

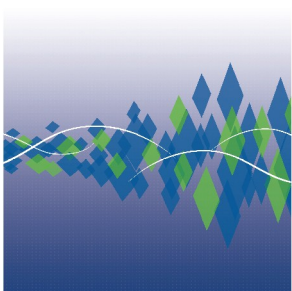


VIETFUND
MANAGEMENT

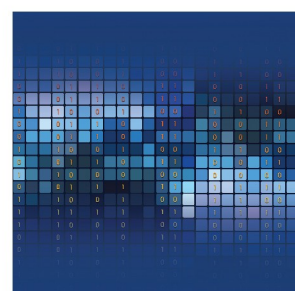
MONTHLY UPDATE

April 2014

| VFM



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



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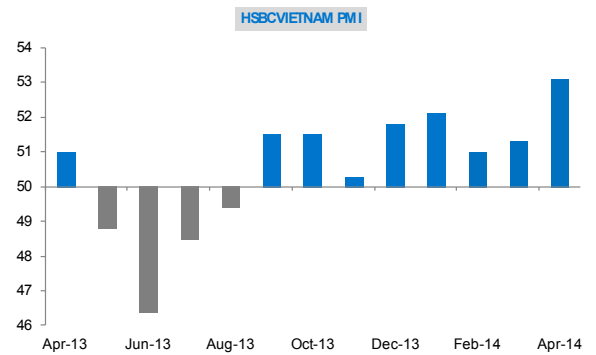
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MACRO REVIEW

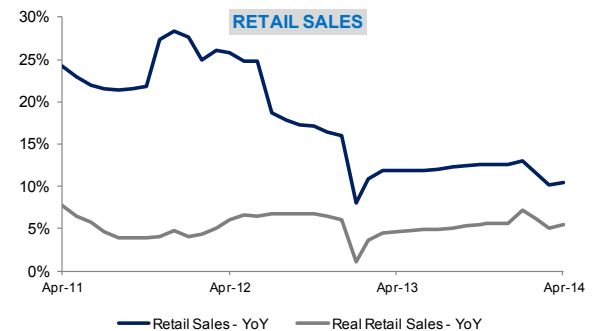
MANUFACTURING CONTINUES TO EXPAND

Thanks to improving macro conditions, especially controlled inflation and falling interest rates, the manufacturing activity has gathered more momentum with the purchasing managers' index standing at over 50 in six consecutive months, indicating sustained expansion. In April, the index reached 53.1 or the highest level in 37 months. This positive trend was supported by higher orders domestic and international across multiple industries. In addition, input costs are restrained, easing difficulties and improving margins of the corporate sector. More important, companies are hiring more, spreading the positive effect of the recovery to other business sectors.



CONSUMPTION IS IN GOOD TREND

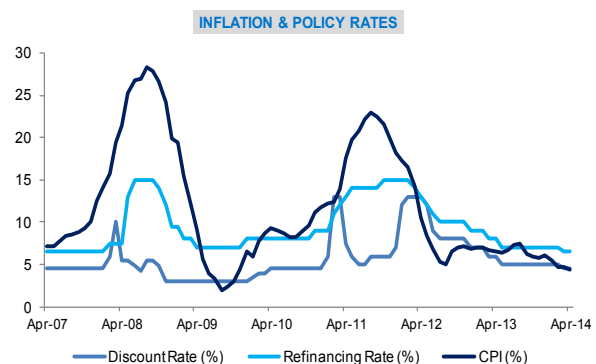
According to the European Chamber of Commerce and the research company WVB, business sentiment has been improved in the last second quarter of 2013 and the first quarter of 2014. Additionally, a survey by ACNielsen shows that consumer confidence is at its highest level in two years. This reflection has been in par with the results of retail sales in the first 4 months. Accordingly, retail sales registered a real growth of 5.5% compared with 4.6% in the same period last year. Amid stable inflation, rising employment, and manufacturing recovery, retail sales has a better foundation to grow better in the remaining months of the year.



STABLE INFLATION

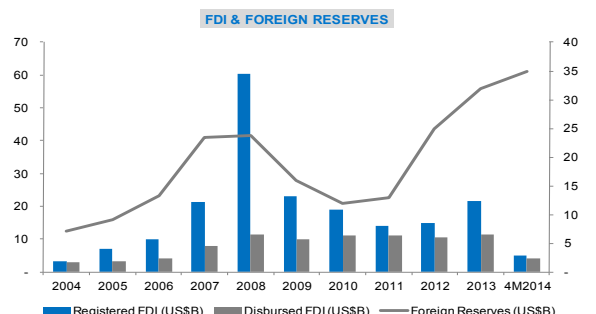
Inflation continued its stabilizing trend with the consumer price index being registered at 0.8% in April, higher than the slump of 0.44% in March. Inflation is now at its 10-year low level and could be under 6% although risks may rise from health-care service price adjustments in Ho Chi Minh city in the third quarter, electricity price hike, and increase in transportation costs associated with tightened regulations of the industry.

