



VIETFUND
MANAGEMENT

MONTHLY UPDATE

November 2013

| VFM



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STOCK MARKET

MARKET REVIEW

In November, market activity became more active than in October 2013 with 20% increase in trading volume and 8% increase in trading value. VN-Index surpassed the most difficult resistant level 500 point in this year and met the next resistant 510 level. VN-Index increased to 507.78, or 2.09% over the previous month. HNX-Index rose by 5.76%, closing at 65.19. More than 972 million shares changed hands in Ha Noi bourse, worth more than VND7,000 billion. Compared to October trading, trading volume on HNX bourse in October increased by 42% and trading value increased by 25%.

Chalking Money Flow (CMF) is an oscillator that measures buying/selling pressure over a period of time, usually 20 sessions. Generally, buying pressure is stronger when the indicator is positive and selling pressure is stronger when the indicator is negative. If negative indicator lasts 2-3 weeks, the selling pressure prevail market sentiment and vice versa. In November, CMF fluctuated from negative 0.07 to negative 0.1, meaning that selling pressure is still high in the market. Investors continued to take profit when VN-Index reached 510 level. However, with good buying demand in big-capitalization stocks, VN- Index still increased in November.

Foreign buyers continued to buy actively in HOSE with nearly VND360 billion of net buying in the month. On Ha Noi bourse, foreigners were active buyers with more than VND75 billion of net buying value.

In November, VN-Index increased by 2.1% with contributions from stocks as follows: STB up by 0.22%, VNM 0.21%, HPG and PPC by 0.16%, BVH 0.13%. Meanwhile VCB fell -0.34%, HAG was down 0.14%, and CTG, EIB, VCF each was down less than 0.1%.

After increasing 3% in October, this month, banking sector was down 1% and is one of the two sectors that slumped in this month. The other is PHAR sector with less than 0.5% decrease. The sector with the best price performance TECH, leading with a 55.8% increase. This sector has only 2 stocks with SGT surging by 67% and CMT rising 17%. The following sectors which have price increase in this month are CODA, CAPG, COSU with more than 10% increase MoM.

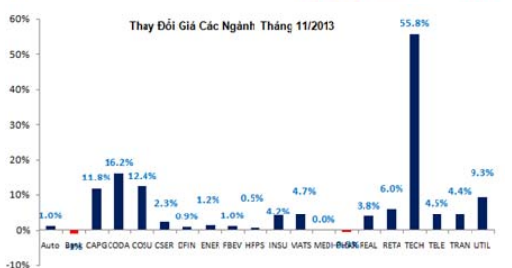
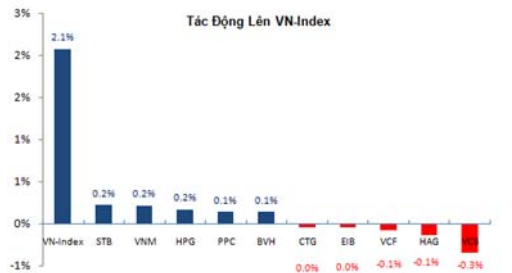
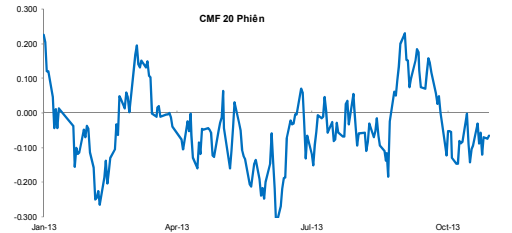
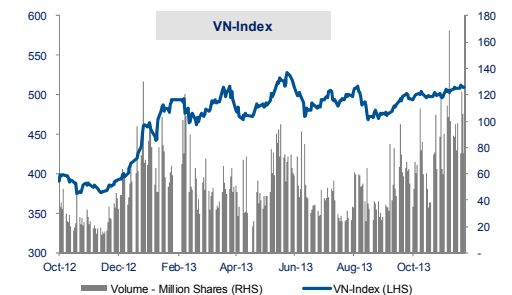
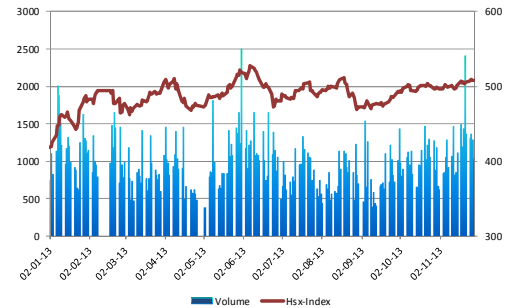
MARKET OPPORTUNITIES

Although indices in both exchanges in November were up, the trend is not strong enough and still under 510 for VN-Index, a big resistant level. For December's trading trend, this resistant level is also difficult for the market to surpass. With a lot support from macro-economic statistics such as low inflation, falling interest rates, downward trend of gold price, slow recovery of real estate market, investing in stocks turns out to be an attractive channel which has offered good liquidity and better gain since the beginning of 2013.

