



VIETFUND
MANAGEMENT

MONTHLY UPDATES | VFM

August 2011

VIETFUND MANAGEMENT (VFM)

VietFund Management (VFM) is a leading financial services and investment firm, offering a wide range of financial services in managing investment funds and discretionary portfolio management to domestic and international investors.

In 2008, VFM focused on carrying out Discretionary Portfolio Management service to our individual and institutional investors as well as national and international financial institutions. We have expertise and experience management team and offer professional solutions in this field.

By entrusting the management of your assets to us, you can be sure your portfolio will be managed professionally - leaving you more time for yourself.



VF1 Investment Fund
VF4 Investment Fund
VFA Investment Fund

Head Office:

10th Floor, Central Plaza Office Bldg
17 Le Duan Boulevard, District 1 Ho Chi Minh City, Vietnam
Tel: +84 8 3825 1488 Fax: +84 8 3825 1489 Hotline: +84 8 3825 1480

Hanoi Branch:

Unit 1208, 12th Floor Pacific Place Tower
83B Ly Thuong Kiet Street Hoan Kiem Dist., Ha Noi, Vietnam
Tel: +84 4 3942 8168 Fax: +84 4 3942 8169

VF1

Fund name	Quỹ đầu tư Chứng khoán Việt Nam Fund (VF1)
English name	Vietnam Securities Investment Fund
Trading Code	VF1
Fund type	Closed-end public fund
Current chartered capital	1,000,000,000,000 VND
Outstanding fund unit	100,000,000 units
Inception date	May 20, 2004
Listing date	November 8, 2004
Fund term	10 years
Management Fund	VietFund Management (VFM)
Custodian	Joint Stock Commercial Bank for foreign trade of Viet nam (Vietcombank)
Management fee	2%/NAV/year
Custodian & depositing fees	0.08%/NAV/year
Dividend	By annual, based on realized return and approved by Annual Meeting of Investors.
Investment objective	VF1 aims to invest to listed and unlisted shares, fixed-income securities and other financial instruments to build a balanced portfolio.

Fund performance in Aug 2011

In August 2011, Vietnam's stocks market began its uptrend as both VN-Index and HN-Index moved up. As at August, 31 2011 VN-Index increased 4.7% and HN-Index increased 5.2% month-on-month. This positive movement of the market happened because in August 2011, macro-economic had good news while inflation slowed down, credit policy was managed well and interest rate was committed to reduce.

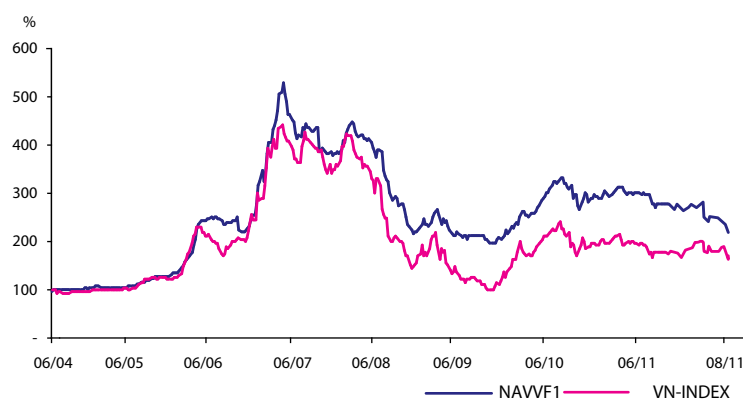
On m-o-m basis, the VF1 increased 4.5% while VN-Index increased 4.7% and HNX-Index increased 5.2%.

