

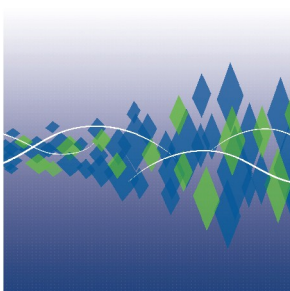


VIETFUND
MANAGEMENT

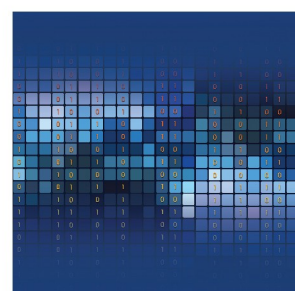
MONTHLY UPDATE

January 2014

| VFM



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



CONTENTS

ECONOMIC AND MARKET REVIEW JANUARY 2014

FUND PERFORMANCE UPDATE

Vietnam Securities Investment Fund (VFMVF1)

Vietnam Blue-chips Fund (VFMVF4)

Vietnam Active Fund (VFMVFA)

Vietnam Bond Fund (VFMVFB)

LIST OF APPOINTED DISTRIBUTOR PROVIDING FUND CERTIFICATES

DISCLAIMER

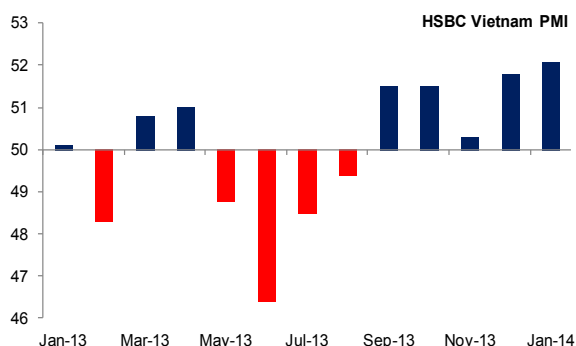
This Newsletter is issued by VietFund Management (VFM). This newsletter is aimed to provide information on net asset value (which have been approved by the Custodian) and activities of our funds. Besides that, other information are based on reliable sources at the time the news are released and VFM does not independently verify 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.

MACRO REVIEW - JANUARY 2014

CONTINUED RECOVERY OF MANUFACTURING

Macro conditions continues to improve in the first month of 2014 when industrial production gathers momentum thanks to strong export demand and resumption of local consumption. Accordingly, HSBC Purchasing Manager Index (PMI) reached its 33-high level, standing at 52.1 and being above the 50 threshold, indicating expansion areana. Manufacturing has indeed entered into recovery phase since 6/2013.

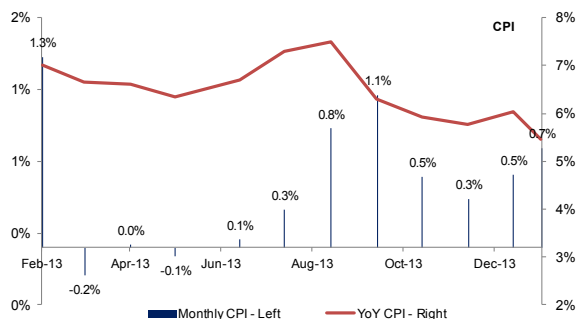
However, industrial production officially registered low growth rate of 3% on the same month last year due to slump of the natural resources sector and difference in the Tet holiday season between the two years. Meanwhile, manufacturing and assembly, textile, and electronics sectors performed well.



STABLE INFLATION

Consumer price index (CPI) surged 0.69% in January, a low and stable level when it is lower than that of the same period of previous years and continues the trend of the last three months. However, subdued local demand may have played some role in maintaining that low level of inflation.