Thanks to this development, the State Bank of Vietnam, the central bank, may maintain its easing monetary policy and may loosen this with one more cut in policy rates by the end of 2014.



STRONG EXPORT, DECENT FDI DISBURSEMENT, RISING RESERVES

Export of the country continues to shine although regional peers suffer some slowdown. The foreign directed investment sector has played an important role in this strong performance thanks to good FDI disbursements into manufacturing and assembly in the last years. Accordingly, export rose by 16.9% in the first four months of the year, lifting trade deficit to US\$400 due to increase in import of machinery. FDI disbursement was decent with US\$7 billion, or an increase of 6% although the lack of mega projects pushed FDI registration down by 40%. Thanks to this strong trade position and FDI disbursement, foreign reserves reached their high level of US\$35 billion in April compared with US\$32 in 2013 and \$25 in 2013.



STOCK MARKET

MARKET REVIEW

The stock market corrected in April 2014 after 3 months of rally. Some main reasons that influenced the market are: i) investors taking profit when VN-Index hit 600 point; ii) selling pressure from due to margin calls; iii) negative sentiment from delay of foreign ownership expansion. In Ho Chi Minh bourse, the VN-Index reached the highest point in April with 603 point before falling back to 558 point. At the end of April, VN-Index decreased 2.3% on the March-end level, standing at 578 point. Trading volume registered 2 billion shares, or a 43% decrease MoM. Total trading value achieved VND33.5 thousand billion, a decrease of 40% MoM.

Similarly with Ho Chi Minh bourse, Ha Noi bourse witnessed more down sessions than up sessions (11 decreases compared to 9 increases). The HNX-Index closed at 79.88 point, or a 10.69% decrease MoM. Total trading volume of 1.3 billion shares changed hand, a 43% decrease MoM while total trading value was only VND13.8 thousand billion, representing a 41% decrease MoM.

Regarding foreign investors trading actions, in Ho Chi Minh bourse, foreigners changed from net sellers to net buyers in April 2014. Total net buying value was mainly from put-through activities, which were mainly by big investors. Total net buying volume achieved 51.5 million shares, equivalent to more than VND1,500 billion with put-through value accounting for the bulk of it. In Ha Noi bourse, foreigners bought 7.3 million shares, equivalent to VND172 billion. Foreign investors mainly concentrated on buy blue-chip stocks such as VIC (VND1,200 billion), GAS (VND162 billion), VCB (VND129 billion), KDC (VND90 billion). On the other hand, foreigners sold more on DPM (VND733 billion), HAG (VND181 billion), TRC and CII (VND28 billion and VND22 billion, respectively).

Top list of net buying stocks in April is VIC (Vingroup). In the beginning of April, foreigners bought 22.6 million shares through put-through trading. After that, VIC ticker was sold in many trading sessions and at the end of April, foreigners only bought more than VND1,200 billion of net value. In contrast, DPM was sold mostly due to deteriorating business performance.

Regarding to ETF action in April 2014: foreigners continued to pour money into two ETFs. VNM ETF fund had total subscription of around US\$22 million and DB ETF had total subscription of US\$7 million. However, at the end of April, there were some signs of withdrawals of two ETFs when investors in VNM ETF withdrew US\$3 million at the end of April and continued to do so at the beginning of May 2014.

In April, a lot of blue-chip stocks dropped and made contribution to the decrease of VN-Index (decrease of 2.29%). These stock were VIC (decreased 0.77%), BVH (-0.58%), VCB (-0.46%), DPM (-0.32%), BID (-0.28%). Whereas, the biggest market-cap stock GAS contributed positively to buoy the VN-Index with 3.01% increase. The next stocks that contributed to keep VN-Index increase were HPG (contribute to keep VN-Index better with 0.22% contribution), PVD (0.06%), MPC and VHC (0.04% and 0.03% respectively).

Regarding to sector performance in April, nearly all sectors were down and just only Utility sector increased (2.9%). Sectors with poorer performances were BANK (-1.28%), REAL (-1.06%), INSU (-0.63%).

Stock margin data from the 10 securities companies at the end of April showed that total stock margin loans at 13 brokerages was around VND8,450 billion, a decrease of 15% MoM. Therefore, around VND1,600 billion in margin loans was withdrawn, accounting for around 4.5% total trading value in Ho Chi Minh bourse this April.