Movement in net asset value (NAV)

	31/08/2011			Performance (%)					
	Fund size (VND bn)	NAV (VND bn)	Unit NAV (VND)	1 month	3 month	6 month	9 month	YTD	Since inception (24/05/2004)
VF1	1,000	1,641.1	16,411	4.5	(0.4)	(8.3)	(21.7)	(22.8)	76.1
VN-Index			424.7	4.7	(1.8)	(7.9)	(6.0)	(12.4)	62.4
HNX-Index			73.2	5.2	(1.6)	(23.7)	(32.5)	(35.9)	(26.8)

(*) Including 15% dividend paid for investor

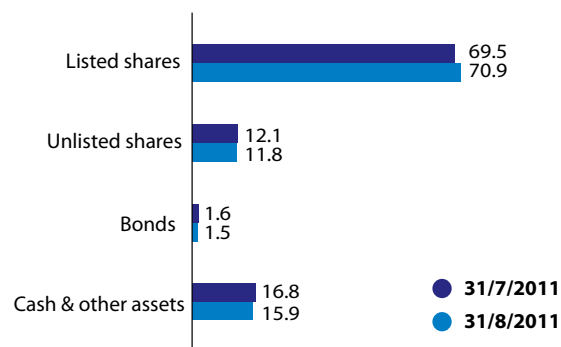
NAV VF1 Performance VS. Index 24/05/2004=100



NAV performance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year-to-date (YTD)	YTD annualized
2011	2.2	(10.7)	(1.8)	(5.2)	(10.2)	1.6	(4.7)	4.5					(22.8)	(32.2)
2010	(0.8)	0.6	2.3	7.0	(4.6)	0.2	1.3	(7.9)	(0.2)	(0.6)	(3.9)	1.4	(8.2)	(8.2)
2009	(1.4)	(7.5)	4.5	8.6	10.7	8.4	7.7	14.3	8.5	(0.6)	(8.6)	1.5	50.9	56.6
2008	(6.0)	(15.0)	(15.7)	(9.0)	(20.0)	(4.2)	6.7	14.2	(9.7)	(14.0)	(1.0)	0.6	(55.8)	(55.8)
2007	25.0	47.6	33.0	19.9	24.9	0.1	(3.5)(*)	(2.1)	5.8	8.8	(4.2)	(2.1)	46.1(*)	46.1(*)
2006	6.0	14.7	10.3	33.5	4.0	3.2	(8.4)	1.3	4.7	(4.4)(*)	15.2	31.0	175.1(*)	175.1(*)
2005	0.04	2.4	1.1	(2.4)	0.2	0.5	0.2	3.5	5.6	5.8	4.7	1.2	25.2	25.2
2004						1.0	(0.6)	(0.2)	0.3	0.6	(0.2)	0.6	1.6	3.2

(*) based on weighted issued capital

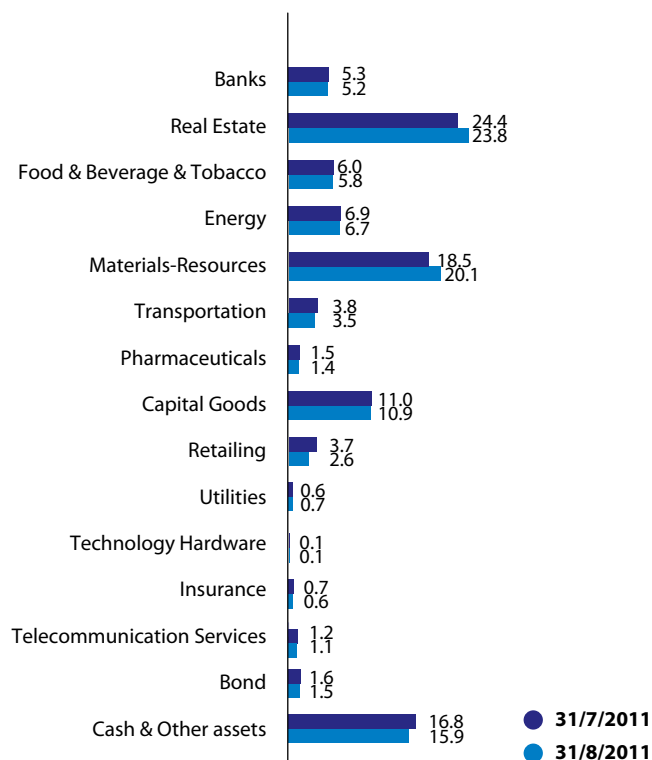
Asset allocation (%)



As at August 31 2011, the proportion of listed shares increased from 69.5% NAV to 70.9% NAV. The proportion of unlisted shares decreased from 12.1% NAV to 11.8% NAV. The main reason of these changes was that the market price of many listed stocks rose faster than unlisted stocks in the VF1's portfolio. On the other hand, the proportion of listed shares increased since the VF1's investments were focused on listed stock.

