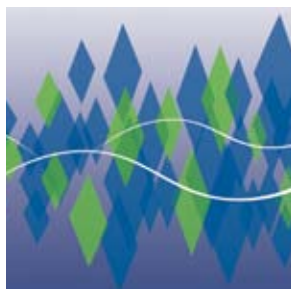




V I E T F U N D
M A N A G E M E N T

NEWSLETTER | VFM

Quarter I/2012



Issued by April 22nd, 2012
www.vinafund.com

CONTENTS

IR_ Investor care activitiy	4
Fund Performance In The Quarter	
VF1 Investment Fund.....	6
VF4 Investment Fund	8
VFA Investment Fund	10
Top holdings	
Vietnam Export Import Commercial Js. Bank (EIB).....	12
Vietnam Diary Products Company (VNM).....	13

Disclaimer

This Newsletter 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.

IR_ INVESTOR CARE ACTIVITY

ANNUAL GENERAL MEETING 2011

In Quarter I/ 2012, VietFund Management already held the Annual General Meeting 2011 of three funds with the information as below:

- VF1 Annual General Meeting 2011 was held at 8:30, March 20th 2012 at Rex Hotel, Hochiminh city.
- VF4 Annual General Meeting 2011 was held at 8:30, March 22nd 2012 at Rex Hotel, Hochiminh city.
- VFA Annual General Meeting 2011 was held at 8:30, March 27th 2012 at Rex Hotel, Hochiminh city.

VF1 INVESTMENT FUND



1. Performance result and dividend distribution in year 2011

- o At 31/12/2011, VF1 fund's NAV reached 1,298,335,790,579VND, decreased 827,931,999,144VND compared to the beginning of the year.
- o Up to 31/12/2011, the VF1 fund's asset was allocated into listed stock, unlisted stock, cash as 70.4%NAV, 10.6% NAV, 17.0%NAV respectively. Compared to 2010, the proportion is 76.1%NAV; 16.8%NAV; 7.1%NAV.
- o According to investment activities in 2011, the proportion of asset disbursed into large-cap stocks accounted for 74.4%NAV. In addition, 66% of total investment value was mainly into large cap stocks and high liquidity ones which were listed on HOSE.
- o Divestment activities in 2011 were primarily focused on large-cap stocks (accounted for 71% of total divestment value). Therefore, proportion of divestment at HOSE, OTC, HNX were 68%, 21.8%, 10.2% respectively. Summarily, the objective of divestment activities aimed to increase the liquidity level as well as growth value of the portfolio of the fund.
- o According to the 2011 operating result, VF1 is not declaring dividend for the year of 2011 due to the net loss result.

2. Plan action in 2012:

- o Year 2012 is rated as a pivotal year for the qualitative

change of the economy and will set the stage for a new cycle of the securities market. In 2012, VF1 identifies two key missions:

- To reduce volatility of net asset value and increase return of the Fund.
- To increase the liquidity of the Fund's investment portfolio.
- o In order to perform these tasks, beside market capitalization criterion, VF1's investment's first priority will be value stocks that have good fundamentals, strong cash flows, core business focusing, high transparency, good reputation and high position in the sector.
- o VF1 will continue to adjust portfolio's weight to ensure the balance between risks and return of the investments.
- o Especially, VF1 will divest in companies whose growth are potential or companies that have adverse effects from the change of macroeconomic factors.
- o Furthermore, VF1 will continue to monitor the market closely and review fund's current investments to ensure that the portfolio's stocks achieved liquidity to commensurate with the size of the Fund. Moreover, VF1 will divest illiquid investments to enhance the portfolio's liquidity besides maintaining a reasonable profit.

3. **Authorize the Board of Representative to select the auditor for VF1 Investment Fund in 2012.**
4. **Authorize BOR to decide the appropriate time to pay advanced dividend in 2012 with 50% of its realized profit, in accordance to the Charter and the current laws.**

5. **Amendment and supplement to Item legal basis, concepts & definitions, article 11, 27, 28, 38, 49 and Appendix 4 of the Fund Charter.**

VF4 INVESTMENT FUND



1. Performance result and dividend distribution in year 2011

- o At 31/12/2011, VF4 fund's NAV reached 444.4 billion VND, equaled to 5,510VND per fund unit and decreased 39.9% compared to the beginning of the year.
- o As investment activities, four industries received the highest investment from the Fund were Food – Beverage, Material – Resources, Capital Goods, Energy. They occupied up to 70% of total investment value. During 2011, VF4 fund has replaced OTC stocks by higher liquidity and growth value stocks step by step.
- o The operating result of VF4 fund recorded the net loss of 295.2 billion VND. Loss from investment activities was 287.3 billion VND which included 196.4 billion VND unrealized loss, 115.1 billion VND realized loss and 24.2 billion VND received dividend.
- o According to the 2011 operating result, VF4 is not declaring dividend for the year of 2011 due to the net loss result.

