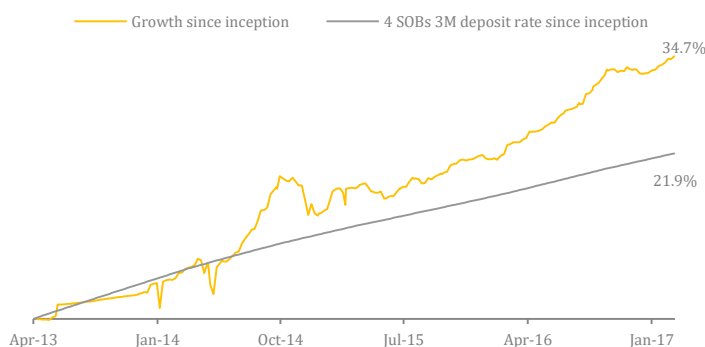


## VinaWealth Enhanced Fixed Income Fund (VFF)

As of 28 February 2017

**VFF** NAV Growth since inception (Apr 2013 – Feb 2017)

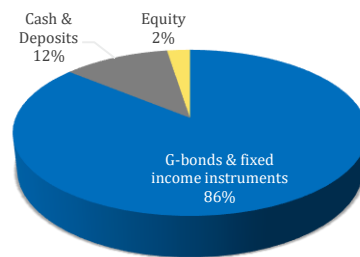


The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your fund units. Current performance may be higher or lower than the performance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

### Snapshot

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

### Investment Highlight



### Performance vs. Benchmark

	Total Assets (VND bn)	NAV/unit (VND)	NAV growth						Since Inception (Apr 2013)
			YTD	Annualized	YTD	2013	2014	2015	
VFF	210.5	13.472	1.7%	10.3%	4.7%	8.8%	6.7%	9.0%	34.7%
4 SOCBs 3M deposit <sup>1</sup>			0.8%	4.8%	5.2%	5.9%	4.7%	5.2%	21.9%
4 SOCBs 12M deposit <sup>2</sup>			1.1%	6.8%	5.8%	7.1%	6.1%	6.7%	26.8%
VCB 12M deposit <sup>3</sup>			1.0%	6.5%	5.8%	7.0%	6.1%	6.5%	26.4%

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

<sup>2</sup>: Average trailing 12-month deposit rate by 4 SOCBs is additional reference

<sup>3</sup>: 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.

### Details

Inception	9 April 2013	
Management fee	1.2% per annum	
Subscription fee	0.0%	
Redemption fee	VINAFLEX <sup>4</sup>	VINASAVE <sup>5</sup>
	<ul style="list-style-type: none"> <li>• 2.5% &lt; 12 months</li> <li>• 1.0% &gt;= 12 months</li> </ul>	<ul style="list-style-type: none"> <li>• 2.0% &lt; 24 months</li> <li>• 0.0 &gt;= 24 months</li> </ul>
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	

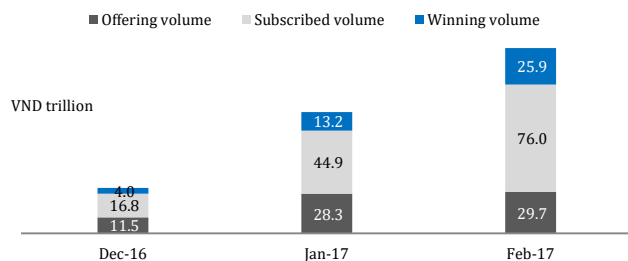
<sup>4</sup>: Flexible investment plan

<sup>5</sup>: Saving plan encouraging periodic contribution

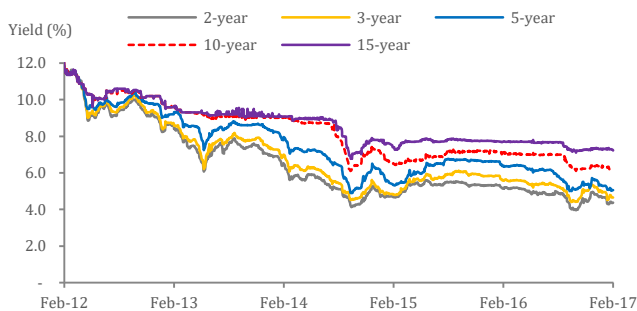
Portfolio Manager: Ms. Xuan Dung Nguyen  
[dung.xuan.nguyen@vinawealth.com.vn](mailto:dung.xuan.nguyen@vinawealth.com.vn)

