



VIETFUND  
MANAGEMENT

# MONTHLY UPDATES

July 2012

# VFM

## 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.



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# VF1

## Fund performance in July 2012

During July, Vietnam stock market was moving sideways and showing signal of accumulations. Market liquidity was still at low level compared to the beginning of 2012.

As at 31/07/2012, VN-Index closed at 414.5, or down -1.9% compared to June and HNX-Index closed at 69.2 or down -2.6% compared to June. Meanwhile VF1 recorded a decrease in NAV.

As at 31/07/2012, NAV of VF1 reached 15,299 VND/unit, decrease -1.4% compared to June. Also, VF1 outperformed VN-Index respectively in the horizontal term of 3, 6, and 9 months.

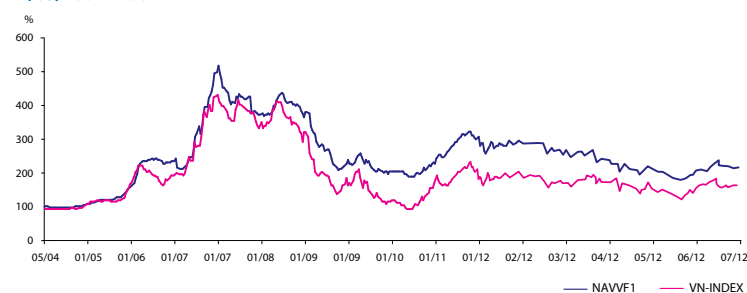
## Movement in net asset value (NAV)

	31/07/2012			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	1,529.9	15,299	(1.4)	(7.4)	12.3	(0.8)	17.8	52.99 (*)
VN-Index			414.5	(1.9)	(12.5)	6.8	(1.5)	17.9	58.5
HNX-Index			69.2	(2.6)	(13.4)	14.2	(1.5)	17.8	(30.8)

(\*) Excluding dividends

## NAV VF1 PERFORMANCE VS. INDEX

24/05/2004=100

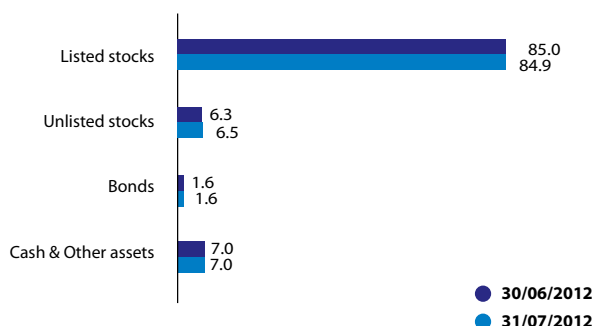


NAV performance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year-to-date (YTD)	YTD annualized
2012	3.6	6.5	1.0	4.6	(5.2)	(0.9)	(1.4)						17.8	32.5
2011	2.2	(10.7)	(1.8)	(5.2)	(10.2)	1.6	(4.7)	4.5	(3.1)	(3.1)	(12.7)	(3.6)	(38.9)	(38.9)
2010	(0.8)	0.6	2.3	7.0	(4.6)	0.2	1.3	(7.9)	(0.2)	(0.6)	(3.9)	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	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

