1108, Cayman Islands.

The investment objective of the Company is to seek long-term capital appreciation by investing directly or indirectly in a diversified portfolio of securities of companies that do some or all of their business in Vietnam.

The Company seeks to achieve its investment objective through investing primarily in securities of listed and unlisted entities, including Vietnamese-listed companies, overseas companies and unlisted companies. Such entities include listed and unlisted closed-end fund vehicles. The Company also invests in securities issued by governmental agencies.

The Company holds all of its investments through wholly owned subsidiary companies which are special purpose entities (“SPEs”) incorporated outside of Vietnam. The Company has 10 wholly-owned SPEs, incorporated as exempted companies with limited liability in the Cayman Islands having the purpose of acting as trading conduits of the Company. These SPEs are:

1. Epsom Limited
2. Lionel Hill Limited
3. Beira Limited
4. Prime Limited
5. Greystanes Limited
6. Siglap Limited
7. Teignmouth Limited
8. Tewkesbury Limited
9. Kallang Limited
10. Hephaestus Limited

As at the period end all of these SPEs were in operation, with the exception of Kallang Limited and Tewkesbury Limited. As detailed in Note 2(c), Teignmouth Ltd. only held shares of the Company.

As at 30 June 2016 and 31 December 2015, the Company and its subsidiaries (the “Group”) had no employees. The investment activities of the Group are managed by Deutsche Asset Management (Asia) Limited (the “Investment Manager” or “DeAM Asia”) and the administration of the Group is delegated to State Street Fund Services (Ireland) Limited (the “Administrator”). DeAM Asia delegated certain of its investment management duties to Duxton Asset Management Pte. Limited (“Duxton” or the “sub-Investment Manager”).

2 Significant accounting policies

Statement of Compliance

These condensed interim unaudited financial statements for the six months ended 30 June 2016 have been prepared in accordance with IAS 34, “Interim Financial Reporting” issued by the Financial Reporting Council, which are adopted pursuant to the procedure provided for under Article 6 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002. They have also been prepared in accordance with the reporting requirements of the Irish Stock Exchange for closed-ended funds.

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

2 Significant accounting policies (cont/d)

Statement of Compliance (cont/d)

The condensed interim financial statements do not contain all of the information and disclosures required in the full annual audited financial statements and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

The accounting policies, presentation and methods of calculation applied by the Company in these condensed interim unaudited financial statements are consistent with those applied by the Company in its financial statements for the year ended 31 December 2015.

a) Basis of preparation

The financial statements are presented in US Dollars. The functional currency of the Company is the US Dollar, reflecting the fact that all subscriptions received were denominated in US Dollars. The financial statements are prepared on a fair value basis for financial assets at fair value through profit or loss and for derivative financial instruments which are held for trading. Other financial assets and liabilities are stated at amortised cost.

The accounting policies have been applied consistently by the Company to both periods presented in the financial statements.

Accounting estimates and judgments

The preparation of the financial statements, in accordance with EU IFRS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the period. Actual results could differ from those estimates.

In preparing these condensed interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at year ended 31 December 2015.

Going Concern:

The financial statements have been prepared on a going concern basis.

The Company has been established for an unlimited duration but, in accordance with the Articles of the Company, may be wound up effective 31 December 2016 by passing a Special Resolution of the Company. In accordance with the Prospectus of the Company this resolution must be put to the annual general meeting of the Company to be held during 2016. As of 30 August 2016, the Directors cannot with reasonable certainty determine the outcome of the Special Resolution vote, which if passed would result in the winding up of the Company. In any disposition of assets and winding up of operations, assets may be realised at amounts below the carrying value as shown in the interim financial statements at 30 June 2016. Should the resolution be passed, the winding up of the Company could take an extended period of time.

This material uncertainty may cast significant doubt on the Company's ability to continue as a going concern. However, the Directors having considered a range of possible outcomes believe that the going concern basis of preparation continues to be appropriate and therefore have prepared the financial statements on a going concern basis. Accordingly, the financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

2 Significant accounting policies (cont/d)

b) New accounting standards

New standards, amendments and interpretations issued and effective for the financial year beginning 1 January 2016

IFRS 7 “Financial Instruments: Disclosures” amendment was issued in September 2014 and became effective for periods beginning on or after 1 January 2016. Disclosure requirements regarding the offsetting of financial assets and financial liabilities are not specifically required in condensed interim financial statements that are prepared in accordance with IAS 34 “Interim Financial Reporting” for all interim periods. However, the additional disclosure is given when its inclusion would be required in accordance with the general principles of IAS 34. This amendment is not expected to have any impact on the Company’s financial position or performance and will not result in extra disclosures.

IAS 1 “Presentation of Financial Statements” amendment was issued in December 2014 and became effective for period beginning on or after 1 January 2016. The amendment introduces five narrow-focus improvements to the disclosure requirements that relate to materiality, order of the notes, subtotals, accounting policies and disaggregation. The amendment is not expected to have any impact on the Company’s financial position, performance but may result in a variation of disclosures in its financial statements.

IAS 34 “Interim Financial Reporting” amendment was issued in September 2014 and became effective for periods beginning on or after 1 January 2016. The amendment clarifies the meaning of “elsewhere in the interim financial report” and states that information not included in the financial statements must be cross referenced from the interim financial statements to the location of this information within the interim financial report e.g. the Investment Manager Report. This amendment does not have any impact on the Company’s financial position or performance but has resulted in extra disclosures.

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28) was issued in December 2014 and became effective for periods beginning on or after 1 January 2016 subject to EU endorsement. These amendments, inter alia, clarify that an investment entity may provide investment related services to third parties – even if those activities are substantial to the entity – as long as the entity continues to meet the definition of an investment entity. These amendments are not expected to have any impact on the Company’s financial position or performance and will not result in extra disclosures.

