

Vietnam Phoenix Fund Limited

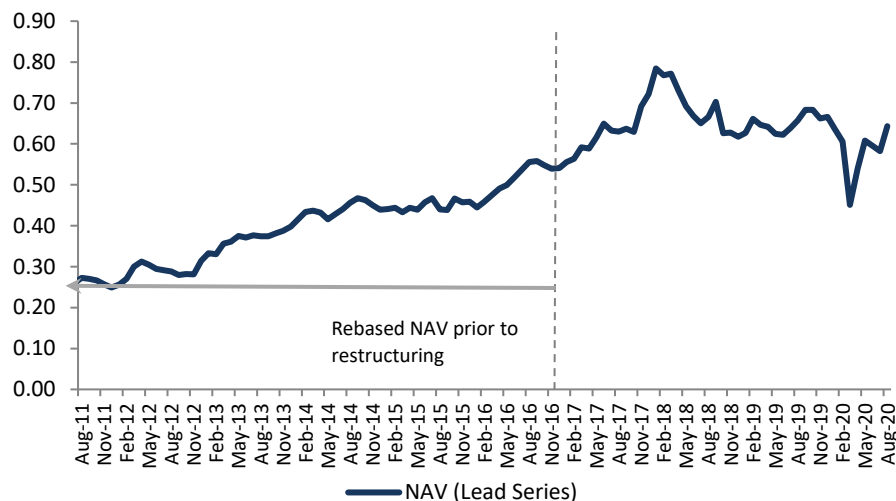
Monthly Factsheet

31st August 2020



CLASS A – Continuation Shares

NAV Performance (USD)



USD (%)	Cumulative Return				Annualised Return			
	1M	3M	6M	YTD	1Y	3Y	5Y*	7Y*
VPF A (Lead Series)	10.4	5.7	6.1	-3.5	-2.2	0.7	8.0	8.1
VNIndex	10.0	2.5	0.2	-8.3	-10.3	3.4	8.7	7.9

* 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
Vinamilk (VNM)	11.0%	1.66%
FPT Corp (FPT)	9.6%	1.65%
Mobile World (MWG)	25.7%	1.54%

Total Net Assets: \$30.77 million

NAV/Share

Lead Series: \$0.6430

Structure: Open-End Fund

Liquidity: Monthly

Identifiers

ISIN Code	KYG9363R1056
Bloomberg Ticker	VTNPHXA KY
Sedol	BDHXLD2

Fund Manager: Sharon Seet

Website:

www.vietnamphoenixfund.com

Top 10 Holdings (%)

FPT Corp	14.8
Vinamilk	14.6
Hoa Phat Group	12.0
Vinhomes	8.6
Mobile World	7.0
Vietcombank	6.6
Kinh Bac City	6.0
REE Corp	5.4
Khang Dien House	4.8
PV Power	4.0
Total	83.8

Sector Allocation (%)

Real Estate	24.7
Consumers	21.6
Information Technology	14.8
Building Materials	12.6
Financials	12.6
Energy Equip & Svcs	6.8
Others*	6.9
Total	100.0

*Includes Cash & Accruals

Asset Breakdown (%)

Listed Equities	97.6
Cash and accruals^	2.4
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 August 2020, the aggregate voting rights are **56,893,318**.

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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

As of 31 August 2020, the NAV per share of Class A shares increased 10.4% MoM. Main contributors were Vinamilk (VNM) [+11.0% MoM], FPT Corp (FPT) [+9.6% MoM] and Mobile World (MWG) [+25.7% MoM]. There were no detractors during the month. The VN-Index increased 10.0% MoM. During August 2020, the Fund exited its entire position in Viet Capital Securities (VCI).

