

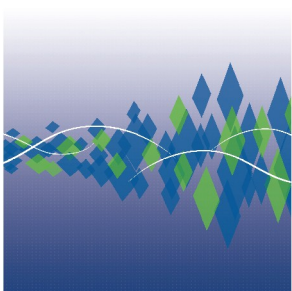


VIETFUND
MANAGEMENT

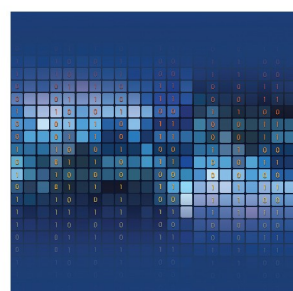
MONTHLY UPDATE

December 2013

| VFM



Dịch vụ Quản lý Quỹ đầu tư
Dịch vụ Quản lý Danh mục đầu tư



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MARKET REVIEW DECEMBER 2013

MARKET REVIEW

In December, the market continued to draw active trading activities of investors. Trading volume in blue-chip stocks increased by 4.2%. However, market was trading in narrow range because of profit-taking by investors, sending VN-Index fluctuate around 503-506 range. Trading volume in HOSE reached more than 1.9 billion shares, worth nearly VND30,000 billion. In Ha Noi, HNX index increased almost 4% MoM and more than 1.1 billion shares changed hand, equal to VND8,630 billion in trading value for the month.

Chaikin 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 December 2013, CMF decreased from negative 0.055 to negative 0.3, meaning that selling pressure was higher than pressure in November. The main reason was that investors took profit before the year end of 2013. However, with good buying demand in big-capitalization stocks, VN- Index still kept buoyed above 500 in December.

Foreign buyers bought more actively in HOSE with more than VND1,200 billion of net buying in the month. On Ha Noi bourse, foreigners were also active buyers with more than VND34 billion of net buying value.

In December, two ETF funds rebalanced their portfolios but their actions did not affect as strongly as their last rebalances did in June and September. Also, domestic investors forecasted their actions and tried to take some profit from these forecasts. Actions of these ETF funds made the stock market up and down continuously.

In December, VN-Index decreased by 0.62% with contributions from stocks as follows: GAS up by 0.6%, VIC 0.1%, PPC 0.1%, HCM and SJS by nearly 0.1%. Meanwhile VNM fell -0.7%, VCB down -0.5%, and BVH, CTG and EIB each was down less than 0.3%.

The banking sector, one of the biggest weights in VN-Index, continued to decrease 4,6% MoM, after decreasing 1% in November 2013. The sector with the best price performance was TECH, leading with a 16.1% increase and this was second month this sector had the best performance. Some big sectors such as Real estate, Energy, Utilities and Pharmaceutical increased from 3- 3,5% MoM. In contrast, Insurance, FBEV sector decreased by 7.3% and 3.9%, respectively.

In December, investors concentrated on trading stocks with big capitalization when total trading in December reached 594 million shares, or a 4.2% MoM increase. Trading value in stocks with mid-cap decreased slightly with 872 million shares, equivalent to a 2.2% monthly decrease. Furthermore, 493 million shares small-cap stocks were traded, increasing by 1.6% MoM.