New standards, amendments and interpretations issued and not yet effective

As disclosed in the previous year annual financial statements, IFRS 9 ‘Financial Instruments’ is applicable for periods commencing 1 January 2018 (subject to the EU endorsement). The Company is assessing the potential impact on its consolidated financial statements from the application of IFRS 9.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Company.

c) Purchase of own shares

As at 1 January 2016, the Company held 13,000,000 treasury shares as part of its investment portfolio, purchased by Teignmouth Limited.

A further 1,550,000 treasury shares were purchased by Teignmouth Limited between February and May 2016, bringing the total treasury shares held by Teignmouth Limited at period end 30 June 2016 to 14,550,000 (31 December 2015: 13,000,000).

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

2 Significant accounting policies (cont/d)

c) Purchase of own shares in DWS Vietnam Fund (cont/d)

In compliance with EU IFRS, such investments are excluded from the Group's financial assets, as calculated for EU IFRS financial statement reporting purposes and are instead treated as treasury shares. The cost of treasury shares purchased by Group companies is recorded as a movement through the share premium account as disclosed in the Statement of Changes in Equity in the period the buyback occurs.

As treasury shares are not included as a financial asset on the Statement of Financial Position, any unrealised gain / loss on the purchase of its treasury shares held is excluded from the net gain / loss on investments at fair value through profit or loss and shareholders' equity.

3 Operating expenses	Notes	30/06/2016 US\$	30/06/2015 US\$
Investment Manager			
Investment Management fee	13	(2,930,748)	(2,910,320)
Investment Advisory fee	13	(229,408)	(208,679)
Performance fee	13	(10,500,753)	(427,044)
		<u>(13,660,909)</u>	<u>(3,546,043)</u>
Custodian			
Custodian fees	11	(194,661)	(193,378)
		<u>(194,661)</u>	<u>(193,378)</u>
Administrator			
Administration fees		(205,747)	(203,719)
Transfer Agency fees		(3,000)	(3,000)
		<u>(208,747)</u>	<u>(206,719)</u>
Other expenses			
Directors' fees	4,13	(100,000)	(2,500)
Directors' Insurance		(17,500)	(30,000)
Professional fees		(14)	(14,018)
Audit fee*		(28,978)	(19,836)
Miscellaneous expenses		(155,540)	(205,704)
		<u>(302,032)</u>	<u>(272,058)</u>
Total Operating Expenses		<u>(14,366,349)</u>	<u>(4,218,198)</u>

*The audit fee relates solely to the provision of audit services.

4 Directors' Remuneration

The Board determines the fees payable to each Director. At the Annual General Meeting of the Company held on 31 December 2015, a special resolution was passed to amend the Articles of Association of the Company to change the maximum remuneration from US\$75,000 in aggregate for the Board to US\$75,000 per Director per annum. The current remuneration is US\$50,000 per Director per annum.

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

5 Accounts receivable	30/06/2016	31/12/2015
	US\$	US\$
Retention fee receivable	1,049,199	981,548
	1,049,199	981,548

6 Cash and cash equivalents	30/06/2016	31/12/2015
	US\$	US\$
Cash and bank balances	10,314,531	291,929
	10,314,531	291,929

All cash and bank balances are held with State Street Bank & Trust Company, which is rated AA- by Standard & Poor's (31 December 2015: AA-).

7 Accounts payable	30/06/2016	31/12/2015
	US\$	US\$
Accrued expenses	(11,296,811)	(693,439)
	(11,296,811)	(693,439)

8 Share capital

Shares - Equity

On incorporation of the Company on 13 September 2006, the authorised share capital was US\$500,000,000 made up of 500,000,000 shares of a par value of US\$1.00 each, having the rights set out in the Articles. By virtue of an Ordinary Resolution of the Company passed on 19 December 2008 and with the sanction of an Order of the Grand Court of the Cayman Islands dated 31 July 2009, the authorised share capital was amended to US\$10,000,000 made up of 1,000,000,000 shares of a par value of US\$0.01 each. Consequently, and by virtue of a Special Resolution of the Company passed on 19 December 2008 and with the sanction of an Order of the Grand Court of the Cayman Islands dated 31 July 2009, the issued share capital of the Company was reduced from US\$486,931,392 made up of 486,931,392 shares of US\$1.00 each, to US\$4,869,314 made up of 486,931,392 shares of US\$0.01 each.

The shares constitute the only class of shares in the Company. The Company had originally issued one subscriber share which was subsequently repurchased by the Company at par. All Shares have the same rights, whether in regard to voting, dividends, return of share capital and otherwise.

Subject to the approval of the Irish Stock Exchange, the Company may hold treasury shares through one of its 10 wholly-owned SPEs as listed in Note 1.

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

8 Share capital (cont/d)

Shares – Equity (cont/d)

The Investment Manager has the sole discretion to direct the purchase or sale of such treasury shares of the Company so as to facilitate a market in the shares where, in its discretion, it considers that there is a significant difference between the NAV per share and the trading price per share in the market, but subject to certain conditions as detailed in the Prospectus.

In June 2015, the Company cancelled a total of 48,631,392 shares. As a result, the issued share capital of the Company reduced from 486,931,392 shares to 438,300,000 shares. The cancellation of the shares is shown as a movement through the share premium account as disclosed in the Statement of Changes in Equity.

A further 13,000,000 treasury shares were purchased by Teignmouth Limited between September and December 2015 with a further 1,550,000 treasury shares purchased by Teignmouth Limited between February and May 2016, bringing the total of treasury shares held by Teignmouth Limited at 30 June 2016 to 14,550,000 (31 December 2015: 13,000,000).