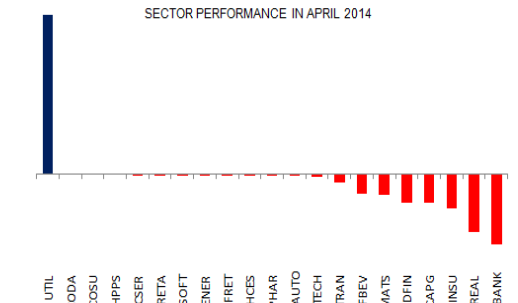
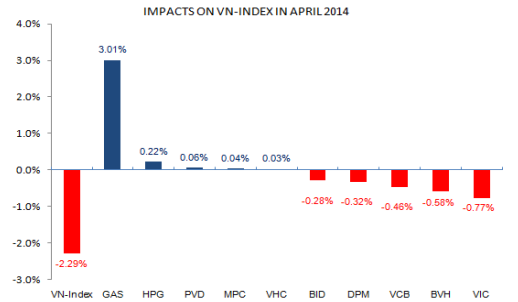
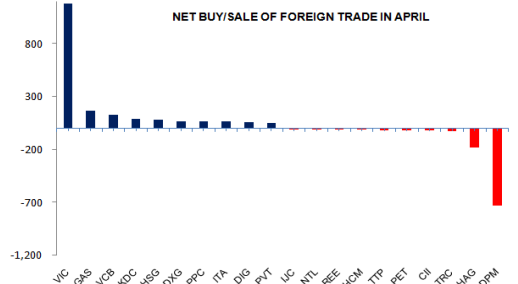
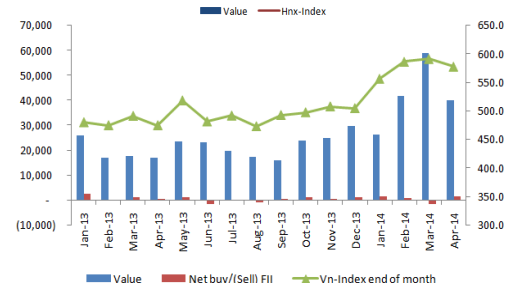
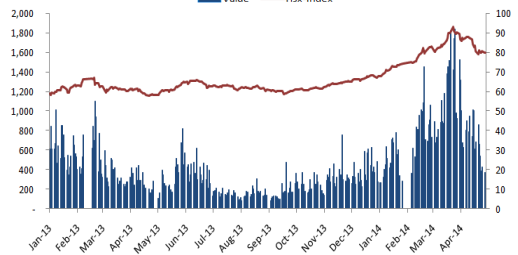
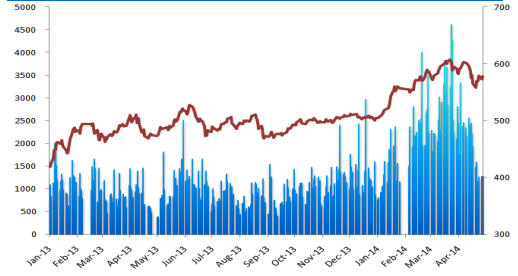
MARKET OPPORTUNITIES

At the beginning of May 2014, the market witnessed three down sessions, lowering VN-Index from 578 point to 527 point. The escalating tensions between China and Vietnam over disputed waters near the Paracel Islands and margin calls played a large role in this decline.

From macro-economic view: a lot of indicator showed very positive for macro-economic conditions in Vietnam such as 10-year low inflation (could be around 6% in this year), the continued recovery of manufacturing activity, positive move of credit growth (from decline in March to growth of 1% in April) etc. Therefore, we think that

- Stock market is in the short-term bottom and a good support zone is around 525 points. We do hope liquidity will improve in this zone because of bottom catching activities of investors.
- Margin calls may continue if market drops strongly following some sessions at the beginning of May. Margin loans in securities companies are still high and can be a pressure for market in this month.
- However, macro condition is getting better month by month, a lot of listed companies increase their dividend in 2014. Therefore, this is the chance for investors to invest than to put money into saving accounts.
- Investors in ETFs may continue to withdraw their investments in this month due to the East Sea confrontation. However, this is the chance for foreign investors to buy when Vietnam economic is getting better.
- To conclude, we think in this month stock market can be traded in 530-550 of VN-Index zone before increasing because of good news from listing companies regarding their business performance. If market goes down further from good support 525 point, this is a big chance for investors to buy and hold until the end of 2014.

INDEX CHART



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 (VSD)
Distributors	HSC, FPT, KIS, SBS, SSI, VCBS, VSC, VCSC, VDSC, VFM
Management fee	1.95%
Subscription fee	From 0.2% to 1% based on total subscribed amount (million VND)
Redemption fee	From 0% to 1.5% based on holding period since subscription date (days)
Switching fee	0.2% based on total switched amount
Minimum subscription order	1 million VND
Minimum account balance	100 units
Trading cycle	Every Thursday (T day)
Cut-off time	10:30am, T-1 day
Dividend	Dividend reinvested
Total NAV	960.2 (billion VND)
Number of fund unit	43,800,784.7 (unit)
NAV/unit 12 months high	23,018.4 (VND/unit)
NAV/unit 12 months low	16,968.9 (VND/unit)

INVESTMENT OBJECTIVES

The objective of VFMVF1 is to seek long-term earnings from equity growth and income through investing into a balanced and diversified portfolio, including equity, convertible and debt securities in Vietnam.

The Fund normally invests approximately 80% of its NAV in equity and 20% in fixed income 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 change the weight of equity and fixed-income investments at around +/-10% NAV from the targeted allocation to get an optimal asset mix in consideration of changes in economic market conditions.

