

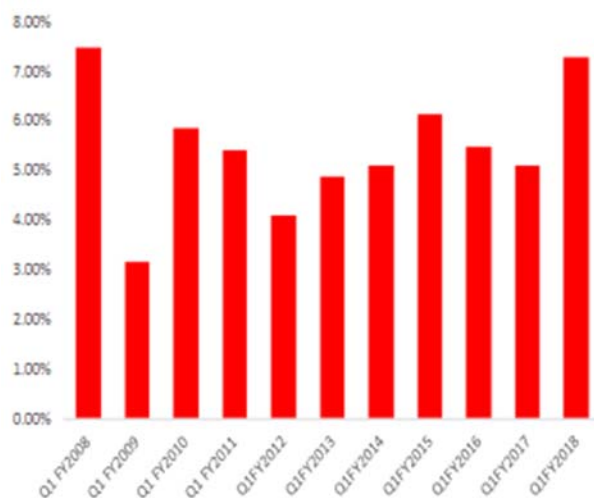
HIGH ECONOMIC GROWTH RATE IN Q1 2018

Vietnam's GDP increased by 7.38% in Q1 2018 compared to the previous quarter. This is the highest growth rate in Q1 since 2009. The high growth rate in the first quarter of 2018 was due to the recovery of agricultural production and the manufacturing and manufacturing sectors that have remained high growth rate from the fourth quarter of 2017. GDP growth rate in the remaining quarters of the year is predicted to be lower than that achieved in the first quarter despite the drivers for growth are maintained. Reports released in April 2018 by large institutions continue to offer higher growth forecasts for Vietnam's economy in 2018 compared to previous forecasts. Specifically, the IMF expects Vietnam to grow at a rate of 6.6%, World Bank forecasts a 6.5% increase and the Asian Development Bank (ADB) forecasts a 7.1% increase. The possibility of achieving a GDP growth target of 6.7% as set by the Government is relatively high as Vietnam continues to maintain the growth rate of its manufacturing and manufacturing sector in addition to significant growth of service sector, especially with tourism services in 2018.

THE MACRO ECONOMIC FACTOR CONTINUES TO STABILIZE

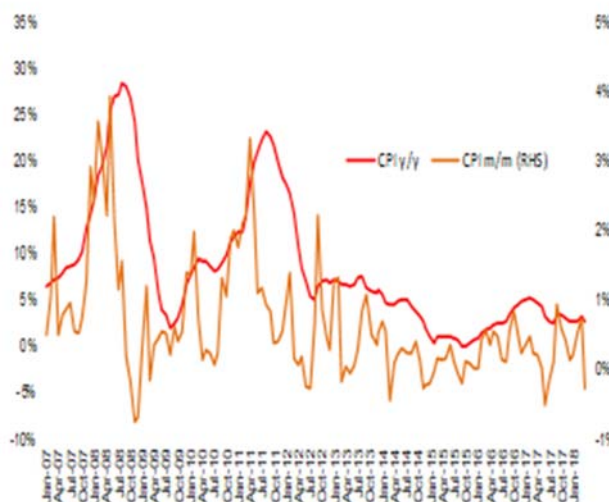
The government continued its success in the first quarter of 2018 in macroeconomic management. Macroeconomic indicators after the end of Q1 2018 showed stability. Inflation in March 2018 increased 2.66% over the same period last year and core inflation increased by 1.38%. Credit and money supply growth was 3.23% and 2.23% YTD, respectively (over the same period last year was 2.88% and 2.81% respectively). The exchange rate between VND and USD was stable at 22,700 - 22,800 VND / USD, experienced an increase of 0.4% compared to the beginning of the year. Export activity grew sharply, reaching a 22% increase over the same period last year. Imports increased by 13.6% over the same period of 2017 and Vietnam had a merchandise surplus of USD1.3 billion in the first quarter of 2018. New registered FDI was USD 3.91 billion, increase 43% YOY due to Samsung registered USD 2.5 billion in the first quarter of 2017 and disbursed FDI reached USD3.88 billion (+ 7.2% YOY). The state budget had a surplus of USD6.3 trillion as of March 15. Major policies to stabilize the macroeconomy have been maintained, liquidity of the banking system and deposit rates of commercial banks tend to decrease slightly for short terms, and stable lending rates.

VIETNAM GDP GROWTH RATE IN Q1 PERIOD 2008-2018



Source: GSO

VOLATILITY IN INFLATION MONTH OVER MONTH AND QUARTER OVER QUARTER (2007-2018)

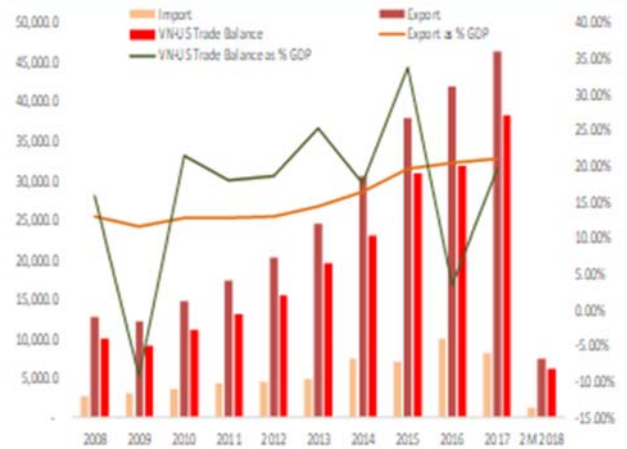


Source: GSO

TRADE WAR AND INFLUENCE ON VIETNAM

In April 2018, the United States officially introduced new tariffs on a list of imports from China, raising concerns about triggering a global trade war. Vietnam is a major trading partner with the United States, although the two countries do not have direct free trade agreements. In 2017, Vietnam exported USD46.5 billion worth of goods (equivalent to 21.2% of Vietnam's 2017 GDP) and reached a trade surplus of USD38.3 billion. This trade surplus has placed Vietnam at No. 6 among the top 10 surplus trading countries with the United States, with the major items being appraises, footwear, electronics and machinery. According to our assessment, there will be no incidence of high tariffs on major goods imported from Vietnam. In the event of increased pressure from the trade war, Vietnam may be able to indirectly benefit from increased FDI inflows and the US negotiation of accession to the CPTPP.

EXPORT GROWTH RATE AND TRADE SURPLUS WITH THE UNITED STATE (Billion USD)



Source: GSO/Census.com

CHANGE IN CAPITAL FLOW IN EMERGING MARKET

Emerging market (EM) capital inflows have grown sharply since early 2016 and remained in place until February 2018. Particularly, emerging market in Asia (excluding Japan) attracted major investment. High economic growth rates and extraordinary performance in the emerging markets stock market are the main drivers of capital flows. Despite of fluctuations in the Federal Reserve Bank's (FED) rate hike, the investment flows to EM equity investment funds has slowed down since February 2018, and slowly recovered in April 2018. This situation shows the caution of investors before the strong fluctuation of the market and shows the trend of cash flow investment in EM difficult to maintain the growth rate and scale as in the years 2016-2017. Foreign investors' equity investment in Vietnam declined slightly in March 2018. However, the valuations show that the growth opportunities of Vietnam's stock market in the medium term remain unchanged. Vietnam continues to be an attractive destination for indirect capital flows.

TOTAL ASSET UNDER MANAGEMENT OF EQUITY INVESTMENT FUND OPERATING IN EMERGING MARKET (2006-2018)



Source: EPRF Global/HSBC