



AFC VIETNAM FUND UPDATE

Fund Category	Vietnam Public Equities
Country Focus	Vietnam
Subscriptions	Monthly at NAV (five 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

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The stock market could now begin its next phase in the bull market – but so far nobody seems to believe in it. The trading volume is still very modest and foreigners play a minor role, but we are seeing the first signs of local investors to become more active again.



Source: VietCapital Securities

The consolidation phase lasts now for over 12 months, but should the market - the Hanoi index above – succeed to break out on the upside in the coming weeks and months, then the remainder of this year looks very promising.

The continued weakness in emerging and frontier markets is often explained as the risk of rising interest rates in the United States. This constantly discussed "danger" exists now for several years and is precisely the reason, in contrast to previous market cycles, why most of these exotic markets haven't exploded to the upside. That means that even if the still very uncertain scenario of a cautious normalization of interest rates in the US should happen in the coming quarters (years?), then markets with a low correlation such as Vietnam, whose economy even produces a current account surplus, will with a high probability not be affected in a sustainable manner.

We are now eagerly awaiting the releases of the first quarter company earnings, which started this week. Although Q1 results are not that important in our financial analytical model, we nevertheless are expecting to see the first tendencies of growth prospects for the various companies we are closely following. Among other things, it will be very interesting to see the scale of the impact due to the massive drop in oil prices will have, on one hand negative on the oil sector and on the other hand positive on other sectors.

15st April 2015



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The indices in Ho Chi Minh and Hanoi are now almost unchanged after a weak start of the month with + 1.4% and - 0.1% respectively, while our internally calculated NAV is currently at approximately USD 1,390 (+ 0.5% in April). The subscription deadline for this month will be on the 24th April, if you would like any assistance with the investment process please be in touch with myself or Andreas Vogelsanger.

Best regards

Andreas Karall, CIO

**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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