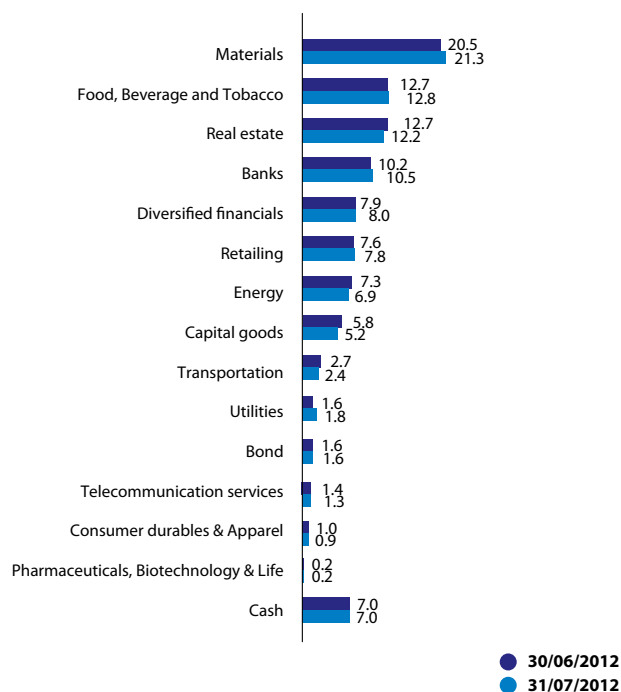
<b>Fund name</b>	Quỹ đầu tư Chứng khoán Việt Nam Fund (VF1)
<b>English name</b>	Vietnam Securities Investment Fund
<b>Trading Code</b>	VFMVF1
<b>Fund type</b>	Closed-end public fund
<b>Current chartered capital</b>	1,000,000,000,000 VND
<b>Outstanding fund unit</b>	100,000,000 units
<b>Inception date</b>	May 24, 2004
<b>Listing date</b>	November 8, 2004
<b>Fund term</b>	10 years
<b>Management Fund</b>	VietFund Management (VFM)
<b>Custodian</b>	Joint Stock Commercial Bank for foreign trade of Viet nam (Vietcombank)
<b>Management fee</b>	2%/NAV/year
<b>Custodian fee</b>	0.02%/NAV/year (excluded 10% VAT)
<b>Deposit fee</b>	0.06%/NAV/year (free of VAT)
<b>Dividend</b>	By annual, based on realized return and approved by Annual Meeting of Investors.
<b>Investment objective</b>	VF1 aims to invest to listed and unlisted shares, fixed-income securities and other financial instruments to build a balanced portfolio.

## Asset allocation (%)



At the end of July, due to the minimum of action in investing and divesting activities, VF1's asset allocation was nearly unchanged from last month. Proportion of Listed stocks was 84.9% NAV, proportion of OTC & Upcom increased up to 6.5% NAV, proportion of Bond remained 1.6% NAV. Cash proportion was around 7.0% NAV. Overall proportion of VF1's portfolio remained unchanged during the month.

## Investment by industries (%)



Compared to June, VF1's asset allocation did not appear any significant change. Sectors with increased proportion are respectively Materials, Banks, Utilities, Retailing with the increase of 0.8%, 0.3%, 0.2%, 0.2%. Proportion of Materials increase up to 21.3% NAV since its component stocks yielded a 6% return on invest during July. Compared to June, VF1's asset allocation did not report any significant change. The increasing movement in proportion of several sectors was mainly due to the increased market value. Among that, proportion of Materials increase from 20.5% up to 21.3% NAV since its component stocks yielded a fairly high return on invest during July.

Meanwhile, sectors with decreased proportion are respectively Capital Goods, Real Estate, Energy, Transportation, Telecommunication Services with the decline of -0.6%, -0.4%, -0.4%, -0.3%, -0.1% compared to June.

Cash proportion was around 7.0% NAV.

As at 31/07/2012, VF1's portfolio consists of 37 stocks in 14 sectors, in which the top 5 holding by sectors are:

- + Materials (21.3%)
- + Food, Beverage & Tobacco (12.8%)
- + Real Estate (12.2%)
- + Banks (10.5%)
- + Diversified Financials (8.0%)

# VF2

## Fund performance in July 2012

In July, Vietnam stock market declined slightly compared to last month and market liquidity was still at low level compared to the beginning of 2012.

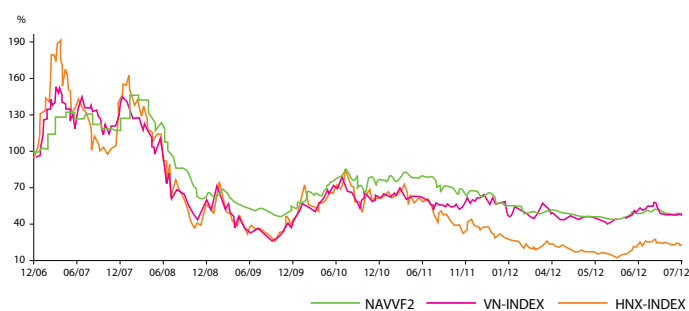
As at 31/07/2012, VN-Index closed at 414.5, or down -1.9% compared to June and HNX-Index closed at 69.2, or down -2.6% compared to June. Meanwhile VF2 recorded an increase in NAV

As at 31/07/2012, NAV of VF2 reached 5,569 VND/unit, increase 0.6% compared to June.

