



VIETFUND  
MANAGEMENT

# MONTHLY UPDATE OCTOBER 2015

Issued as at 12/11/2015



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# MACRO REVIEW IN SEPTEMBER 2015

## STRONGER ECONOMIC GROWTH IN 2016

Vietnam's National Assembly has passed the GDP growth target for 2016 which is 6.7%, even higher than expected growth of 6.5% for 2015. The target continues to confirm the recovery of Vietnam economy since 2012 and significantly higher than the average growth of 5.88% for the period from 2011 to 2015. When premises for a stronger economy become clearer, the forecast for Vietnam economic growth in 2016 has been revised up. Most recently, ANZ Bank has predicted that Vietnam's GDP growth in 2016 could be at 6.9%. In the context of global economic slowdown, growth of major economic regions such as the US, Europe, and China has been revised down by the World Bank, IMF and OECD, the fact that Vietnam (together with India and the Philippines) can become the new spotlights of global economy has attracted the attention of investors.

## THE IMPACT OF FREE TRADE AGREEMENTS

The completion in negation of Trans-Pacific Partnership (TPP) has gathered attention in October 2015. The benefits of TPP to Vietnam is clear when Vietnam will benefit the most from TPP with lots of growth opportunities and attracting foreign investment. At the end of October 2015, total committed FDI was USD19.3 billion and disbursed FDI was USD11.5 billion (equivalent to 85.2% of disbursements in 2014). TPP will become a key driver for Vietnam economic growth and is expected to take effect in 2018. Before that, Vietnam would become the hub of FDI in sectors benefiting from TPP including fabric manufacture, textiles, and logistics.

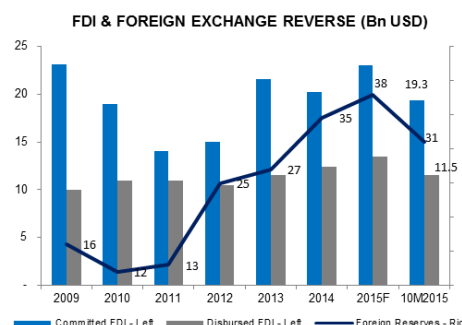
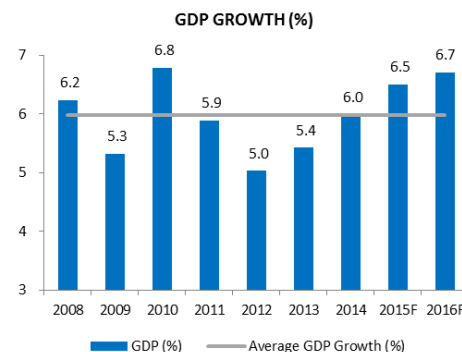
## STABLE INDUSTRIAL PRODUCTION AND INCREASING CONFIDENCE

Purchasing Managers Index (PMI) rose again in October to 50.1 points compared to 49.5 points in September. **The index showed that the industrial production has returned to growth threshold from narrowing for months.** According to the **ANZ-Roy Morgan, Vietnam Consumer Confidence Index reached 135.3 pts (up 1.6pts compared to August) in September. The small gain in September was driven by increased optimism about the country's overall economic prospects in the next year and over the next five years. The average of the index is 138 pts for 2015, higher than 133 pts of 2014. In addition, 50% of consumers expect Vietnam to have "good times" financially during the next 12 months and 61% (up 6% compared to August) of consumers expect it would be better in the next 5 years while 7% (unchanged) of consumers expect Vietnam to have "bad times" economically.**

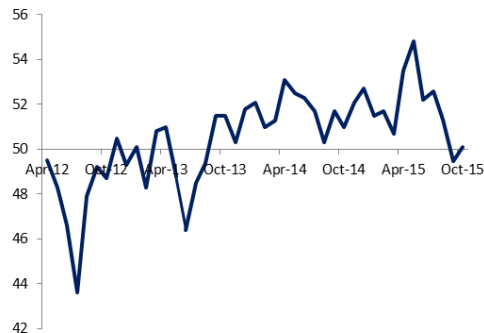
## EQUITISATION, DIVESTMENT OF THE STATES AND SIGNALS FOR THE ECONOMY

The announcement on divestment of the state in 10 large companies and accelerating the equitisation have sent a strong signal to the market about changing management methods for enterprises and promoting the development of securities market. Besides the expected divestment value of over USD 3 billion will help to increase the size and liquidity of the market, attracting foreign investors to Vietnam stock market and increasing the ownership of foreign investors in listed companies. With this initiative, the government will continue to divest in enterprises. With increasing size and liquidity, Vietnam stock market is gradually meeting the conditions for joining the markets of emerging market indices of MSCI.