MARKET OPPORTUNITIES

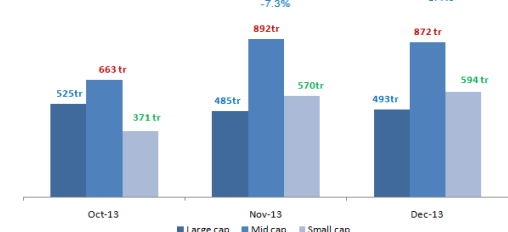
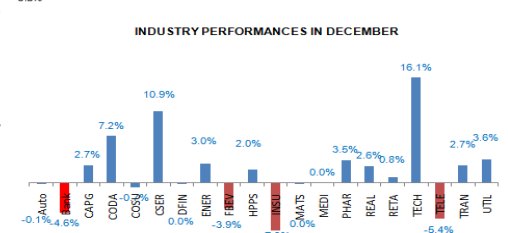
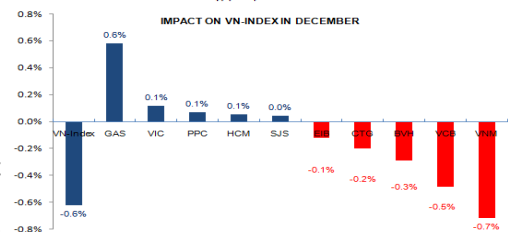
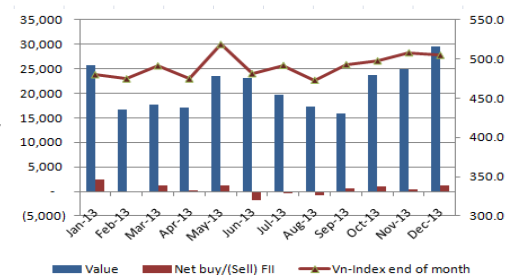
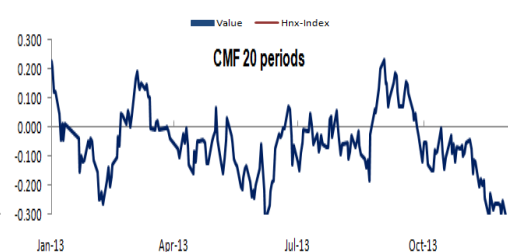
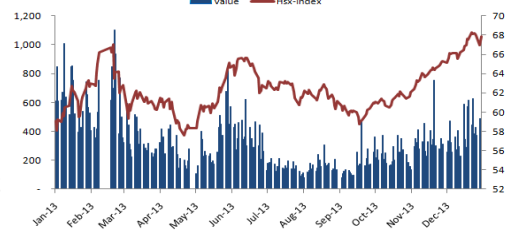
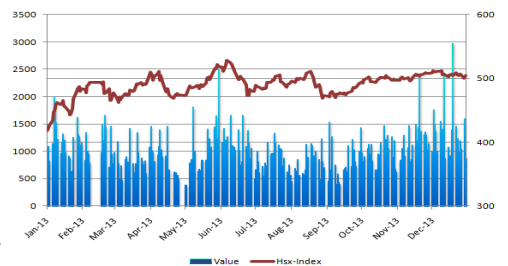
The smart money seems to flow back into blue-chip stocks. Besides the foreign cash-inflow, the positive fundamental performance of the blue-chips in Q4-2013 will play an important role in attracting the speculative money.

The first three trading weeks in 2014, the market may receive more announcement about business performance in Q4 and FY2013 by the listed companies. Investors are somewhat more optimistic with the expectation from seasonal factors, and positive signals from credit growth in banking group recently.

As usual, blue chip stocks would still attract the money flow, especially in the early stages of the first announcement. Besides, the industry stocks that are influenced by seasonal factors such as food & beverages, transportation, etc. would also become the focus of the money flow.

The improvement the credit growth and the VAMC positive activities in recent year also brought hope for the banking stocks. Other companies in sectors such as securities, real estate, construction, mining are also expected to announce the results during the end of this year.

Therefore, the blue-chips with highlight expected Q4-2013 would continue to help maintain the positive market trend for the coming weeks. Even so, it is necessary to note that the activities of profit taking in speculative stocks constantly happened, along with the oral financial result announcement can cause a narrow range of volatility for stock market.

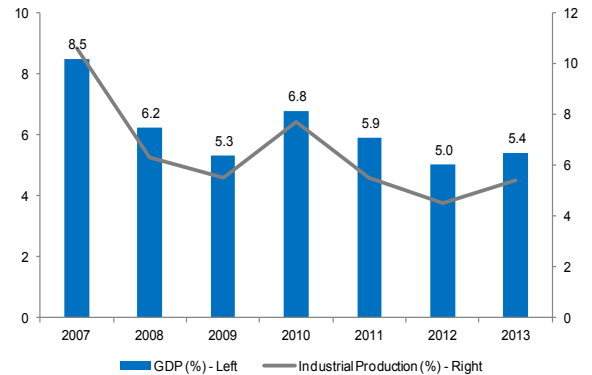


MACRO REVIEW 2013 & OUTLOOK 2014

RECOVERY GAINING MOMENTUM

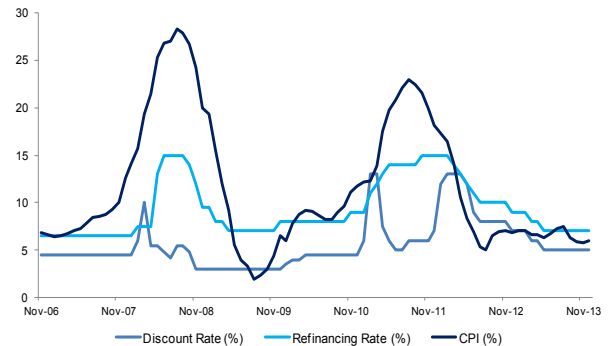
The macroeconomic picture became brighter in 2013 when manufacturing activity continued its recovery trend thanks largely to strong export performance in which industrial production grew 5.43%, joining hand with the service sector to help lift economic recovery. In addition, the HSBC Purchasing Managers Index (PMI) indicates that manufacturing has been in expansion since September with the index standing at above 50 in 4 consecutive months and reaching 51.8 in December, the highest level since 4/2011.