FUND PERFORMANCE

As stock market corrected after 3 months of rally, NAV/unit of VF1 decreased 2.7% MoM ending April 2014. The portfolio witnessed the falling of most tickers from ending March. In which, the most negative contributors were DPM, REE, MBB and FPT, totaled minus 2.4% NAV. Regarding to sector, those recorded poorest performance were sector of Capital Goods, Banks, Materials, Food & Beverage, Diversified Financials, Technology Hardware & Equipment, which contributed totally minus 3.2% to NAV.

Whereas, there were still stocks of good performance such as HPG and tickers of PetroVietnam company like GAS and PVD. Those stocks contributed 2.2% to NAV thanks to the release of much positive information within the period. PVD and GAS had 2013 dividend better than expected at 30% (20% by cash, 10% by stock) and 42% (by cash) respectively. Additionally, GAS has announced its business results of 1Q with NPAT reached VND 3,182 billion, higher than estimated at AGM at VND 3,000 billion. HPG also officially published profit attributable to parent company's shareholders at VND 870 billion, VND 70 billion higher than previous information and an increase of 90.5% compared to the same period in 2013.

From year to April, VF1's portfolio with 21 stocks rose 15.1%, outperforming VN-Index 0.6%.

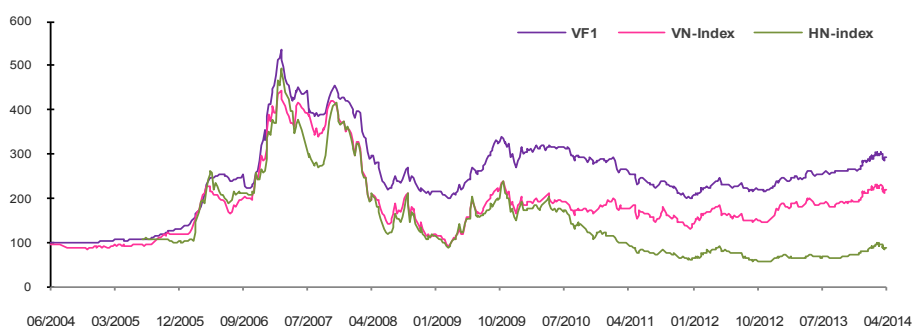
MOVEMENT IN NET ASSET VALUE

	NAV/Unit (VND) & Indices	Performance (%)				
		1 month	3 months	YTD	Trailing 12 months	Since Inception (20/5/2004)
VFMVF1	21,921.2	(2.7)	4.3	15.1	28.4	119.2 (*)
VN-Index	578.0	(2.3)	3.9	14.5	21.8	121.0
HNX-Index	79.9	(10.7)	7.6	17.7	36.9	(20.1)

