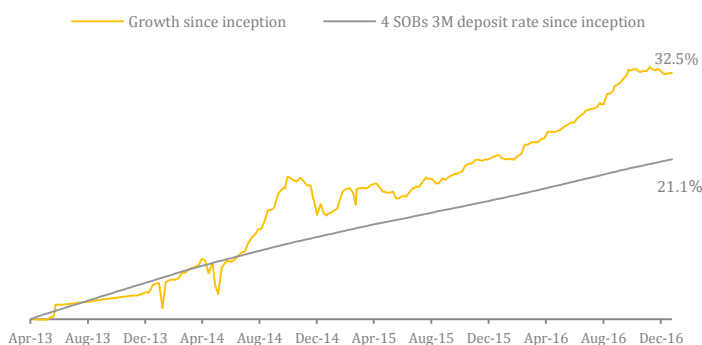


VinaWealth Enhanced Fixed Income Fund (VFF)

As of 31 December 2016

VFF NAV Growth since inception (Apr 2013 – Dec 2016)



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your fund units. Current performance may be higher or lower than the performance data quoted.

Performance vs. Benchmark

	Total Assets (VND bn)	NAV/unit (VND)	NAV growth				Since Inception (Apr 13)
			2013	2014	2015	2016	
VFF	182.8	13,252	4.7%	8.8%	6.7%	9.0%	32.5%
4 SOCBs 3M deposit ¹			5.2%	5.9%	4.7%	5.2%	21.1%
4 SOCBs 12M deposit ²			5.8%	7.1%	6.1%	6.7%	25.7%
VCB 12M deposit ³			5.8%	7.0%	6.1%	6.5%	25.4%

¹: Average trailing 3-month deposit rate by 4 State-owned Commercial Banks (VCB, BIDV, Vietin, Agri) is VFF's benchmark

²: Average trailing 12-month deposit rate by 4 SOCBs is additional reference

³: Average trailing 12-month deposit rate by VCB is additional reference

Investment Approach

Asset allocation

Invest at least 80% of Total Net Assets into Government Bonds, Government-guaranteed Bonds, Municipal Bonds, Valuable Papers issued by high credit-rating institutions, and Short-term Bank Deposits.

Invest up to 15% of Total Net Assets on listed stocks with strong fundamental, high potential upside, and stable dividend yield for downside risk mitigation.

Target

Deliver attractive and stable return from capital appreciation, coupon payment, and yield enhancement instruments.

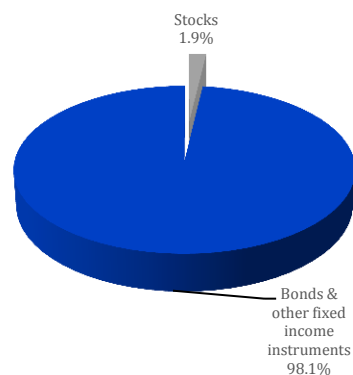
Benchmark

Average 3-month VND denominated deposit rate by 4 State-owned Commercial Banks, namely VietinBank, Agribank, BIDV, and VietcomBank.

Snapshot

Structure	Open-ended Bond Fund
Investment risk	LOW
Investment return	LOW AVG HIGH
Fees	LOW AVG HIGH

Investment Highlight



Details

Inception	9 April 2013	
Management fee	1.2% per annum	
Subscription fee	0.0%	
Redemption fee	VINAFLEX ⁴	VINASAVE ⁵
	<ul style="list-style-type: none"> • 2.5% < 12 months • 1.0% >= 12 months 	<ul style="list-style-type: none"> • 2.0% < 24 months • 0.0 >= 24 months
Minimum subscription	VND2,000,000 / ~USD90	VND200,000 / ~USD9
Custodian and Supervisory Bank	Standard Chartered Bank Ltd. (Viet Nam)	
Auditor	Ernst & Young (Vietnam)	
Trading frequency	Once a week, on Tuesday	