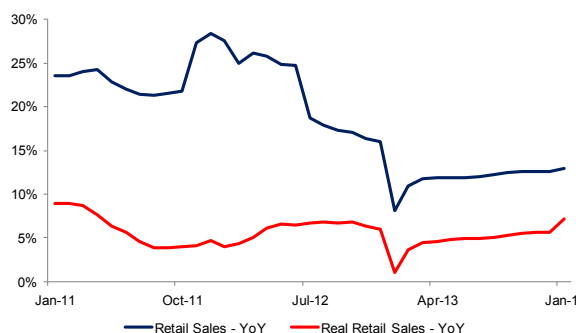
Due to surging demand for the Tet holiday, price increases center on holiday-related goods and services such as transportation, foods and foodstuff, and garments. With this trend, inflation is under control and tends to be lower than previous years, dispelling concerns of investors.



SIGNAL OF STRONGER LOCAL DEMAND

Local demand has continued its good trend since the second quarter of 2013. Accordingly, retail sales grew 13% on the same period last year and 7.2% it is adjusted for inflation. This performance is not high compared to that of previous years but has reflected some recovery of local demand amid falling interest rates and resumption of economic activities.

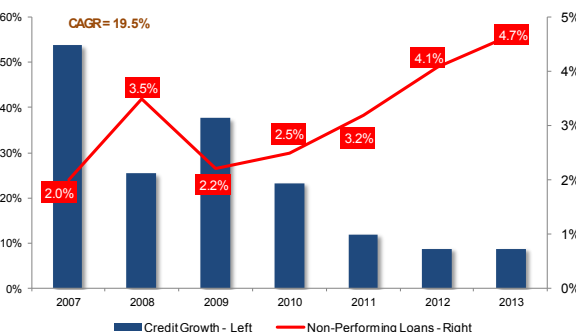
The private sector and foreign companies dominate state sector when registering retail sales growth of 13.3% and 38.3%. On this foundation, retail sales are expected to deliver stronger performance in 2014, especially in the second half when the economy gathers momentum and consumer confidence is truly restored.



NON-PERFORMING LOANS BEING CONTROLLED AND RESOLVED

Although non-performing loans are still high in the banking sector, concerns over their risks to the system is not as high as it was in 2012 and 2013. Last year, banks aggressively resolved their non-performing loans using provision and the VAMC bought around VND39.000 billion of non-performing loans. The agency plans to buy approximately 100 trillion of non-performing loans in 2014. If this banking woe can be increasingly resolved, the credit crunch will be clearing, helping banks lend more to the economy.

The State Bank may revise Circular 02 on loan classification to help bank avoid sudden increase in non-performing loans. Although this is a step back for banking restructuring, it to some extent helps prevent banks from a shock.



INVESTMENT FUND

VFMVF1

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, VCBS, KIS, SBS, VSC, VDSC
Management fee	1.95%
Subscription fee	0% until end of 24 April 2014
Redemption fee	0.5% - 2%
Switching fee	0.3%
Minimum subscription order	10 million 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

Total NAV	1,098.2 (billion VND)
Number of fund unit	52,251,853.5 (unit)
NAV/unit 12 months high	21,178.1 (VND/unit)
NAV/unit 12 months low	16,170.2 (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

The NAV per unit of VF1 ended January 2014 rose 10.3%, equivalent to VN-Index while outperformed HNX-Index 0.9%. Three sectors F&B, Technology Hardware & Equipment and Utilities had highest contribution to profit with 67.2% totally. Investors had redeemed about 4.9 billion fund units, which made cash balance fall to 7.4% (31/12/2013: 15.1%).

During the period, VF1 divested VND 21.6 billion of equities belonged to Utilities, Energy and Material and invested nearly VND 5 billion into Materials and Capital Goods. As at 31/1/2014, the portfolio consisted of 17 stocks, belonged to 9 sectors (GICs).