In next several months, we may not see the big change in direction of the stock exchanges. Vn-index and HNX-index needs time to consolidate as well as the economy needs time to reflect potential good points which the Government has tried to support such as VAMC operation, lower interest rate, expansion of fiscal policy. However, liquidity in both bourses will increase strongly, especially in December when both two ETFs fund actively reallocate their portfolios. Rumor has it that only FTSE ETF will add one ticker – PVT - into its portfolio and make no exclusion in this portfolios review.

Foreigners are buying Vietnamese stock persistently. However, one big problem for them is that the investment universe of Vietnamese market is limited while foreign investors need more good quality stocks listing in the stock exchange. Otherwise, they have to buy at premiums from other foreigners to amass desired stakes. Some rumors on foreign ownership limit increase can be approved in Mid-December and this news will positively impact on market because full-room stocks are big and mid- cap stocks.

In last two months, real estate stocks have better price performance than index's performance. Speculators based on support news for real estate market to push price went up. However, this trend may not last long and price performance of real estate stocks can actually recover when real estate companies have real revenue and profit from selling products in the real estate market. Similar to banking sector, price performance of banking will improve when they can reduce their bad debt in reality without selling to VAMC.

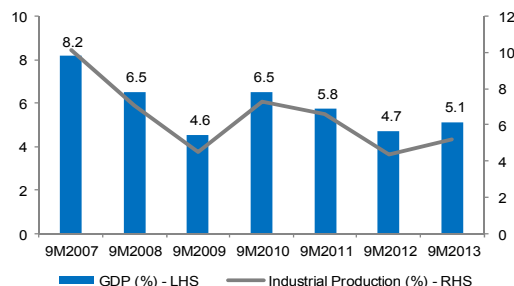


MACRO REVIEW

SLIGHT IMPROVEMENT OF MANUFACTURING

Manufacturing experience modest rebound with industrial production rising by 5.6% in the first 11 months, joining hands with the service sector to support the economy. In addition, the Purchasing Manager Index (PMI) reached 50.3 in November, above the 50 threshold in 3 months, showing that manufacturing is in expansion and gathers steam.

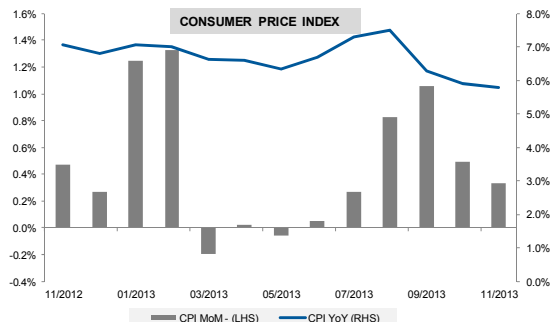
Thanks to consecutive rate cuts and small stimulus packages, it is estimated that manufacturing activity and the economy as a whole will perform better in the 4th quarter. GDP is expected to grow at 5.3% in 2013 and carry on this momentum into 2014 to expand by 5.5%-5.8%.



INFLATION UNDER CONTROL

The consumer price index (CPI) slightly increased by 0.34% in November, lifting annualized inflation to 5.78%. After rising markedly in August and September due to price hikes of electricity, gasoline, and healthcare and educational services, inflation stabilized in October and November and is expected to move humbly in December. Therefore, annual CPI will be slightly higher than 6% for 2013.

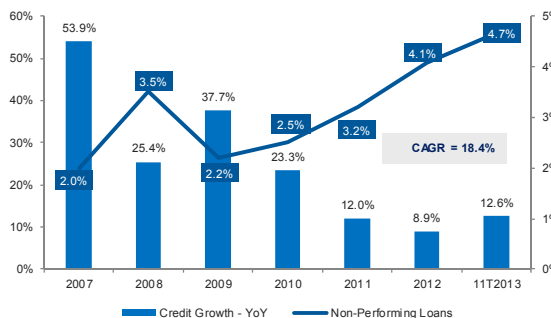
Controlled inflation has helped improve macro stability, restore the confidence in the VND, and stabilize the foreign exchange market.