2. Plan action in 2012:

VF4's objectives will maintain the objectives of a blue-chips investment fund which will:

- Focus on the portfolio's growth and sustainability.
- Pursue the value investment principle by investing into stocks with good fundamental performance, stable growth, and being under-valued, while assure a high portfolio's rebounding return a recovery phase of the stock market. Increase the portfolio's liquidity by investing into stocks with high liquidity and large cap

status, and divesting the illiquid assets in the recovery of the stock market.

- Utilize cash holding deposit at the best interest rate via money market tools or bonds. If Annual General Meeting approves to change the legal status of VF4 into the open-ended fund, VF4 will maintain cash holding at the safe ratio and available for any redemption requirement under open-ended policies.

3. Change legal status of VF4 from close-end into open ended fund

The General Meeting unanimously agreed to convert VF4 into the open-ended fund in principal and authorized the BOR to conduct VietFund Management company to prepare the proposal at an appropriate time.

4. Authorize the Board of Representative to select the auditor for VF4 Investment Fund in 2012.

5. Amendment and supplement to Item legal basis, concepts & definitions, article 11, 26 and 44 of the Fund Charter.



1. Performance result and dividend distribution in year 2011

- o At 31/12/2011, VFA fund's NAV reached 171.1 billion VND, equaled to 7,139.5VND per fund unit, decreased 28.6% which was lower than decrease of VN-Index (31.1%) and HNX-Index (64.2%).
- o From June 2011, VFA fund has applied the Model Averaging Trend Following strategy in replace for Trend-Following strategy on VN-Index. However, VFA increased the proportion of MAFT from 50% NAV to 70% NAV. As at 31/12/2011, the asset proportion of stocks and cash which were allocated by MATF were 1.7% NAV and 68% NAV respectively.
- o With the cash holding as 41.9%, VFA invested into term deposits with the best interest rate but still maintain flexibility when buy/ sell signals appear. As a result, interest return from term deposit was VND14.2 billion which contributed to 6.4% of NAV.

2. Plan action in 2012:

- o VFA will continue to apply MATF strategy and research stock-based trend following models to enhance current strategy risk and return.
- o VFA will also develop trading infrastructure in order to get data and analyze market behavior better. The research and development will focus on real-time intra-day data in order to optimize intra-day buy/sell price.

3. Authorize the Board of Representative to select the auditor for VFA Investment Fund in 2012.

4. Change legal status of VFA from close-end into open-ended fund

The General Meeting unanimously agreed to convert VFA into the open-ended fund in principal and authorized the BOR to conduct VietFund Management Company to prepare the proposal at an appropriate time.

5. Amendment and supplement to Item legal basis, concepts & definitions, article 26, 44, 49 and appendix 4 of the Fund Charter.

6. BOR member supplement selection and Chairman appointment for VFA Fund

Change of BOR member of VFA as below:

- Mr. Thai Tuan Dung – Chairman of BOR resigned from 27th February 2012.
- Mr. Vu Trung Thanh – representative of VietinBank Security company – member of BOR resigned from 27th February 2012.

Result of BOR member supplement selection as below:

- Mr. Do Linh Phuong - representative of VietinBank Security company.
- Mr. Nguyen Quang Trung - representative of 3,000,000 fund units holding which accounts for 12.48% of total asset.
- **Nguyen Truong Giang – representative of Post Insurance Joint Stock company - is appointed as BOR Chairman of VFA.**

Fund name	Quỹ đầu tư Chứng khoán Việt Nam Fund (VF1)
English name	Vietnam Securities Investment Fund
Trading Code	VFMVF1
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.

VF1

Fund performance in Q1/2012

Contrary to the plunge in 2011, Vietnam' stock market during Q1/2012 showed strong uptrend on both Ho Chi Minh City Stock Exchange and Ha Noi Stock Exchange. As at March 31, 2012, VN-Index rose 25.5% up to 441.0 points and HNX-Index increased 22.9% up to 72.2 points.

VF1's net asset value as at March 31, 2012 was VND 14,928.8 per unit and grew 15.0% as compared to December 31, 2011.