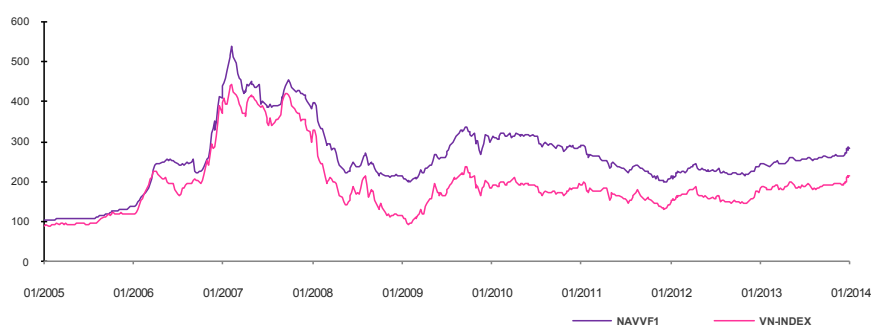
MOVEMENT IN NET ASSET VALUE

	NAV/Unit (VND) & Indices	Performance (%)				
		1 month	3 months	YTD	Trailing 12 months	Since Inception (20/5/2004)
VFMVF1	21,017.6	10.3	11.6	10.3	23.9	110.2 *
VN-Index	556.5	10.3	11.9	10.3	16.0	112.8
HNX-Index	74.2	9.4	20.4	9.4	18.5	(25.8)

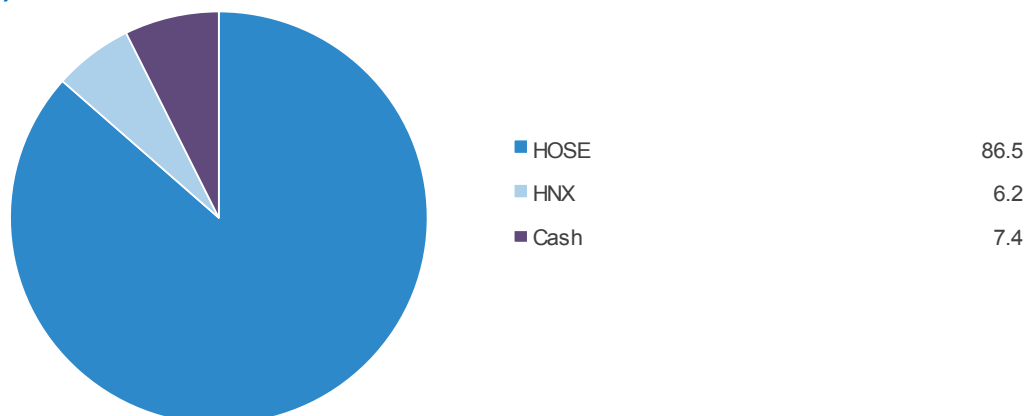
(*) Excluding dividends

NAV VFMVF1 PERFORMANCE VS. INDEX

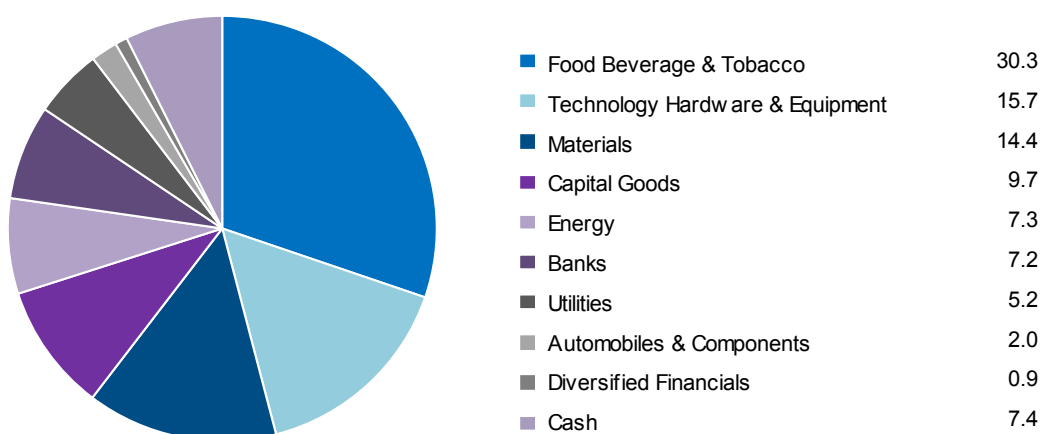
20/05/2004 = 100



ASSET ALLOCATION (% NAV)