9 Share premium

	30/06/2016	31/12/2015
	US\$	US\$
Balance at start of period/year	442,909,344	471,302,202
Balance at end of period/year	441,960,634	442,909,344

10 Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	30/06/2016	30/06/2015
	US\$	US\$
Earnings for the purpose of the basic and diluted earnings	40,925,300	(1,558,003)
Weighted average number of shares for the basic and diluted earnings per share (shares in issue net of treasury shares (note 8))	424,431,344	441,522,909

Basic earnings per share is calculated by dividing the earnings attributable to shareholders by the weighted average number of shares in issue during the period.

Diluted earnings per share is calculated by adjusting the earnings attributable to shareholders and the weighted average number of shares outstanding for the effects of dilutive potential shares. No dilutive potential shares existed at the year end.

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

11 Significant Agreements

Custodian

State Street Custodial Services (Ireland) Limited acts as Custodian to the Company, pursuant to the Custodian Agreement dated 10 November 2006. The Custodian fees are charged based on the NAV of the Company (not to exceed 18 basis points per annum) on a monthly basis in arrears as defined in the prospectus. The Custodian will also be entitled to be reimbursed by the Company for all transaction costs attributable to the Company and incurred by the Custodian from time to time and any appropriately incurred third party fees and expenses, including fees of any sub-custodian appointed by the Custodian at market rates.

Administrator

The Company and the Investment Manager have appointed State Street Fund Services (Ireland) Limited pursuant to an agreement dated 10 November 2006. The Administration fee is billed and payable monthly based on the average monthly net assets. The current rates for the Administration fee are 9 basis points per annum for the first US\$100 million net assets, 8 basis points per annum for net assets between US\$100 and US\$300 million and 6 basis points per annum for net assets in excess of US\$300 million subject to a minimum monthly charge of US\$8,000 per SPE and a maximum fee of 12 bps per annum of the NAV of the Company.

Investment Manager

Pursuant to an agreement dated 15 November 2006, as amended and restated on 30 April 2009 (the "IMA") the Company has delegated its discretionary investment management function to DeAM Asia. On 18 May 2016, the Fund announced to the ISE that it had received from DeAM Asia notice of its resignation as Investment Manager. The termination of the IMA will be effective on 30 September 2016.

Investment management fees are charged based on the NAV of the Company on a monthly basis. The current rate for the investment management fee is 170 basis points per annum.

In addition to the investment management fee a performance fee is payable on the achievement of a performance target as set out in this note.

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

11 Significant Agreements (cont/d)

Sub Investment Manager and Segregated Fund Manager

From the Effective Date, DeAM Asia, pursuant to its authority and discretion under the terms of IMA, delegated certain of its investment management duties to Duxton, who have been appointed as Sub-Investment Manager. The Investment Manager has also appointed PXP to manage certain segregated funds of the Company.

The Board is in the final stages, subject to ISE approval, of appointing Duxton to succeed DeAM Asia as the Company's Investment Manager following the resignation of DeAM Asia and termination of the IMA.

Performance Fees

For the purpose of calculating performance fees, the Investment Manager's Sub-Portfolio excludes any Segregated Funds managed by Segregated Fund Managers. The performance fee earned for the period by DeAM Asia was US\$9,945,760 (June 2015: US\$106,761) of which US\$9,945,760 was outstanding at period end (Dec 2015: US\$Nil). The performance fee earned for the period by PXP was US\$554,993 (Dec 2015: US\$320,283) of which US\$554,993 was outstanding at period end (Dec 2015: US\$Nil).

Duxton was paid a performance fee directly by DeAM Asia, from the performance fee paid to DeAM Asia detailed above. The performance fee paid by DeAM Asia to Duxton for the period ended 30 June 2016 was US\$4,972,880 (June 2015: US\$53,381) of which US\$4,972,880 was outstanding at the period end (Dec 2015: US\$Nil).

The Company pays performance fees to the Investment Manager in arrears within 30 days from the end of each calculation period and is calculated by reference to the unaudited accounts of the Company. The calculation periods are between 1 January and the last valuation date in June and between 1 July and 31 December each year. The performance fee calculation is not based on a high water mark. Each calculation period is independent of previous calculation periods i.e. a decline in the NAV of a Sub-Portfolio in one calculation period will not affect the payment of performance fees for this Sub-Portfolio in future calculation periods.

The Company pays a performance fee on the Investment Manager's Sub Portfolio if the Investment Manager's Sub-Portfolio generates a return greater than 8% on an annualised basis during a calculation period.

An enhanced performance fee is payable if the Investment Manager's Sub-Portfolio generates a return greater than 10% on an annualised basis during a calculation period.

Under the terms of the IMA, there is no termination fees due to DeAM Asia as the Investment Manger upon its resignation effective 30 September 2016.

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

12 Taxation

There are no taxes on income or gains in the Cayman Islands and the Company has received an undertaking from the Governor in Council of the Cayman Islands, under the Tax Concessions Law (1999 Revision), exempting it from all local income, profits and capital taxes until 26 September 2026. Accordingly, no provision for income taxes payable in the Cayman Islands is included in these financial statements.

Dividend and interest income received by the Company may be subject to withholding tax imposed in the country of origin. The investment income and any associated withholding tax is recorded in the net gain on investments at fair value through profit or loss in the Consolidated Statement of Comprehensive Income.

The financial statements assume that the tax consequences for the Group as a result of its investments held by the subsidiary companies in Vietnam will be as follows:

Dividends

The Company is currently not subjected to any additional corporate income tax in Vietnam on dividends the Company receives from the tax-paid profits of Vietnamese companies. Remittance of the dividends outside of Vietnam is also currently free of all taxes.

Interest

Effective March 1, 2012, non-resident institutional investors are subject to a 5% withholding tax rate on interest income received from corporate and government bonds and certificates of deposit (CDs).

