

Vietnam Phoenix Fund Limited

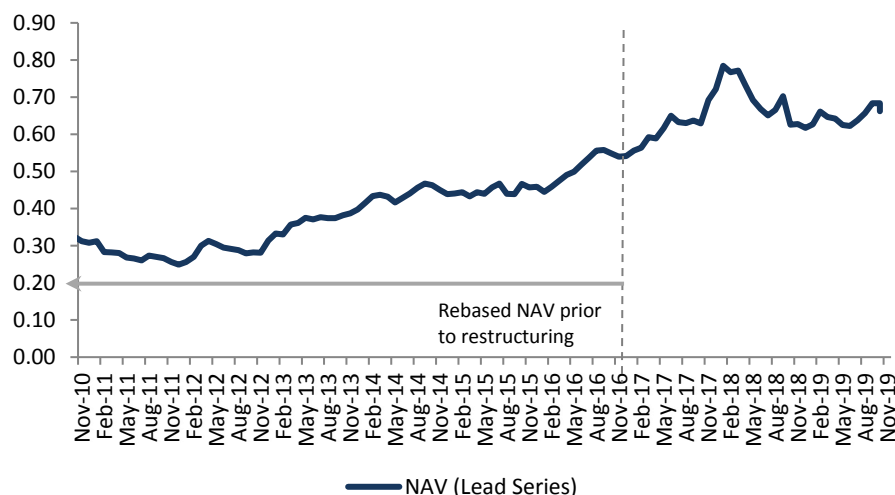
Monthly Factsheet

30th November 2019



CLASS A – Continuation Shares

NAV Performance (USD)



Total Net Assets: \$35.32 million

NAV/Share

Lead Series: \$0.6620
Series 3: \$0.9556
Series 4: \$1.0508
Structure: Open-End Fund
Liquidity: Monthly

Identifiers

ISIN Code: KYG9363R1056
 Bloomberg Ticker: VTNPXA KY
 Sedol: BDHXLDD

Fund Manager: Benjamin Lim

Website:

www.vietnamphoenixfund.com

Top 10 Holdings (%)

FPT Corp	19.0
Vinamilk	14.0
Khang Dien House	8.4
Hoa Phat Group	8.0
Vinhomes	7.7
Mobile World	7.0
Vietcombank	5.9
Kinh Bac City	5.8
PV Power	4.9
REE Corp	4.6
Total	85.3

Sector Allocation (%)

Real Estate	27.2
Consumers	23.0
Information Technology	18.7
Financials	11.9
Building Materials	7.9
Energy Equip & Svcs	6.4
Others*	4.9
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 30th November 2019, the aggregate voting rights are **83,089,133**.

USD (%)	Cumulative Return				Annualised Return			
	1M	3M	6M	YTD	1Y	3Y*	5Y*	7Y*
VPF A (Lead Series)	-3.13	0.72	5.99	7.24	5.48	7.26	8.16	13.13
VNIndex	-2.81	-1.34	2.05	8.70	5.31	12.57	9.51	12.69
VHIndex	-2.43	0.23	-0.90	-1.56	-1.56	7.48	1.51	8.79

* 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
Hoa Phat Group (HPG)	+ 4.8%	+ 0.35%
Kinh Bac City (KBC)	+5.1%	+0.27%
Vinhomes (VHM)	+ 3.3%	+ 0.24%

Top 3 Laggards	Price Change	Contribution to NAV Return
Mobile World (MWG)	- 12.5%	- 0.94%
Vinamilk (VNM)	-6.5%	- 0.91%
FPT Corp (FPT)	- 2.6%	- 0.46%

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 November 2019, VPF A's NAV decreased 3.13%. Major laggards were Mobile World (MWG) [-12.52% MoM], Vinamilk (VNM) [-6.54% MoM] and FPT Corporation (FPT) [-2.59%]. In contrast, the main contributors were Hoa Phat Group (HPG) [+4.82% MoM], Kinh Bac City (KBC) [+5.14% MoM] and Vinhomes (VHM) [+3.26%]. The VN-Index decreased 2.81% in USD terms during the same month.

