

# Vietnam Phoenix Fund Limited

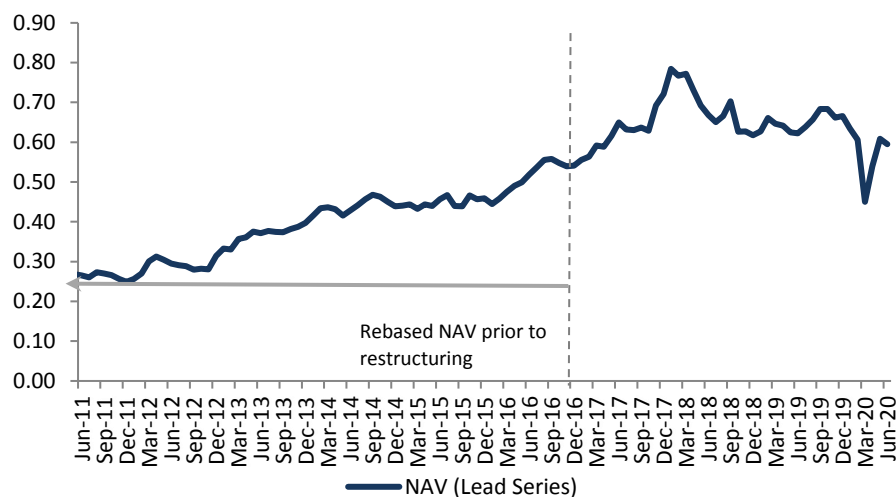
## Monthly Factsheet

30<sup>th</sup> June 2020



### CLASS A – Continuation Shares

NAV Performance (USD)



USD (%)	Cumulative Return				Annualised Return			
	1M	3M	6M	YTD	1Y	3Y	5Y*	7Y*
<b>VPF A (Lead Series)</b>	-2.1	32.1	-10.6	-10.6	-4.4	-2.9	5.6	7.1
<b>VNIndex</b>	-4.2	26.8	-14.2	-14.2	-12.7	1.3	5.4	6.6

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

Top Gainers	Price Change	Contribution to NAV Return
Khang Dien House (KDH)	5.5%	0.30%
Binh Minh Plastic JSC (BMP)	8.8%	0.04%

Top Laggards	Price Change	Contribution to NAV Return
FPT Corp (FPT)	-4.8%	-0.63%
Vietcombank (VCB)	-5.8%	-0.38%
Mobile World (MWG)	-4.5%	-0.27%

**Total Net Assets: \$28.64 million**

#### NAV/Share

**Lead Series: \$0.5954**

**Structure: Open-End Fund**

**Liquidity: Monthly**

#### Identifiers

ISIN Code	KYG9363R1056
Bloomberg Ticker	VTNPHXA KY
Sedol	BDHXL2

**Fund Manager: Sharon Seet**

#### Website:

[www.vietnamphoenixfund.com](http://www.vietnamphoenixfund.com)

#### Top 10 Holdings (%)

Vinamilk	16.0
FPT Corp	13.9
Hoa Phat Group	11.4
Vinhomes	8.7
Vietcombank	6.8
Kinh Bac City	6.4
Mobile World	6.3
REE Corp	4.7
Khang Dien House	4.4
PV Power	4.0
<b>Total</b>	<b>82.6</b>

#### Sector Allocation (%)

Real Estate	24.8
Consumers	22.2
Information Technology	13.9
Building Materials	12.1
Financials	10.5
Energy Equip & Svcs	6.0
Others*	10.5
<b>Total</b>	<b>100.0</b>

\*Includes Cash & Accruals

#### Asset Breakdown (%)

Listed Equities	<b>94.3</b>
Cash and accruals^	5.7
<b>Total</b>	<b>100.0</b>

^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 30<sup>th</sup> June 2020, the aggregate voting rights are **54,842,417**.