SLOW CREDIT GROWTH AMID HIGH NON-PERFORMING LOANS

Lending activity continues to increase at slow pace on higher risk aversion by banks, low demand, and high interest rates. Accordingly, credit grew by 7.54% in the first 11 months or 12.4% compared to that of 11/2012, a decent growth in the current tough market conditions. While many banks are optimistic with the prospect of the last quarter, the reality has shown a different picture. Consequently, it is difficult for the banking industry to push lending by 12% albeit sudden change in December.

Non-performing loans stands at 4.7% and has not shown sign of improvement due to tough operating environment of the corporate sector. After three months of operation, the national asset management company has used special bonds to trade approximately VND20 thousand billion. However, it is still unclear how these non-performing loans will be resolved.

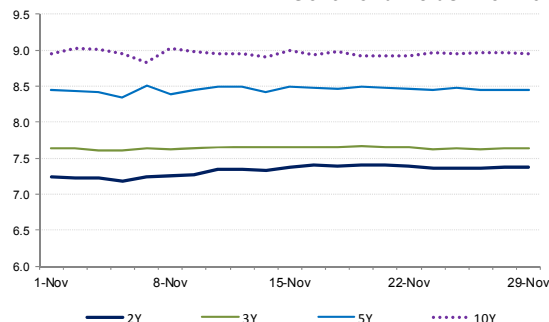


INCREASED TRADING VOLUME OF BONDS

In November, VND19.189 billion worth of bonds changed hands, an increase of 13.6% with average trading value of 913.5 billion/session (+24.5%), focusing on 3-year tenors (84.8% of trading value). Trading values for 3-5 tenors and over 5 years accounted for 10.4% and 4.8% of total trading value respectively. Fluctuations in bond yields center on the 2 year tenor, rising in the second and the third week with highest level of 7.4% compared to 7.23% of the first week before falling by five basis points in the last week. Yield of the 5 year tenor and higher experienced much lower fluctuation.

In the month, the state treasury issued VND9,270 worth of bonds and notes, focusing on the 2 year tenor (4,500 billion) with auctioned yield of 7.7%.

VN Govt Bond Yields - Nov 2013



VF1

FUND FACTS

Fund name	Vietnam Securities Investment Fund
Fund Code	VFMVF1
Fund Type	Open ended fund
Currency	VND
Inception date	20/05/2004
Conversion date	8/10/2013
Fund Manager	VietFund Management (VFM)
Custodian Bank	Standard Chartered Bank
Transfer Agency	Vietnam Securities Depository
Distributors	VFM, Hochiminh Securities Company (HSC)
Management fee	1.95%
Subscription fee	Up to 1%
Redemption fee	0.5% - 2%
Switching fee	0.3%
Minimum subscription order	10 millions VND
Minimum account balance	100 units
Trading cycle	2 nd and 4 th Thursday of every week (T day)
Cut-off time	10:30am, T-1 day
Dividend	Dividend reinvested
Promotion program	0% subscription until end of April 2014
Total NAV	1,230.4 (billion VND)
Number of fund unit	64,000,000 (units)
NAV/unit 12 months high	19,473.9 (VND/ units)
NAV/unit 12 months low	14,345.3 (VND/ units)

INVESTMENT OBJECTIVES

The Fund's objective is to achieve profit maximizing returns with an optimal risk level through a balanced and diversified portfolio, including equity, convertible and debt securities in Vietnam.

The Fund normally invests approximately 80% of its NAV in equity securities and 20% in fixed income securities and cash. The targeting investments are growth stocks among large and mid-sized market capitalization stocks. The manager will apply a bottom-up approach to pick stocks in consideration of business model, long-term earning, asset value, cash flow potential and quality of management. The Fund may from time to time changes the weight of equity and fixed-income investments to +/-10% NAV versus its targeted allocation to get an optimal asset mix in consideration of changing in economic, market conditions.

