



VIETFUND
MANAGEMENT

MONTHLY UPDATES

October 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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VF2 Investment Fund
VF4 Investment Fund
VFA Investment Fund

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VF1

Fund performance in October 2012

During the month of October, Vietnam stock market's major trend was sideway with low level of volume and turnover. In addition, macro economy as well as the process of clear-outing non performing loan have yet showed any positive signals or solutions.

As at 31/10/2012, VN-Index closed at 388.42, or down -1.1%, and HNX-Index closed at 53.02, or down -4.4% compared to last month. Meanwhile VF1 recorded a increase in NAV due to a good performance of stocks belonged to sector of Food, Beverages & Tobacco and Energy.

As at 31-10-2012, NAV of VF1 reached 14,636 VND/unit, increase 0.7% compared to the end of September.

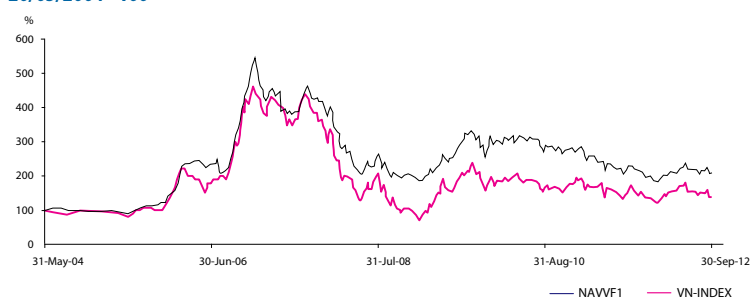
Movement in net asset value (NAV)

	31/10/2012			Performance (%)					Since inception (20/05/2004)
	Fund size (VND bn)	NAV (VND bn)	Unit NAV (VND)	1 month	3 month	6 month	9 month	YTD	
VF1	1,000.0	1,463.6	14,636	0.7	(4.3)	(11.4)	7.5	12.7	46.36*
VN-Index			388.4	(1.1)	(6.3)	(18.0)	0.1	10.5	48.5
HNX-Index			53.0	(4.4)	(23.4)	(33.6)	(12.5)	(9.7)	(47.0)

(*) Excluding dividends

NAV VF1 PERFORMANCE VS. INDEX

20/05/2004=100

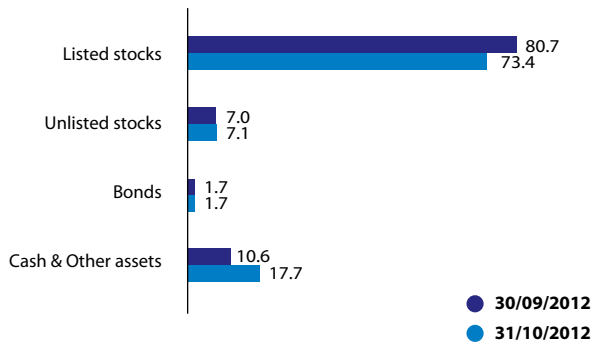


NAV performance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year-to-date (YTD)	YTD annualized
2012	3.6	6.5	1.0	4.6	(5.2)	(0.9)	(1.4)	(1.7)	(3.4)	0.7			12.7	15.5
2011	2.2	(10.7)	(1.8)	(5.2)	(10.2)	1.6	(4.7)	4.5	(3.1)	(3.1)	(12.7)	(3.6)	(38.9)	(38.9)
2010	(0.8)	0.6	2.3	7.0	(4.6)	0.2	1.3	(7.9)	(0.2)	(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	50.9
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

Fund name	Quỹ đầu tư Chứng khoán Việt Nam Fund (VF1)
English name	Vietnam Securities Investment Fund
Trading Code	VFMFV1
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 fee	0.02%/NAV/year (excluded 10% VAT)
Deposit fee	0.06%/NAV/year (free of VAT)
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.

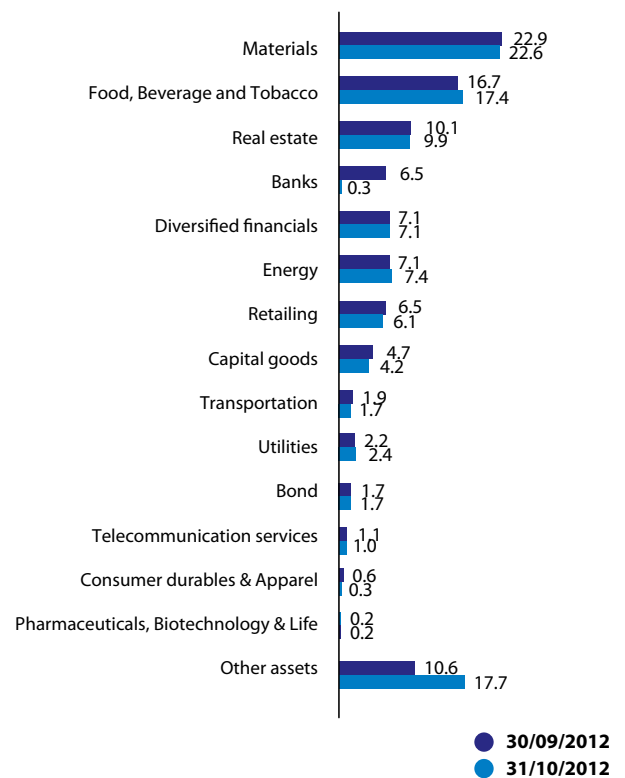
Asset allocation (%)



During October, proportion of Listed stocks decreased from 80.7% NAV at 30/09/2012 down 73.4% NAV at 31/10/2012 due to net selling activity. Then, cash holding also increased from 10.64% NAV at 30/09/2012 up to 17.75% NAV at 31/10/2012.

