

Vietnam Phoenix Fund Limited

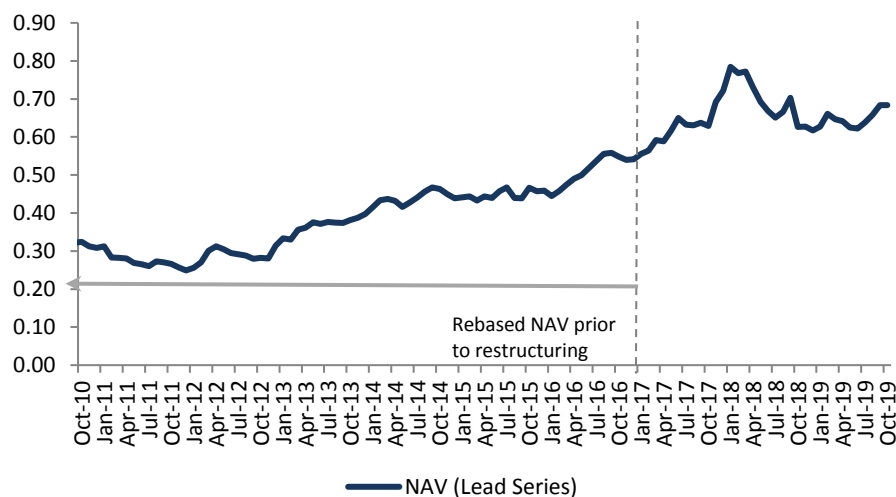
Monthly Factsheet

31th October 2019



CLASS A – Continuation Shares

NAV Performance (USD)



USD (%)	Cumulative Return				Annualised Return			
	1M	3M	6M	YTD	1Y	3Y*	5Y*	7Y*
VPF A (Lead Series)	-0.01	7.07	6.47	10.71	9.13	7.86	8.24	13.57
VNIndex	0.23	0.80	2.23	11.85	9.88	12.10	8.78	12.70
VHIndex	0.00	0.67	-1.95	0.89	0.44	6.79	1.82	8.62

* Includes historical performance of Vietnam Phoenix Fund prior to the restructuring as of 31 Dec 2016. Past performance is not an indicator of future performance.

Top 3 Gainers	Price Change	Contribution to NAV Return
Vietcombank (VCB)	+ 6.8%	+ 0.36%
Khang Dien House (KDH)	+2.7%	+0.21%
Airports Corporation of Vietnam (ACV)	+ 3.9%	+ 0.15%

Top 3 Laggards	Price Change	Contribution to NAV Return
Coteccons (CTD)	- 16.8%	- 0.24%
Ho Chi Minh Securities (HCM)	-6.2%	- 0.13%
Thien Long Group (TLG)	- 4.5%	- 0.10%

Total Net Assets: \$36.90 million

NAV/Share

Lead Series: \$0.6834
Series 3: \$0.9865
Series 4: \$1.0795
Structure: Open-End Fund
Liquidity: Monthly

Identifiers

ISIN Code: KYG9363R1056
 Bloomberg Ticker: VTNPX KY
 Sedol: BDHXL D2

Fund Manager: Benjamin Lim

Website:

www.vietnamphoenixfund.com

Top 10 Holdings (%)

FPT Corp	18.6
Vinamilk	14.3
Khang Dien House	8.0
Mobile World	7.7
Hoa Phat Group	7.3
Vinhomes	7.1
Vietcombank	5.8
Kinh Bac City	5.5
REE Corp	4.5
PV Power	4.2
Total	83.0

Sector Allocation (%)

Real Estate	25.8
Consumers	24.2
Information Technology	18.4
Financials	11.9
Building Materials	7.2
Energy Equip & Svcs	6.3
Others*	6.2
Total	100.0

*Includes Cash & Accruals

Asset Breakdown (%)

Listed Equities	100.0
Cash and accruals^	0.0
Total	100.0

^Adjusted to include pending redemptions.

Voting Rights

The voting rights of all share classes are proportional to the value of shares at the most recent valuation date. As of 31st October 2019, the aggregate voting rights are **84,723,706**.

Vietnam Phoenix Fund Limited

Monthly Factsheet

31st October 2019



CLASS A – Continuation Shares

All opinions expressed in the Fund Manager's report are those of the Fund Manager at the time of writing, and are subject to change, dependent on future changes in the market. Any prediction, projection or forecast on the economy, stock or the economic trends of the markets is not necessarily indicative of the future or likely performance.

Fund Manager's Report

During October 2019, VPF A's NAV dipped by 0.01%. Major contribution came from Vietcombank (VCB) [+6.82% MoM], Khang Dien House (KDH) [+2.75% MoM] and Airports Corporation of Vietnam (ACV) [+3.90% MoM]. The main laggards were Coteccons (CTD) [-16.84% MoM], Ho Chi Minh City Securities (HCM) [-6.17% MoM] and Thien Long Group (TLG) [-4.48% MoM]. The VN-Index returned 0.23% in USD terms during the same month. The main contributors within the VN-Index were bank and airlines stocks.