Accordingly, GDP expanded by 5.4% in 2013, missing the government target but still being higher than consensus. The trend of GDP growth has been positive in when it grew 6% in the last quarter, accelerating over quarters. This has laid a strong foundation for higher growth in 2014, a start of a new cycle with forecast growth of 5,8%-6,0%.



INFLATION UNDER CONTROL

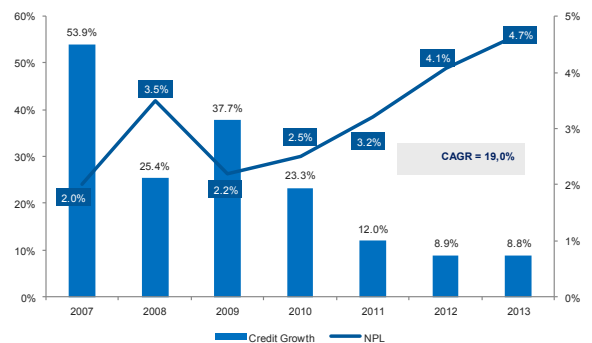
Consumer price index (CPI) increased by 0.51% in December, registering annual CPI at 6.04%. Although price hikes of major commodity and services such as electricity, petrol, and education put more pressure to prices in 2013, inflation was controlled at 6%, the lowest level in 10 years. This has translated to macro restoration, confidence in the local currency, and stability of exchange rates. Lower inflation prompted the central bank to slash key policy rates and helped banks cut lending rates significantly, spurring the excellent 22% performance of VN-Index. The year 2014 is expected to bear pressure from price hikes of electricity, food and food stuff, and healthcare services.



DECENT CREDIT GROWTH AND NPL RESOLUTION UNDERWAY

Credit activity continued its slow growth amid risk aversion of banks, low demand, and high interest rates. Accordingly, credit growth in 2013 reached 8.8%, a decent performance in industry's tough operating environment. However, credit activity is expected to expand more in 2014 thanks to the recovery of manufacturing and resumed consumption trend.

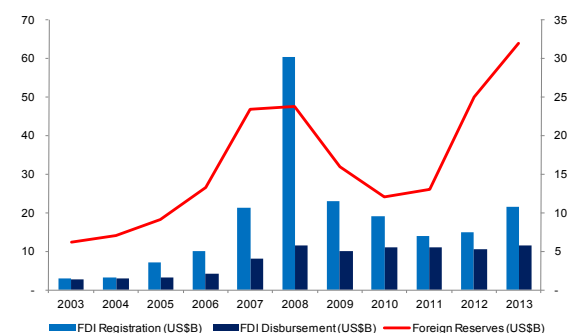
High non-performing loans are still an issue. However, banks have used more provision to write off bad loans and the national asset management company (VAMC) has speeded up its bad loan accumulation, receiving transfers worth of 40 trillion in 2013 and expected 100-150 trillion in 2014. If this process deliver good progress, credit activity will have more room to grow.



STRONG EXPORT, BALANCED TRADE, RISING FOREIGN RESERVES

Export activity strengthened its momentum in 2013 with growth of 15.4%, creating a surplus of nearly US\$1 billion. Strong record of FDI registration and disbursement has produced fruition in which this sector generate 2/3 of export value. This has helped maintain currency stability and increase foreign reserves.

Foreign reserves made a strong increase in 2013, reaching approximately US\$32 billion from US\$25 at the end of 2012. This record reflects the relative attractiveness of Vietnam in luring FDI and portfolio investment. In 2014, portfolio investment is expected to surge thanks to Vietnam's recovery and attractive valuation while FDI will maintain its gear.



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, HSC, VCSC, VSBC, VDSC, KIS, SBSC,
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	Thursday of the 2 nd and 4 th week of every month (T day)
Cut-off time	10:30am, T-1 day
Dividend	Dividend reinvested
Promotion program	0% subscription until end of April 2014

Total NAV	1,088.4 (billions VND)
Number of fund unit	57,131,648.3 (units)
NAV/unit 12 months high	19,473.9 (VND/unit)
NAV/unit 12 months low	15,308.2 (VND/unit)

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 DECEMBER 2013

As at 31/12/2013, NAV of VFMVF1 closed at VND 19,051 per unit, decreased 0.9% compared to November. This is due to the price fall of some of VF1's top holdings such as VNM and FPT. From year to date, the Fund net asset value per unit increased 25.3%, outperformed VN-Index at 22.0% and HNX-Index at 18.8%. Within December, Utilities and Capital Goods sectors had significantly contributed to the fund performance with ROI at 3.6% and 2.4% respectively.