Meanwhile, proportion of OTC & Upcom and proportion of Bond showed no change from last month and respectively reached 7% NAV and 1.7% NAV

Investment by industries (%)



During the month, VF1 continued to liquidate Banking sector to reduce the risk which could possibly impact Stock prices. At 31/10/2012, proportion of Banking sector was only 0.3% NAV, while the rest of asset allocation by sector showed only minor change from the end of September.

As at 31/10/2012, VF1's portfolio consisted of 34 stocks in 13 sectors, in which the top 5 holding by sectors were:

- + Materials (22.6%)
- + Food, Beverage & Tobacco (17.4%)
- + Real Estate (9.9%)
- + Energy (7.4%)
- + Diversified Financials (7.1%)

VF4

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	12/06/2008
Fund term	10 years
Management Fund	VietFund Management (VFM)
Custodian	HSBC Bank (Vietnam) Ltd., Hochiminh City Branch
Management fee	2%/NAV/year
Custodian fee	0.06%/NAV/year (excluded 10% VAT)
Deposit fee	0.02%/NAV/year (free of VAT)
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
VNM	HOSE	16.7
DPM	HOSE	13.4
FPT	HOSE	8.4
MSN	HOSE	6.8
VCB	HOSE	5.8

Fund performance in October 2012

During October, Vietnam stock market was moving sideways in which volume and turnover improved slightly better than the market of September.

As at 31/10/2012, VN-Index closed at 388.42, or down -1.1% compared to September and HNX-Index closed at 53.02, or down -4.4% compared to September. Meanwhile VF4 recorded an increase of 1.1% NAV due to increase of market price of stocks in Food, Beverage & Tobacco and Pharmaceuticals sectors.

As at 31/10/2012, NAV of VF4 reached 6,237 VND/unit, increased 1.1% compared to September.

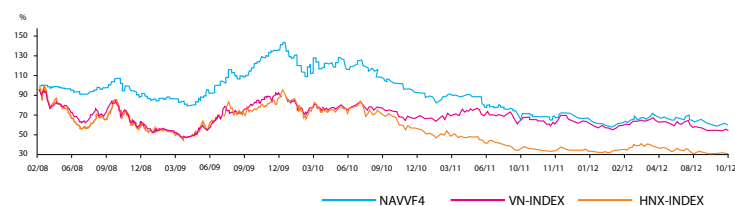
Movement in NAV

	31/10/2012			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	503.0	6,237	1.1	(6.1)	(11.8)	6.8	13.2	(17.6)*
VN-Index			388.4	(1.1)	(6.3)	(18.0)	0.1	10.5	(43.4)
HNX-Index			53.0	(4.4)	(23.4)	(33.6)	(12.5)	(9.7)	(77.2)

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

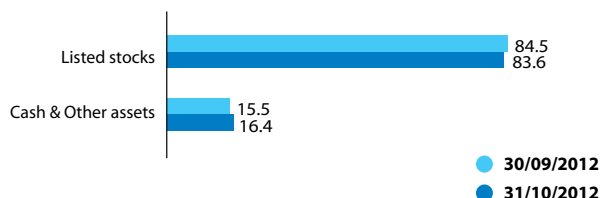
NAV VF4 PERFORMANCE VS. INDICES

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)	(3.6)	(3.7)	1.1			13.2	16.0
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	(3.4)	1.6	3.3	8.0	1.4	(0.8)	(4.1)	(9.4)	(10.7)	(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)

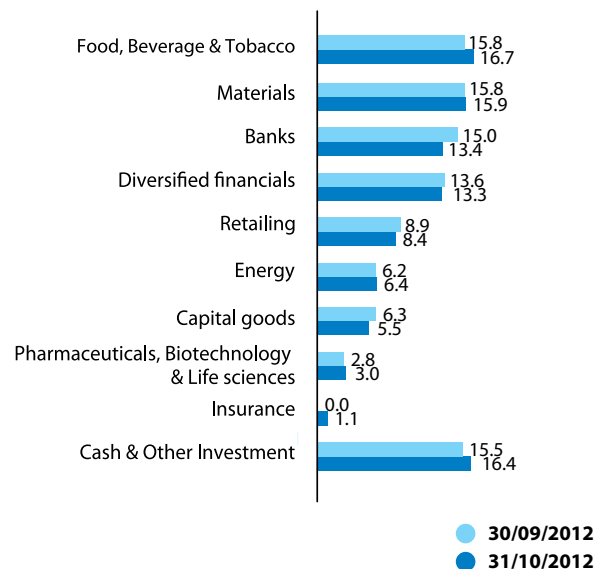
Asset allocation (%)



During October, proportion of Listed stocks decreased from 84.5% NAV at 30/09/2012 down to 83.6 % NAV at 31/10/2012 due to net selling.