FUND PERFORMANCE IN NOVEMBER 2013

As at 30 November 2013, NAV of VF1 closed at 19,225 VND/unit, up 2% during the month. Meanwhile, VN-Index and HNX-Index have respectively increased 2.1% and 5.8% since last month. However, from year to date, NAV of VF1 went up to 26.5%, higher than that of VN-Index at 22.7% and HNX-Index at 14.2%. Also in November, Capitals Goods, Energy and Technology Hardware & Equipment sector have significantly contributed to the return of the portfolio with ROI up to 9.2%, 8.6% and 5.1% respectively in November.

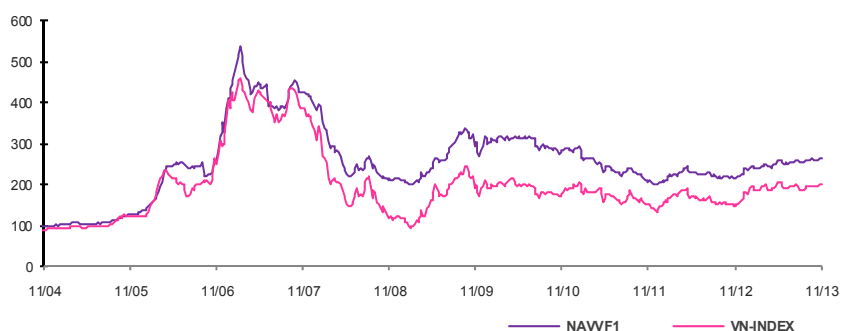
VF1 had net sell at VND 96.6 billion during November, in which Food, Beverage & Tobacco sector contributed up to 57%, followed by Materials at 24% and Capital Goods at 17%. November witnessed the cash level, which was reserved for investors' redemption according to the Extraordinary General Meeting last June, dropped from 40.2% to 13.4% NAV on the first month of conversion to open-ended fund. At the end of November, the portfolio consists of 16 stocks, belonged to 9 sectors.

MOVEMENT IN NET ASSET VALUE

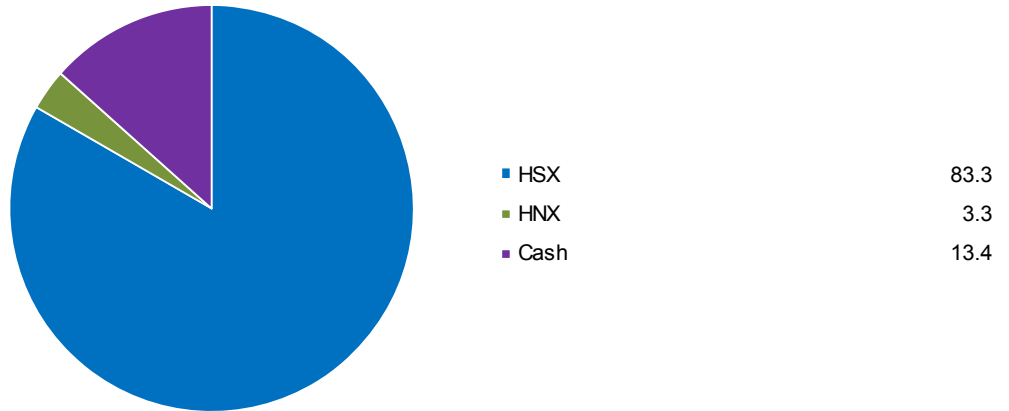
	Unit NAV (VND)	Performance (%)				
		1 month	3 months	YTD	Trailing	Since Inception (20/5/2004)
VFMVF1	19,225.0	2.0	6.5	26.5	34.0	92.3
VN-Index	507.8	2.1	7.4	22.7	34.4	94.1
HNX-Index	65.2	5.8	6.5	14.2	27.7	(34.8)