Investor Relation: [ir@vinawealth.com.vn](mailto:ir@vinawealth.com.vn)  
 Tel: +84 8 38 27 85 35

### Auction result



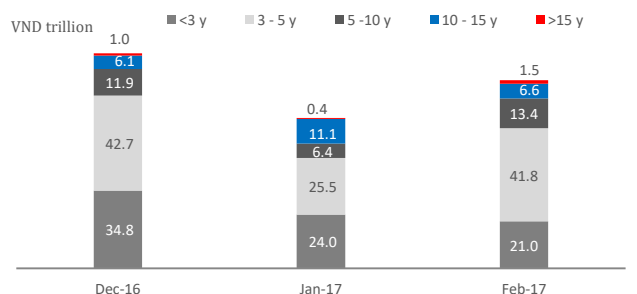
### Secondary bond yield



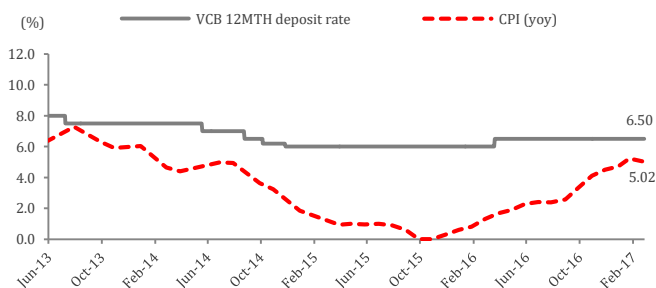
### Secondary bond yield movement

Tenor	Month		% change
	Jan 2017	Feb 2017	
1 year	4.21	3.90	-0.31
2-year	4.65	4.38	-0.28
3-year	4.95	4.65	-0.30
5-year	5.29	5.05	-0.24
7-year	5.66	5.53	-0.13
10-year	6.35	6.18	-0.17
15-year	7.33	7.22	-0.11

### Secondary trading by tenor



### Interest rate vs. CPI



Source: Bloomberg

## Fund Manager's comments

Bond market posted an exciting month in February as the result of improved liquidity in the banking system after long Tet holiday and relative stable macro environment. The MOF's revised target for g-bond issuance in 2017 also lifted market sentiment over the month. In particular, total g-bonds targeted to be issued in 2017 was reduced from VND 250 trillion (USD 10.98 billion) to VND 183.3 trillion (USD 8.04 billion), excluded g-bonds issued to Vietnam Social Insurance.

Winning volume on primary market was VND 25.93 trillion (USD 1.14 billion) in the month, nearly two fold of that of January and dominated by bonds issued by the State Treasury (ST, 65%) and Vietnam Development Bank (VDB, 35%). ST primary bond yields slipped by 13bps-23bps m-o-m on 5- to 15-year tenors as the result of higher risk appetite from bond investors, especially for 5-year which experienced 23bps yield cut. Meanwhile, ST bond yields stayed relatively flat at the long-end of the curve.

After the first two months of 2017, the ST has issued VND 26.91 trillion (USD 1.18 billion) worth of g-bonds, fulfilling 14.7% of government's 2017 revised target.

Secondary market also surged in February with VND 84.33 trillion (USD 3.74 billion) worth of bonds was transacted, increased 25% versus last month, and average daily trading volume remained healthy at VND 4.96 trillion (USD 217.9 million). Accordingly, secondary bond yields eased by 11bps to 31bps across the curve.

Draft circular giving detailed guidance on trading and settlement of government, government-guaranteed bond outright and repo was circulated in February and expected to come into effect in the near future will accommodate Vietnam bond market development in alignment with international practice and provide a solid foundation for bond funds' growth over the long run.

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