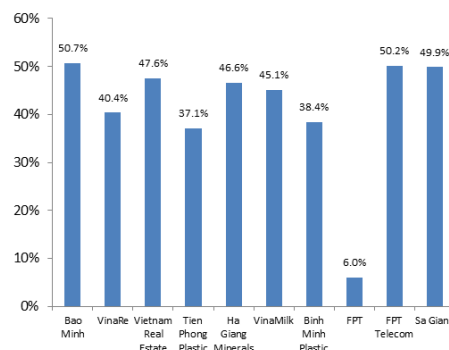
## INDEX CHART



## VIETNAM PURCHASING MANAGERS INDEX (PMI)



## STATE-OWNED IN DIVESTMENT ENTERPRISE



# STOCK MARKET IN OCTOBER 2015

## POSITIVE BUSINESS RESULTS OF LISTED COMPANIES HELPED VN-INDEX BREAK THE STRONG RESISTANCE OF 600 POINT

Market in October 2015 ended with quite positive liquidity and upward trend. VN-Index closed above 600 point with main support from positive 3 quarter business result of listed companies as well as buying position of foreign investors. In this month, market also welcomed good news when the Government wanted to divest from some large-cap stocks such as VNM, BMP, FPT, VNR and BMI. Capital goods, banking, real estate and Food & beverages sectors attracted more money than other sectors in this month. At the end of October 2015, VN-Index ended with 607,37 point, increased by 44,73 point or 7,95 percent increase MoM. Trading volume equaled to 2,62 billion shares or increased by 33 percent compared to September 2015 volume. Total trading value achieved to nearly VND46.000 billion, increased by 37 percent MoM.

Market had nine sessions had close lower than open and lost 2,61 percent and thirteen sessions had close higher than open and helped VN-Index increased by 5,34 percent. Market fluctuated with an upward trend and at last broke through the strong resistance of 600 point. Some stocks helped market going higher in October 2015 are VNM (helped VN-Index increased by 1,97 percent), VCB (0,41 percent), BVH (0,91 percent), VIC (0,64 percent) and CTG (0,41 percent). In contrast, stocks made VN-Index decrease are MBB (made VN-Index decrease by 0,1 percent), HAG (0,05 percent), KDC (0,04 percent), PDR and HVG (0,03 percent).

## GOOD NEWS FROM TPP COMPLETION AND SCIC DIVESTMENT OF SOME IMPORTANT LISTED COMPANIES MADE FOREIGNERS BUY BACK STOCKS

After trading with negative sentiment because of unstable international market in September 2015, foreign investors received very good news from Vietnam such as i) TPP Agreement has completed after five years of negotiation, ii) divestment of SCIC from some big important listed companies, iii) excellent business results of some listed companies. Therefore, Foreigners were back in Vietnam and bought more than sold after two months of net selling. In October 2015, foreigners bought with net volume of 71,72 million shares or equivalent to VND1.114 billion net buying. They concentrated to buy stocks such as MBB (VND644 billion), BVH (VND142 billion), SSI (VND127 billion), NT2 (VND97 billion), DPM (VND87 billion). Besides, stocks has been sold more than bought in October 2015 are MSN (VND174 billion), CII (VND170 billion), HAG (VND135 billion), HSG (VND107 billion) and KDC (VND87 billion). In HNX exchange, Foreigners also bought more than sold with total net buying of VND88 billion. Ticker TIG was bought with VND30 billion, CEO (VND24 billion), SCR (17 billion), SHB (VND9 billion) while foreigners sold VTP (VND25 billion), PVC (VND22 billion), PCT (VND13 billion) and BVS (VND11 billion).

In the last ten months of 2015, Foreigners has bought Vietnamese stocks with VND4.500 billion whereas they bought in seven months and sold in three months.