Vinamilk's (VNM) share price rose by 11.0% MoM in August 2020. The increase was likely partially due to the expectation of a recovery in the company's school sales channels, which investors might be interpreting as a signal of potential recovery in other sales channels. After the nationwide closure in March and April 2020 and the partial closure in some provinces in July 2020 amid COVID-19, all schools were reopened in August 2020 as preparation for yearly enrollment began in September. In 2019, school sales programs contributed around 2% of VNM's total revenue¹. We expect VNM to maintain its growth during COVID-19 as its key products (liquid milks, powdered milks, yogurts) are essential products. In the long run, we believe VNM's growth will be supported by several factors: (1) moderate growth in dairy consumption in Vietnam as urbanization and incomes continue to rise; (2) the growth of convenience stores allowing VNM to expand its distribution of dairy products to consumers; (3) the strengthening of VNM's position in North Vietnam through its increased ownership of Moc Chau Milk, which will also serve to increase VNM's overall milk production capacity and quality; (4) the gradual increase in the proportion of internally-sourced inputs is also expected to improve VNM's profit margins. We are confident that VNM is on track with its strategic goals to increase its market share by 1% per year by 2021¹.

FPT Corp's (FPT) share price rose by 9.6% MoM in August 2020. For 7M2020, FPT posted revenue of VND 15.96 trillion (+8.2% YoY) and PBT of VND 2.86 trillion (+12.7% YoY). The global technology business and telecom services business remained as main contributors for FPT's growth in 7M2020. The global technology business recorded revenue of VND 6,786 billion (+16.0% YoY) and PBT of VND 1,064 billion (+18.7% YoY). The key growth driver for global technology business was an increase of 57% YoY in revenue from digital transformation services. Telecom services business recorded revenue of VND 6,115 billion (+11.4% YoY) and PBT of VND 981 billion (+21.3% YoY). The growth in telecom services business was due to an increase of 31% YoY in revenue from PayTV.

In contrast, the main detractors for FPT's growth in 7M2020 were (1) domestic IT services business with a decrease of 15.2% YoY and 29.1% YoY in revenue and PBT respectively and (2) online advertising business with a decrease of 18.5% YoY and 26.7% YoY in revenue and PBT respectively. The decline in top and bottom line for both business segments reflected the negative impacts of COVID-19 as corporate clients scaled back on IT investments and marketing spend amidst the pandemic². FPT's 7M2020 results fulfilled 49% of its full-year revenue target and 52% of its 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 we will continue to actively monitor the downside risk from FPT's export markets, especially if COVID-19 persists.

Mobile World's (MWG) share price increased 25.7% MoM in August 2020. The increase was likely due to the recovery of MWG's businesses as shown in their July 2020 results. In July 2020, MWG recorded net sales of VND 8.67 trillion (+6.4% MoM and -6.8% YoY) and NPAT of VND 326 billion (+7.2% MoM and +12.4% YoY). The key growth drivers were an increase in sales per grocery store and contributions from new mobile phone products launched during the month³. For 7M2020, MWG recorded net sales of VND 64.31 trillion (+5.6% YoY) and NPAT of VND 2.35 trillion (-2.4% YoY). The increase in revenues for 7M2020 was due to the strong growth in the grocery segment, which has yet to record any profit to-date. The decrease in bottom line was mainly due to a decrease in profit of the mobile phones and consumer electronics segment amidst store closures during the pandemic. These results fulfilled 58% of MWG's full-year revenue target and 68% of MWG's full-year NPAT target. For full-year 2020, MWG is targeting revenue of VND 110,000 billion (+8% YoY) and NPAT of VND 3,450 billion (-10% YoY). We maintain a positive view on MWG in the long-term as we expect MWG to emerge in a stronger position post COVID-19 due to its advantages in scale, financial position and experienced management.

1. Source: VNM's management
2. Source: FPT's management
3. Source: MWG's 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	-0.3	-0.3	-0.2	-2.9	-8.8	-11.5	-3.0	0.1

* 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 0.34% in Aug 2020.

On **Anova**, the Securities Purchase Agreement (SPA) with the buyer was signed on 31 Aug 2020 with the deal expected to be concluded by the end of Oct 2020. The Fund's valuation of its stake in the business will be adjusted in Sept 2020, based on the divestment consideration, net of capital gains tax and divestment expenses once the deal becomes unconditional.