ASSET ALLOCATION BY SECTOR (% NAV)



TOP 5 HOLDINGS

Stock	Sector	Market	% NAV
VNM	Food Beverage & Tobacco	HOSE	21.6
FPT	Technology Hardware & Equipment	HOSE	15.7
REE	Capital Goods	HOSE	8.6
HPG	Materials	HOSE	5.3
MBB	Banks	HOSE	5.3

DISCLAIMER

This Newsletter is issued by VietFund Management (VFM). This newsletter is aimed to provide information on net asset value (which have been approved by the Custodian) and activities of our funds. Besides that, other information are based on reliable sources at the time the news are released and VFM does not independently verify 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.

INVESTMENT FUND

VFMVF4

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 AG - HCMC
Transfer Agency	Vietnam Securities Depository
Distributors	VFM,HSC, VCSC, SSI, VDSC, KIS
Management fee	1.93%
Subscription fee	0% until end of 23 April 2014
Redemption fee	0.5% - 2%
Switching fee	0.3%
Minimum subscription order	10 million VND
Minimum account balance	100 units
Trading cycle	2 nd and 4 th Thursday of every month (T day)
Cut-off time	10:30am, T-1 day
Dividend	Dividend reinvested

Total NAV	683.0 (billion VND)
Number of fund unit	72,581,397.0 (unit)
NAV/unit 12 months high	9,476.5 (VND/unit)
NAV/unit 12 months low	7,112.9 (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

NAV of VF4 ended the first month of 2014 increased 11.3%, outperformed both VN-Index and HNX-Index from 1% to 2%. This is due to the upward trend of the market, especially blue-chip stocks like GAS, PVD, FPT. Also within January, VF4 had its first transaction as an open-ended fund and bought back more than 8 million fund units from investors. This led to the falling of cash proportion to 8.3% NAV (31/12/2013: 15.9%)

As at 31/1/2014, the portfolio consists of 17 HOSE stocks, belonged to 11 main sectors (GICs).

MOVEMENT IN NET ASSET VALUE

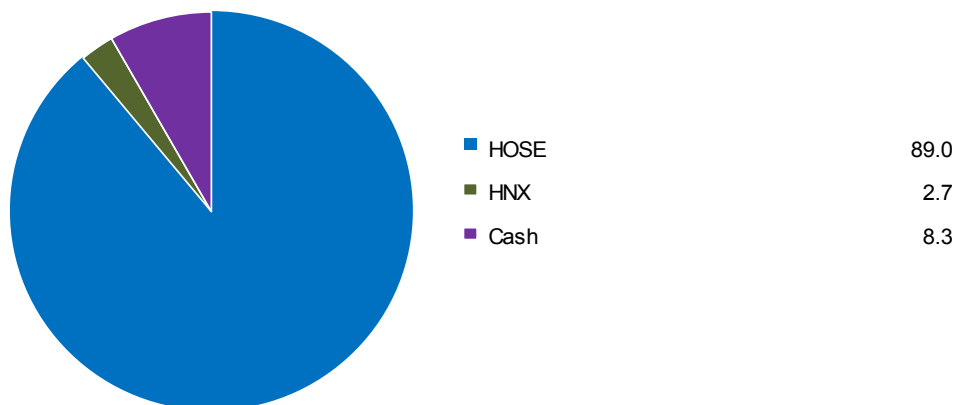
	NAV/Unit (VND) & Indices	Performance (%)				
		1 month	3 months	YTD	Trailing 12 months	Since inception (28/2/2008)
VFMVF4	9,410.8	11.3	12.4	11.3	23.5	14.1*
VN-Index	556.5	10.3	11.9	10.3	16.0	(17.9)
HNX-Index	74.2	9.4	20.4	9.4	18.5	(68.1)