NAV VFMVF1 PERFORMANCE VS. INDEX

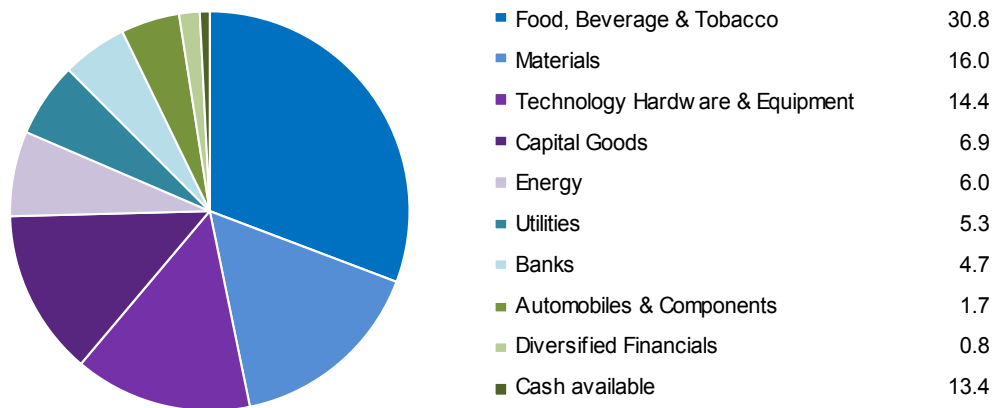
20/05/2004 = 100



ASSET ALLOCATION (% NAV)



ASSET ALLOCATION BY SECTOR (% NAV)



TOP 5 HOLDINGS

Stock	Sector	Market	% NAV
VNM	Food, Beverage & Tobacco	HSX	24.3
FPT	Technology Hardware & Equipment	HSX	14.4
DPM	Materials	HSX	7.5
REE	Capital Goods	HSX	6.9
PVD	Energy	HSX	5.7

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VF4

FUND FACTS

Fund name	Vietnam Blue-chips investment Fund
Fund Code	VFMVF4
Fund Type	Open ended fund
Currency	VND
Inception date	28/02/2008
Conversion date	On procedure
Fund Manager	VietFund Management (VFM)
Custodian Bank	Deutsche Bank
Transfer Agency	Vietnam Securities Depository
Distributors	VFM, Hochiminh Securities Company (HSC)
Management fee	Up to 2%
Subscription fee	Up to 1%
Redemption fee	0.5% - 2%
Switching fee	0.3%
Minimum subscription order	10 millions VND
Minimum account balance	100 units
Trading cycle	2 nd and 4 th Thursday of every week (T day)
Cut-off time	10:30am, T-1 day
Dividend	Dividend reinvested
Total NAV	693.6 (billions VND)
Number of fund unit	80,646,000 (CCQ)
NAV/unit 12 months high	8,663 (VND/ CCQ)
NAV/unit 12 months low	6,145 (VND/ CCQ)

INVESTMENT OBJECTIVES

The investment objective of VF4 is to invest in the Top-ranking Enterprises operating in the essential sectors of Vietnam economy. The target investments shall be the blue-chip stocks listed or will be listed on Vietnam stock markets. The investment portfolios are made for the purpose of utilizing the profits and minimizing the risk for the Fund's capital. The Fund will deploy fundamental analysis as principle for equity investment to assess growth potential, sustainability and risks of investment opportunities.

VF4 could at anytime be fully-invest in equity. VF4 also could flexible holding assets other than equity such as cash, cash equivalents, and fixed income... which shall not exceed 20% of total fund assets in normal market condition to optimize cash flow.

FUND PERFORMANCE IN NOVEMBER 2013

The Fund is currently in open-end-fund (OEF) transition procedures. During November 2013, the portfolio of VF4 has being freezed according to AGM resolution dated 6 September 2013.

Growth of NAV in this month therefore thanks to good performance in market price of the fund holdings and modest contribution of interest received from cash deposits. Cash available at the end of November made a proportion of 14,4% NAV, which satisfy AGM resolution for OEF transition process. Accumulated since the beginning of the year, NAV of VF4 enjoyed robust performance of 29,9%, outperformed VNI-Index and HNX-Index by 7,1% and 15,7% respectively.

MOVEMENT IN NET ASSET VALUE

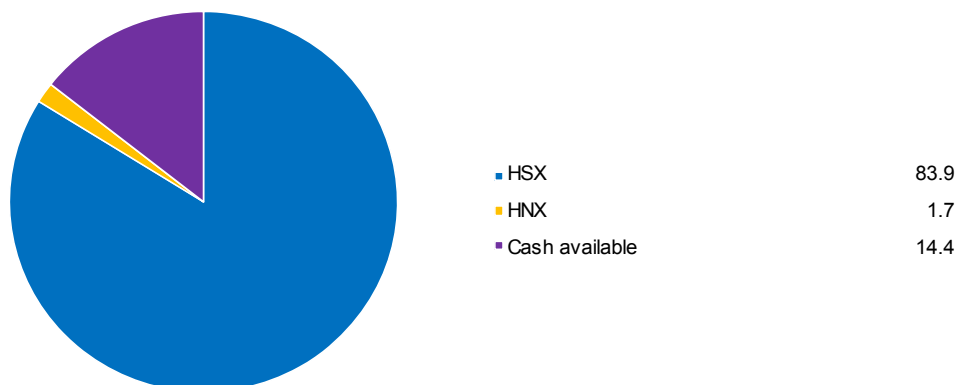
	NAV/Fund unit (VND)	Performance (%)				
		1 month	3 months	YTD	Trailing	Since inception (28/2/2008)
VFMVF4	8,597.0	2.7	8.8	29.9	39.9	6.0
VN-Index	507.8	2.1	7.4	22.7	34.4	(25.1)
HNX-Index	65.2	5.8	6.5	14.2	27.7	(71.9)