## Movement in net asset value (NAV)

	31/07/2012			Performance (%)					
	Fund size (VND bn)	NAV (VND bn)	Unit NAV (VND)	1 month	3 month	6 month	9 month	YTD	Since inception (13/12/2006)
VF2	963.0	536.3	5,569	0.6	(1.6)	10.7	2.9	14.7	(39.3)
VN-Index			414.5	(1.9)	(12.5)	6.8	(1.5)	17.9	(46.6)
HNX-Index			69.2	(2.6)	(13.4)	14.2	(1.5)	17.8	(71.8)

## NAV VF2 PERFORMANCE VS. INDICES 13/12/2006=100



<b>Fund name</b>	Quỹ đầu tư Tăng trưởng Việt Nam (VF2)
<b>English name</b>	Vietnam Growth Investment Fund
<b>Fund Type</b>	Closed end, Member fund
<b>Current chartered capital</b>	962,972,500,000VND
<b>Inception date</b>	13/12/2006
<b>Fund term</b>	5 years, and to be extended till 12 Decmeber 2014
<b>Management Fund</b>	VietFund Management (VFM)
<b>Custodian</b>	HSBC Bank (Vietnam) Ltd., Hochiminh City Branch
<b>Management fee</b>	1.0%/ of fund charter capital/year
<b>Custodian fee</b>	0.04%/NAV/year (excluded 10% VAT)
<b>Deposit fee</b>	0.06%/NAV/year (free of VAT)
<b>Dividend</b>	By annual, based on realized return and approved by Annual Meeting of Capital Contributors.
<b>Investment objective</b>	Grasp high growth investment opportunities from equitizations of the state owned and private companies, in potential developing sectors and other new investments in order to build an optimal, diversified investment portfolio to attain the highest possible returns with a reasonable level of risks.

## Top 5 holdings

Stock	Listing status	% NAV
BV TIM TAM DUC	OTC	7.4
DPM	HOSE	5.1
VCB	HOSE	4.2
VNM	HOSE	3.7
PVD	HOSE	3.7

NAV performance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year-to-date (YTD)	YTD annualized
2012	3.6	6.5	1.0	4.6	(2.5)	0.3	0.6						14.7	26.4
2011	0.7	(8.9)	(2.7)	(2.9)	(7.1)	3.9	(3.4)	3.5	(0.6)	(3.3)	(7.7)	(2.8)	(27.9)	(27.9)
2010	(2.5)	(0.4)	0.2	7.8	(3.0)	(0.3)	(1.5)	(8.1)	(1.4)	(1.4)	(2.2)	(2.9)	(15.2)	(15.2)
2009	(2.4)	(6.9)	1.9	8.8	8.0	8.3	5.6	11.1	5.6	0.1	(8.7)	6.4	42.0	42.0
2008	(3.0)	(10.8)	(11.1)	(4.3)	(*) (20.8)	(4.8)	2.8	7.4	(9.0)	(10.8)	(2.2)	(0.2)	(51.5)	(51.5)
2007	12.0	11.0	2.2	(3.1)	2.2	(5.8)	(1.8)	(1.0)	6.6	15.1	0.1	(3.1)	27.2	27.2
2006												2.5	2.5	35.0

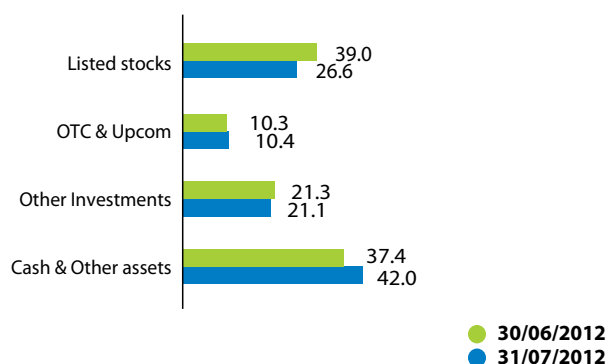
(\*) 8% dividend on average investment capital for the period of Dec 13rd.2006 to Dec 31st.2007 was paid during May 2008

## Portfolio review

	Gain/Loss (%)			% NAV
	July/2012	June/2012	YTD	
<b>NAV growth (%)</b>	<b>0.6</b>	<b>0.3</b>	<b>14.7</b>	<b>100.0</b>
<b>Total investment growth (%)</b>	<b>0.5</b>	<b>0.0</b>	<b>15.5</b>	<b>58.0</b>
<b>By listing status of stocks</b>				
Listed stocks	0.9	(0.7)	32.5	26.6
Unlisted stocks	0.7	2.2	(9.2)	10.4
<b>Top 5 industries</b>				
Pharmaceuticals, Biotechnology & Life sciences	4.0	3.0	(14.6)	7.9
Capital goods	(7.8)	(0.2)	27.8	6.7
Materials	6.4	1.8	61.7	5.1
Energy	(6.0)	1.2	6.4	4.5
Banks	(5.4)	0.0	33.5	4.2

In July, proportion of Listed stocks increased 0.9% compared to June, and outperformed VN-Index performance of a -1.9% decrease since sector of Retail increased during the period.

