

Fund Category	Vietnam Public Equities					
Country Focus	Vietnam					
Subscriptions	Monthly at NAV (five business days before month end)					
Redemptions	Monthly at NAV 60 days notice					
Benchmark	VN Index					
Fund Manager	Andreas Karall					
Investment Manager	Asia Frontier Capital (Vietnam) Ltd., Cayman Islands					
Investment Advisor	Asia Frontier Investments Ltd., Hong Kong					
Fund Base Currency	USD					
Minimum Investment	USD 10,000					
Subsequent Investments	USD 1,000					
Management Fee	1.8% p.a. of NAV					
Performance Fee	12.5% p.a. of AV appreciation with high watermark					
Fund Domicile	Cayman Islands					
Launch Date	23 December 2013					
Custodian Bank	Viet Capital Securities, Ho Chi Minh City					
Auditor	EY, Hong Kong					
Administrator	Custom House, Singapore					
Legal Advisor	Ogier, Hong Kong					
ISIN	KYG0133A1673					

Contact Information

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AFC VIETNAM FUND UPDATE

Quite accurately was our scenario that the market would test the March highs. Many index heavyweights, but as well as numerous small-caps led the recovery with both indices increasing; Ho Chi Minh City by 3.3% and Hanoi by 1.5%. Once again many shares from our portfolio saw an increased interest and hence we performed also nicely with an advance of 3.1%. According to internal calculations, the current NAV is approximately USD 1,529.

After the recent mini correction, the index has now reached again the level of the March interim report, and this time we are much more confident that the Index will break through its technical resistance soon. An increase to the high of the last two years corresponds to an index gain of about 10%.

Ho Chi Minh City Index: 10% to the next resistance level



Source: Viet Capital Securities

With the current positive economic environment in Vietnam and signs of a stabilization of the Chinese economy and commodity prices, we truly believe that there is very good chance that the market will finally breakout on the upside of its 2 year sideways trading range later this year.



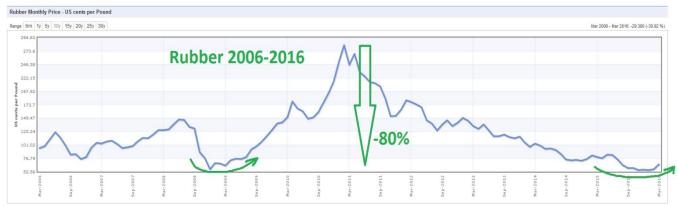
Source: stockbiz.vn

Our optimism is driven primarily by the relative strength in smaller stocks, due to an increased investment activity of retail investors. Foreign investors who have withdrawn capital in recent months, are also slowly coming back to the market. The expected launch of a derivative market within the next 12 months and the growing importance of local institutional investors should have a long term positive market impact as well.



AFC VIETNAM FUND UPDATE

Although we now have achieved a performance of over 50% in a relatively boring market, we still see countless opportunities out of the approximately 700 listed companies. This is also well reflected in our still attractively valued portfolio. Apart from investments in our favourite sectors, such as infrastructure, industry and consumption, which should all benefit from the general upswing in Vietnam, there are also many undervalued commodity stocks. In recent weeks we have for example invested in a debt-free and profitable company with a 10% dividend yield and an attractive valuation (50% below equity!). While the underlying commodity prices have fallen about 80% over the past 5 years, we regard this as a typical investment case where we see an upside potential of at least 200% in the coming years if there is just a modest recovery in commodity prices.



Source: IndexMundi

With the new government now in place, it is widely expected that we will see a continuation of economic reforms and no negative surprises in Vietnam's economic policies. The prolonged drought has become noticeable a negative impact on inflation and growth, but on the other hand good export numbers have brought the Q1 trade balance back into positive territory. Also domestic consumption continues to be a solid support for this year's economic growth.



Source: Viet Capital Securities

AFC VIETNAM FUND UPDATE

Following a breakout of this unusually long sideways trend, I expect a strong upward movement. The stock market will then see new money inflow from domestic and international investors, which will create a supply vacuum in many stocks, as it is often observed in small markets such as Vietnam. With asset inflows, fund managers will then have no choice but to chase rising stock prices; this is what I call a *buying panic*.

The subscription deadline for this possibly last month before the market rallies will be on the 25th of April and if you would like any assistance with the investment process please be in touch with myself or Andreas Vogelsanger.

Best regards,

Andreas Karall, CIO

Estimated NAV as of 15st April 2016

NAV	USD 1,529*				
Since Inception	+52.9%*				
Inception Date	23/12/2013				

Monthly Performances AFC Vietnam Fund

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	USD												+2.37%	+2.37%
2014	USD	+8.75%	+4.50%	+2.18%	-4.65%	-0.32%	+1.45%	+1.86%	+5.49%	+3.87%	+2.83%	+2.50%	+0.60%	+32.50%
2015	USD	+0.44%	+1.76%	-0.96%	+1.93%	-0.48%	+0.06%	+0.22%	-4.57%	+1.18%	+6.90%	-1.82%	+0.25%	+4.62%
2016	USD	-0.10%	+3.30%	+1.28%	+3.1%*									+7.75%*

According to internal calculations

*The representative of the Fund in Switzerland is Hugo Fund Services SA, 6 Cours de Rive, 1204 Geneva. The distribution of Shares in Switzerland must exclusively be made to qualified investors. The place of performance and jurisdiction for Shares in the Fund distributed in Switzerland are at the registered office of the Representative.

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