NAV VFMVF4 PERFORMANCE VS. INDEX

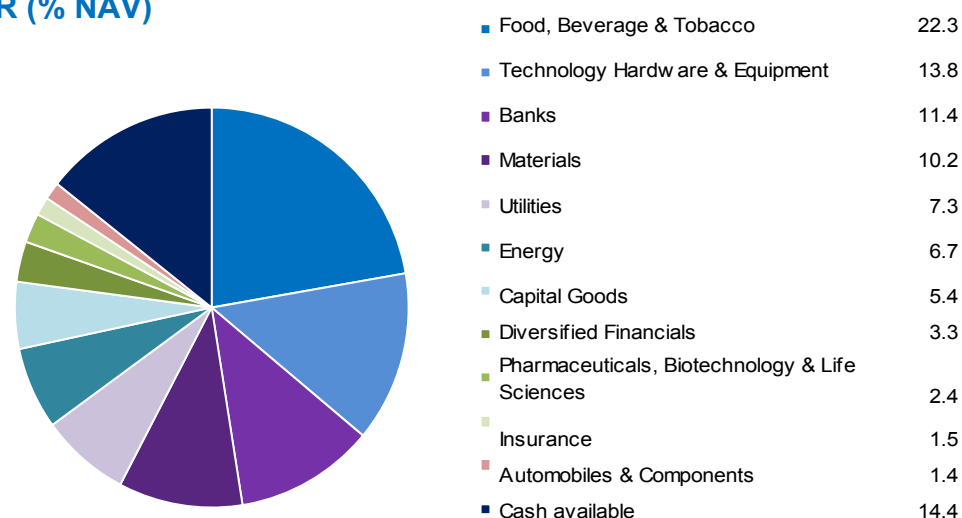
28/02/2008



ASSET ALLOCATION (% NAV)



ASSET ALLOCATION BY SECTOR (% NAV)



TOP 5 HOLDINGS

Stock	Sector	Market	% NAV
VNM	Food, Beverage & Tobacco	HSX	17.94
FPT	Technology Hardware & Equipment	HSX	13.79
GAS	Utilities	HSX	7.32
REE	Capital Goods	HSX	5.41
HPG	Materials	HSX	5.33

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VFA

FUND FACTS

Fund name	Vietnam Active Fund
Fund Code	VFMVFA
Fund Type	Open ended fund
Currency	VND
Inception date	02/04/2010
Conversion date	18/4/2013
Fund Manager	VietFund Management (VFM)
Custodian Bank	HSBC Vietnam Ltd.
Transfer Agency	HSBC Vietnam Ltd.
Distributors	VFM, Hochiminh Securities Company (HSC)
Management fee	Up to 2%
Subscription fee	Up to 1%
Redemption fee	0.5% - 2%
Switching fee	0.3%
Minimum subscription order	10 millions VND
Minimum account balance	100 units
Trading cycle	2 nd and 4 th Friday of every week (T day)
Cut-off time	10:30am, T-1 day
Dividend	Dividend reinvested
Promotion program	0% subscription until end of April 2014

Total NAV	116.9 (billions VND)
Number of fund unit	16,216,091.6 (units)
NAV/unit 12 months high	7,483.9 (VND/unit)
NAV/unit 12 months low	6,866.1 (VND/unit)

INVESTMENT OBJECTIVES

The main objective of VFMVFA would be 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 which is one of Quantitative Investment Models.

FUND PERFORMANCE IN NOVEMBER 2013

As of November 30, 2013 VFMVFA's NAV/UNIT was 7,210.1 VND, increased 0.7% versus the last month, which underperformed the increase 2.1% of VN-Index and 5.8% of HNX-Index.