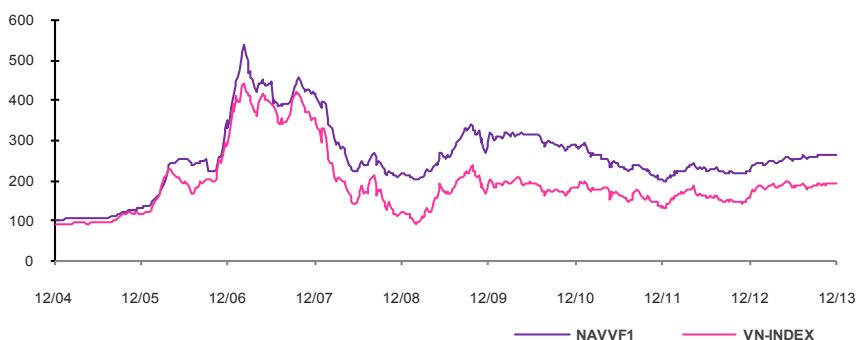
VFMVF1's net sell was VND 126.4 billion in December. Top sell belonged to Food, Beverage & Tobacco made up 37.1%, Materials 27.1% and Technology Hardware & Equipment 16.8%. Buy-in this month included stocks of Banks, Energy and Capital Goods. December witnessed the cash level went up from 13.4% to 15.1% NAV. As at 31/12/2013, the portfolio consisted of 16 stocks, belonged to 9 sectors.

MOVEMENT IN NET ASSET VALUE

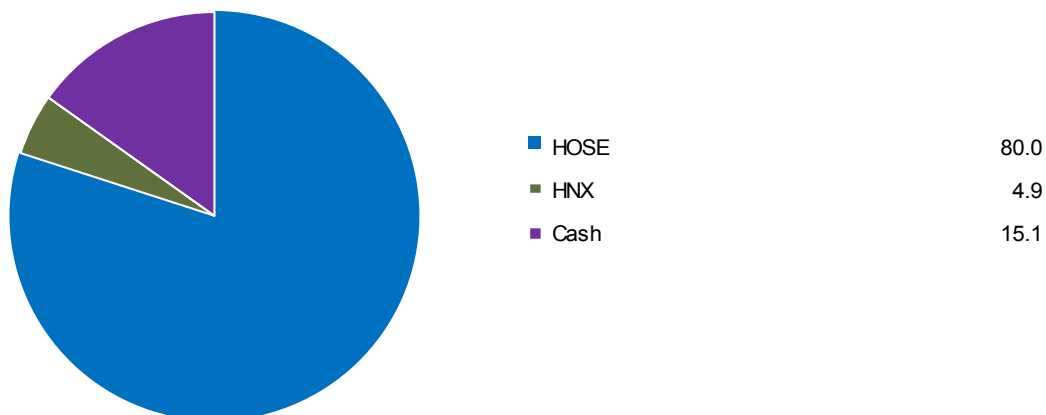
	NAV/Unit (VND) & Indices	Performance (%)				
		1 month	3 months	YTD	Trailing 12 months	Since Inception (20/5/2004)
VFMVF1	19,051.0	(0.9)	1.3	25.3	25.3	90.5
VN-Index	504.6	(0.6)	2.4	22.0	22.0	92.9
HNX-Index	67.8	4.1	11.3	18.8	18.8	(32.2)

NAV VFMVF1 PERFORMANCE VS. INDEX

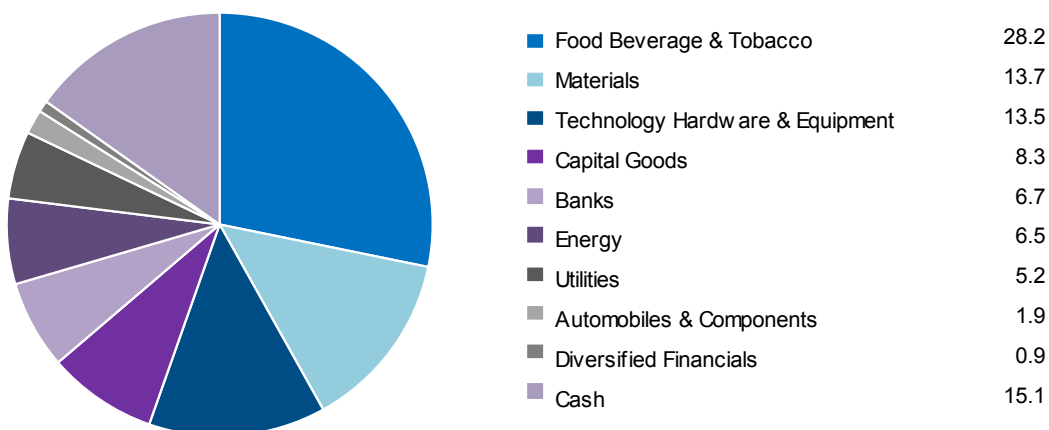
20/05/2004 = 100



ASSET ALLOCATION (% NAV)