## Asset allocation (%)



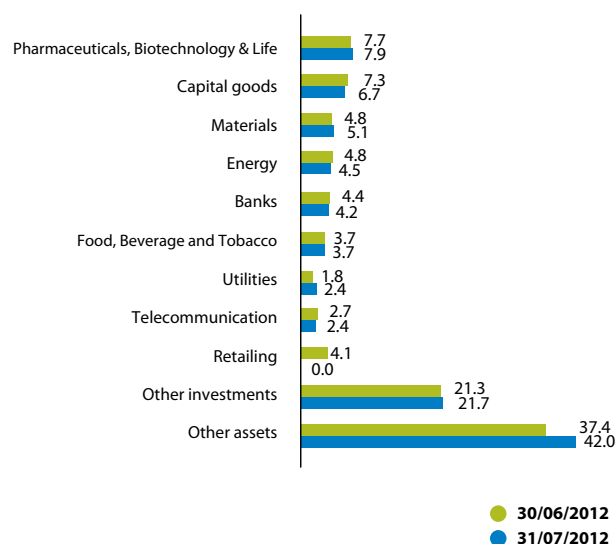
During July, proportion of Listed stocks decreased from 30.9% NAV at 30/06/2012 down to 26.6% NAV at 31/07/2012 due to the liquidating activities on Retail stocks.

Meanwhile, proportion of OTC & Upcom remained unchanged since 30/06/2012.

Proportion of other investments also decreased slightly down to 21.1% NAV.

Liquidating activities during July has lifted cash proportion from 37.44% NAV at 30/06/2012 up to 41.95% NAV at 31/07/2012.

## Investment by industry (%)



Compared to June, VF2's asset allocation remained unchanged except for sector of Retail, which was profit-realized during the month.

As at 31/07/2012, VF2's portfolio consists of 14 stocks in 9 sectors, in which the top 5 holding by sectors are:

- + Pharmaceuticals, Biotechnology & Life Sciences (7.9%)
- + Capital Goods (6.7%)
- + Materials (5.1%)
- + Energy (4.5%)
- + Banks (4.2%)

# VF4

<b>Fund name</b>	Quỹ đầu tư Doanh nghiệp Hàng đầu Việt Nam (VF4)
<b>English name</b>	Vietnam Blue-chips Fund
<b>Trading Code</b>	VF4
<b>Fund type</b>	Closed-end public fund
<b>Current chartered capital</b>	806,460,000,000 VND
<b>Outstanding fund unit</b>	80,646,000 units
<b>Inception date</b>	29/02/2008
<b>Listing date</b>	12/06/2008
<b>Fund term</b>	10 years
<b>Management Fund</b>	VietFund Management (VFM)
<b>Custodian</b>	HSBC Bank (Vietnam) Ltd., Hochiminh City Branch
<b>Management fee</b>	2%/NAV/year
<b>Custodian fee</b>	0.06%/NAV/year (excluded 10% VAT)
<b>Deposit fee</b>	0.02%/NAV/year (free of VAT)
<b>Dividend</b>	By annual, based on realized return and approved by Annual Meeting of Investors.
<b>Investment objective</b>	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
VNM	HOSE	11.2
EIB	HOSE	11.2
DPM	HOSE	10.8
FPT	HOSE	10.4
MSN	HOSE	6.5

## Fund performance in July 2012

In July, Vietnam stock market declined slightly from last month and market liquidity was still at a low level.

As at 31/07/2012, VN-Index closed at 414.5, or down -1.9% compared to June and HNX-Index closed at 69.2, or down -2.6% compared to June. Meanwhile VF4 recorded a decrease in NAV.

As at 31/07/2012, NAV of VF4 reached 6,644 VND/unit, decreasing -0.7% compared to June.