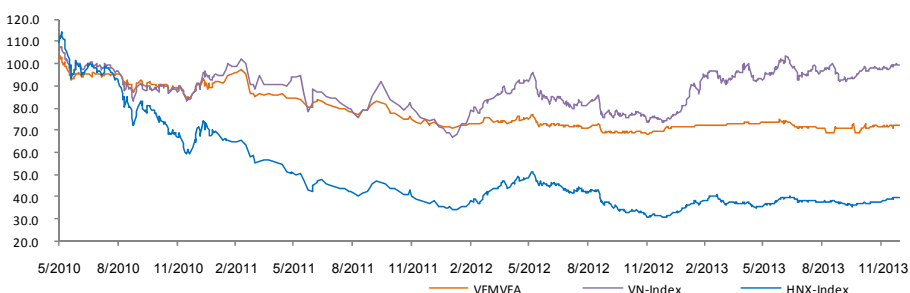
In November 2013, High quality trading strategy invested in the risk-free assets such as short-term Government Bond and term-deposit, and Stock-based MATF strategy invested in HOSE quite cautiously.

MOVEMENT IN NET ASSET VALUE

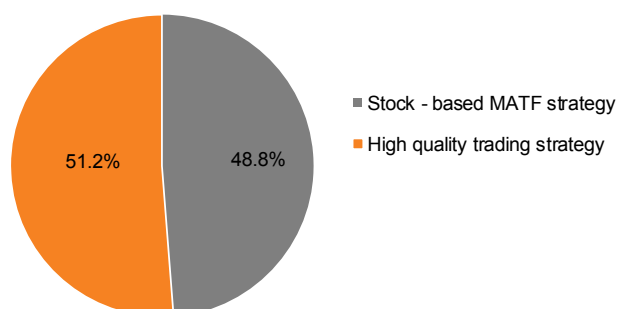
	NAV/Fund unit (VND)	Performance (%)				
		1 month	3 months	YTD	Trailing	Since inception (02/04/2010)
VFMVFA	7,210.1	0.7	1.7	0.7	1.4	(27.9)
VN-Index	507.8	2.1	7.4	22.7	34.4	(0.5)
HNX-Index	65.2	5.8	6.5	14.2	27.7	(60.3)

NAV VFMVFA PERFORMANCE VS. INDEX

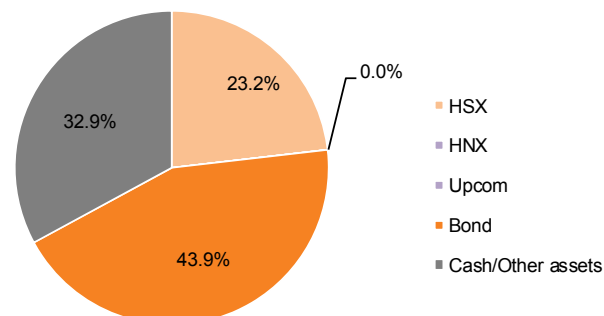
02/04/2010 = 100



ASSET ALLOCATION BY STRATEGY



ASSET ALLOCATION



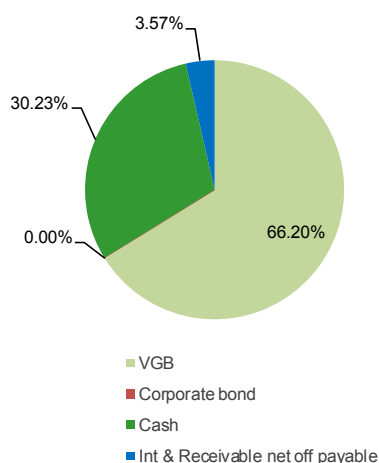


VFB

FUND FACTS

Fund name	Vietnam Bond Fund
Fund Code	VFMVFB
Fund Type	Open ended fund
Currency	VND
Inception date	10/06/2013
Fund Manager	VietFund Management (VFM)
Custodian Bank	Deutsche Bank AG HCMC
Transfer Agency	Deutsche Bank AG HCMC
Distributors	VFM, Hochiminh Securities Company (HSC)
Management fee	Up to 2%
Subscription fee	Up to 1%
Redemption fee	0.5% - 2%
Switching fee	0.3%
Minimum subscription order	20 millions VND
Minimum account balance	1,000 units
Trading cycle	2 nd and 4 th Friday of every week (T day)
Cut-off time	10:30am, T-1 day
Dividend	Annually (satisfied the requirements)
Promotion program	0% subscription fee and 0.5% redemption fee until end of December 2014
Total NAV	77.10 (billions)
Number of fund unit	7,593,315.62 (units)
NAV/unit 12 months high	10,161.32 (VND/unit)
NAV/unit 12 months low	9,369.3 (*) (VND/unit)