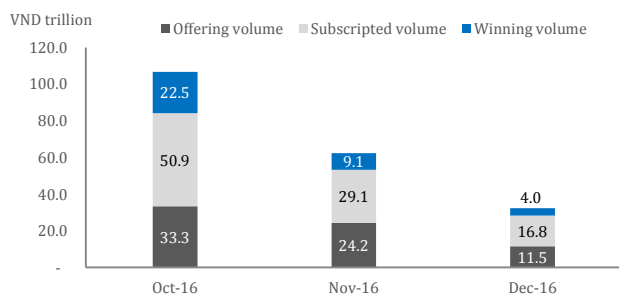
⁴: Flexible investment plan

⁵: Saving plan encouraging periodic contribution

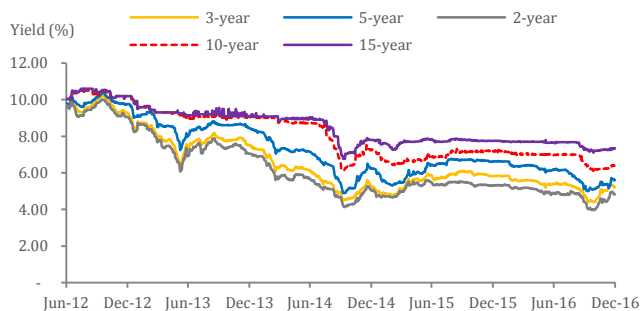
Portfolio Manager: Ms. Hong Nhung Dinh (interim)
nhung.dinh@vinawealth.com.vn

Investor Relation: ir@vinawealth.com.vn
 Tel: +84 8 38 27 85 35

Auction result



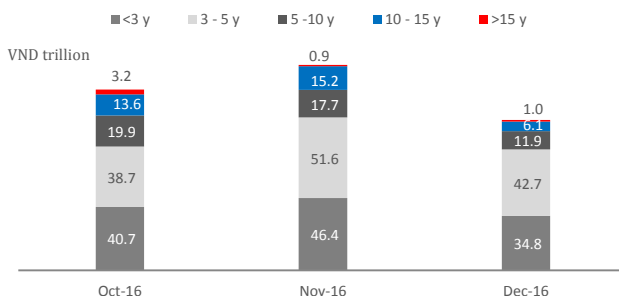
Secondary bond yield



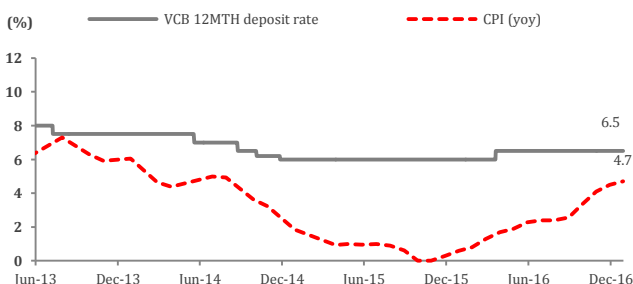
Secondary bond yield movement

Tenor	Month		% change
	Nov 2016	Dec 2016	
1 year	4.02	4.35	0.33
2-year	4.51	4.83	0.32
3-year	5.02	5.21	0.19
5-year	5.37	5.60	0.23
7-year	5.75	5.81	0.06
10-year	6.23	6.38	0.15
15-year	7.26	7.34	0.08

Secondary trading by tenor



Interest rate vs. CPI



Source: Bloomberg

Fund Manager's comments

Primary bond market declined 56% m-o-m in December with VND3.96 trillion (USD173.8 million) worth of 5-year, 15-year, and 30-year tenors Treasury bonds was issued. The government has nonetheless accomplished its bond issuance target for 2016 and raised VND281.75 trillion (USD12.4 billion) worth of Treasury bonds over the year. In 2017, the government aims to tighten budget control and lower its issuance target to VND250 billion (USD11.0 billion) vis-à-vis VND281 trillion (USD12.4 billion) in 2016.

Secondary market experienced a m-o-m decline of 27% with VND96.38 trillion (USD4.2 billion) worth of bonds was transacted in December. Average daily trading value was also declined from VND4.4 trillion (USD193.9 million) in November to VND3.1 trillion (USD136.6 million) in December.

The government has successfully managed stable macro environment throughout 2016 and lowered government's borrowing cost via bond mobilization by 45 bps to 130 bps on 15-year tenor and below, though bond yields experienced an upward correction by 19 bps - 33 bps on secondary market in December, following tighter liquidity in the banking system at the year-end.

Important information

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