Mobile World (MWG) stock price declined 12.52% in November 2019. This is partly due to slightly lower rate of growth during Oct-2019. For Oct-2019 only, MWG recorded net sales of VND 7,960 billion (+17% YoY) and NPAT of VND 285 billion (+26% YoY) while for 10M 2019, MWG posted net sales of VND 84,723 billion (+17% YoY) and NPAT of VND 3,260 billion (+35% YoY). It enables MWG to fulfill 78% of its full-year sale target and 91% of its full-year NPAT target. While Oct-2019's monthly sales growth decelerated, MWG's full year full performance is still impressive in our view. For full-year 2019, MWG's management set sales target of VND 108,468 billion (+25% YoY) and NPAT target of VND 3,570 billion (+57% YoY). Consumer electronics chain (Dien May Xanh - DMX) drove revenue growth for October 2019 with segmental revenue growth of 20% YoY to VND 4,271 billion, contributing 54% to MWG's total net sales¹. During October 2019, MWG added 197 new DMX stores (including both new openings and conversion from existing mobile stores), raising their DMX stores count to 937 stores at month-end (+27% YoY). Grocery chain (Bach Hoa Xanh - BHX) continued to show the highest growth. In October 2019, the BHX segment posted net sales of VND 1,085 billion (+132% YoY), given by a growth of 110% YoY in store count. On the other hand, mobile chain (The Gioi Di Dong – TGDD) witnessed a fall of 9% YoY in net sales partly due to a decrease of 3% YoY in store count. Over the longer term, we expect continued gradual transformation for MWG from a pure mobile phone retailer into a mixed consumer electronics player supplemented by a fast-growing consumer groceries segment.

Vinamilk (VNM) stock price declined 6.54% during Oct-2019. Partly, it was due to mid single-digit growth of Q3 2019 results. During Q3 2019, VNM posted net sales of VND 14,291 billion (+4% YoY) and NPATMI of VND 2,690 billion (+5% YoY). For 9M2019, VNM recorded net sales of VND 42,079 billion (+6% YoY), PBT of VND 10,146 billion (+8% YoY) and NPATMI of VND 8,380 billion (+6% YoY). Therefore, VNM has so far fulfilled 75% its full-year sale target and 91% its full-year PBT target. For full-year 2019, VNM is aiming to attain net sales of VND 56 trillion (+6% YoY) and PBT of VND 11.2 trillion (-7% YoY). 9M 2019 top-line was driven by a growth of 6% YoY in domestic revenue to VND 35,821 billion and 8% YoY in exports revenue to VND 3,524 billion and 12% YoY in overseas subsidiaries revenue to VND 2,735 billion. For domestic market, VNM gained 0.3 ppt of market share so far in 2019². However, this figure is slightly lower than the figure management reported for Q1 2019 (0.7 ppt market share gain) and 1H 2019 (0.4 ppt market share gain). As per management, the slowdown of domestic market growth came from lower spending for dairy products by rural areas' consumers². However, the gross profit margin was expanded from 46.6% in 9M 2018 to 47.2% in 9M 2019, mainly due to favourable input price movements (milk powder prices declined)². In the long-run, we expect VNM to continue to benefit from continued growth of domestic dairy consumption coupled with the potential growth in export market

Hoa Phat Group (HPG) returned 4.82% in Nov-2019. The company reported strong growth in sales volume in November 2019. For said month, HPG sold over 300,000 tonnes of construction steel (+ 36% YoY and +36% MoM) and 60,000 tonnes of billets vs zero in November 2018. This due to higher demand from residential construction and higher inventory levels of distributors in the face of selling price increase³. HPG raised its selling price for construction steel by 1.3% to VND 11.4 million per ton in last week of November 2019³. In near-term, we expect HPG will post strong results in Q4 2019, given by many factors including (1) higher demand from residential constructions as traditional consumer of Vietnamese; (2) higher selling prices; (3) lower inputs price (iron ore and coking coal)³. In long-term, we view HPG will continue to benefit from the increasing construction demand for real estate and infrastructure in Vietnam as the dominant player domestically.

1. Source: MWG Management
2. Source: VNM Management
3. Source: HPG Management

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CLASS C – Private Equity Shares

USD (%)	Cumulative Return				Annualised Return			
	1M	3M	6M	YTD	1Y	3Y*	5Y*	7Y*
VPF C	-0.12	-3.26	-24.75	-25.37	-18.4	-9.4	-2.3	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 0.12% in November.

The sales process for **Anova** continues to progress well. The Fund aims to finalize its exit by the end of Q1 2020.

On **Corbyns**, the Share Purchase Agreement (SPA) was signed on 6 December 2019. The Fund Manager has received bulk of the proceeds from the sale and expects to conclude the transaction by the end of the year.

On **VTC Online**, the Fund Manager is following up with VTC Corp on the proposal for the sale of the 18 Tam Trinh building and the process of exiting the fund's position in VTC Online.