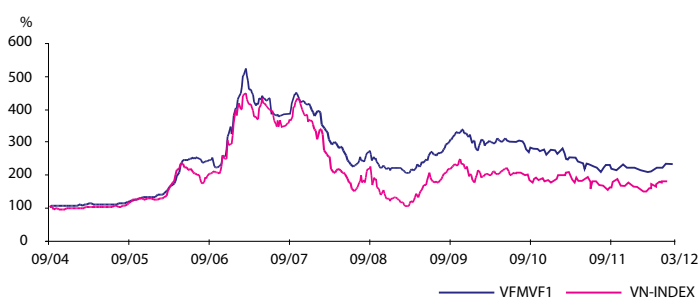
Movement in net asset value (NAV)

	31/03/2012			Performance (%)					
	Fund size (VND bn)	NAV (VND bn)	Unit NAV (VND)	1 month	3 month	6 month	9 month	YTD	Since inception (20/5/2004)
VF1	1,000	1,492.9	14,928.8	(0.6)	15.0	(6.1)	(9.4)	15.0	49.3 (*)
VN-Index			441.0	4.1	25.5	3.1	2.0	25.5	68.6
HNX-Index			72.2	5.1	22.9	1.2	(2.9)	22.9	(27.8)

(*) Excluding the dividends

NAV VF1 PERFORMANCE VS. INDEX

20/05/2004 = 100



TOP 5 HOLDINGS

Stock	Stock exchange	NAV (%)
DPM	HOSE	12.5
VNM	HOSE	10.8
FPT	HOSE	7.3
PVD	HOSE	6.7
NTL	HOSE	6.5

NAV performance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	z	Dec	Year-to-date (YTD)	YTD annualized
2012	4.9	10.2	(0.6)										15.0	3.6
2011	2.2	(10.7)	(1.8)	(5.2)	(10.2)	1.6	(4.7)	4.5	(3.1)	(3.1)	(12.7)	(3.6)	(38.9)	(38.9)
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	53.2	53.2
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 average chartered capital

Portfolio review

	Gain/Loss (%)		NAV (%)
	QI/2012	Year-to-date	
NAV (%)	15.0	15.0	100
Total investment	14.6	14.6	90.4
By asset classes			
HOSE	17.5	17.5	72.7
HNX	5.8	5.8	6.5
Unlisted	4.1	4.1	9.6
Bond	0.0	0.0	1.7
Top 5 industries			
Infrastructure – Real estate	24.8	24.8	15.2
Materials – Resource	20.0	20.0	19.1
Food - Beverage	7.6	7.6	13.7
Energy	9.2	9.2	8.0
Banks	1.8	1.8	9.3

The listed investments in VF1's portfolio (accounted for 79.2% NAV) increased 16.2%, which underperformed both VN-Index (25.5%) and HNX-Index (22.9%). Unlisted stocks (9.6% NAV) grew 4.1% in QI/2012.

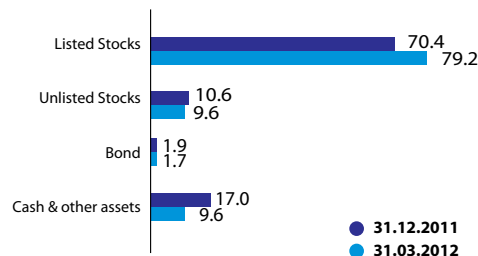
Amongst Top 5 industries (comprised of 65.4% NAV), Real Estate sector occupied the second highest proportion (15.2% NAV) and gain 24.8% while Materials - Resources sector occupied the largest proportion (19.1% NAV) and increased 20.0% in QI/2012.

Total investment value in QI/2012 was 242.4 billion dong, which were focused on Banks (108.7 billion dong) and Food - Beverage sector (63.5 billion dong).

Total divestment value was 160.5 billion dong, which were focused on Energy (25.2 billion dong) and Real Estate sector (100.5 billion dong).

The investing and divesting activities in QI/2012 were primarily trading activities for the purpose of restructuring the portfolio.

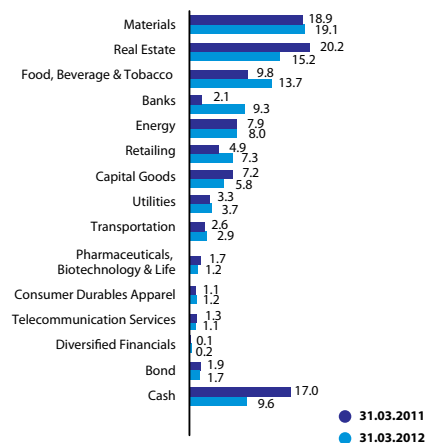
Asset allocation (%)



In QI/2012, VF1 increased the listed investment proportion expecting the recovery of the market. Consequently, cash's proportion decreased from 17.0% NAV to 9.6% NAV and listed stocks' proportion increased from 70.4% NAV to 79.2% NAV.