Vietcombank (VCB) returned 6.82% in October 2019 thanks to strong results for 9M2019. VCB showed a strong growth of 51% YoY in NPATMI to VND 14.1 trillion in 9M 2019. Net interest income rose by 27.0% YoY to VND 25,938 billion, given by credit growth of 12.1% and a rise of 43 bps YoY to 3.18% in net interest margin¹. Moreover, non-interest income rose by 11.7% YoY to VND 9,128 billion, given by an increase of 57.6% YoY to VND 2,535 billion in FX trading fees¹. We view VCB as the industry-leading bank with higher average asset and earnings quality and VCB would be highly favoured for foreign inflows, especially from passive exchange-traded fund instruments (ETF).

Coteccons's (CTD) share price decreased by 16.84% MoM due to poor 3Q results. For 9M 2019, CTD reported net sales of VND 16,262 billion (-22% YoY) and NPAT of VND 478 billion (-60% YoY). The company only fulfilled 60% of its full-year sales target and 37% of its full-year NPAT target. For full-year 2019, CTD target sales of VND 27 trillion (-5% YoY) and NPAT of 1.3 trillion (-14% YoY). As the leading construction company, CTD is suffering from slow-down in real estate sector². The weak results came from lower new contracts value and declining gross margin due to tougher competition². The company's gross profit margin declined from 6.9% in 9M 2018 to 4.4% in 9M 2019. However, we see some positive signals from real estate sector as some big projects such as Vinhome Grand Park, Araki City, Lovera Vista were launched in late Q2-2019 and Q3-2019³.

Ho Chi Minh Securities' (HCM) share price declined by 6.17% MoM. For 9M 2019, HCM posted poor results showing net sales of VND 1,152 billion (-41% YoY) and NPAT of VND 305 billion (-49% YoY). This enabled the company to fulfil 69% of its full-year sale target and 45% of its full-year NPAT target. For full-year 2019, HCM set sale target of VND 1,666 billion (-2% YoY) and NPAT of VND 681 billion (+1% YoY). The top line was driven by a fall of 43% YoY in brokerage revenue to VND 355 billion; a fall of 11% YoY in margin lending revenue to VND 363 billion and a fall of 60% YoY in investment banking revenue. The main reason came from lower liquidity of Vietnamese stock market⁴. For 9M2019, total turnover of Vietnamese stock market decreased by 35% YoY to VND 706,387 billion (USD 30.4 billion)⁴. We believed that Vietnamese stock market can be supported by the economic growth in Vietnam driven by urbanisation and the growing middle-class consumer segment. Moreover, we also expect brokerage firms to be beneficiaries when the ETF inflows are boosted and if Vietnamese stock market is upgraded to emerging market status.

1. Source: VCB Management
2. Source: CTD Management
3. Source: VHM, NLG, KDH Management
4. Source: HCM Management

Vietnam Phoenix Fund Limited

Monthly Factsheet

31st October 2019



CLASS C – Private Equity Shares

USD (%)	Cumulative Return				Annualised Return			
	1M	3M	6M	YTD	1Y	3Y*	5Y*	7Y*
VPF C	-3.44	-3.11	-25.37	-25.28	-18.1	-9.9	-2.8	5.2

* Includes historical performance of Vietnam Phoenix Fund prior to the restructuring as of 31 Dec 2016. Past performance is not an indicator of future performance.

The Private Equity asset pool contains unlisted investments and other illiquid listed investments. Unlisted investments will be re-valued every six months, or sooner in case of a significant event. The unlisted investments within the pool were last valued by Grant Thornton Vietnam Ltd in June 2019.

Fund Manager's Report

The NAV per share of the Class C Shares decreased 3.44% in October mainly due to the adjustment of Corbyns' valuation.

Greenfeed's final tranche of the sales proceeds (USD 3.8mn) has been received. The Investment Manager is in the process of transferring the proceeds to the Fund's custodian USD bank account with State Street.

Together with dividends received, the Fund has achieved an exit return multiple of 4.8x (US dollars) and an internal rate of return on investment of 23.6%.

The sales process for **Anova** continues to progress well. Two investors have been shortlisted to conduct advanced due diligence over the next 2 to 3 months. The Fund aims to finalize its exit by the end of Q1 2020.

On **Corbyns**, the Fund Manager is finalising the details of the Share Purchase Agreement (SPA) with the potential investor. The SPA is expected to be signed on 29 November 2019 with the remaining USD 14mn to be paid thereafter.

The valuation for Corbyns has been adjusted to USD 15mn to reflect the realisation proceeds expected from this exit strategy.