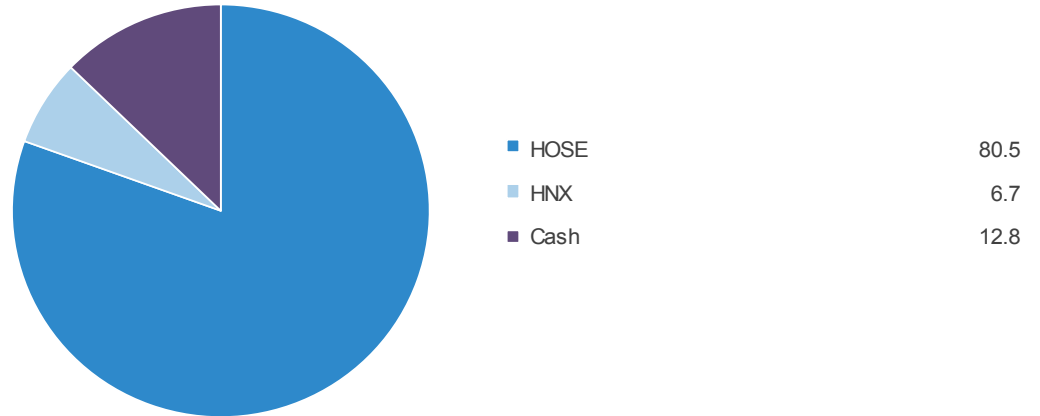
(*) Excluding dividends

NAV VFMVF1 PERFORMANCE VS. INDEX

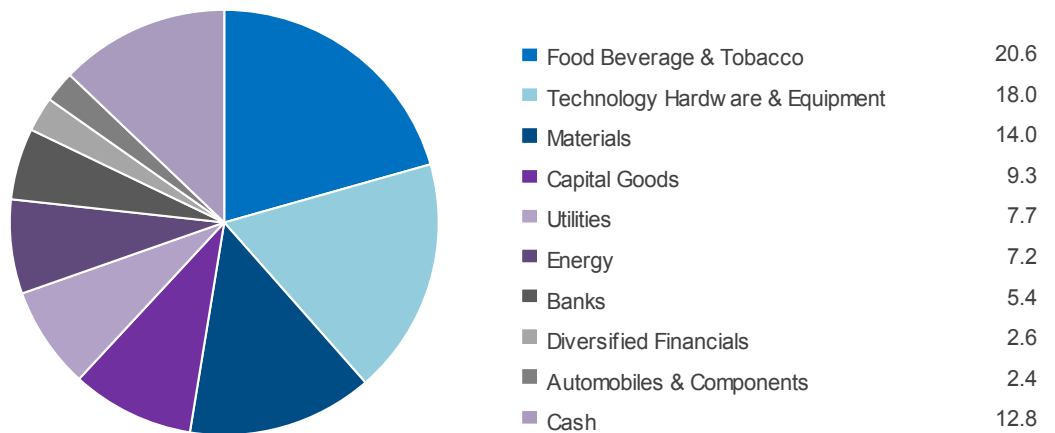
20/05/2004 = 100 (%)



ASSET ALLOCATION (% NAV)



ASSET ALLOCATION BY SECTOR (% NAV)



TOP 5 HOLDINGS

Stock	Sector	Market	% NAV
FPT	Technology Hardware & Equipment	HOSE	18.0
VNM	Food Beverage & Tobacco	HOSE	11.3
GAS	Utilities	HOSE	7.7
HPG	Materials	HOSE	5.8
PVD	Energy	HOSE	4.8

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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	HSC, FPTS, KIS, SSI, VCSC, VDSC, VFM, VCBS, SBS
Management fee	1.93%
Subscription fee	From 0.2% to 1% based on total subscribed amount (million VND)
Redemption fee	From 0% to 1.5% based on holding period since subscription date (days)
Switching fee	0.2% based on total switched amount
Minimum subscription order	1 million VND
Minimum account balance	100 units
Trading cycle	Every Wednesday (T day)
Cut-off time	10:30am, T-1 day
Dividend	Dividend reinvested

Total NAV	466.6	(billion VND)
Number of fund unit	46,896,805.5	(unit)
NAV/unit 12 months high	10,503.4	(VND/unit)
NAV/unit 12 months low	7,413.4	(VND/unit)

INVESTMENT OBJECTIVES

The objective of VFMVF4 is to seek long-term earnings from equity growth and dividends through investing in top-ranking enterprises operating in the essential sectors of Vietnam economy. The target investments shall be the blue-chip stocks listed or pre-listed on Vietnam stock markets. The Fund will deploy fundamental analysis as the principle for equity investment to assess growth potential, sustainability and risks of investment opportunities.

VF4 could at anytime be fully-invested in equity. Additionally, to create flexibility in seeking investing opportunities and bringing added value to cash available, VF4 could invest into fixed-income securities. In the normal market condition, proportion of assets other than equity such as cash, cash equivalents, and fixed income shall not exceed 20% of total fund assets to optimize cash flow.

FUND PERFORMANCE

April witnessed a massive stock market correction with most stocks dropped in both HSX and HNX bourse. NAV/unit of VF4 therefore decreased 2.8 MoM ending April 2014. Noticeably, the two tickers in Top 5, GAS and HPG, had very good performance which lessened market impact in NAV. GAS accounting for approximately 15% NAV had price return more than 19% and HPG, nearly 5% NAV, had price return at 7%. The impressive performance of the two tickers was thanks to fundamental information announced in April. HPG officially published its business results of the first quarter with net profit increasing by 150% compared to the same period last year. GAS also announced its 2013 dividend higher than expected at 42% by cash.

Accumulated for the first 4 months of the year 2014, VF4 with 20 stocks increased by 17.6%, still outperforming VN-Index with margin of 3.1%, which affirms the efficiency of the portfolio.

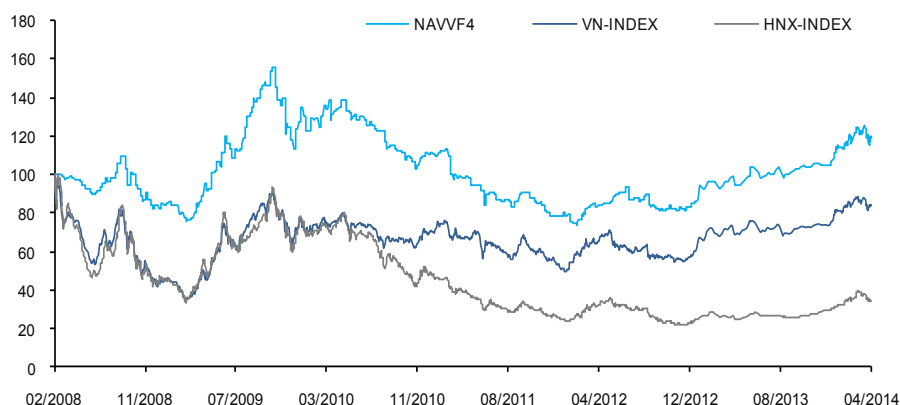
MOVEMENT IN NET ASSET VALUE

	NAV/Unit (VND) & Indices	Performance (%)				
		1 month	3 months	YTD	Trailing 12 months	Since inception (28/2/2008)
VFMVF4	9,948.7	(2.8)	5.7	17.6	33.1	19.5 (*)
VN-Index	578.0	(2.3)	3.9	14.5	21.8	(14.8)
HNX-Index	79.9	(10.7)	7.6	17.7	36.9	(65.6)