On the contrary, the unlisted stocks' proportion decreased from 10.6% NAV to 9.6% NAV and the bond's proportion fell from 1.9% NAV to 1.7% NAV. The main reason was that the market price of listed stocks rose rapidly and the market price of unlisted stocks increased slightly.

Investment by industries (%)



Investments by industries during QI/2012 barely changed as compared with previous quarter when the two largest sectors belonged to Real Estate & Infrastructure and Materials & Resources. Real Estate was continued to be divested and consequently decreased their proportions from 20.2% NAV to 15.2% NAV. And besides, quarterly investments focusing in Banks sector caused their proportion to increase from 2.1% NAV to 9.3% NAV.

As at March 31, 2012, Top Five industries including Energy, Real Estate & Infrastructure, Food & Beverage, Materials & Resources and Banks were accounted for 65.4% NAV.

Fund name	Quỹ đầu tư Doanh nghiệp Hàng đầu Việt Nam (VF4)
English name	Vietnam Blue-chips Fund
Trading Code	VF4
Fund type	Closed-end public fund
Current chartered capital	806.460.000.000 VND
Outstanding fund unit	80.646.000 units
Inception date	29/02/2008
Listing date	12/6/2010
Fund term	10 years
Management Fund	VietFund Management (VFM)
Custodian	HSBC Bank (Vietnam) Ltd., Hochiminh City Branch
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	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.

VF4

Fund performance in Q1/2012

Entering the first Quarter of 2012, Vietnam stock market rallied with many positive supports from macro level and market excitements. In Q1, CPI has been curbed. With the optimistic views of foreign investors and government's efforts to build a healthier financial system, Vietnam stock market increased strongly in both price and volume.

As of 31/03/2012, VN-Index closed at 441 points or gained 25.5% YTD, while HNX-Index closed at 72.2 point of rose 22.9% YTD.

VF4's NAV at 31/03/12 reached 6.460 VND/unit, gained 17.2% compared to NAV at 31/12/2011.

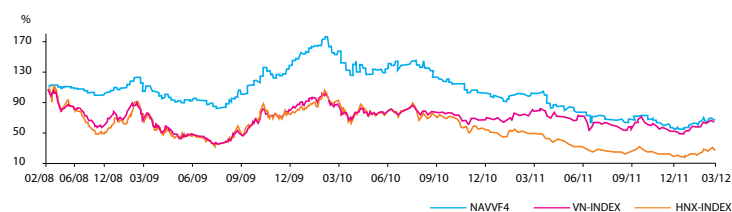
Movement in net asset value (NAV)

	31/03/2012			Performance (%)					
	Fund size (VND bn)	NAV (VND bn)	Unit NAV (VND)	1 month	3 month	6 month	9 month	Lũy kế từ đầu năm	Since inception (28/2/2008)
VF4	806.5	521.0	6,460	2.1	17.2	(5.0)	(4.1)	17.2	(15.4)
VN-Index			441.0	4.1	25.5	3.1	2.0	25.5	(35.8)
HNX-Index			72.2	5.1	22.9	1.2	(2.9)	22.9	(68.9)

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

NAV VF4 PERFORMANCE VS. INDICES

28/02/2008 = 100



Top 5 Holdings

Stock	Stock exchange	NAV (%)
EIB	HOSE	10.6
VNM	HOSE	9.6
FPT	HOSE	9.2
DPM	HOSE	8.9
VCB	HOSE	6.9

NAV performance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year-to-date (YTD)	YTD annualized
2012	6.0	8.3	2.1										17.2	88.9
2011	1.0	(13.0)	(3.1)	(4.3)	(12.0)	2.4	(0.6)	3.2	(1.5)	(3.2)	(11.7)	(5.1)	(36.7)	(21.9)
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	(13.1)	6.4
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
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)

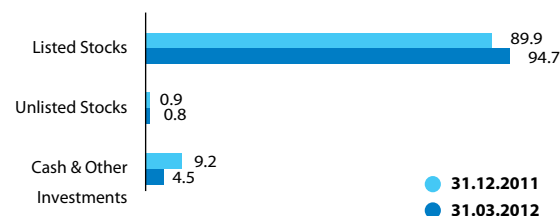
Portfolio review

	Gain/Loss (%)		NAV (%)
	Q1/2012	Year-to-date	
NAV performance (%)	17.2	17.2	100.0
Total investment performance (%)	14.8	14.8	95.5
By listing status			
Listed stocks	14.9	14.9	94.7
Unlisted stocks	5.8	5.8	0.8
Top 5 industries			
Banks	10.8	10.8	20.96
Capital Goods	22.5	22.5	13.08
Materials	17.9	17.9	12.47
Food, Beverage & Tobacco	6.1	6.1	9.64
Retailing	15.6	15.6	9.20

Total investments were accounted for 95.5% of the portfolio NAV as at 31/03/2012 and increased 14.8% QoQ.