Net Assets: \$47.82 million
NAV/Share: \$0.2527
Shares Out: 189,256,596

Identifiers

ISIN Code KYG2886W1078
Bloomberg Ticker VTNPXCY
Sedol B1FHXT2

Fund Manager: Sharon Seet

Website:

www.vietnamphoenixfund.com

Market Makers

Jefferies International
Michele White <JCEF> GO
mwhite@jefferies.com

Numis Securities
Dave Cumming <NUMI> GO
d.cumming@numis.com

FinnCap
Johnny Hewitson <JMFC> GO
jhewitson@finncap.com

Top 10 Holdings (%)

Anova Corp	39.1
Corbyns International	31.4
VTC Online	7.7
SSG Group	2.8
Total	81.0

Asset Breakdown (%)

Invested Securities	81.0
Cash and accruals	19.0
Total	100.0

Voting Rights

The voting rights of all share classes are proportional to the value of shares at the most recent valuation date. As of 31st October 2019, the aggregate voting rights are **84,723,706**.

Vietnam Phoenix Fund Limited

Monthly Factsheet

31st October 2019



CLASS C – Private Equity Shares

On **VTC Online**, the Investment Manager attended the Annual General Meeting on 22 October 2019 and discussed with the shareholders of the company on the sale of the 18 Tam Trinh building to return capital to the Fund. The representative from the major shareholder remains committed to working with the Investment Manager to sell the building.

On **SSGA**, the Fund Manager expects to commence negotiation with SSGA's management and other shareholders again at the end of November 2019.

The Fund has conducted four redemption exercises to return capital to investors post restructuring of the Fund in January 2017.

S/No	Redemption Tranche	NAV/ share	Remarks
1	10%	USD 0.3222	June 2018's NAV
2	13%	USD 0.3375	March 2019's NAV
3	8%	USD 0.2609	Aug 2019's NAV
4	38%	USD 0.2617	Sept 2019's NAV

Vietnam Phoenix Fund Limited

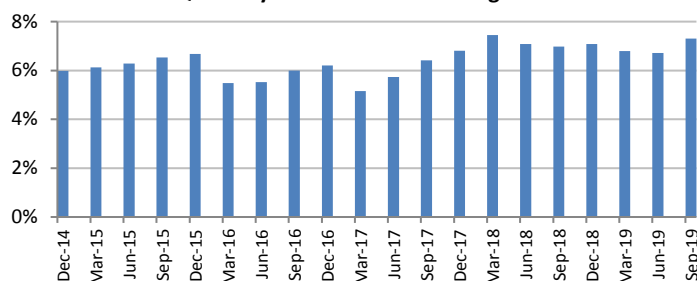
Monthly Factsheet

31st October 2019

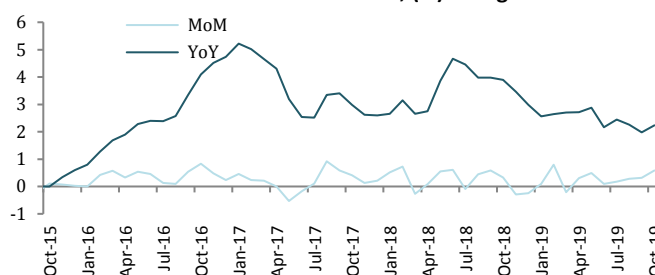


Market Update

Quarterly GDP Growth - % change YoY



Consumer Price Index, (%) change



Vietnam Economic Indicators

		2016	2017	2018	2019F
Real GDP Growth	%	6.2	6.7	7.08	6.80
CPI	%	4.7	2.6	3.54	3.50
Export Growth	%	9.0	20.6	13.8	8.8
Import Growth	%	5.2	21.3	11.5	11.7
Trade Balance	\$bn	2.7	2.3	7.2	0.62
Registered FDI	\$bn	21.0	35.9	25.6	20.0
FX Reserve	\$bn	41.0	52.0	60.0	60.0
USDVND	VND	22,761	22,968	23,245	23,942

Mkt Cap

(USD bn)

2019

Forward P/E

PEG

Div Yield

ROE

		Mkt Cap (USD bn)	2019 Forward P/E	PEG	Div Yield	ROE
Indonesia	JCI	512	21.0	3.2	0.6%	18.9%
Thailand	SET	556	22.2	2.2	3.4%	15.8%
Singapore	FSSTI	414	13.7	3.9	3.0%	10.8%
Malaysia	FBMKLCI	245	21.1	5.2	3.0%	19.0%
Philippines	PCOMP	196	18.2	1.8	1.5%	13.6%
Vietnam	VNINDEX	146	19.9	1.3	1.9%	22.6

On the macro front, Vietnam's consumer price index (CPI) increased 0.59% MoM and 2.24% YoY during October 2019. This is lowest level since 2017. For 10M 2019, CPI rose 2.48% YoY. The key drivers were the bounce back of pork prices and the price increases of petroleum and education services⁵.