The net effect of investments and divestments in August 2011 was that the proportion of cash decreased from 12.1% NAV to 11.8% NAV.

Investment by industries (%)



The investments classified by industries in August 2011 had little change as compared to the previous month's figure when the two largest sectors still belonged to Real Estate & Infrastructure and Materials & Resources.

The net investments in August 2011 were primarily in Materials & Resources while net divestments were focused on Retailing.

As at August 31 2011, the top 4 industries were: Infrastructure & Real Estate, Capital Goods, Energy and Materials & Resources which comprised 61.5% of VF1's NAV.

VF4

Fund performance in Aug 2011

In the month of August, Vietnam economy welcomed many positive news including the unanimous commitment on decreasing interest rate or the only 0.98% increase of MoM CPI, the lowest increase in this year. Being stimulated by good news, Vietnam stock market in August rebounded significantly in both volume and value. As of 31/08/2011, VN-Index and HNX-Index closed at 424.71 and 73.19 respectively. During August, VF4 invested into stocks possessing high liquidity and the positive financial results. Also, taking advantage of an up-trend market, VF4 has been rebalancing its portfolio with focus on sustainable growth and low risk.

VF4's NAV/unit at the end of August reached VND 6903/units, rose 3.2%.

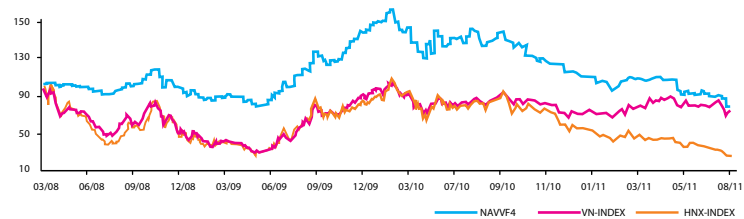
Movement in NAV

	31/08/2011			Performance (%)			
	Fund size (VND bn.)	NAV (VND bn.)	Unit NAV (VND)	1 month	3 month	YTD	Since inception (28/02/2008)
VF4	806.5	556.7	6.903*	3.2	2.5	(24.7)	(11.0)
VN-Index			424.7	4.7	(1.8)	(12.4)	(37.4)
HNX-Index			73.2	(5.4)	(1.6)	(35.9)	(68.5)

(* excluding unit dividend of VND1,000 advancing in 12/2009 and VND1,000 advancing in 04/2010)

NAV VF4 Performance VS. Indices

28/02/2008=100



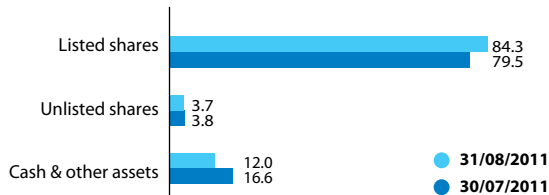
NAV performance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year-to-date	YTD annualized
2008			(2.0)	(0.9)	(5.7)	0.4	6.3	11.5	(8.5)	(12.7)	(3.7)	1.7	(17.4)	(17.4)
2009	(1.3)	(9.0)	8.3	11.2	13.0	6.5	7.6	16.6	6.1	(1.4)	(13.2)	0.5	48.9	48.9
2010	(3.1)	1.5	3.1	7.4	(6.4)	(0.8)	(4.1)	(10.3)	(0.9)	(2.2)	(3.3)	4.9	(16.7)	(21.6)
2011	1.0	(13.0)	(3.1)	(4.3)	(12.0)	2.4	(0.6)	3.2					(24.7)	(46.1)

Fund name	Quỹ đầu tư Doanh nghiệp Hàng đầu Việt Nam (VF4)
English name	Vietnam Blue-chips Fund
Trading Code	VFMVF4
Fund type	Closed-end public fund
Current chartered capital	806,460,000,000 VND
Outstanding fund unit	80,646,000 units
Inception date	28/02/2008
Listing date	12/06/2008
Fund term	10 years
Management Fund	VietFund Management (VFM)
Custodian	HSBC Bank (Vietnam) Ltd., Ho Chi Minh City Branch
Management fee	1.5%/NAV/year
Custodian & depositing fees	0.08%/NAV/year
Dividend	By annual, based on realized return and approved by Annual Meeting of Investors.
Investment objective	VF4 aims to achieve long term capital growth with optimal risk through investing in IPOs of the big State Owned Enterprises and blue chips companies. These companies have shown consistent growth over the years, and are expected to sustain growth in the future.