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: \$26.12 million
NAV/Share: \$0.2380
Shares Out: 109,768,831

Identifiers

ISIN Code KYG2886W1078
Bloomberg Ticker VTNPFXC KY
Sedol B1FHXT2

Fund Manager: Sharon Seet

Website:

www.vietnamphoenixfund.com

Market Makers

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Top 10 Holdings (%)

Anova Corp 75.9
Total 75.9

Asset Breakdown (%)

Invested Securities 75.9
Cash and accruals 24.1
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 August 2020, the aggregate voting rights are **56,893,318**.

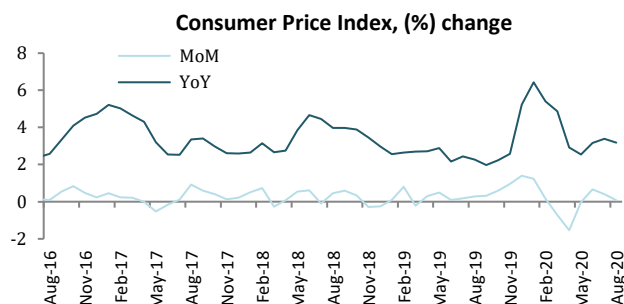
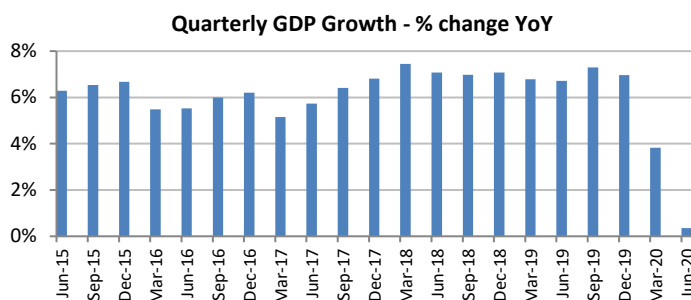
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Market Update



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	455	21.5	10.2	3.5%	13.1%
Indonesia	JCI	418	23.6	4.2	0.4%	18.4%
Singapore	FSSTI	327	14.3	5.4	3.8%	7.3%
Malaysia	FBMKLCI	236	25.8	14.2	2.7%	17.8%
Philippines	PCOMP	155	20.6	9.9	2.0%	9.1%
Vietnam	VNINDEX	135	18.5	3.7	N/A	17.7%

On the macroeconomic front, August 2020 showed a slight recovery in the domestic economy.

Inflation remained under control – Vietnam’s consumer price index (CPI) for August 2020 rose 0.07% MoM and 3.18% YoY. The slight increase in August CPI was mainly due to an increase of 0.18% in education service prices and an increase of 0.11% in food and catering service prices. For 8M2020, the average CPI rose 3.96% YoY, mainly due to an increase in pork prices caused by tight pork supply post African Swine Fever.

PMI remained under 50 – the Nikkei Vietnam manufacturing purchasing manager index (PMI) continued to decrease in August 2020 to 45.7. The impact of COVID-19 pandemic has led to declines in both output and new orders of manufacturers.

Slow-down in FDI – as of 20 August 2020, Vietnam attracted USD 14.6 billion (+11.4% 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 48.2% YoY to USD 4.9 billion. The disbursed FDI declined by 5.1% YoY to USD 11.4 billion.

Trade recovered slightly - The General Statistics Office of Vietnam estimated Vietnam exported USD 174.11 billion (+1.6% YoY) and import USD 162.21 billion (-2.2% YoY) for 8M 2020, generating trade surplus of USD 11.90 billion. The US remained the largest export destination market for Vietnam with total exports of USD 46.7 billion (+19% YoY), followed by China with total exports of USD 27.0 billion (+13% YoY) and the EU with total exports of USD 22.9 billion (-4% YoY). On the import side, China remained the largest import market for Vietnam with total imports of USD 49.3 billion (+1% YoY), followed by South Korea with total imports of USD 28.7 billion (-8% YoY) and ASEAN with total imports of USD 19.4% billion (-9% YoY).

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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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