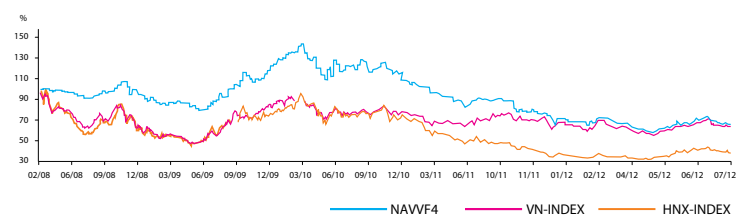
## Movement in NAV

	31/07/2012			Performance (%)					
	Fund size (VND bn.)	NAV (VND bn.)	Unit NAV (VND)	1 month	3 month	6 month	9 month	YTD	Since inception (28/02/2008)
VF4	806.5	535.8	6,644	(0.7)	(6.1)	13.8	1.0	20.6	(13.6)
VN-Index			414.5	(1.9)	(12.5)	6.8	(1.5)	17.9	(39.6)
HNX-Index			69.2	(2.6)	(13.4)	14.2	(1.5)	17.8	(70.2)

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

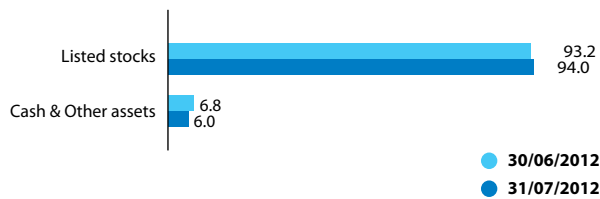
## NAV VF4 PERFORMANCE VS. INDICES

28/02/2008=100



NAV performance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year-to-date	YTD annualized
2012	6.0	8.3	2.1	9.5	(5.3)	(0.2)	(0.7)						20.6	37.8
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)	(39.9)	(39.9)
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)	(13.1)
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)

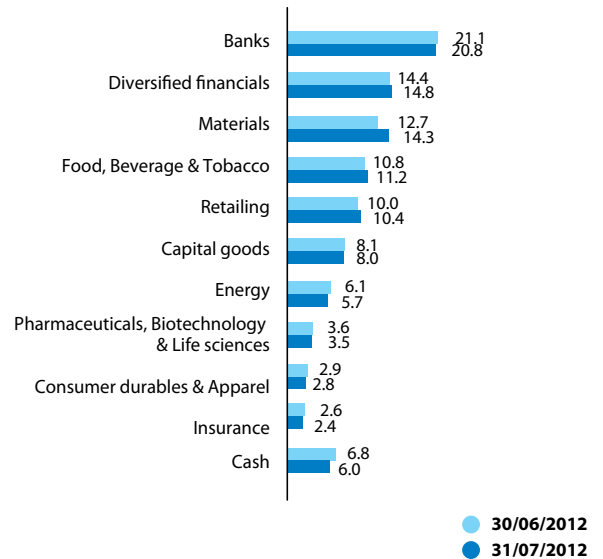
## Asset allocation (%)



During July, proportion of Listed stocks increased from 93.2% NAV at 30/06/2012 up 94.0% NAV at 31/07/2012.

Investing activities during July had cash proportion decreased from 6.79% NAV at 30/06/2012 down 6.02% NAV at 31/07/2012.

## Investment by industries (%)



Compared to June, VF4's asset allocations by sectors remained unchanged. The slightly increase was due to the market value's appreciation and investing activities during the month.

As at 31/07/2012, VF4's portfolio consists of 24 stocks in 10 sectors, in which the top 5 holding by sectors are:

- + Banks (20.8%)
- + Diversified Financials (14.8%)
- + Materials (14.3%)
- + Food, Beverage & Tobacco (11.2%)
- + Retailing (10.4%)

# VFA

<b>Fund name</b>	Quỹ đầu tư Năng động Việt Nam (VFA)
<b>English name</b>	Vietnam Active Fund
<b>Trading Code</b>	VFMVFA
<b>Fund type</b>	Closed-end public fund
<b>Current chartered capital</b>	240,437,600,000 VND
<b>Outstanding fund unit</b>	24,043,760 units
<b>Inception date</b>	02/04/2010
<b>Listing date</b>	08/09/2010
<b>Fund term</b>	5 years
<b>Management Fund</b>	VietFund Management (VFM)
<b>Custodian</b>	Far East National Bank - Hochiminh City Branch
<b>Management fee</b>	2%/NAV/year
<b>Custodian fee</b>	0.04%/NAV/year (included 10% VAT)
<b>Dividend</b>	Distribute at least 50% of its realized profit to investors every year.
<b>Investment objective</b>	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.