Top 5 holdings

Stock	Listing status	% NAV
DPM	HOSE	8.2
VCB	HOSE	6.1
TCM	HOSE	6.0
HPG	HOSE	5.8
FPT	HOSE	5.6

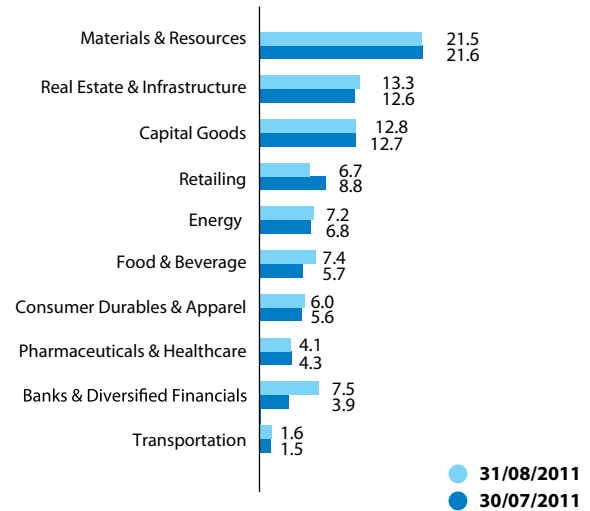
Asset allocation (%)



In 08/2010, the proportion of listed stocks increased from 79.5% to 84.3%. Investing activities were focusing on stocks with potential of high-growth when market increase. The proportion of unlisted stocks and cash declined due to the active investing activities.

Cash and other asset decreased from 16.6% as of 30/07/2011 down to 12% as of 31/08/2011.

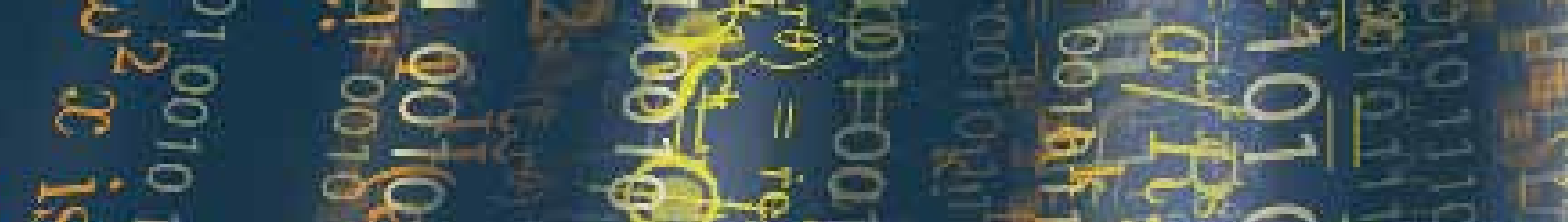
Investment by industries (%)



In 08/2011 Materials & Resources, Infrastructure & Real Estate and Capital Goods are the top 3 holding sectors. Due to the investing activities, sectors, which increased holding in portfolio, are Energy (0.4%), Food & Beverage (1.7%), especially Banks & Diversified Financials sector possessed the highest growth in portfolio's holding with 3.6% growth. Meanwhile, Retailing sector reduced 2.1% in portfolio's holding.