All top five holdings showed significant positive return in Q1 due to market value's appreciation. Sector with strongest gain was Capital Goods, which was up 22.5% return on investment. Materials & Resources and Retailing showed respectively 17.9% and 15.6% return on its stock's recovery. The new top holding sector, Bank, also yielded 10.8% return quarter on quarter basis.

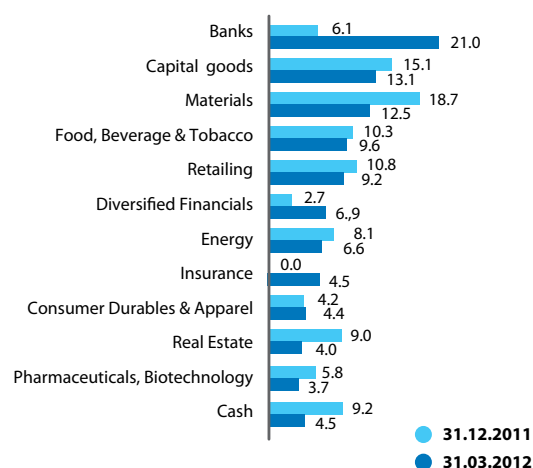
Asset allocation (%)



In Q1/2012, VF4's asset allocation showed a decrease in proportion of cash holding transferring into the gain in proportion of listed stocks. The transition was affected by investing activities and significant increase in market value of the proportion of listed stocks.

Cash holding decreased from 9.2% at the end of 2011 down to 4.5% at the end of March 2012.

Investment by industries (%)



During Q1/2012, the proportion of Banks sector increased significantly from 6.1% (31/12/2011) up to 21% (31/03/2012), became the biggest holding by sector, and contributed 10.8 % return on investment toward VF4's portfolio in Q1. Diversified Financials and Insurance respectively reported a 4.2% and 4.5% increase in NAV due to investing activities and rising market value.

On the contrary, Real Estate & Infrastructure and Materials observed the noticeable decrease in proportion due to divesting activities with 5% and 3.2% down respectively.

As at 31/03/2012, VF4 owned 24 stock investments in 11 sectors, in which top three sectors holdings (45.6% of total NAV and 49.0% of total investment value) were :

- Banks (21.0%).
- Capital Goods (13.1%).
- Materials (12.5%)

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	02/04/2010
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 Q1/2012

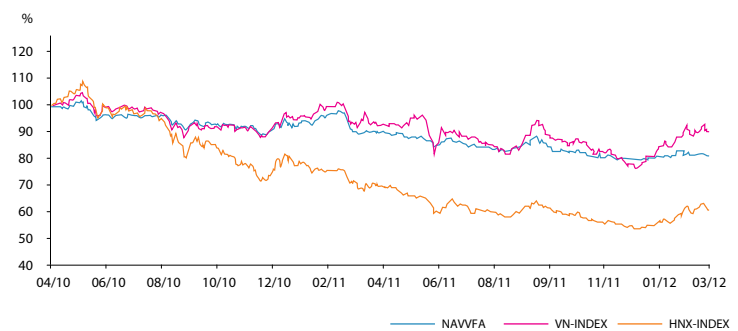
In Q1/2012, Vietnamese stock market rebounded as VN-Index increased 25.5% and HNX-Index increased 22.9%. In the same period, VFA's NAV increased 3.7% and reached 7,311.2 VND/unit.

Movement in net asset value (NAV)

	31/03/2012			Performance (%)					
	Fund size (VND bn)	NAV (VND bn)	Unit NAV (VND)	1 month	3 month	6 month	9 month	YTD	Since inception (02/04/2010)
VFA	240.4	175.8	7,311.2	(3.6)	2.4	(6.0)	(9.5)	2.4	(26.9)
VN-Index			441.0	4.1	25.5	3.1	2.0	25.5	(13.6)
HNX-Index			72.2	5.1	22.9	1.2	(2.9)	22.9	(56.0)

NAV VFA PERFORMANCE VS. INDICES

02/04/2010 = 100

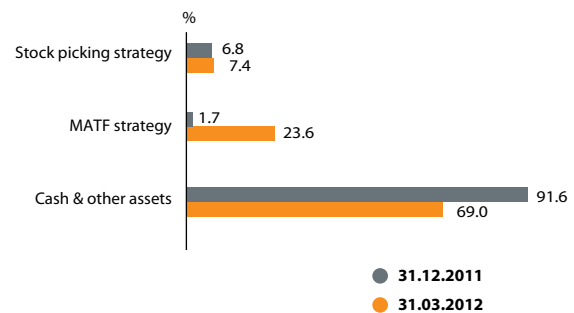


Portfolio review

	% NAV	IRR QIII/2011	Contribution to NAV (%)
Trend-Following strategies on VN-index	0.0	0.0	0.0
MATF strategy	70.0	2.0	1.4
Stock picking strategy	6.8	12.6	0.9
Other investments	23.2	3.5	0.8
Total	100		3.1