Thus, cash proportion increased to 16.4%.

Investment by industries (%)



While proportion of Banking sector decreased after net selling action, proportion of Capital Goods and Retailing declined due to their component stocks' market value decreased.

Meanwhile, sector of Food & Beverage and Pharmaceuticals still maintained the growth trend which helped their proportion to surge slightly during the month. Divesting activity has lift cash holding from 15.51% NAV at 30/9/2012 up to 16.39% NAV at 31/10/2012.

As at 31/10/2012, VF4's portfolio consisted of 19 stocks in 9 sectors, in which the top 5 holding by sectors were:

- + Food, Beverage & Tobacco (16.7%)
- + Materials (15.9%)
- + Banks (13.4%)
- + Diversified Financials (13.3%)
- + Retailing (8.4%)



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 fee	0.04%/NAV/year (included 10% VAT)
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.

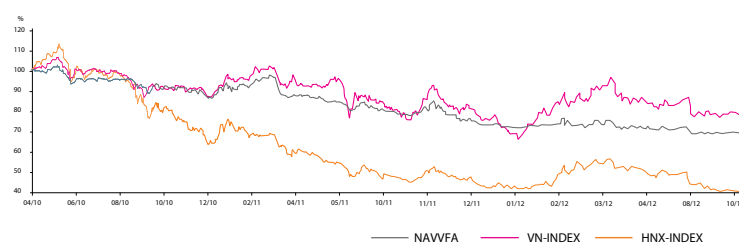
Fund performance in October 2012

Vietnamese stock market continued to go down as VN-Index and HNX-Index decreased 1.1% and 4.4% respectively in October 2012. In the same period, VFA's NAV reached 6,903.5 VND/unit and had a decrease of 0.2% NAV. Since inception, VFA's NAV decreased 31.0%, which equivalent to 46% of the drop of HNX-Index.

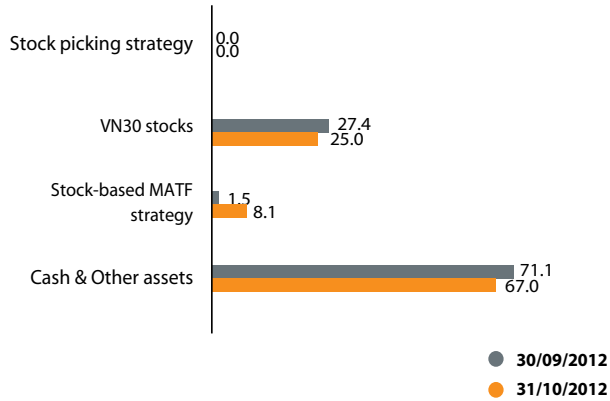
	31/10/2012			Performance (%)					
	Fund size (VND bn.)	NAV (VND bn.)	Unit NAV	1 month	3 month	6 month	9 month	YTD	Since inception (2/4/2010)
VFA	240.4	165.9	6,903.5	(0.2)	(2.6)	(8.5)	(5.0)	(3.31)	(31.0)
VN-Index			388.4	(1.1)	(6.3)	(18.0)	0.1	10.5	(23.9)
HNX-Index			53.0	(4.4)	(23.4)	(33.6)	(12.5)	(9.7)	(67.7)

NAV VFA PERFORMANCE VS. INDICES

02/04/2010=100



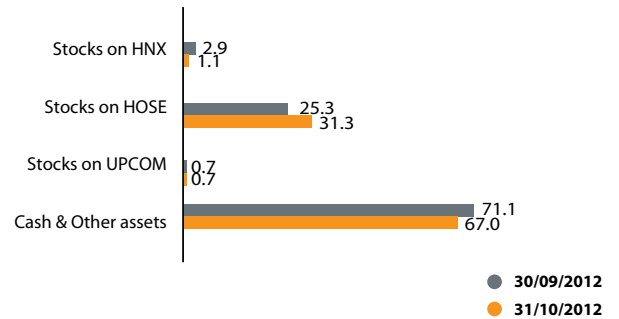
By Strategies



In October 2012, stock-based MATF (Model-Averaging-Trend-Following) strategy implemented fractional buy signals and increased stock-holding of the strategy from 1.5% NAV to 8.1% NAV. In the other hand, VN30 stocks holding decreased from 22.5% NAV to 29.4% NAV mainly because of price movements.

As a result of the buy signals generated from stock-based MATF strategy, cash proportion decreased from 71.1% NAV to 67.0% NAV.

By asset allocation (%)



Since VFA made the net investment in October 2012, HOSE's stocks' weight increased from 25.3% NAV to 31.3% NAV. HNX' stocks' weight decreased from 2.9% NAV to 1.1% as these stocks were restructured and shifted to HOSE' stocks.



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