Disposals

The Company and its non-resident subsidiaries will be subject to a "deemed profits" tax in Vietnam when the Company's subsidiaries dispose of any listed securities, bonds or fund certificates of its investee companies. This tax is equivalent to 0.1% of the proceeds received from the transfer. No relief is allowed for transaction costs and no allowance is taken for the cost of investments or currency losses (i.e. the existence of actual profits is irrelevant). The tax is netted against the realised gains / (losses) as part of the 'net gain on investments at fair value through profit or loss' within the Consolidated Statement of Comprehensive Income.

For investee companies where the Company invests in the capital of limited liability companies or shares in private companies (e.g. certain private equity transactions), the Company will be subject to a "capital assignment" tax on any gain made when the Company sells or transfers this ownership interest or shares to another party. This tax will be charged at a rate of 20% from 1 January 2016 on the difference between the assignment proceeds and the original value of the assigned capital, less the transaction costs. The original value of the assigned capital is the actual capital amount which has been contributed by the transferor as at the assignment date, as supported by and based on accounting books and documents or the price at which the Company has acquired the shares.

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

12 Taxation (cont/d)

Deferred Tax

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the reporting date. Provision is made at the rates expected to apply when the temporary differences reverse.

Temporary differences are differences between the carrying amount of an asset or liability in the Statement of Financial Position and its tax base.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The deferred tax relates to the subsidiaries and is therefore disclosed in the Consolidated Statement of Comprehensive Income in the net gain on investments at fair value through profit or loss and disclosed in the Consolidated Statement of Financial Position in financial assets at fair value through profit and loss.

The deferred tax position as at 30 June 2016 was US\$Nil (31 Dec 2015: US\$Nil). If applicable, the movement is reflected in the Consolidated Statement of Comprehensive Income.

13 Related Party Transactions

In accordance with IAS 24 'Related Party Disclosures', the following are the related parties and associated related party transactions of the Company for the period ended 30 June 2016.

Transactions with entities with significant influence;

DeAM Asia earned a fee of US\$2,930,748 (June 2015: US\$2,910,320) of which US\$534,619 was outstanding at the period end (Dec 2015: US\$460,101). The performance fee earned for the period by DeAM Asia was US\$9,945,760 (June 2015: US\$106,761) of which US\$9,945,760 was outstanding at period end (Dec 2015: US\$Nil).

Duxton earned a performance fee of US\$4,972,880 (June 2015: US\$53,381) of which US\$4,972,880 was outstanding at the period end (Dec 2015: US\$Nil). The performance fee is paid to Duxton directly by DeAM as part of its own performance fee.

PXP earned a management fee for the period of US\$229,408 (June 2015: US\$208,679) of which US\$119,155 was outstanding at period end (Dec 2015: US\$115,462). In addition, PXP earned a performance fee for the period of US\$554,993 (June 2015: US\$320,283) of which US\$554,993 was outstanding at period end (Dec 2015: US\$Nil)

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

13 Related Party Transactions (cont/d)

Transactions with key management personnel;

The total fees earned by the independent Directors during the period was US\$86,339 (June 2015: US\$3,000).

Transactions with subsidiaries;

In accordance with the Prospectus and the Articles of Association, the Company may structure any or all of its investments through wholly-owned subsidiaries which act as special purpose holding companies incorporated outside Vietnam.

These subsidiaries as listed in Note 1 are managed by DeAM Asia.

14 Interests in other entities

Investment entity status

To adopt the amendment to IFRS 10 and to be exempt from preparing consolidated financial statements, the Company must meet the definition of an IE. The Board has determined that the Company meets both the required criteria and typical characteristics of an IE.

The IFRS 12 disclosures relate to the Company's involvement with:

- a) Unconsolidated SPEs as listed in Note 1.
- b) Structured entities interests held via SPE subsidiaries.
- c) Associated companies interests held via the SPE subsidiaries.

Interest in unconsolidated subsidiary entities

At 30 June 2016, the Company has ten subsidiary entities as defined under IFRS 10. These are noted as financial assets at fair value in the Consolidated Statement of Financial Position. See Note 1 for details of these. Of these, Teignmouth Limited is consolidated as that subsidiary only holds treasury shares on behalf of the Company. The other nine subsidiary entities are unconsolidated as detailed in Note 2(c).

'Subsidiaries' are investee companies controlled by the Company. The Company 'controls' an investee company if it is exposed to, or has rights to, variable returns from its involvement with the investee company and has the ability to affect those returns through its power over the investee company.

The Company is an IE and measures investments in its investment entity subsidiaries, through which it holds its underlying investment portfolio, at fair value through profit or loss. In determining whether the Company meets the definition of an investment entity, management considered the structure as a whole.

Interests in non-subsidiary unconsolidated structured entities

The Board has concluded that it has no directly held unconsolidated structured entities. However it does hold structured entities via its SPE subsidiaries. These structured entity interests form part of the SPE subsidiaries fair value that is reflected in the financial assets at fair value in the Company's Consolidated Statement of Financial Position.

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

14 Interests in other entities (cont/d)

Interests in associated companies

The Company has concluded that it has two investments in associated companies, Anova Corporation and Corbyns International Limited, held via the SPE subsidiaries. These associated company interests form part of the SPE subsidiaries fair value that is reflected in the financial assets at fair value in the Company's Consolidated Statement of Financial Position. The sub-Investment Manager is represented on the Board of Directors of these two associated companies and has therefore determined that the Company holds significant influence over these associated companies.