(*) Excluding dividends

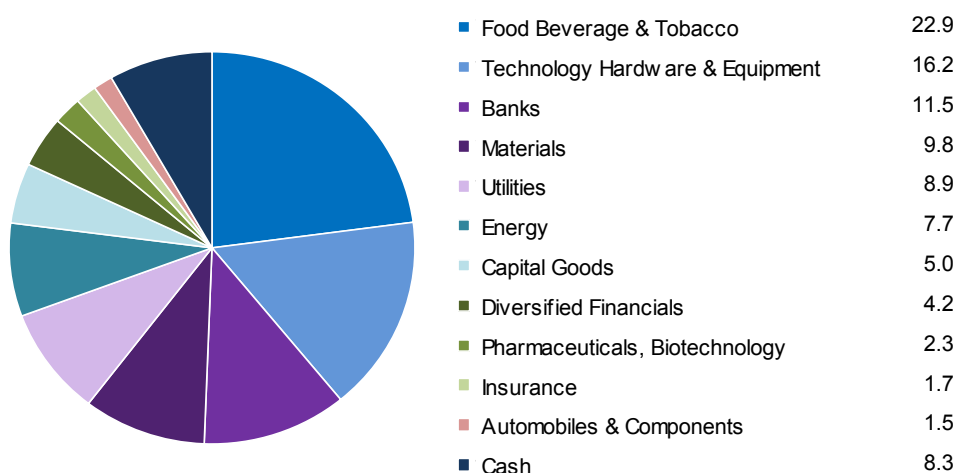
NAV VFMVF4 PERFORMANCE VS. INDEX



ASSET ALLOCATION (% NAV)



ASSET ALLOCATION BY SECTOR (% NAV)



TOP 5 HOLDINGS

Stock	Sector	Market	% NAV
VNM	Food, Beverage & Tobacco	HOSE	18.1%
FPT	Technology Hardware & Equipment	HOSE	16.2%
GAS	Utilities	HOSE	8.9%
REE	Capital Goods	HOSE	5.0%
PVD	Energy	HOSE	4.9%

DISCLAIMER

This Newsletter is issued by VietFund Management (VFM). This newsletter is aimed to provide information on net asset value (which have been approved by the Custodian) and activities of our funds. Besides that, other information are based on reliable sources at the time the news are released and VFM does not independently verify 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.

INVESTMENT FUND

VFMVFA

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, HSC, VCSC, KIS, VDSC
Management fee	Up to 2%
Subscription fee	1%
Redemption fee	0.5% - 2%
Switching fee	0.3%
Minimum subscription order	10 million 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

Total NAV	109.3 billions VND
Number of fund unit	14,920,528.3 unit
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

As of January 31, 2014 VFMVFA's NAV/UNIT was 7,328.1 VND, increased 1.5% versus the last month, which underperformed the return 10.3% of VN-Index and 9.4% of HNX-Index.

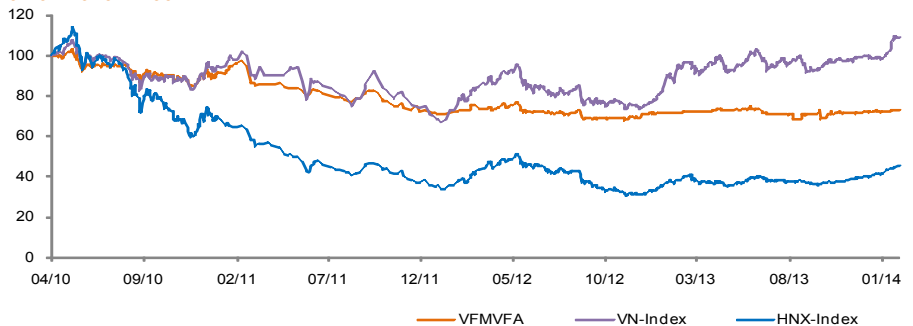
In January 2014, Stock-based MATF strategy invested in stock market partially and HQT strategy invested fully in the risk-free assets. At the end January 2014, Investment Committee decided to allocate 10% NAV in HVTF (High Velocity Trend Following) strategy. HVTF is a new strategy which Fund began using at the end of January 2014.