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### 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 June 2020, the NAV per share of Class A shares decreased 2.1%. Main detractors were FPT Corporation (FPT) [-4.8%], Vietcombank (VCB) [-5.8%] and Mobile World (MWG) [-4.5%]. Main contributors were Khang Dien House (KDH) (+5.5%) and Binh Minh Plastic JSC (BMP) [+8.8%]. The VN-Index decreased 4.2% in June 2020, largely due to concerns about a potential second wave of COVID-19. In June 2020, the Fund concluded its exit from its holdings in Cotecons Construction JSC (CTD) and Ho Chi Minh City Securities Corporation (HCM).

**FPT Corporation (FPT)**'s share price decreased 4.8% in June 2020. The decrease in share price was likely due to weaker-than-expected results for May 2020. FPT recorded revenue of VND 2,358 billion (+8.7% YoY) and profit before tax (PBT) of VND 420 billion (+11.1% YoY) in May 2020<sup>1</sup>. The segments with a poor showing in May included online advertising, and other businesses (including the Company's education and financial investments). For May 2020, the online advertising business recorded revenue of VND 37 billion (-26.7% YoY) and PBT of VND 17 billion (-39.8% YoY), while other businesses recorded revenue of VND 136 billion (+29.5% YoY) and PBT of VND 65 billion (-24.0% YoY)<sup>1</sup>. On the other hand, key contributors to FPT's earnings growth in May 2020 were its global technology business, and telecom services business. The global technology business recorded revenue of VND 965 billion (+13.5% YoY) and PBT of VND 161 billion (+14.4% YoY), while telecom services business recorded revenue of VND 889 billion (+10.9% YoY) and PBT of VND 146 billion (+46.2% YoY)<sup>1</sup>. For 5M 2020, FPT recorded revenue of VND 11,199 billion (+12.4% YoY) and PBT of VND 1,993 billion (+15.9% YoY)<sup>1</sup>. 5M 2020 results fulfilled 35% of the full-year revenue target and 36% of the full-year PBT target. For full-year 2020, FPT is targeting VND 32,450 billion (+17.1% YoY) in revenue and VND 5,510 billion (+18.0% YoY) in PBT. We maintain a positive view on FPT as most of their services are essential services but continue to actively monitor the downside risk from FPT's export markets, especially if COVID-19 persists.

**Vietcombank (VCB)**'s share price decreased 5.7% in June 2020. The decrease in share price was likely due to weaker-than-expected results for 1H 2020. VCB estimated 1H 2020 PBT of VND 11 trillion (flat YoY), based on expected credit growth of 3.4% YTD, deposit growth of 3.4% YTD and an NPL ratio of 0.8%<sup>2</sup>. For full-year 2020, VCB is targeting PBT of VND 25.4 trillion (+10% YoY), with the assumption of a 10% YoY growth in credit, an 8% YoY growth in deposits, and an NPL ratio below 1.5%. We view VCB as the industry leading bank with better-than-peer asset quality. This allowed for a mitigation of the negative impact of COVID-19 on VCB's operations.

**Khang Dien House (KDH)**'s share price rose 5.4% in June 2020. The increase in share price was likely due to positive 2020 earnings guidance by management. For full-year 2020, KDH is targeting revenue of VND 3.5 trillion (+24% YoY) and net profit after tax and minority interest (NPAT-MI) of VND 1.1 trillion (+20% YoY). According to management, the delivery of the Safira and Verosa projects will be the key growth drivers for FY2020. We maintain our positive view on KDH. KDH is the third largest real estate developer in Vietnam, with a substantial land bank of 598.55ha, sufficient to support the company's growth for approximately 5 years. Moreover, as its land bank is mainly located in the east of Ho Chi Minh City, KDH should benefit from the city's 2030 construction master plan, where an expansion of the city zone toward the east of the city is being planned<sup>3</sup>.