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

14 Interests in other entities (cont/d)

Interests in unconsolidated IE subsidiary undertakings as at 30 June 2016:

Structured Entity	Nature	Proportion of Ownership Interest Held	Company's holding in Fair Value (US\$)	% of Total Financial Assets at Fair Value through Profit or Loss	Maximum exposure to losses (US\$)
Epsom Limited	Wholly owned subsidiary	100%	60,254,430	16.90%	60,254,430
Lionel Hill Limited	Wholly owned subsidiary	100%	16,552,075	4.64%	16,552,075
Beira Limited	Wholly owned subsidiary	100%	214,428,083	60.13%	214,428,083
Prime Limited	Wholly owned subsidiary	100%	1,846,431	0.52%	1,846,431
Greystanes Limited	Wholly owned subsidiary	100%	33,747,894	9.46%	33,747,894
Siglap Limited	Wholly owned subsidiary	100%	9,521,373	2.67%	9,521,373
Hephaestus Limited	Wholly owned subsidiary	100%	20,249,226	5.68%	20,249,226
Total			356,599,512	100.00%	356,599,512

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

14 Interests in other entities (cont/d)

Interests in unconsolidated IE subsidiary undertakings as at 31 December 2015:

Structured Entity	Nature	Proportion of Ownership Interest Held	Company's holding in Fair Value (US\$)	% of Total Financial Assets at Fair Value through Profit or Loss	Maximum exposure to losses (US\$)
Epsom Limited	Wholly owned subsidiary	100%	55,527,512	17.56%	55,527,512
Lionel Hill Limited	Wholly owned subsidiary	100%	12,994,505	4.11%	12,994,505
Beira Limited	Wholly owned subsidiary	100%	188,228,350	59.55%	188,228,350
Prime Limited	Wholly owned subsidiary	100%	1,943,940	0.61%	1,943,940
Greystanes Limited	Wholly owned subsidiary	100%	30,047,939	9.51%	30,047,939
Siglap Limited	Wholly owned subsidiary	100%	8,022,271	2.54%	8,022,271
Hephaestus Limited	Wholly owned subsidiary	100%	19,345,286	6.12%	19,345,286
Total			316,109,803	100.00%	316,109,803

Of the 10 SPE subsidiaries in operation and listed in Note 1, all were active at 30 June 2016 and 31 December 2015 with the exception of Kallang Limited and Tewkesbury Limited which are dormant and hold no assets. Additionally, the Company continues to consolidate Teignmouth Limited (the holder of treasury shares) in its financial statements as detailed in Note 2(1) of the annual financial statements for the year ended 31 December 2015. Consequently, these three SPE subsidiaries are not included in the table above. Furthermore, there are no significant restrictions on the ability of the unconsolidated subsidiaries above to transfer funds or to repay loans or advances made to the unconsolidated subsidiary to the Company and there are no current commitments or intentions to provide financial or other support to the unconsolidated subsidiaries.

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

14 Interests in other entities (cont/d)

Interests in unconsolidated structured entities as at 30 June 2016.

The tables below details the interests in structured entities held by the Company through the SPE subsidiaries, detailed in Note 1.

Structured Entity	Fund Strategy	Company's holding in Fair Value (US\$)	% of Total Net Assets of Structured Entity held by the Company	% of Total Financial Assets at Fair Value through profit or Loss	Maximum exposure to losses (US\$)
Vietnam Enterprise Investments Limited	Primarily listed equity with OTC equity	37,379,030	5.19%	10.48%	37,379,030
Vietnam Blue-Chips Investment Fund	Primarily listed equity with OTC equity	1,187,941	8.87%	0.33%	1,187,941
Vaneck Vectors Vietnam	ETF	1,314,900	0.39%	0.37%	1,314,900
Total		39,881,871		11.18%	39,881,871

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

14 Interests in other entities (cont/d)

Interests in unconsolidated structured entities as at 31 December 2015.

The tables below details the interests in structured entities held by the Company through the SPE subsidiaries, detailed in Note 1.

Structured Entity	Fund Strategy	Company's holding in Fair Value (US\$)	% of Total Net Assets of Structured Entity held by the Company	% of Total Financial Assets at Fair Value through profit or Loss	Maximum exposure to losses (US\$)
PXP Vietnam Emerging Equity Fund	Primarily listed equity	4,466,376	3.46%	1.41%	4,466,376
Vietnam Enterprise Investments Limited	Primarily listed equity with OTC equity	32,764,905	5.05%	10.37%	32,764,905
Vietnam Blue-Chips Investment Fund	Primarily listed equity with OTC equity	1,043,089	8.28%	0.33%	1,043,089
Market Vectors Vietnam	ETF	1,774,800	0.47%	0.56%	1,774,800
Total		40,049,170		12.67%	40,049,170

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

14 Interests in other entities (cont/d)

Interests in associated companies as at 30 June 2016

The table below details the interests in associated companies held by the Company through the SPE subsidiaries detailed in Note 1.

Associated Company	Nature	Company's holding in Fair Value (US\$)	% of Total Net Assets of Associated Company held by the Company	% of Total Financial Assets at Fair Value through Profit or Loss	Maximum exposure to losses (US\$)
Anova Corporation	Common stock	7,338,561	6.3%	2.06%	7,338,561
Anova Corporation	Long term bond	8,533,041	10.0%	2.39%	8,533,041
Corbyns International Limited	Convertible loan	18,591,363	24.40%	5.21%	18,591,363
Total		34,462,965		9.66%	34,462,965

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

14 Interests in other entities (cont/d)

Interests in associated companies as at 31 December 2015

The table below details the interests in associated companies held by the Company through the SPE subsidiaries detailed in Note 1.

Associated Company	Nature	Company's holding in Fair Value (US\$)	% of Total Net Assets of Associated Company held by the Company	% of Total Financial Assets at Fair Value through Profit or Loss	Maximum exposure to losses (US\$)
Anova Corporation	Common stock	6,183,466	9.34%	1.96%	6,183,466
Anova Corporation	Long term bond	6,533,506	9.86%	2.07%	6,533,506
Corbyns International Limited	Convertible loan	18,299,092	24.40%	5.79%	18,299,092
Total		31,016,064		9.82%	31,016,064

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

15 Financial Instruments

The Company's financial risk management objectives and policies continue to be consistent with those disclosed in the Company's audited financial statements as at and for the year ended 31 December 2015.