MOVEMENT IN NET ASSET VALUE

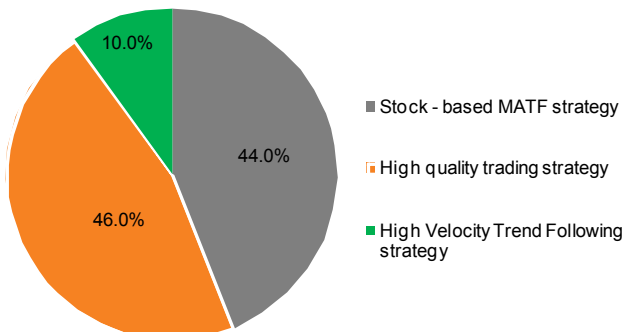
	NAV/Fund unit (VND)	Performance (%)				
		1 month	3 months	YTD	Trailing	Since inception (02/04/2010)
VFMVFA	7,328.1	1.5	2.4	1.5	1.7	(26.7)
VN-Index	556.5	10.3	11.9	10.3	16.0	9.0
HNX-Index	74.2	9.4	20.4	9.4	18.5	(54.8)

NAV VFMVFA PERFORMANCE VS. INDEX

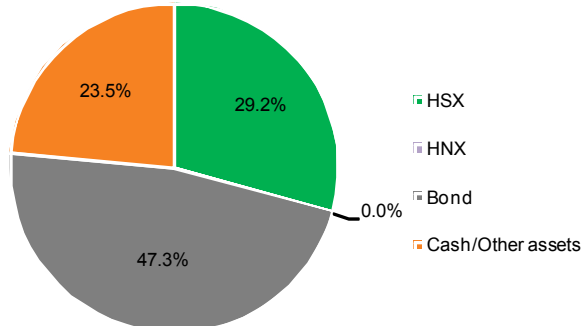
02/04/2010 = 100



ASSET ALLOCATION BY STRATEGY



ASSET ALLOCATION



INVESTMENT FUND

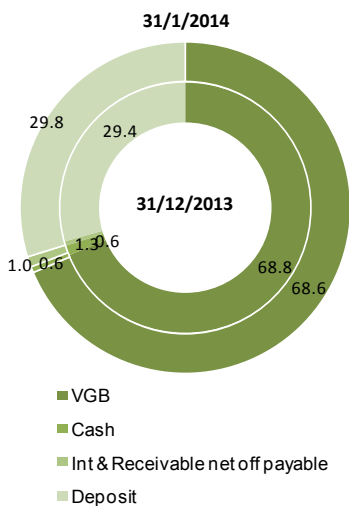
VFMVFB

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, HSC, VCSC, KIS, VDSC
Management fee	Up to 2%
Subscription fee	1%
Redemption fee	0.5% - 2%
Switching fee	0.3%
Minimum subscription order	1 million VND
Minimum account balance	100 units
Trading cycle	Weekly, every Friday (T day)
Cut-off time	10:30am, T-1 day
Dividend	Annually (satisfied the requirements)

Total NAV	73.8 (billion VND)
Number of fund unit	7,145,781.5 (unit)
NAV/unit 12 months high	10,322.9 (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

