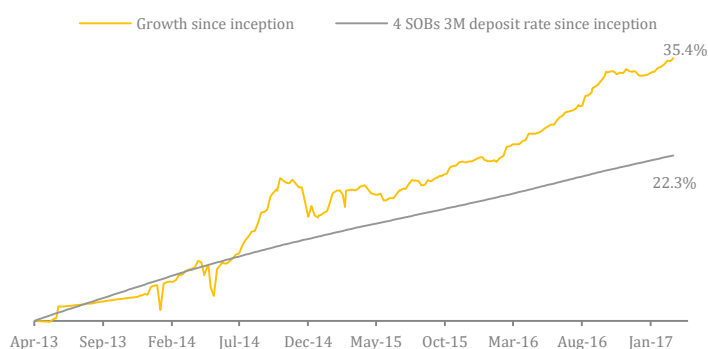


## VinaWealth Enhanced Fixed Income Fund (VFF)

As of 31 March 2017

### VFF NAV Growth since inception (Apr 2013 – Mar 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.

### Performance vs. Benchmark

	Total Assets (VND bn)	NAV/unit (VND)	NAV growth							Since Inception (Apr 2013)
			YTD	Annualized YTD	2013	2014	2015	2016		
VFF	233.0	13,548	2.2%	9.1%	4.7%	8.8%	6.7%	9.0%	35.4%	
4 SOCBs 3M deposit <sup>1</sup>			1.2%	4.8%	5.2%	5.9%	4.7%	5.2%	22.3%	
4 SOCBs 12M deposit <sup>2</sup>			1.7%	6.8%	5.8%	7.1%	6.1%	6.7%	27.4%	
VCB 12M deposit <sup>3</sup>			1.6%	6.5%	5.8%	7.0%	6.1%	6.5%	27.0%	

<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.

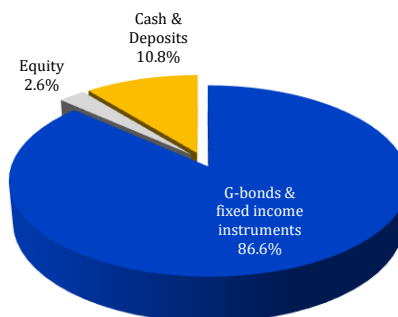
#### Benchmark

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

### 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 <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	

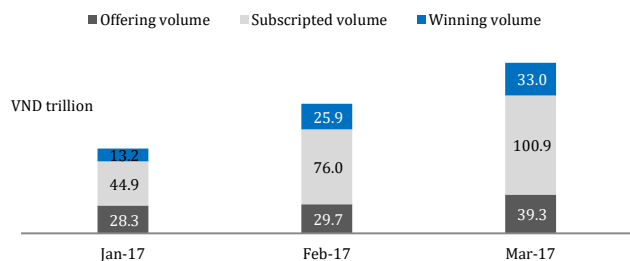
<sup>4</sup>: Flexible investment plan

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

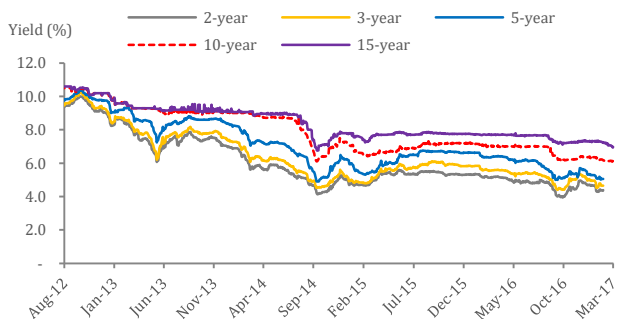
Portfolio Manager: Ms. Xuan Dung Nguyen  
[dung.xuan.nguyen@vinawealth.com.vn](mailto:dung.xuan.nguyen@vinawealth.com.vn)

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

### Auction result



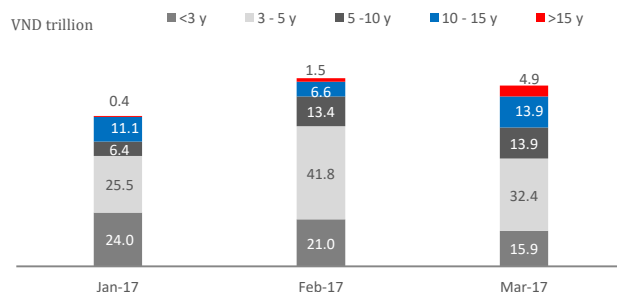
### Secondary bond yield



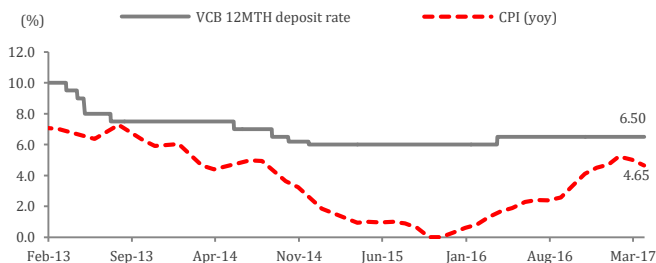
### Secondary bond yield movement

Tenor	Month		Change
	02-2017	03-2017	
1 year	3.90	4.14	0.24
2 year	4.38	4.79	0.41
3 year	4.65	4.98	0.33
5 year	5.05	5.22	0.17
7 year	5.53	5.56	0.03
10 year	6.18	6.11	-0.07
15 year	7.22	6.97	-0.25

### Secondary trading by tenor



### Interest rate vs. CPI



Source: Bloomberg

## Fund Manager's comments

Credit growth accelerated 4.03% in the first three months of 2017 (vs. that of 1.54% in 2016 and the SBV's 18% target for 2017) slightly squeezed liquidity in the banking system and inched up short-term deposit interest rate moderately in March. Accordingly, risk appetite from bond investors accumulated over the month with 32.9 trillion (USD 1.45 billion) worth of medium and long term State Treasury (ST) and Vietnam Bank for Social Policies (VBSP) bonds has been issued on primary market, surged by 27% compared to that of last month. High demand for long-term ST bonds prompted bond yield reduction of 7 bps to 27 bps m-o-m on 30-, 20-, and 15-year tenors, meanwhile, 7- and 5-year ST bond yields posted a m-o-m increase of 4 bps and 8 bps respectively due to lower demand. 10-year ST bond yield stayed flat at 6.05% in March.

In the first quarter of 2017, the ST has issued VND 56.5 trillion (USD 2.49 billion) worth of bonds, fulfilling 31% of the government's 2017 revised target (VND 183.3 trillion or USD 8.04 billion).

Total trading value on secondary market experienced a m-o-m decline of 4% in March with VND 81.1 trillion (USD 3.6 billion) worth of bonds was transacted. Bond investors were also more active at the long-end of the yield curve on secondary market, resulted in long-term bond yield easing of 7 bps to 25 bps over the month. In contrast, Lower risk appetite for short to medium-term bonds have added 3 bps to 41 bps to bond yields of bonds with less than 10 years maturities in March.

Stable macro environment has diverged bond investors from short and medium maturities to pursue longer durations, which is expected to lift the bond market in the time ahead.

## Important information

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