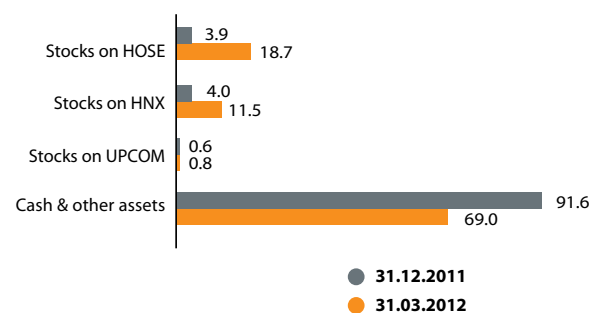
In 2012, Model-Averaging-trend-following (MATF) strategy increased the weights of long-term parameters and reduced the weights of short-term parameters when updating market's behaviors in 2011. Long-term parameters will enter the long position when market confirms the up-trend strongly. The advantage of these parameters is the reduction of frequent whip-saw trades. However, the disadvantage is that buy/sell signals do not occur near bottoms and peaks of the market. Consequently, in Q1/2012, MATF strategy implemented fractional buy signal yet the return was not high. Meanwhile, other investments were mainly term deposits

Asset allocation (%)



During Q1/2012, MATF strategy disbursed 40.4 billion dong with the fractional buy signal. As a result, this strategy's stock holdings increased from 1.7% NAV to 23.6% NAV. In contrast, stock picking strategy did not have any investment as well as divestment in Q1/2012.

Investment by industries (%)



Because of the independence of the buy/sell signals of Model Averaging strategy on VN-Index and HNX-Index, the amount of investment on HOSE's and HNX's stock in any period are different. During Q1/2011, the disbursement on stocks listed on HOSE was more than the disbursement on HNX' stocks. Consequently, the proportion of HOSE's stocks increased from 3.9% to 18.7% while HNX' stocks' weights increased from 4.0% to 11.5% NAV.

Code : EIB
 Exchange : HSX
 Sector : Banking

Company Profile

Eximbank (EIB), established in 1990 and listed in 2009, is one of the best joint stock commercial banks. In the period 2006-2011, the bank's chartered capital increased 47.2% CARG, reaching VND12,355 billion in 2011 and became the 5th largest commercial bank with highest capital adequacy ratio (CAR), approximately 16%. EIB is in the restructuring process with strong supports of Sumitomo Mitsui Banking Corporation (SCBC), its strategic partner owned 15% stake.

High Growth Potential

Vietnam's banking sector is in the early stage with an average growth rate of over 35% in the period 2008 – 2011. Compared with other banks, Eximbank has a strong equity base, various major financial institutional shareholders such as SMBC, Vietcombank, and ACB, and is directed by a seasoned management team. This has helped Eximbank increase total assets and profit, over 60% p.a in the past 5 years. In addition, cost to income ratio of EIB has always been the lowest level in industry, about 30% compared with 40% of the industry.

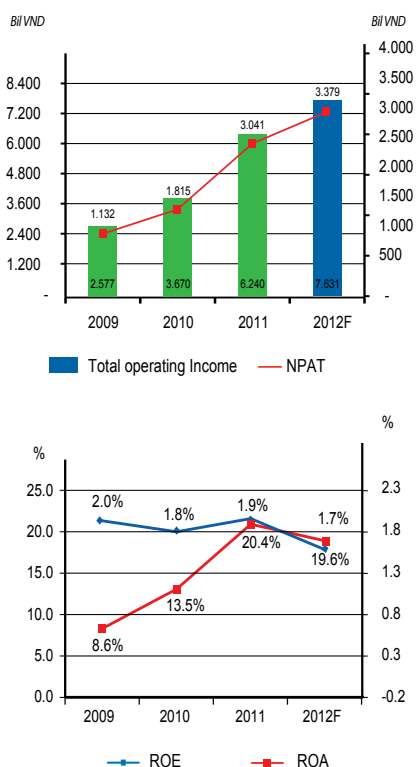
The year 2011 witnessed an impressive growth of Eximbank with net profit after tax increasing by 68% and operating activities being improved significantly. Return on equity (ROE) increased from 8.6% in 2009 to 20.4% in 2011. Simultaneously, EIB was also very active in the interbank market with interest income from this market rising by 336%.