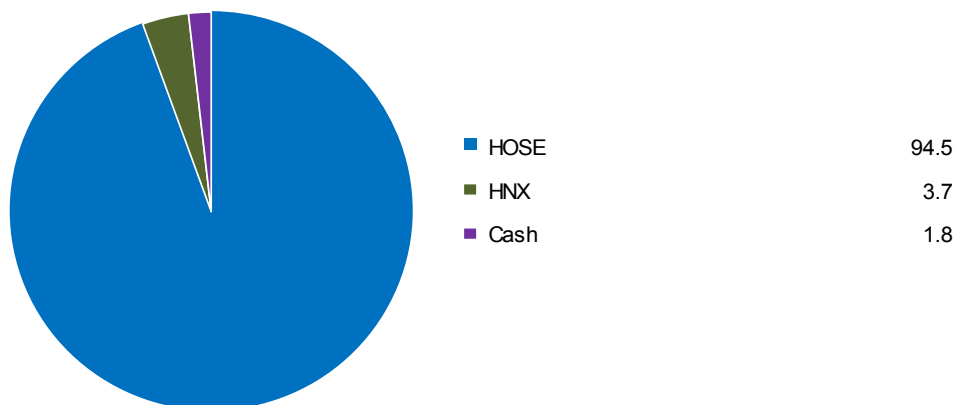
(*) Including dividends

NAV VFMVF4 PERFORMANCE VS. INDEX

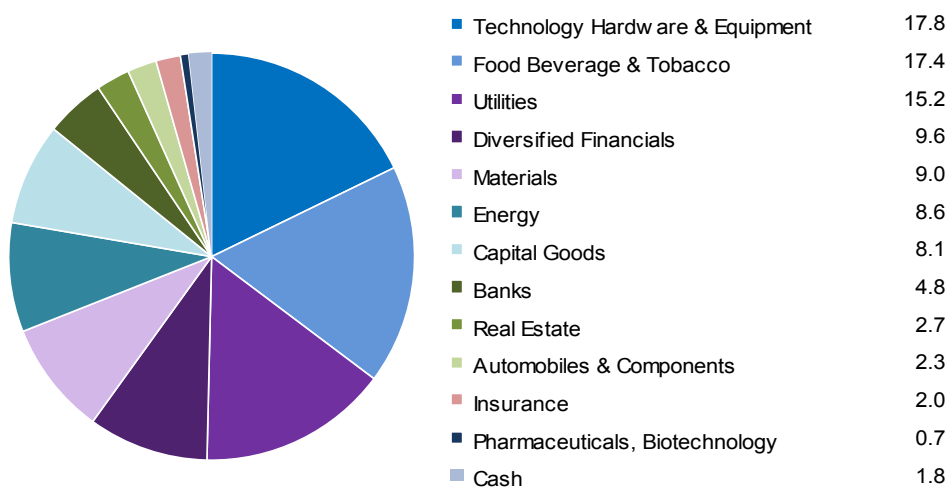
28/02/2008 = 100



ASSET ALLOCATION (% NAV)



ASSET ALLOCATION BY SECTOR (% NAV)



TOP 5 HOLDINGS

Stock	Sector	Market	% NAV
FPT	Technology Hardware & Equipment	HOSE	17.8
GAS	Utilities	HOSE	15.2
VNM	Food, Beverage & Tobacco	HOSE	12.5
HPG	Materials	HOSE	4.9
PVD	Energy	HOSE	4.9

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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, FPTS
Management fee	Up to 2%
Subscription fee	From 0.2% to 1% based on total subscribed amount (million VND)
Redemption fee	From 0.5% to 1.5% based on holding period since subscription date (days)
Switching fee	0.2% total switched amount
Minimum subscription order	1 million VND
Minimum account balance	100 units
Trading cycle	Every Friday (T day)
Cut-off time	10:30am, T-1 day
Dividend	Dividend reinvested

Total NAV	110.2 billion VND
Number of fund unit	14,912,528.3 unit
NAV/unit 12 months high	7,769.1 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 April 30, 2014 VFMVFA's NAV/unit was VND 7,388.0, decreased 3.9% versus the last month, which underperformed the return -2.3% of VN-Index and outperformed the return -10.7% of HNX-Index.