1. Source: [https://www.fpt.com.vn/Images/files/cong-bo/2020/Thang-6/Report-for-5M\\_2020.pdf](https://www.fpt.com.vn/Images/files/cong-bo/2020/Thang-6/Report-for-5M_2020.pdf)
2. Source: VCB's management
3. Source: <https://vietnamnet.vn/en/business/east-ho-chi-minh-city-entices-new-investors-648484.html>

# Vietnam Phoenix Fund Limited

## Monthly Factsheet

30<sup>th</sup> June 2020



### CLASS C – Private Equity Shares

USD (%)	Cumulative Return					Annualised Return		
	1M	3M	6M	YTD	1Y	3Y	5Y*	7Y*
<b>VPF C</b>	0.0	1.6	-2.7	-2.7	-8.4	-11.4	-3.7	0.3

\* 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.

### Fund Manager's Report

The NAV per share of the Class C Shares decreased 0.04% in June 2020.

The sales process for **Anova** continues to progress well. The Fund Manager is close to firming up the deal structure with the buyer, with details of the Share Purchase Agreement (SPA) currently being discussed. The SPA is expected to be executed in July, with the deal expected to conclude in August/September 2020.

On **SSGA**, the Fund Manager has successfully negotiated with the management of the company to undertake a buy-back of the Fund's stake in the company for USD 1.19mn, 4.9% lower than the carrying value in May 2020. The valuation for SSGA has been adjusted to the divestment price for June 2020.

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
5	42%	USD 0.2524	Nov 2019's NAV

**Net Assets:** \$26.20 million  
**NAV/Share:** \$0.2387  
**Shares Out:** 109,768,831

### Identifiers

ISIN Code KYG2886W1078  
Bloomberg Ticker VTNPHXC KY  
Sedol B1FHXT2

**Fund Manager:** Sharon Seet

### Website:

[www.vietnamphoenixfund.com](http://www.vietnamphoenixfund.com)

### Market Makers

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FinnCap  
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[jhewitson@finncap.com](mailto:jhewitson@finncap.com)

### Top 10 Holdings (%)

Anova Corp 75.5  
SSG Group 4.5  
**Total 80.0**

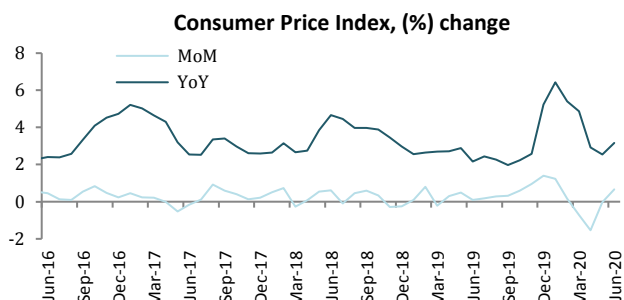
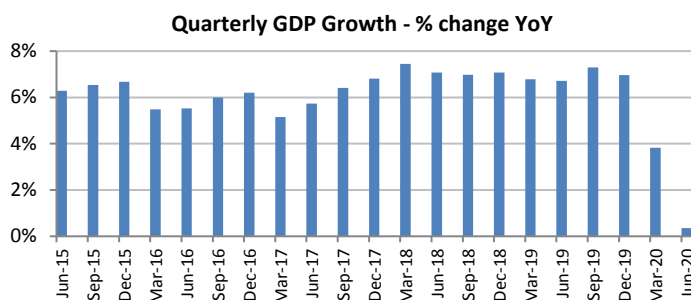
### Asset Breakdown (%)

Invested Securities 80.0  
Cash and accruals 20.0  
**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 30<sup>th</sup> June 2020, the aggregate voting rights are **54,842,417**.

### Market Update



### Vietnam Economic Indicators

		2016	2017	2018	2019
Real GDP Growth	%	6.2	6.7	7.1	7.0
CPI	%	4.7	2.6	3.5	2.8
Export Growth	%	9.0	20.6	13.8	8.4
Import Growth	%	5.2	21.3	11.5	6.5
Trade Balance	\$bn	2.7	2.3	7.2	11.1
Registered FDI	\$bn	21.0	35.9	25.6	22.5
FX Reserve	\$bn	41.0	52.0	60.0	80.0
USDVND	VND	22,761	22,968	23,245	23,173