Fair Value Information and Hierarchy

This note describes the fair value measurement of the assets and liabilities of the Company and also the assets and liabilities the Company's wholly owned subsidiaries.

IFRS 13, "Fair value measurement", requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices for identical or similar instruments in markets that are considered less than active including securities priced using quotations received from brokers, whenever available and considered reliable; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

15 Financial Instruments (cont/d)

Fair Value Information and Hierarchy (cont/d)

The following table analyses within the fair value hierarchy the Group's financial instruments measured at fair value at 30 June 2016:

Financial assets and liabilities at fair value through profit or loss	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total Fair Value US\$
Collective Investment Schemes	1,314,900	38,566,971	-	39,881,871
Listed Equities	206,408,164	-	-	206,408,164
Unlisted Equities	-	-	70,141,378	70,141,378
Long Term Bonds	-	-	10,580,182	10,580,182
Convertible Loan	-	-	18,591,363	18,591,363
Total	207,723,064	38,566,971	99,312,923	345,602,958
Cash and cash equivalents	4,765,239	-	-	4,765,239
Other assets	-	6,231,315	-	6,231,315
Other liabilities	-	-	-	-
Deferred tax	-	-	-	-
Net financial assets at fair value through profit or loss	212,488,303	44,798,286	99,312,923	356,599,512
Financial assets and liabilities at amortised cost				
Cash and cash equivalents	10,314,531	-	-	10,314,531
Other assets	-	1,049,199	-	1,049,199
Other liabilities	-	(11,296,811)	-	(11,296,811)
Net financial assets at amortised cost	10,314,531	(10,247,612)	-	66,919
Total net assets	222,802,834	34,550,674	99,312,923	356,666,431

The Company's unconsolidated subsidiary undertakings are categorized as Level 3 as their prices are not quoted but their values are measured on the fair value of the underlying investments and other assets and liabilities including the deferred tax provision, held by these subsidiaries.

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

15 Financial Instruments (cont/d)

Fair Value Information and Hierarchy (cont/d)

The following table analyses within the fair value hierarchy the Group's financial instruments measured at fair value at 31 December 2015:

Financial assets and liabilities at fair value through profit or loss	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total Fair Value US\$
Collective Investment Schemes	1,774,800	38,274,370	-	40,049,170
Listed Equities	175,295,399	-	-	175,295,399
Unlisted Equities	-	-	64,306,795	64,306,795
Equity options	-	-	5,841	5,841
Long Term Bonds	-	473,180	8,732,198	9,205,378
Convertible Loan	-	-	18,299,092	18,299,092
Total	177,070,199	38,747,550	91,343,926	307,161,675
Cash and cash equivalents	5,960,187	-	-	5,960,187
Other assets	-	18,267,449	-	18,267,449
Other liabilities	-	(15,279,508)	-	(15,279,508)
Deferred tax	-	-	-	-
Net financial assets at fair value through profit or loss	183,030,386	41,735,491	91,343,926	316,109,803
Financial assets and liabilities at amortised cost				
Cash and cash equivalents	291,929	-	-	291,929
Other assets	-	981,548	-	981,548
Other liabilities	-	(693,439)	-	(693,439)
Net financial assets at amortised cost	291,929	288,109	-	580,038
Total net assets	183,322,315	42,023,600	91,343,926	316,689,841

Transfers between levels of the fair value hierarchy are deemed to have occurred when the pricing source or methodology used to price an investment has changed which triggers a change in level as defined under IFRS 13. There were no transfers between the fair value hierarchy levels during the six months ended 30 June 2016 and year ended 31 December 2015.

Level 3 Reconciliation

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 during the year ended 30 June 2016:

	Listed &Unlisted Equities* US\$	Long Term Bonds US\$	Convertible Loan US\$	Total US\$
Opening Balance	64,312,636	8,732,198	18,299,092	91,343,926
Realised losses	-	-	-	-
Unrealised gains	5,828,742	1,847,984	292,271	7,968,997
Purchases	-	-	-	-
Sales	-	-	-	-
Transfers out of Level 3	-	-	-	-
Transfers into Level 3	-	-	-	-
Closing Balance	70,141,378	10,580,182	18,591,363	99,312,923

*Includes equity options.

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

15 Financial Instruments (cont/d)

Fair Value Information and Hierarchy (cont/d)

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 during the year ended 31 December 2015:

	Unlisted Equities*	Long Term Bonds	Convertible Loan	Total
	US\$	US\$	US\$	US\$
Opening Balance	61,105,986	8,033,717	15,329,917	84,469,620
Realised gains	(1,155,986)	-	-	(1,155,986)
Unrealised (losses)/gains	2,312,714	(1,637,708)	2,969,175	3,644,181
Purchases	2,431,828	2,336,189	-	4,768,017
Sales	(381,906)	-	-	(381,906)
Transfers out of Level 3	-	-	-	-
Transfers into Level 3	-	-	-	-
Closing Balance	64,312,636	8,732,198	18,299,092	91,343,926

*Includes equity options.

As at 30 June 2016, the Company held investments in 7 (31 December 2015: 7) SPEs in the form of a combination of illiquid common stock, a convertible bond and a convertible loan which are categorized as level 3 investments under IFRS 13. The companies listed hereunder are valued in accordance with the Company's Articles of Association (Article 101(d)(v)) on the basis of recommendations by Deutsche Bank AG's Global Valuations Group (GVG), which are based on information relating to these companies provided by Duxton and accepted by the Board.