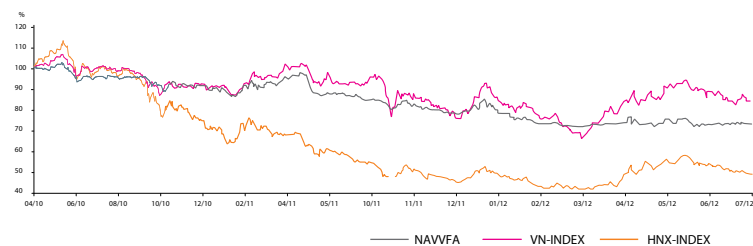
## Fund performance in July 2012

Vietnamese stock market continued to correct as VN-Index and HNX-Index decreased 1.9% and 2.6% respectively in July 2012. In the same period, VFA's NAV reached 7,089.3 VND/unit and had a decrease of 1.9% NAV. Since inception, VFA's NAV decreased 29.1%, which equivalent to half of the drop of HNX-Index.

	31/07/2012			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	170.5	7,089.3	(1.9)	(6.0)	(2.5)	(7.1)	(0.7)	(29.1)
VN-Index			414.5	(1.9)	(12.5)	6.8	(1.5)	17.9	(18.8)
HNX-Index			69.2	(2.6)	(13.4)	14.2	(1.5)	17.8	(57.8)

## NAV VFA PERFORMANCE VS. INDICES

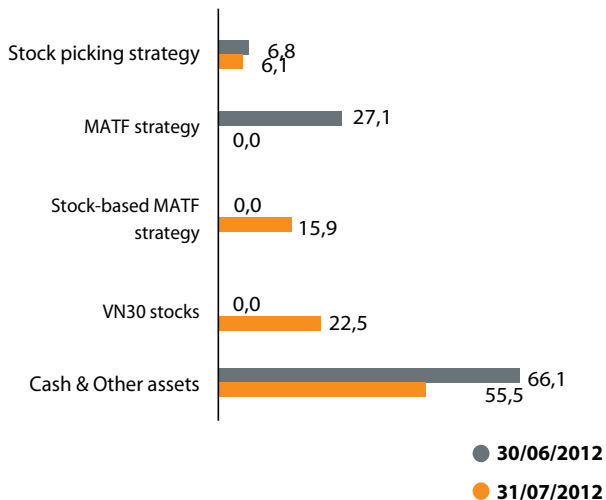
02/04/2010=100







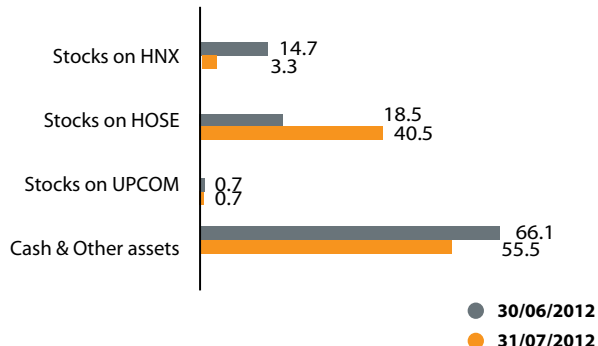
### By Strategies



In July 2012, with the approval from Investment Committee, VFA replaced Model Averaging Trend Following strategy (MATF strategy) with stock-based MATF strategy. The new strategy inherits the risk management strategy as well as alpha strategies from MATF model and applied these strategies on groups of stocks. The affect of stocks' clusters that move uncorrelated is the increase in diversification for trend following strategy. Besides, Investment Committee also agreed to allocate 30.0% NAV into VN30 stocks to increase diversification and to reduce model risk when applying stock-based MATF strategy.

In July 2012, stock-based MATF strategy implemented buy signals and increased stock-holding of the strategy to 15.9% NAV. MATF' stocks were restructured and shifted into VN30 allocation.

### By asset allocation (%)



As stock-based MATF strategy and VN30's stocks basket invested in HOSE stocks, these stocks' proportion increased from 18.5% NAV to 40.5% NAV while HNX's stocks' proportion decreased from 14.7% NAV to 3.3% NAV in July 2012. Cash holding was reduced from 66.1% to 55.5% NAV since VFA made a net investment in stock-based MATF strategy and VN30 stocks.



## VIETFUND MANAGEMENT

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