		Mkt Cap (USD bn)	2020 Forward P/E	PEG	Div Yield	ROE
Thailand	SET	465	27.7	3.8	3.4%	13.9%
Indonesia	JCI	399	22.9	3.4	0.4%	18.4%
Singapore	FSSTI	328	14.1	5.0	4.3%	10.0%
Malaysia	FBMKLCI	227	25.1	N/A	2.7%	18.7%
Philippines	PCOMP	156	20.8	3.0	2.1%	12.5%
<b>Vietnam</b>	<b>VNINDEX</b>	<b>124</b>	<b>17.7</b>	<b>3.2</b>	<b>1.0%</b>	<b>19.8%</b>

On the macroeconomic front, June 2020 showed relatively strong signals of a recovery.

**Lowest level of GDP growth in over 30 years** – Vietnam’s gross domestic product (GDP) grew 0.36% in Q2 2020, generating a GDP growth rate of 1.8% for 1H 2020 - the lowest level in over 30 years. The key detractor to GDP growth was the service sector, which declined 1.79% in Q2 2020. This sector was most affected by the social distancing and lockdown measures implemented in Q2 2020 due to COVID-19. The industry and construction sector also registered weaker growth of 1.38% in Q2 2020 and 2.98% in 1H 2020. In contrast, the agriculture, forestry, and fisheries sector recovered with a growth of 1.72% in Q2 2020 and 1.19% in 1H 2020.

**CPI remained high** – Vietnam’s consumer price index (CPI) for June 2020 rose 0.66% MoM – the highest level for June since 2016. The increase in monthly CPI was mainly due to an increase of 14.24% in gasoline prices. For 1H 2020, the average CPI rose 4.19% YoY, mainly due to an increase in pork prices.

**PMI recovered to above 50** – the Nikkei Vietnam manufacturing purchasing manager index (PMI) rose 8.4 points in June 2020 to 51.1. This implied a strong return of new orders post the disruption of global supply chains due to COVID-19.

**Slow-down in FDI disbursement** – as of 20 June 2020, Vietnam attracted USD 12.2 billion (+17.9% YoY) of total newly registered foreign direct investment (FDI) and additional FDI from existing investors. However, the capital contribution and share purchases by foreign investors decreased by 56.8% YoY to USD 3.5 billion. The disbursed FDI declined by 4.9% YoY to USD 8.65 billion.

**Trade recovered slowly** - According to the General Statistic Office of Vietnam, Vietnam exported USD 121.21 billion (-1.1% YoY) and imported USD 117.17 billion (-3.0% YoY) for 1H 2020, generating a trade surplus of USD 4.04 billion. For June 2020, Vietnam’s exports decreased by 2.0 % YoY to USD 21 billion while Vietnam’s imports increased by 5.3% YoY to USD 20.5 billion. The key contributors to export growth in June 2020 were computers, electrical products and electrical components (+26.6% YoY) and machinery (+27.6% YoY). The key detractors to export growth in June 2020 were mobile phones and mobile phone components (-15.3% YoY), textile (-23.6% YoY) and footwear (-11.0% YoY). On the import side, the key contributors to import growth in June 2020 were computer, electrical products and electrical components (+30.8% YoY), machinery (+7.0% YoY), mobile phones and mobile phone components (+14.6% YoY). The key detractors to import growth in June 2020 were crude oil (-37.8% YoY), fabric (-6.2% YoY) and steel (-6.9% YoY).

# Vietnam Phoenix Fund Limited

## Monthly Factsheet

30<sup>th</sup> June 2020



### About Duxton Capital (Australia) Pty Ltd

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\*Formerly known as DWS Vietnam Fund Limited. The Fund was renamed to Vietnam Phoenix Fund Limited following the resignation of Deutsche Asset Management (Asia) Limited as Investment Manager on 30 September 2016. Following the resignation of Deutsche Asset Management (Asia) Limited Duxton Asset Management Pte Ltd was appointed the Investment Manager of Vietnam Phoenix Fund Limited. On 1 May 2020 Duxton Asset Management Pte Ltd resigned as Investment Manager and Duxton Capital (Australia) Pty Ltd was appointed.

### Contact Information

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