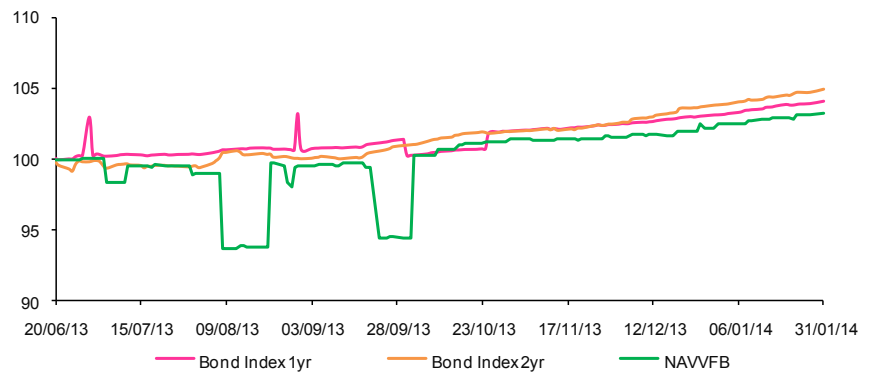
In January 2014, market observed yield reduction of 2,3 and 5-year bonds at 15bps, 22bps and 23bps. The market yields are in downward trend resulted from low inflation, slow credit growth and liquidity abundant at banks left the banks no choice but buying bonds. Besides, the announcement of State Bank on 2014 plan of issuing new 210 trillion value of State Treasury bonds brings market a relief on a fear that yields may go up under pressure of large issuance.

In Jan 2014, no investment activities occurred for VFMVFB and the fund observed a good NAV growth (increase 0.7% vs 31/12/2013). The growth is benefited from investment switching from 2-year to 3-year tenor in December 2013 and stronger down rate of 3-year bond yield in Jan 2014. In a stable or downward trend of bond yield in Q1 2014, VFMVFB is looking for opportunities to invest in bonds with longer tenor.

MOVEMENT IN NET ASSET VALUE

	NAV/unit (VND) & Indices	Performance (%)				
		1 month	3 months	YTD	Trailing 12 months	Since Inception (10/6/2013)
VFMVFB	10,322.9	0.7	1.8	0.7	n/a	3.2
Bond-Index 1yr	186.4	0.8	1.9	0.8	8.1	3.9
Bond-Index 2yr	193.8	0.9	2.7	0.9	12.0	4.7

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.

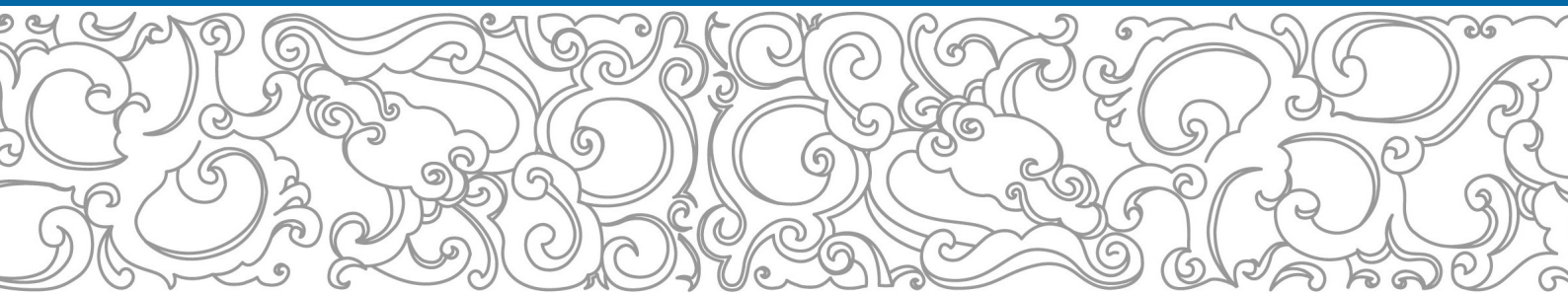
(**) One and two years bond indices are prepared by Dragon Capital Debt Management Limited. Copy rights belong to Dragon Capital Group. VFM is using the indices with permission from Dragon Capital Group.