Sensitivity Analysis of Unlisted Positions

Anova	– Convertible Bond & Equity Position
Corbyns	– Convertible Loan
Greenfeed	– Equity Position
NBB	– Convertible Bond
SSGA	– Equity Position
VTC Online	– Equity Position

Equity Positions Valuation Synopsis

Base value of assets represent the equity value and was valued using the average of the P/E or P/S multiple approach and the DCF model. In the base case of the multiples approach, a basket of market comparables was selected and the mean of their multiples calculated. The mean multiple was then used to calculate the equity value of each investment. In the DCF forecast model, the key unobservable inputs are the discount rate, the terminal growth rate and/or NAV discount.

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

15 Financial Instruments (cont/d)

Fair Value Information and Hierarchy (cont/d)

The range of assumptions used for the base case valuations are as follows:

30 June 2016:

- Discount rate: 12.40% to 20.56%
- Growth rate: 3.00% to 4.00%
- P/E multiple: 13.37x to 18.50x
- P/S multiple: 1.80x
- NAV discount: 65%

31 December 2015:

- Discount rate: 12.77% to 18.55%
- Growth rate: 3.00% to 4.00%
- P/E multiple: 14.75x to 18.55x
- P/S multiple: 1.80x
- NAV discount: 65%

As required under IFRS 13, the valuation spread for the purpose of presenting sensitivity analysis for each level 3 security has been determined by GVG based on what management consider are the reasonable possible alternative assumptions used as part of each valuation.

In the sensitivity analysis, to calculate the equity value in the best/worst case scenarios, the following variances to the input variables have been applied where applicable to each position:

30 June 2016:

- Changes in the discount rate: +/- 2%
- Changes in the growth rate : +/- 1%
- Changes in the P/E multiple: +/- 5x
- Changes in the P/S multiple: +/- 1.5x
- Changes in the NAV discount: +/- 15%
- Changes in the Spot value of asset: +/- 25%

31 December 2015:

- Changes in the discount rate: +/- 2%
- Changes in the growth rate : +/- 1%
- Changes in the P/E multiple: +/- 5x
- Changes in the P/S multiple: +/- 1.5x
- Changes in the NAV discount: +/- 15%
- Changes in the Spot value of asset: +/- 25%

Convertible Bond Valuation Synopsis

The Convertible Bond positions are valued using the internal DB pricing library, DB Analytics. Inputs into the Convertible Bond model include credit spreads, implied volatility of conversion, the spot value of asset (the stock value), recovery rates and/or credit volatility for both day one and the current valuation dates.

Credit spreads represents the pure credit risk of the company. As the availability of credit spreads are harder to quantify due to a lack of observable points, we estimated the changes in credit spreads: +/- 150bps.

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

15 Financial Instruments (cont/d)

Fair Value Information and Hierarchy (cont/d)

Implied volatility of conversion represents the implied volatility of the embedded optionality in the structure. This is based on the historical variance in the market comparable's equity volatilities. A study on the market comparables' equity volatility has been done and the result shows that the gap between the highest/ lowest volatility and the mean volatility is ~10%. This represents our best estimates of the variation in implied volatility.

30 June 2016:

- Changes in the implied volatility: +/- 10%

31 December 2015:

- Changes in the implied volatility: +/- 10%

Portfolio values and best and worst case scenarios as at 30 June 2016 and 31 December 2015 are as follows:

30 June 2016

Base Case: USD 99,312,923

Best Case: USD 130,804,853

Worst Case: USD 73,743,964

31 December 2015:

Base Case: US\$91,343,926

Best Case: US\$118,429,213

Worst Case: US\$69,596,406

16 Segmental Reporting

IFRS 8 'Operating Segments' requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes.

The Board, DeAM Asia and Duxton are considered the Chief Operating Decision Maker (CODM) for the purposes of IFRS 8.

Duxton is responsible for decisions in relation to both asset allocation, asset selection and any Segregated Fund Manager delegation. Duxton has been given authority to act on behalf of the Company, including the authority to purchase and sell securities and other investments on behalf of the Company and to carry out other actions as appropriate to give effect thereto. Any changes to the investment strategy outside of the Articles must be approved by the Board and then the Company's shareholders in accordance with the terms of the Prospectus and the Company's Articles.

The Company operates a single operating segment under IFRS 8 with all cash and investment holdings being managed at a Company level. Cash is allocated to Duxton who has full responsibility for the investment of cash for the Company. In addition to cash, there are four separate asset classes namely listed securities, unlisted securities, fixed income securities and collective investment schemes. However, the allocation of resources is based on an analysis of future market expectations by Duxton rather than the past performance of the asset classes. Duxton can further delegate the investment management responsibility for an amount of cash to a Segregated Fund Manager, if required.

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

16 Segmental Reporting (cont/d)

As at 31 December 2015, the Company held investments managed by Duxton and PXP. PXP was appointed by the Company and managed a portion of the cash during the period. Notwithstanding the fact that a performance fee is payable separately to Duxton and PXP, the decision on the allocation of resources is not based on their individual performance.

The Company is incorporated in the Cayman Islands and its primary objective is to invest directly or indirectly in companies that do some or all of their business in Vietnam. Some of the Company's investments are held in countries other than Vietnam such as United Kingdom, Germany, Hong Kong, Netherlands and the United States of America which give exposure to Vietnam. All of the Company's income is from investments in these entities.

The investments are allocated across five separate asset types namely collective investment schemes, listed securities, unlisted securities, fixed income securities and cash and the income earned from these investments is reflected in the Consolidated Statement of Comprehensive Income. The Company has a highly diversified portfolio of underlying investments and no single investment accounts for more than 17.53% of the Company's net assets.

17 Commitments

There were no commitments to investment as at 30 June 2016 or 31 December 2015.

18 Significant events during the period

In January 2016, the Fund announced to the Irish Stock Exchange ("ISE") details of the voting results of the Annual General Meeting that was held on 31 December 2015. The resolutions to re-elect Wade Kenny and Ronan Guilfoyle as directors of the Fund were not passed. Jason Fitzgerald and Kevin A Phillip were appointed as replacement directors of the Fund. In addition, Martin Adams and Judd Kinne were also appointed to the Board. For more information on the AGM voting results, refer to the AGM announcements in January 2016, available on the Irish Stock Exchange.