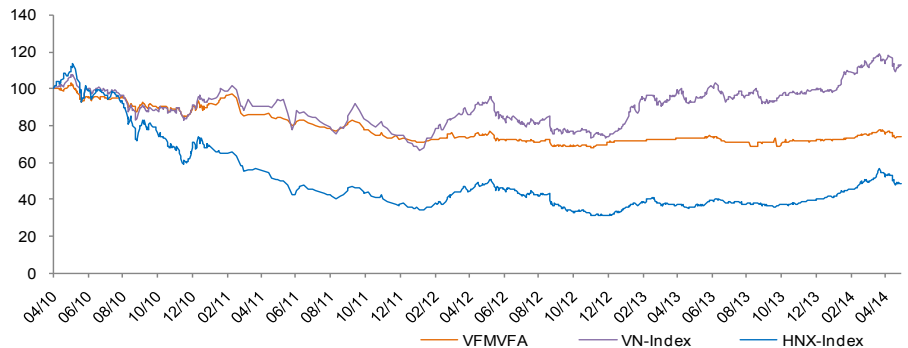
In April 2014, under negative market trend, Stock-based MATF strategy and HVTF1.1 strategy divested almost its portfolio but HQT strategy and HVTF1.0 strategy did not change the signals versus the last month. Therefore, the proportion of strategies changed slightly but the asset allocation changed significantly on this month. At the end of April 2014, the cash proportion went up to 84.1%NAV and stock proportion fell to 15.9%NAV.

MOVEMENT IN NET ASSET VALUE

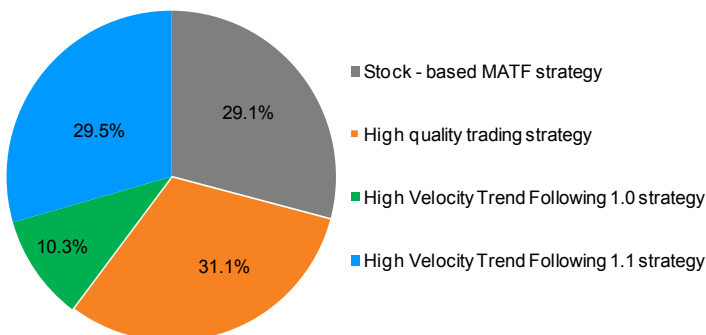
	NAV/Fund unit (VND)	Performance (%)				
		1 month	3 months	YTD	Trailing	Since inception (02/04/2010)
VFMVFA	7,388.0	(3.9)	0.8	2.4	0.9	(26.1)
VN-Index	578.0	(2.3)	3.9	14.5	21.8	13.2
HNX-Index	79.9	(10.7)	7.6	17.7	36.9	(51.3)

NAV VFMVFA PERFORMANCE VS. INDEX

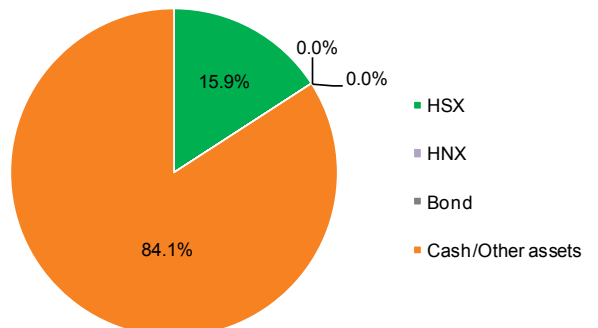
02/04/2010 = 100



ASSET ALLOCATION BY STRATEGY



ASSET ALLOCATION



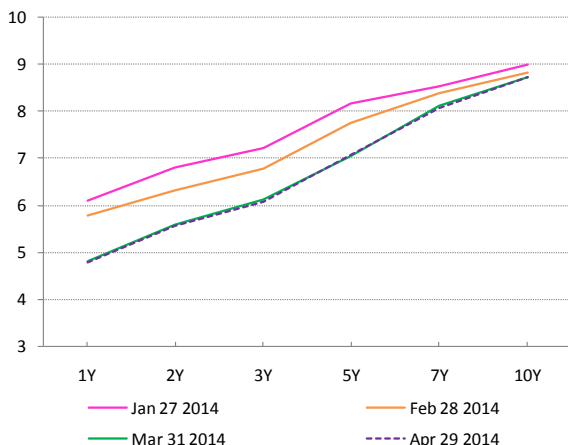
INVESTMENT FUND

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	HSC, KIS, VCSC, VDSC, VFM, FPTS
Management fee	0.9%/NAV/year
Subscription fee	From 0.3% to 0.6% based on total subscribed amount (million VND)
Redemption fee	0% to 1% based on holding period since subscription date (days)
Switching fee	0.2% total switched amount
Minimum subscription order	1 million VND
Minimum account balance	100 units
Trading cycle	every Friday (T day)
Cut-off time	10:30am, T-1 day
Dividend	Annually (satisfied the requirements)
Total NAV	77.0 (billion VND)
Number of fund unit	7,146,888.4 (unit)
NAV/unit 12 months high	10,822.1 (VND/unit)
NAV/unit 12 months low	9,369.3 (VND/unit)

Yield Curve



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 April 2014, VFMVFB has realized profit from its investment in 5-year government bond which has been invested in February. This investment offered a good return on capital and contributed to good performance of VFMVFB in March and April 2014. In April, VFMVFB has invested in a long-term bond based on analysis of macro factors for period longer than one year and movements of yield curve. The investment in the long-term bond has been done by attending primary market auction and this activity shows the effort of management in doing deal execution. In the first 4 months of 2014, VFMVFB's fund turnover ratio is 251% signaling the fund has complied to actively investment strategy seeking for profits.