ASSET ALLOCATION BY SECTOR (% NAV)



TOP 5 HOLDINGS

Stock	Sector	Market	% NAV
VNM	Food Beverage & Tobacco	HOSE	20.8
FPT	Technology Hardware & Equipment	HOSE	13.5
REE	Capital Goods	HOSE	7.4
GAS	Utilities	HOSE	5.2
DPM	Materials	HOSE	5.1

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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	16/12/2013
Fund Manager	VietFund Management (VFM)
Custodian Bank	Deutsche Bank
Transfer Agency	Vietnam Securities Depository
Distributors	VFM,HSC, VCSC, SSI, VDSC, KIS
Management fee	1.93%
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	Wednesday of the 2 nd and 4 th week of every month (T day)
Cut-off time	10:30am, T-1 day
Dividend	Dividend reinvested

Total NAV	682.1 (VND billions)
Number of fund unit	80,646,000.0 (units)
NAV/unit 12 months high	8,663.0 (VND/unit)
NAV/unit 12 months low	6,686.6 (VND/unit)

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 DECEMBER 2013

At the end of 2013, NAV of VF4 settled at VND 8,458 per unit, decreased 1.6% in December due to the influence of falling prices of the big-cap stock group within the month including VNM, FPT... For the whole year 2013, VF4 outperformed ahead market indices with yearly growth of 27.7%, while VN-Index growth by 22% and HNX-Index by 18,8%.

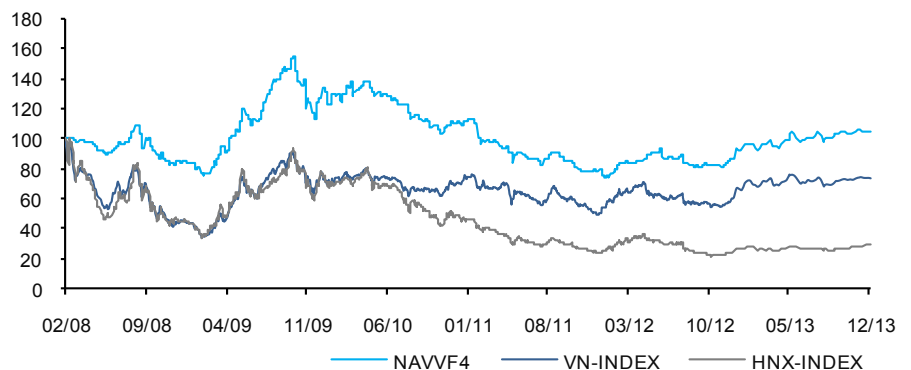
Also on 16 December, VFMVF4 has received the Certificate registration for Open-Ended Fund. Since the conversion date, with approval of The Board of Representatives, some transactions were carried out to adjust the portfolio holding according to the current open-ended fund's regulation. As at 31 December 2013, VF4's portfolio has met all requirements as an open-ended fund with cash available reached 15.9%NAV.

MOVEMENT IN NET ASSET VALUE

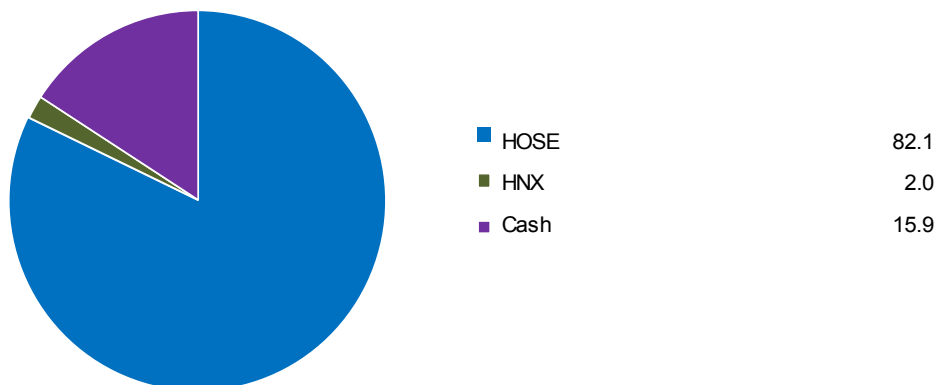
	NAV/Unit (VND) & Indices	Performance (%)				
		1 month	3 months	YTD	Trailing 12 months	Since inception (28/2/2008)
VFMVF4	8,457.7	(1.6)	1.7	27.7	27.7	4.6
VN-Index	504.6	(0.6)	2.4	22.0	22.0	(25.6)
HNX-Index	67.8	4.1	11.3	18.8	18.8	(70.8)