On **SSGA**, the Fund Manager is working for the company or sponsor to undertake a buyback of the Fund's stake. The company has indicated that it is arranging for the cash required to buy back the shares and is expected to respond within the next two months.

The Fund has conducted five 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

Net Assets: \$47.77 million
NAV/Share: \$0.2524
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	39.2
Corbyns International	31.4
VTC Online	7.7
SSG Group	2.8
Total	81.1

Asset Breakdown (%)

Invested Securities	81.1
Cash and accruals	18.9
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 30th November 2019, the aggregate voting rights are **83,089,133**.

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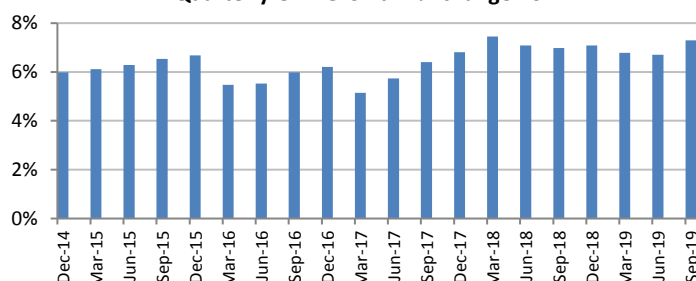
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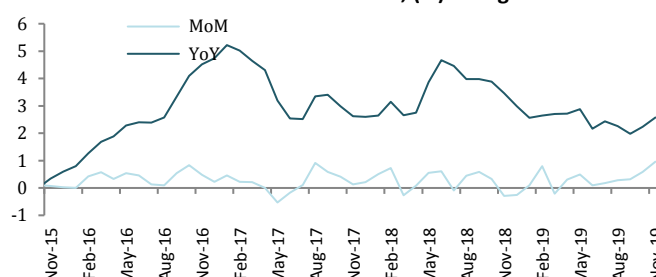


Market Update

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
Indonesia	JCI	492	20.7	2.8	0.6%	19.0%
Thailand	SET	552	22.0	2.5	3.6%	14.9%
Singapore	FSSTI	408	13.7	7.2	3.0%	10.4%
Malaysia	FBMKLCI	240	20.6	9.2	3.0%	19.3%
Philippines	PCOMP	190	17.8	1.7	1.5%	13.5%
Vietnam	VNINDEX	143	18.8	1.2	1.9%	22.8

On the macroeconomics front, Vietnam's consumer price index (CPI) rose 0.96% MoM and 2.57% YoY in Nov-2019. This is the highest growth rate of CPI during the month November seen over the last nine years. The main reason was a strong increase in pork price coupled with the increasing in domestic gas price⁴.

Index of Industrial Production (IIP) increased by 9.3% YoY in 11M 2019. The largest contributor was manufacturing sector with a growth of 10.6% YoY, followed by production and distribution of electricity sector with a growth of 9.5% and water supply, sewerage, waste management and remediation activities sector with a growth of 6.7%.

As of 20 November 2019, Vietnam attracted cumulative USD 20.6 billion of total newly registered foreign direct investment (FDI) and additional FDI, flat YoY. It bounced back from negative growth over the first 10 months of 2019 - a decrease of 15.2% as of 20 October 2019. The main reason for the reversal was the substantial growth of FDI from China (plus Hong Kong) in the month of Nov-2019⁵. This suggests more relocation of manufacturing investments towards Vietnam. In addition, the capital contribution and share purchases by foreign investors rose by 47.1% YoY to USD 11.2 billion. Disbursed FDI rose by 6.8% YoY to USD 17.6 billion. Over 11M2019, South Korea has been the biggest FDI contributor into Vietnam with total new registered capital of USD of 2.91 billion, followed by China with USD 2.28 billion and Singapore with USD 1.95 billion.

According to General Statistics Office (GSO) of Vietnam, during 11M2019, Vietnam exports value rose by 7.8% YoY to USD 241.42 billion and Vietnam imports value rose by 7.4% YoY to USD 232.31 billion, generating a trade surplus of USD 10.11 billion. US continued to be the largest export destination market for Vietnam with total export value of USD 55.6 billion (+27.9% YoY), followed by EU with total export value of USD 38.0 billion (-2.3% YoY) and China at c.USD 37.4 billion (-0.6% YoY). For imports, China was the largest import source market for Vietnam with total import value of USD 68.7 billion (+15.2% YoY), followed by South Korea at USD 43.6 billion (flat YoY) and ASEAN at USD 29.6 billion (+1.7% YoY).

4. Source: <https://vietnamnews.vn/economy/569203/pork-price-pushes-up-november-cpi.html>

5. Source: SSI's report

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