On 19 February 2016 Judd Kinne and Martin Adams were appointed as Directors of the Company.

On 18 May 2016, the Fund announced to the ISE that it had received from Deutsche Asset Management (Asia) Limited ("DeAM Asia") notice of its resignation as investment manager of the Company. The termination of the investment manager agreement ("IMA") will be effective on 30 September 2016.

The Board has entered into discussions with Duxton Asset Management Pte. Ltd. ("Duxton") with regard to investment management of the Company following the resignation of DeAM Asia and termination of the IMA. Duxton currently provides investment management and advisory services in relation to the Company's investments on the terms of a sub-delegation agreement between DeAM Asia and Duxton which has been in effect since 30 April 2009. That sub-delegation agreement will automatically terminate on 30 September 2016. The Board is in the final stages, subject to ISE approval, of appointing Duxton to succeed DeAM Asia as the Company's Investment Manager.

On 31 May 2016, the Fund announced a change in its registered address following the change of name of its Corporate Service provider in the Cayman Islands from CARD Corporate Services Ltd to DMS Corporate Services Ltd. For more information, refer to the announcement on the Irish Stock Exchange.

DWS VIETNAM FUND LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

19 Significant events after the period end

The Board intends to convene an annual general meeting of the Fund ("AGM") to take place no later than 30 September 2016. The Company will issue a circular to shareholders including formal notice of the AGM in advance of the meeting, which will contain further detailed information for shareholders. This will include instructions to investors as to how they may vote at the AGM.

At the AGM shareholders will be requested to vote on resolutions to restructure or wind up the Company effective 31 December 2016. If the restructuring resolution is passed, the Board intends to bring forward detailed proposals for the restructuring of the Company for approval by shareholders in December 2016. If the winding up resolution is passed, the Board will convene an extraordinary general meeting of the Company to place the Company in voluntary liquidation, and appoint a liquidator, with effect from 31 December 2016. A resolution to change the name of the Company will also be proposed as required by the IMA, due to the resignation of DeAM Asia as described above.

20 Approval of the financial statements

The accounts were approved by the Board on 30 August 2016.

DWS VIETNAM FUND LIMITED

OTHER INFORMATION

Registered Office

dms House,
20 Genesis Close,
P.O. Box 1344,
Grand Cayman KY1-1108,
Cayman Islands

Directors

Jason Fitzgerald (independent)
Kevin A Phillip (independent)
Judd Kinne (independent) (appointed 19 February 2016)
Martin Adams (independent) (appointed 19 February 2016)

All Directors are non-executive and independent.

Investment Manager

Deutsche Asset Management (Asia) Limited,
One Raffles Quay #17-10,
Singapore 048583

Sub-Investment Manager

Duxton Asset Management Pte Limited,
40 Duxton Hill Level 4,
Singapore 089618

Custodian

State Street Custodial Services (Ireland) Limited,
78 Sir John Rogerson's Quay,
Dublin 2,
Ireland

Administrator, Registrar and Transfer Agent

State Street Fund Services (Ireland) Limited,
78 Sir John Rogerson's Quay,
Dublin 2,
Ireland

Legal Advisor to the Company on Vietnamese Law

Freshfields Bruckhaus Deringer,
Saigon Tower, Suite 1108,
29 Le Duan Boulevard,
District 1, Ho Chi Minh City,
Vietnam

DWS VIETNAM FUND LIMITED

OTHER INFORMATION (CONT/D)

Legal Advisor to the Company on English Law

Freshfields Bruckhaus Deringer,
65 Fleet Street,
London EC4Y 1HT,
United Kingdom

Legal Advisor to the Company on Cayman Islands Law

Ogier,
89 Nexus Way,
Camana Bay,
Grand Cayman,
Cayman Islands KY1-9009

Company Secretary

DMS Corporate Services Ltd.,
dms House,
20 Genesis Close,
P.O. Box 1344,
Grand Cayman KY1-1108,
Cayman Islands

Auditors

KPMG
Chartered Accountants, Statutory Audit Firm,
1 Harbourmaster Place,
International Financial Services Centre,
Dublin 1,
Ireland

Irish Listing Agent and Irish Paying Agent

Matheson
70 Sir John Rogerson's Quay,
Dublin 2,
Ireland

Dealing Enquiries

Deutsche Asset Management (Asia) Limited
One Raffles Quay #17-10,
Singapore 048583

DWS VIETNAM FUND LIMITED

SUPPLEMENTAL INFORMATION TO THE CONDENSED FINANCIAL STATEMENTS

Reconciliation to dealing NAV	Notes	30/06/2016	31/12/2015	30/06/2015
NAV per IFRS financial statements		US\$356,666,431	US\$316,689,841	US\$316,023,774
Adjustments:				
Value of shares invested in DWS Vietnam Fund	2(c)	US\$9,539,344	US\$7,512,921	-
NAV per dealing NAV		<u>US\$366,205,775</u>	<u>US\$324,202,762</u>	<u>US\$316,023,774</u>

Seasonal or cyclical changes

The Company is not subject to seasonal or cyclical changes.

Exchange rates

The year end exchange rates (to 1USD) are as follows:

		30/06/2016	31/12/2015	30/06/2015
AUD	Australian Dollar	1.3430	1.3745	1.3011
EUR	Euro	0.9001	0.9205	0.8975
HKD	Hong Kong Dollar	7.7580	7.7501	7.7525
SGD	Singapore Dollar	1.3459	1.4186	1.3465
TWD	Taiwan Dollar	32.2590	32.8470	30.8545
VND	Vietnam Dong	22,304.00	22,485.00	21,838.50