NAV VFMVF4 PERFORMNCE VS. Index

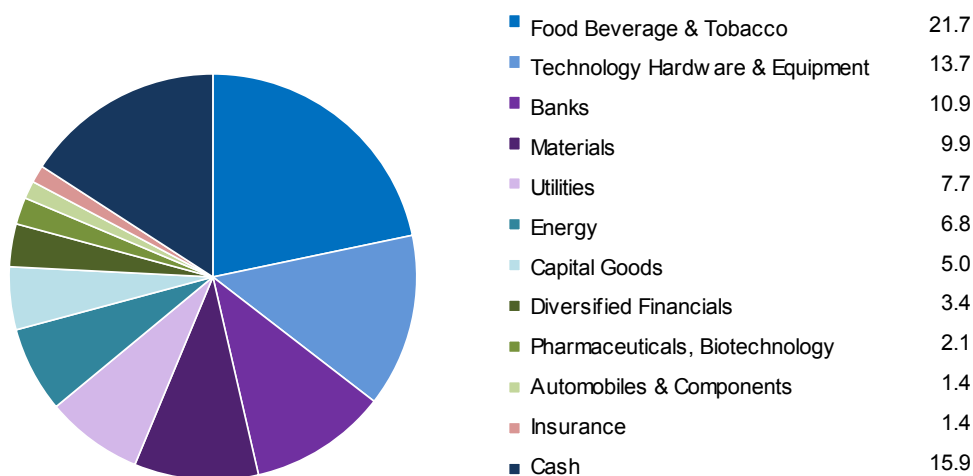
28/02/2008



ASSET ALLOCATION (% NAV)



ASSET ALLOCATION BY SECTOR (% NAV)



TOP 5 HOLDINGS

Stock	Sector	Market	% NAV
VNM	Food, Beverage & Tobacco	HOSE	17.3%
FPT	Technology Hardware & Equipment	HOSE	13.7%
GAS	Utilities	HOSE	7.7%
REE	Capital Goods	HOSE	5.0%
DPM	Materials	HOSE	4.9%

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VFA

FUND FACTS

Fund name	Vietnam Active Fund
Fund Code	VFVF4
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	Friday of the 2 nd and 4 th week of every month (T day)
Cut-off time	10:30am, T-1 day
Dividend	Dividend reinvested
Promotion program	0% subscription until end of April 2014
Total NAV	107.7 (billions VND)
Number of fund unit	14,922,628.3 (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 VFVF4 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 DECEMBER 2013

As of December 30, 2013 VFVF4's NAV/UNIT was 7,217.5 VND, increased 0.1% versus the last month, which outperformed the return -0.6% of VN-Index and underperformed the return 4.1% of HNX-Index.

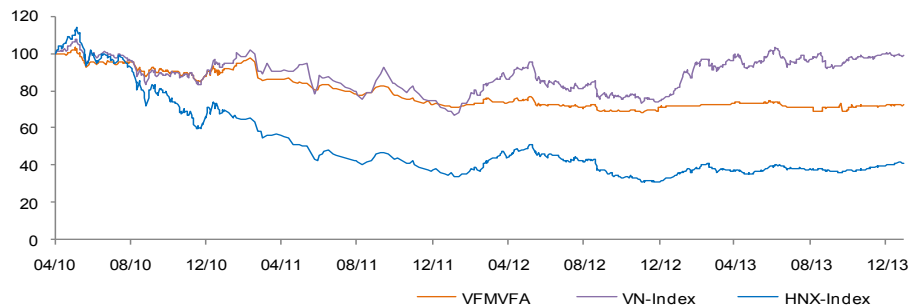
In December 2013, both High quality trading strategy and Stock-based MATF strategy invested in the risk-free assets such as short-term Government Bond and term-deposit.