Risks

The rising competition from local banks and foreign-owned banks is one of major threat to the development of Eximbank.

Besides, EIB is facing a changing policy environment and intervention from the central bank, which have high impact on its performance. Moreover, the banking sector is under pressure of increasing bad debts in the context of deteriorating economic fundamentals.

INCOME AND PROFIT 2009 – 2012F



2012 Outlook

Although the banking sector still encounters difficulties in 2012, it is expected to continue to be a good year for Eximbank. The bank is classified into Group 1 with credit growth quota of 17% and after-tax profit is forecasted to reach VND3,379 billion, an increase of 11%. In particular, net interest income is forecasted to grow by 30%.

Key Financial Ratios	2009	2010	2011	2012F
Total Operating Income (VND Bil)	2,577	3,670	6,240	7,631
Growth rate of TOI (%)	36.20%	42.40%	70.00%	22.30%
Net Interest Income (VND Bil)	1,975	2,883	5,303	6,869
Growth NII (%)	49.70%	45.90%	83.90%	29.50%
Fees and commission incomes (VND Bil)	211	474	568	709
Growth rate of service incomes (%)	92.90%	124.60%	19.80%	24.80%
NPAT (VND Bil)	1,132	1,815	3,041	3,379
NPAT Growth rate (%)	59%	60%	68%	11%
CAR (%)	26.90%	17.80%	16.00%	15.40%
LDR (%)	60%	67%	98%	71%
NPLs (%)	1.80%	1.40%	1.60%	1.60%
P/E (x)	14.1	8.3	5.3	6.8
P/B (x)	1.3	1.2	1.1	1.3
ROE	8.60%	13.50%	20.40%	19.60%
ROA	2.00%	1.80%	1.90%	1.70%

Source: VFM Research



VIETNAM DAIRY PRODUCTS COMPANY

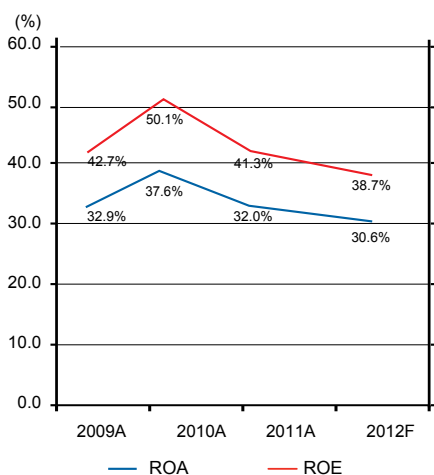
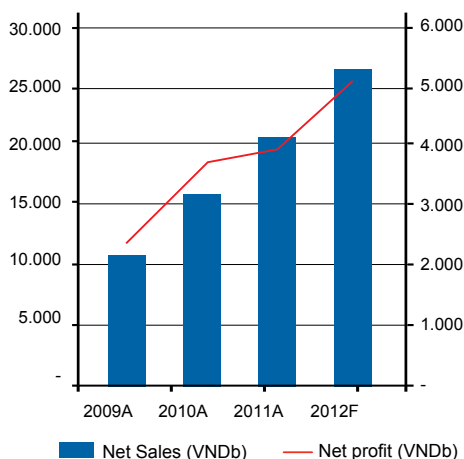
Ticker : VNM
 Exchange : HOSE
 Sector : F&B

Company profile

Vietnam Dairy Products Company (VND) is the market leader in the dairy industry and nutritional products with more than 200 items. The products are grouped into four main groups: powder milk, condensed milk, liquid milk, and yogurt. Vinamilk is the largest dairy producer in Vietnam in terms of market share, brand name, production capacity. The company's market share is estimated at 55% and its distribution network covers more than 178,000 points of sales.

The year 2011 marked a new phase of growth for with revenue reaching VND21,672 billion, equivalent to more than \$1 billion. The company's brands are trusted in the local market and exported to the Middle East, Cambodia, the Philippines with export revenue of over \$140 million.

In addition, the company has invested in an overseas raw material sources: Miraka Powder Milk Plant in New Zealand (19,3% owned by VNM). The plant came into operation in August 2011.



Growth potential

Milk consumption in Vietnam is still low, about 14kg/person/year compared to around 60kg/person/year in Asia. According to Tetrapak's forecasts, dairy products consumption in Vietnam would grow at 15%/year from now to 2015. In addition, improving consumers' perception of milk's benefits on health and rising per capita income are among factors contributing to VNM's future growth potential

The company plan to reach an annual growth rate of 20% in revenue and 11% in net profit in the period 2012-2016. Vinamilk continues to invest heavily in expanding production capacity in two main projects Megafactory and Dielac 02, which are expected to go into operation in late 2012 and 2013. In addition, the company expands production capacity of the existing factories Lam Son, Da Nang and raises the cow amount to 30,000 from 7,000.