As at 31/08/2011, VF4's portfolios included 30 stocks in 11 industries. The top 3 holding by sectors were:

- + Materials & Resources (21.5%).
- + Infrastructure & Real Estate (13.3%),
- + Capital Goods (12.8%)



VFA

Fund name	Quỹ đầu tư Năng động Việt Nam (VFA)
English name	Vietnam Active Fund
Trading Code	VFMVFA
Fund type	Closed-end public fund
Current chartered capital	240,437,600,000 VND
Outstanding fund unit	24,043,760 units
Inception date	02/05/2010
Listing date	08/09/2010
Fund term	5 years
Management Fund	VietFund Management (VFM)
Custodian	Far East National Bank - Hochiminh City Branch
Management fee	2%/NAV/year
Custodian & depositing fees	0.04%/NAV/year
Dividend	Distribute at least 50% of its realized profit to investors every year.
Investment objective	To capture medium to long-term capital appreciation on Vietnam market, accompanied by capital preservation during adverse market conditions, based on the main strategy of trend-following.

Fund performance in Aug 2011

During August 2011, Vietnamese stock market showed signs positive movement as the new Governor of the State Bank of Vietnam sent his message to lower the interest rate. Consequently, VN-Index and HNX-Index respectively increased 4.7% and 5.2% while VFA's NAV increased 3.1%, which resulted in a decreased of 12.1% year-to-date, which was equivalent to the decrease of VN-Index (-12.4% ytd) as well as nearly 1/3 of the plunge of HNX-Index (-35.9% ytd).

Movement in NAV

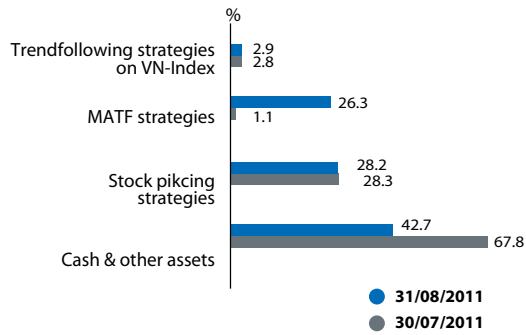
	31/08/2011			Performance (%)					
	Fund size (VND bn.)	NAV (VND bn.)	Unit NAV	1 month	3 month	6 month	9 month	YTD	Since inception (2/4/2010)
VFA	240.4	194.7	8,096.8	3.1	0.4	(6.2)	(8.0)	(12.1)	(19.0)
VN-Index			424.7	4.7	0.8	(7.9)	(6.0)	(12.4)	(16.8)
HNX-Index			73.2	5.2	5.3	(23.7)	(32.5)	(35.9)	(55.4)

NAV VFA Performance VS. Indices

02/04/2010=100



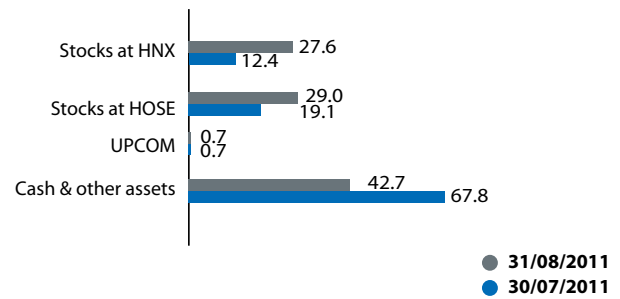
By Strategies



In August 2011, Model-Averaging-trend-following (MATF) strategy implemented buy signal as market started to go up. Consequently, MATF's stocks holding increased from 1.1% NAV to 26.3% NAV.

In the other hand, stock picking strategy did not have much changed as compared to July's proportion.

By asset allocation (%)



Since in August, MATF strategy invested in stocks in both HOSE and HNX, HOSE's stocks' proportion increased from 19.1% to 29.0% NAV and HNX's stocks' proportion increased from 12.4% to 27.6% NAV.



VIETFUND MANAGEMENT

Disclaimer

This Monthly Updates is issued by VietFund Management (VFM). All statistics relating to VF1's & VF4's performance are approved by Custodian. This newsletter is aimed to provide information on activities of VF1, VF4 investment funds and other services. The other mentioned statistics relating to Vietnam stock market are collected from reliable sources; however, VFM does not ensure that all these statistics are totally adequate and exact. VFM is neither entitled to update, revise the newsletter in any kind nor inform readers in terms of opinion, forecast or estimation when there is changes. The use of any information herein (partly or totally), except for reference purpose, shall be approved in writing by VFM.