MOVEMENT IN NET ASSET VALUE

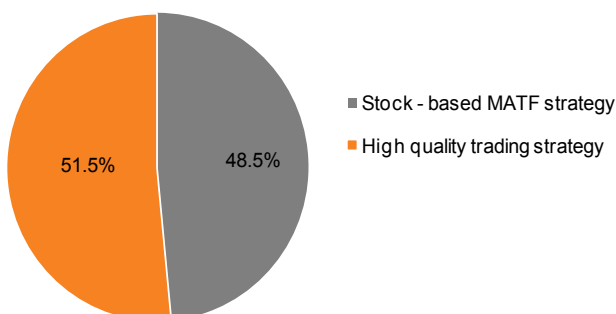
	NAV/unit (VND) & Indices	Performance (%)				
		1 month	3 months	YTD	Trailing 12 months	Since Inception (02/04/2010)
VFVF4	7,217.5	0.1	4.5	0.8	0.8	(27.8)
VN-Index	504.6	(0.6)	2.4	22.0	22.0	(1.1)
HNX-Index	67.8	4.1	11.3	18.8	18.8	(58.7)

NAV VFVF4 PERFORMANCE VS. INDEX

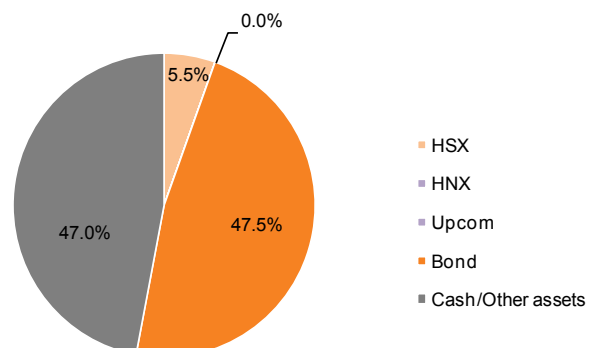
02/04/2010 = 100



ASSET ALLOCATION BY STRATEGY



ASSET ALLOCATION



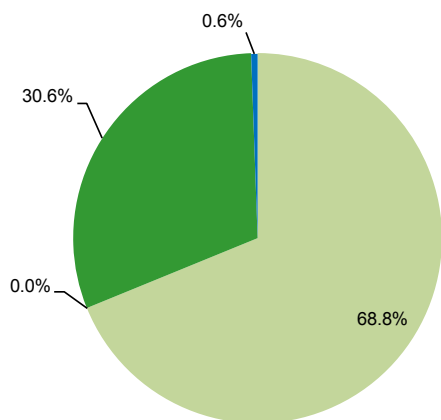


VFB

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	Friday of the 2 nd and 4 th week of every month (T day)
Cut-off time	10:30am, T-1 day
Dividend	Annually
Promotion program	0% subscription fee and 0.5% redemption fee until end of December 2014
Total NAV	73.3 (billions VND)
Number of fund unit	7,145,782.8 (units)
NAV/unit 12 months high	10,253.0 (VND/unit)
NAV/unit 12 months low	9,369.3 (VND/unit)

ASSET ALLOCATION



- Vietnam Government Bond
- Corporate bond
- Cash
- Int & Receivable net off payable

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 DECEMBER 2013

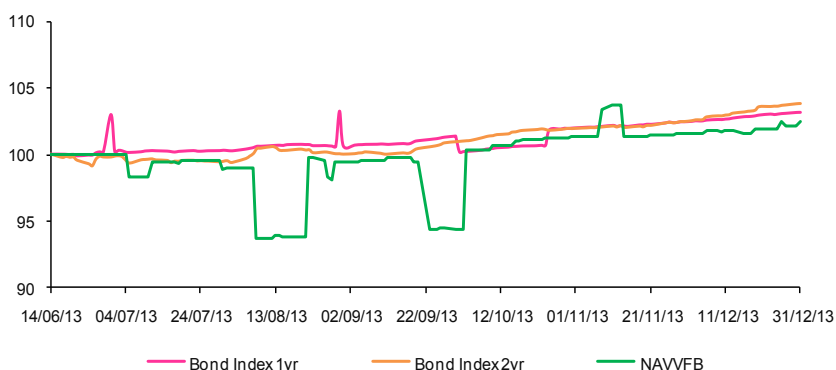
In December, VFMVFB NAV increased 1.0% in comparison to prior month and increased 2.5% since inception. Through analyzing spread between 2-year and 3-year bonds, in December VFMVFB had sold 2-year bond and invested in 3-year bond by participating in primary market issuance auction. In going down trend of 3-year bond yield toward year end, the 3-year bond investment offered good return to 31/12/2013. At 31/12/2013, VFMVFB is holding only 3-year bond with time to maturity was 2.8 years.