ASSET ALLOCATION



INVESTMENT OBJECTIVES

The objective of VFMVFB is to achieve income primarily from investments in fixed income securities, (including but not limited to Vietnamese Government bonds, government guaranteed bonds, municipal bonds, corporate bonds in accordance with Vietnamese law, etc..) commercial notes and money market instruments.

FUND PERFORMANCE IN NOVEMBER 2013

As at 30 Nov 2013, NAV of VFMVFB increased 0.2% compared to October. Currently, the Fund's asset consists of 3-year government bonds with the time to maturity being under 2.3 years and term deposits. In November, the Fund divested a part of its portfolio due to the market's fluctuation. The divested investment had an annualized profit of 5.33%/year and holding time of 4.2 months.

The yield of government bond held in the portfolio increased around mid-month and then reduced in last week of November. With the information about the to be increased amount of bond issued in 2013 and plan of additionally issuance for period from 2014 to 2016 has been approved by the National Assembly and fluctuations of money market at the end of 2013, the possibility that yield increases is higher than the chance it goes in reverse direction in coming period. The Fund VFMVFB is going to sell short-term investment and may hold cash and at the same time looking for opportunity when yield fluctuates.

MOVEMENT IN NET ASSET VALUE

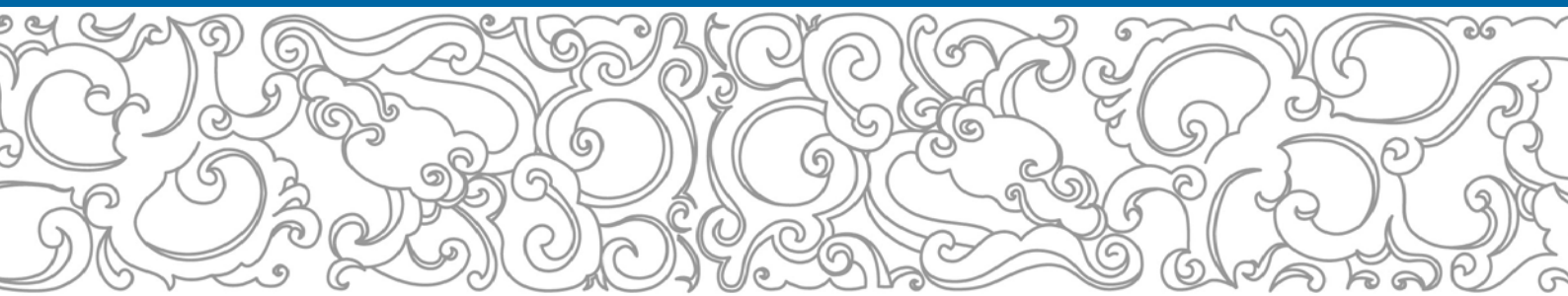
	NAV/unit & Index	Performance (%)				
		1 month	3 months	YTD	Trailing	Since inception (10/6/2013)
VFMVFB	10,153.1	0.1	2.0	n/a	n/a	1.5
Bond-Index (1 năm)	183.7	0.5	1.8	7.9	8.8	2.4
Bond-Index (2 năm)	189.6	0.5	2.5	11.0	8.8	2.5

NAV VFMVFB PERFORMANCE VS. BOND_INDEX (*)

10/06/2013 = 100



(*) Notes: NAV of VFMVFB showed abnormal volatility at 08/08/2013 and 26/09/2013 due to the occurrences of abnormal volatility in trading price which the differences between normal trading price and executed trading price reached 5%. Under the NAV calculation methodology being applied before 01/10/2013, VFMVFB must value investment bond with the market executed price, the fund's NAV will be no longer affected by such abnormal executed trading price given 2 weeks without trading. The abnormal volatility was majorly due to the technical NAV calculation methodology and did not really reflect accurate fund' NAV performance. After 01/10/2013, NAV of VFMVFB will be no longer affected by such abnormal volatility.



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