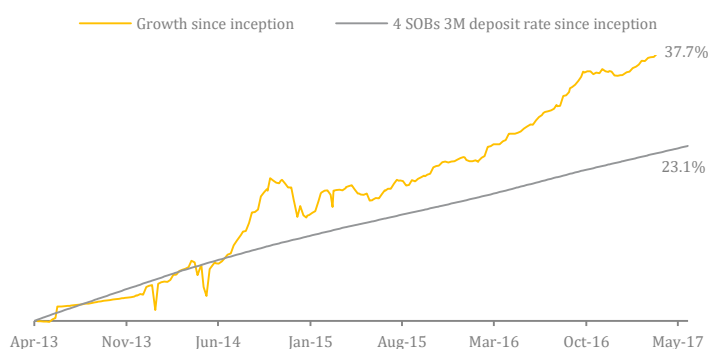


## VinaWealth Enhanced Fixed Income Fund (VFF)

As of 31 May 2017

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

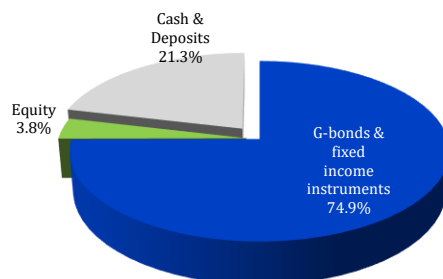


The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your fund units. Current performance may be higher or lower than the performance 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						
			YTD	Annualized YTD	2013	2014	2015	2016	Since Inception (Apr 2013)
VFF	264.3	13,778	4.0%	9.6%	4.7%	8.8%	6.7%	9.0%	37.7%
4 SOCBs 3M deposit <sup>1</sup>			2.0%	4.8%	5.2%	5.9%	4.7%	5.2%	23.1%
4 SOCBs 12M deposit <sup>2</sup>			2.8%	6.7%	5.8%	7.1%	6.1%	6.7%	28.5%
VCB 12M deposit <sup>3</sup>			2.7%	6.5%	5.8%	7.0%	6.1%	6.5%	28.1%

<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>
	• 2.5% < 12 months • 1.0% >= 12 months	• 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	

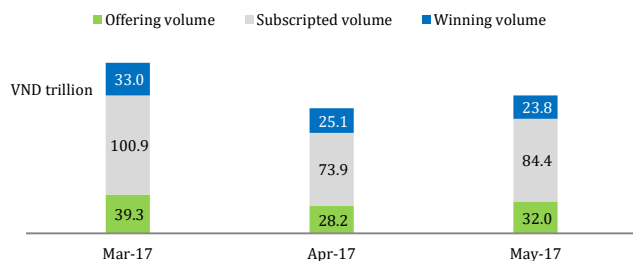
<sup>4</sup>: Flexible investment plan

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

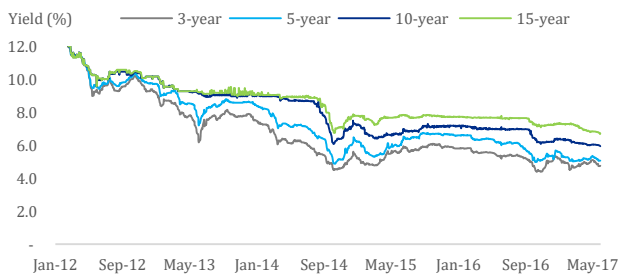
Portfolio Manager: Ms. Xuan Dung Nguyen  
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Investor Relation: [ir@vinawealth.com.vn](mailto:ir@vinawealth.com.vn)  
 Tel: +84 8 38 27 85 35

### Auction result



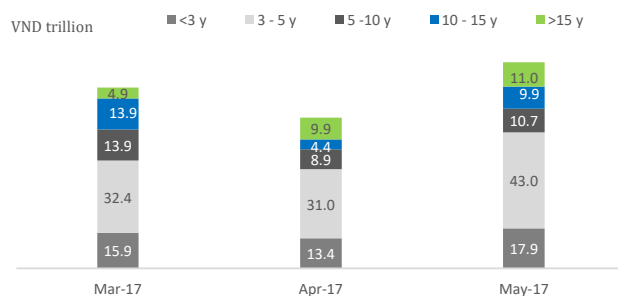
### Secondary bond yield



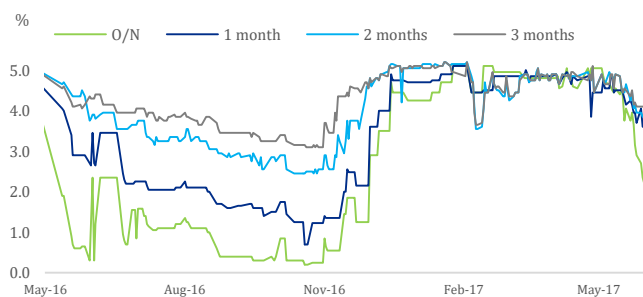
### Secondary bond yield movement

Tenor	Month		Change
	04-2017	05-2017	
1 year	4.32	3.78	-0.54
2 year	4.98	4.62	-0.36
3 year	5.10	4.78	-0.32
5 year	5.31	5.09	-0.22
7 year	5.54	5.43	-0.11
10 year	6.05	5.95	-0.10
15 year	6.85	6.73	-0.12

### Secondary trading by tenor



### Interbank rate



Source: Bloomberg

## Fund Manager's comments

Credit rose at a slower pace (+6.53% as of May vs. +5.76% and +4.03% as of April and March respectively) and diminished borrowing activities among banks have sustained investors' risk appetite for bonds on both the primary and secondary markets in May.

On the primary market, the State Treasury (ST) and Vietnam Bank for Social Policy (VBSP) have issued VND23.8 trillion (USD1.05 billion) worth of bonds over the month, decreased moderately by 5% compared to that of April. In particular, ST bonds accounted for 92% of total issues (VND21.8 trillion or USD960 million) with 5- to 30-year tenors and bond yields contracted by 8 bps to 17 bps across the curve versus last month. VBSP bonds accounted for 8% of total issues in May (VND2.02 trillion or USD89 million) with 5-, 10- and 15-year tenors. 10- and 15-year VBSP bond yields glided 32 bps and 40 bps respectively versus their last issues in March as the result of investors' increased risk appetite for these tenors while 5-year VBSP bond yield stayed flat.

As of May 2017, the ST has issued VND103.4 trillion (USD4.55 billion) worth of bonds, fulfilling 56.4% of the government's revised issuance target for 2017 (VND183.3 trillion or USD8.04 billion).

On the secondary market, trading volume accelerated 36.7% month-on-month with VND92.44 trillion (USD4.07 billion) worth of bonds transacted in May, resulting in a sharp month-on-month decline of 22 bps to 54 bps on short to medium ST bond yields. Long ST bond yields also experienced a contraction from 10 bps to 12 bps compared to last month.

Recent revision on Vietnam's outlook from "stable" to "positive" by Moody's and Fitch on the back of ongoing economic reform in Vietnam and the stable macroeconomic environment are expected to increase attractiveness of the bond market in the coming months.

## Important information

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