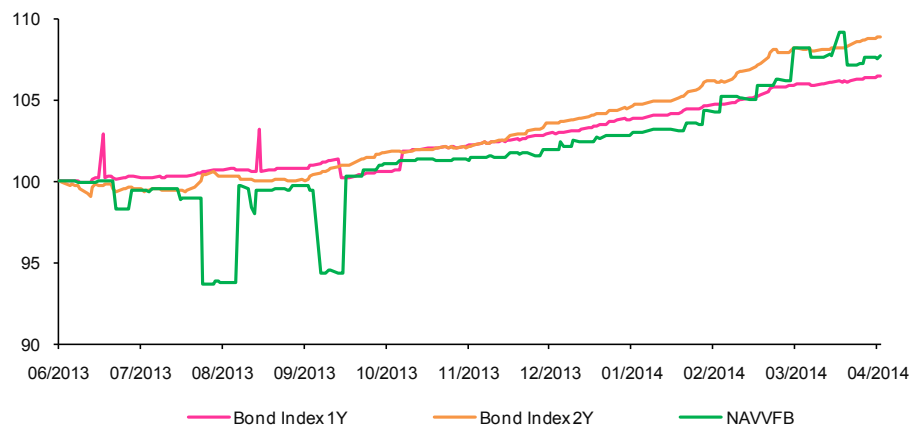
In April 2014, market yields were in a downward trend but strong movements have been observed. The observation of yield curves shows significant reduction in short-term yields in the first quarter of 2014 but there was almost no change in yields at end of April in comparison to corresponding in March. The movements of yields and realized profit of 5-year bond caused the movement of VFB NAV in April. At the end of April, the VFB NAV per unit is slightly lower than NAV at the end of March. However, year to end of April growth of VFMVFB NAV was slightly higher than performances of Dragon Capital's 1-year and 2-year bond indices.

MOVEMENT IN NET ASSET VALUE

	NAV/unit (VND) & Indices	Performance (%)				
		1 month	3 months	YTD	Trailing 12 months	Since Inception (10/6/2013)
VFMVFB	10,770.3	(0.5)	4.3	5.0	n/a	7.7
Bond-Index 1yr	190.9	0.4	2.4	3.2	8.2	6.5
Bond-Index 2yr	201.6	0.7	4.0	4.9	11.7	8.9

NAV VFMVFB PERFORMANCE (*) VS. BOND_INDEX (**)

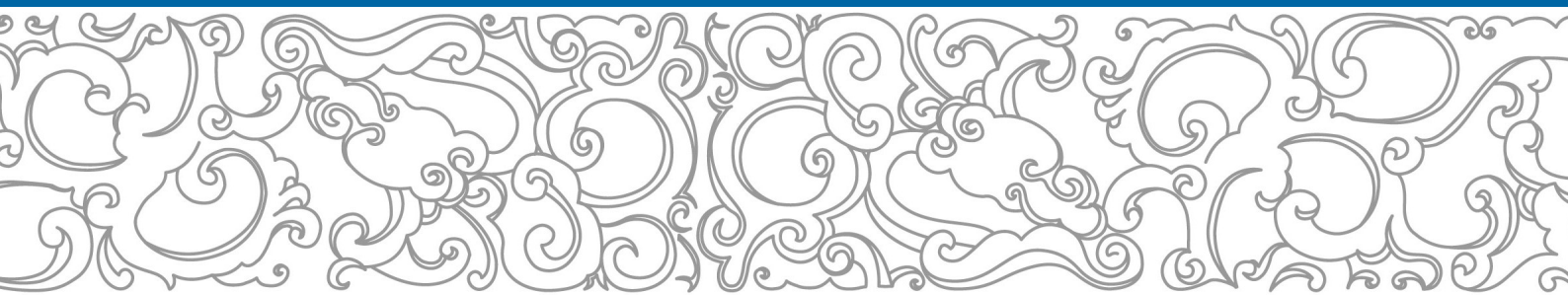
10/06/2013 = 100



Notes:

(*) NAV of VFMVFB showed abnormal volatility at 08/08/2013 and 26/09/2013 due to the occurrences of abnormal volatility in trading prices. The volatility was majorly due to the technical NAV calculation methodology and did not really reflect accurate fund' NAV at the dates. Under the NAV calculation methodology being applied before 01/10/2013, VFMVFB must value investment bond with the market traded price although the price may not correctly reflect the value of bond. After 01/10/2013, NAV of VFMVFB will be no longer affected by such abnormal volatility.

(**) One and two-year bond indices are prepared by Dragon Capital Debt Management Limited. The copyright is belonged to Dragon Capital Group. VFM is using the indices with permission from Dragon Capital Group.



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