Index of Industrial Production (IIP) increased 9.5% YoY over 10M2019. Manufacturing sector was still largest contributor to GDP growth – reporting growth of 10.8% YoY, contributing 8.3% points to GDP growth. This is followed by electricity generation and distribution with a growth of 9.9% YoY, contributing 0.9% points and mining and quarrying with a growth of 1.2% YoY, contributing 0.2% points.

As of 20th October 2019, Vietnam attracted USD 18.3 billion of total newly registered FDI and additional FDI, down 15.2% YoY from high base of same period last year. However, capital contribution and share purchases by foreign investors rose by 70.5% YoY in said period. Binh Duong attracted the most FDI inflows with total new registered capital of USD 1.2 billion, followed by Ho Chi Minh City with USD 1.1 billion and Ha Noi with USD 0.9 billion. Over 10M2019, South Korea was the biggest investor into Vietnam with total new registered capital of USD of 2.7 billion, followed by China with USD 2.1 billion and Singapore with USD 1.8 billion.

The General Statistics Office (GSO) of Vietnam estimated that Vietnam recorded export value of USD 217.0 billion (+7.4% YoY) and import value of USD 210.0 billion (+7.8% YoY) during 10M2019, generating a trade surplus of USD 7 billion. Mobile phones and mobile components represented the biggest export segment with total value of USD 47.0 billion (+5.0% YoY). The driver for this growth was the launch of Samsung Galaxy Note 10 (launched since mid-August 2019)⁶. On the import side, electronic goods, computers and computer components remained the largest import segment with a value of USD 47.0 billion (+21.5% YoY). US remained the largest export market of Vietnam, receiving total export value of USD 49.9 billion from Vietnam (+26.6% YoY), followed by EU with USD 34.2 billion (-1.9% YoY) and China with USD 32.5 billion (-2.9% YoY). The largest import source market for Vietnam – China witnessed a strong growth of 16.1% YoY to USD 62 billion.

5. Source: <https://vietnamnews.vn/economy/537623/octobers-cpi-reaches-three-year-high.html#17rZ9ASph5Icxfz5.97>

6. Source: SSI's report

Vietnam Phoenix Fund Limited

Monthly Factsheet

31st October 2019



About Duxton Asset Management Pte Ltd

Duxton Asset Management is a boutique asset manager with a dual focus: Agriculture and Asian Emerging Markets. A carve-out from one of the world's foremost financial institutions, Duxton is regulated by the Monetary Authority of Singapore as a holder of a Capital Markets Services License to conduct the regulated activity of fund management for accredited investors and institutional investors. The Duxton Group has approximately USD 627 million worth of assets under management and advice as of September 2019.

Disclaimer

This factsheet is directed at institutional investors and accredited investors as defined in the Securities and Futures Act, Chapter 289 of Singapore or investor in an equivalent class under the laws of the country or territory ("Permitted Investors"), and is not intended for use by retail investors. The content of this factsheet is intended as a source of general information for Permitted Investors only, and is not the basis for any contract to deal in the Vietnam Phoenix Fund Limited* ("VPFL") or any security or instrument, or for Duxton Asset Management ("Duxton") or their affiliates to enter into or arrange any type of transaction as a consequence of any information contained. The terms of VPFL are set out in the fund prospectus ("Prospectus") of VPFL, and should there be any conflict between the terms set out in this factsheet and the Prospectus, the terms in the Prospectus shall prevail.

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

Information from this factsheet must not be issued in any jurisdiction where prohibited by law and must not be used in any way that would be contrary to local law or regulation. Specifically, this shall not be construed as the making of any offer or invitation to anyone in any jurisdiction in which such offer is not authorized or in which the person making such offer is not qualified to do so or to anyone to whom it is unlawful to make such an offer.

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

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

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

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

Copyright protection exists in this factsheet. The contents of this factsheet are strictly confidential and it may not be disclosed, reproduced, distributed or published by any person for any purpose without our written consent. To the extent permitted by applicable law, none of Duxton Asset Management, their affiliates, or any officer or employee of Duxton accepts any liability whatsoever for any direct or consequential loss arising from any use of this factsheet or its contents, including for negligence.

*Formerly known as DWS Vietnam Fund Limited. The Fund was renamed to Vietnam Phoenix Fund Limited following the resignation of Deutsche Asset Management (Asia) Limited as Investment Manager on 30 September 2016. Duxton Asset Management has since been appointed the Investment Manager of Vietnam Phoenix Fund Limited.

Contact Information

8 Eu Tong Sen Street, The Central, #23-89 Singapore 059818

T: + 65 6511 0362

F: + 65 6220 7956

E: vpf@duxtonam.com