Since inception (10 June 2013) to 31 Dec 2013, the VFMVFB fund turnover was 232%. This is an evidence that VFMVFB followed its active investment strategy, taking initiatives in analyzing macro and market movements to find proper timing for invest and exit of the fund holdings.

MOVEMENT IN NET ASSET VALUE

	NAV/unit (VND) & Indices	Performance (%)				
		1 month	3 months	YTD	Trailing 12 months	Since Inception (10/6/2013)
VFMVFB	10,253.0	1.0	8.6	n/a	n/a	2.5
Bond-Index 1yr	184.9	0.7	1.7	8.7	8.7	3.1
Bond-Index 2yr	192.1	1.3	2.9	12.5	12.5	3.8

NAV VFMVFB PERFORMANCE VS. BOND_INDEX (*)



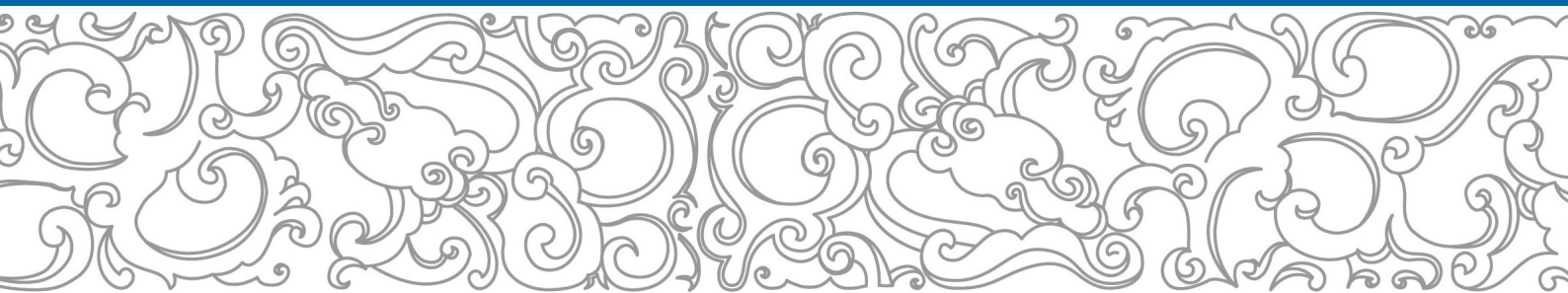
(*) Notes: NAV of VFMVFB showed abnormal volatility at 08/08/2013 and 26/09/2013 due to the occurrences of abnormal volatility in trading price which the differences between normal trading price and executed trading price reached 5%. Under the NAV calculation methodology being applied before 01/10/2013, 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.

LEGAL UPDATES

LEGAL UPDATES - DECEMBER/ 2013

In December 2013, the Ministry of Finance has issued two (02) outstanding legal documents regarding the securities market, namely:

- Circular No. 217/2013/TT-BTC issued on 31 December 2013 guiding implementation on sanctioning administrative violations in the domains of securities and securities market. The Circular takes effect on 01 March 2014 and replaces the Circular No. 37/2011/TT-BTC on sanctioning administrative violations in the domains of securities and securities market. The Circular is mainly regulated to suit the Decree 108/2013/ND-CP and there are some new highlights to ensure transparency, disclosure and protection of the legitimate interests of investors, such as:
 - The Circular provides new regulations on the disclosure of individuals and organizations with legal violations, for example:
 - + Individuals and organizations with legal violations must announce in three consecutive issues of a central newspaper and company's website about the refund of securities money or deposit (if any) plus interest at the non-term interest rate of the bank.
 - + Decision to sanction must be posted on HOSE/HNX website in case the sanctioned subjects are trading members, listed institutions, registered trading companies.
 - The Circular provides new regulation on delegating sanction power and issuing coercive decisions and deciding on application of remedies to overcome the consequences: Chairman of SSC and Chief inspector of SSC may assign deputies to perform competence of sanctioning administrative violations and coercive decisions and deciding on application of remedies to overcome the consequences in the domains of securities and securities markets.
- Circular No. 216/2013/TT-BTC issued on 31 December 2013 amended Circular No. 38/2011/TT-BTC dated 16 March 2011 on the regulation of the rate, payment collection regime, management and usage of fees in securities operation applied for security service organizations. This Circular takes effect on 15 February 2014. This Circular amends the subject of payment charge for preserving and supervising the assets of Funds, Securities Investment Companies (below or equal to 0.15% of the value of the supervised asset) stipulated in Clause 5 of Securities Operation Tariff issued accompanied with the Circular No. 38/2011/TT-BTC. Accordingly, the subject of payment charge includes: close-ended Funds, member Funds and securities investment companies (instead of securities investment funds and securities investment companies).



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