VNM also expands and improves the supply chain to improve efficiency and increase its geographic coverage.

Risks

Competition is extremely fierce, especially in the two segments of liquid and powder milk. Dutch Lady, Abbott and Mead Johnson are among VNM's direct competitors in the dairy market where VNM's market share is not much higher than these competitors and the competition is predicted to be tougher in the coming years.

The high dependence on imported raw materials might make Vinamilk more vulnerable due to the stability of the supply source and to the fluctuating price of raw materials.

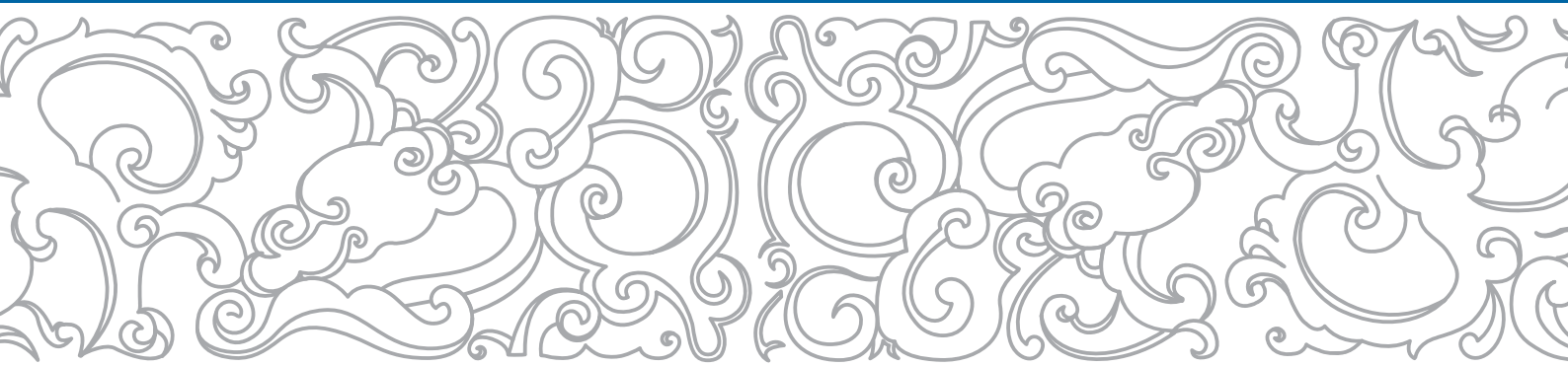
Quarter 1 Updates

In 2012, VNM's revenue is projected to reach VND - 26,480 billion, an increase of 20% over 2011 and net profit VND - 4,690 billion, an increase of 11.2% .

At the end of the first quarter, the company registered revenue at VND6,051 billion, increase 30% from the same period last year, fulfilling 22.9% of the plan. Net profit is estimated about VND1,230 billion, 22% higher compared to Q1/2011, fulfilling 26.2% of the plan.

FINANCIAL SUMMARY	2009A	2010A	2011A	2012F
Net sales (VNDm)	10,614	15,753	21,627	27,553
Sale Growth	29.3%	48.4%	37.3%	27.4%
Net Profit (VNDm)	2,376	3,615	4,218	5,333
Net Profit Growth	90%	52%	17%	26%
EPS (VND)	6,764	10,240	7,582	9,585
Gross Profit Margin	36.5%	32.8%	30.5%	32.0%
Net Margin	22.4%	23.0%	19.5%	19.4%
ROA	32.9%	37.6%	32.0%	30.6%
ROE	42.7%	50.1%	41.3%	38.7%
BVPS (VND)	18,377	22,553	22,426	27,053
Total Debts/Total Assets	21%	24%	18%	19%

Source : VNM and VFM estimates



VIETFUND
MANAGEMENT

VIETFUND MANAGEMENT (VFM)

Head Office

10th Floor, Central Plaza Office Bldg
17 Le Duan Boulevard, District 1, Ho Chi Minh City, Vietnam
Tel: (84.8) 3914 3393 Fax: (84.8) 3914 3392

Hanoi Office

Unit 1208, 12th Floor Pacific Place Tower
83B Ly Thuong Kiet Street, Hoan Kiem District, Ha Noi, Vietnam
Tel: (84.4) 3942 8168 Fax: (84.4) 3942 8169

ir@vinafund.com www.vinafund.com