LIST OF APPOINTED DISTRIBUTORS PROVIDING FUND CERTIFICATES

Updated by: 17 Feb 2014

No.	Name of distributors	Abb. Name	VF1	VF4	VFA	VFB	Head quarters	Branch office
0	VietFund Management	VFM	x	x	x	x	Phòng 1701-04, Tầng 17, Tòa nhà Mê Linh Point, 02 Ngô Đức Kế, Quận 1, Tp.HCM Tel: (08) 3825 1488 Fax: (08) 3825 1489	
1	Ho Chi Minh City Securities Corporation	HSC	x	x	x	x	Level 5&6, AB Tower, 76 Le Lai, Ben Thanh Ward, District 1, HCMC Tel: (08) 3823 3299 Fax:(08) 3823 3301	Level 4&5, Building 66A Tran Hung Dao St., Hoan Kiem Dist, Ha Noi Tel: (04) 3933 4693 Fax: (04) 3933 4822
2	Saigon Securities Inc.	SSI		x			72 Nguyen Hue, District 1, HCMC Tel: (08) 3824 2897 Fax: (08) 3824 2997	1C Ngo Quyen, Hoan Kiem District, Hanoi Tel: (04) 3936 6321 Fax: (04) 3936 6311
3	Viet Capital Securities	VCSC	x	x	x	x	Bitexco Financial Tower, 15th Floor, 2 Hai Trieu Street, District 1, HCMC Tel: (08) 3914 3588 Fax: (08) 3914 3209	Capital Building, 109 Tran Hung Dao, Hoan Kiem District, Hanoi Tel: (04) 6262 6999 Fax: (04) 6278 2688
4	KIS Vietnam Securities Corporation	KIS	x	x	x	x	3 Floor, Maritime Bank Tower, 180-192 Nguyen Cong Tru, Nguyen Thai Binh Ward, District 1, HCMC Tel: (08) 3914 8585 Fax: (08) 3821 6898	6 Floor, CTM Tower 299 Cau Giay, Cau Giay District, Ha Noi Tel: (04) 3974 4448 Fax: (04) 3974 4501
5	Viet Dragon Securities Corporation	VDSC	x	x	x	x	141 Nguyen Du St., Dist. 1, HCMC Tel: (08) 6299 2006 Fax: (08) 6291 7986	
6	Vietcombank Securities Limited Company	VCBS	x				12th & 17th Floor, Vietcombank Tower, 198 Tran Quang Khai, Hoan Kiem District, Hanoi Tel: (+84-4) 3936 6426 Fax: (+84-4) 3936 0262	1st & 7th Floor, Green Star Building, 70 Pham Ngoc Thach, Ward 6, District 3, Ho Chi Minh City Tel: (84-8)-3820 8116 Fax: (84-8)-3820 8117
7	Viet Securities Joint Stock Company	VSC	x				3rd floor, 117 Quang Trung St, Quang Trung Ward, Vinh City, Nghe An Tel: 0383. 837606 Fax: 0383. 588271	
8	Sacombank Securities Joint Stock Company	SBS	x				278 Nam Ky Khoi Nghia St., Ward 8, Dist.3, HCM City Tel: (08) 6268 6868 Fax: (08) 6255 5939	6-7 floor, 88 Ly Thuong Kiet, Hoan Kiem Dist., Hanoi Tel: (04) 39 42 80 76 Fax: (04) 39 42 80 75

Any information or further queries relevant to VFM and products managed by VFM, please kindly visit our website www.vinafund.com or dial us (+84) 8 3825 1488, hotline (+84) 8 3825 1480 or email ir@vinafund.com.



VIETFUND MANAGEMENT

Head office

Room 1701-1704, 17th, Melinh Point Tower
2 Ngo Duc Ke, District 1, Ho Chi Minh City, Vietnam
Tel: (84.8) 3825 1488 Fax: (84.8) 38251489

Hanoi Branch

Room 5A2, 5A Floor, BIDV Building,
194 Tran Quang Khai, Hoan Kiem District, Hanoi, Vietnam
Tel: (84.4) 3942 8168 Fax: (84.4) 3942 8169

ir@vinafund.com

www.vinafund.com