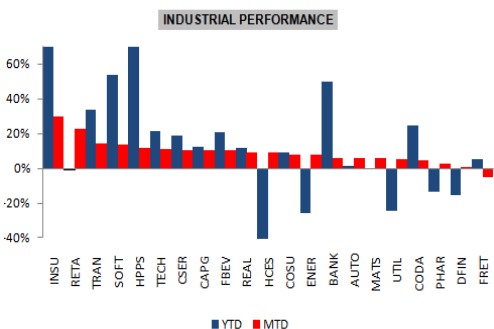
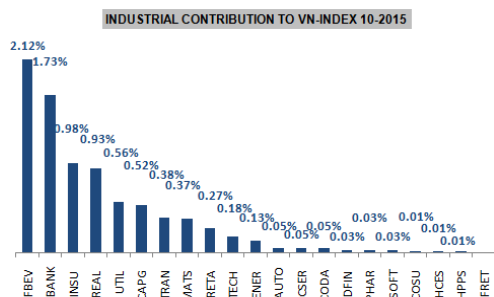
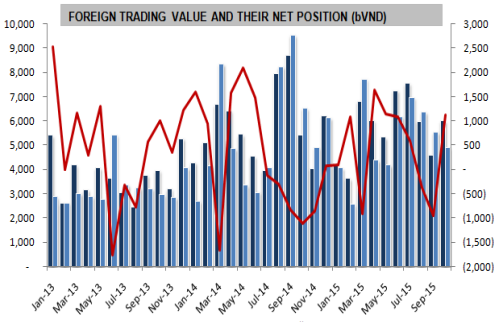
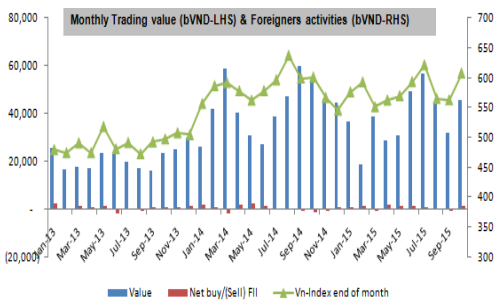
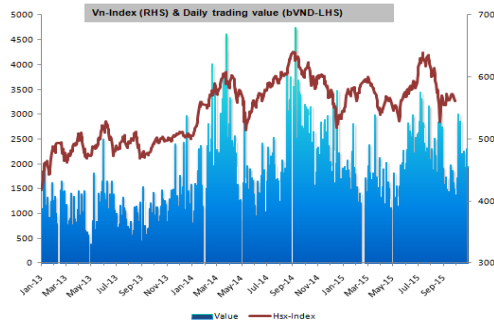
Foreign ETF money has come back in Vietnam when Market Vectors Vietnam ETF (VNM) attracted more than US\$17 million, DB X-Tracker FTSE Vietnam Index ETF also attracted around US\$7 million. Total net buying of two foreign ETF funds are US\$24 million in total of US\$51 million net buying of foreigners.

## ECONOMY CONTINUES TO BE BETTER AND LARGE CAP STOCKS CAN LEAD THE MARKET TRADING ABOVE 610 POINT

Market in October 2015 witnessed the better liquidity and positive trend with a lot of support information such as TPP completion, good three quarter business results and net buying of foreigners. Therefore, VN-Index overcame the resistance of 600 points and tried to break more resistance in the coming months. In November 2015, market continues to see some support from: i) macro-economic grows more positive, ii) last quarters of 2015 is forecasted to remain positive for business results of listed companies, iii) Large-cap stocks which are in the divestment of the Government will attract more money such as VNM, FPT, BMP, VNR, BMI, iv) positive news from 10<sup>th</sup> session of the National Assembly XIII meeting.

From technical analysis view, VN-Index has finished the consolidation and is in the upward trend. With support both from technical analysis and fundamental news, VN-Index is forecasted to be in the upward trend in November 2015 to overcome the resistance of 630 point.

## INDEX CHART



# VFMVF1 FUND

Oct 2015

## 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	08/10/2013
Fund Manager	VietFund Management (VFM)
Custodian Bank	Standard Chartered Bank VN
Transfer Agency	Vietnam Securities Depository (VSD)
Distributors	ABS, HSC, FPT, KIS, MSBS, SBS, SSI, VCBS, VSC, VCSC, VDSC, VND, 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% based on total switched amount
Minimum subscription order	1 million VND
Minimum account balance	100 units
Trading cycle	Everyday (T day)
Cut-off time	10:30am, T-1 day
Dividend	Annually (satisfied the requirements)

Total NAV (billion VND)	685.8
Number of fund unit	28,292,473.0
NAV/unit 12-month high	24,241.8
NAV/unit 12-month low	19,207.2
Expense Ratio (%)	2.3
12-month Turnover Ratio (%)	91.5

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## 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

VFMVF1 has had a strong growing month along with market recovery, reached 6.8% net returns (0.4% above vfmVF1-Benchmark), widening the gap between fund return and its benchmark. Accumulative from the beginning of 2015, vfmVF1 has grown 16.7%, outperforming its benchmark by 6.7%.

In October, top contributors to the portfolio were F&B (VNM, DBC), Real Estate (KDH, VIC, DXG), Banks (VCB) and Technology (FPT) while the negative contributor was Consumer Durables (TCM).

Among our top-picks, VNM has delivered strongest performance, contributing 1/3 of October's return. This growth stems from the impressive business result in 3Q15, with VND 10,549 bn in net sales (flat QoQ and up 20.5% YoY) and VND 2,157 bn in net income (flat QoQ and up 56.8% YoY). Cumulatively, VNM achieved VND 29,765 bn in net sales (+15.8% YoY) and VND 5,809 in net income (+35.2% YoY), completing 77.5% and 86.2% of yearly targets respectively. Moreover, the plan of SCIC to divest VNM, possibly opening up the foreign ownership limitation, has positively affected market preference on this blue-chip stock. Similarly, FPT and BMP also advanced on this news about SCIC's divestments.

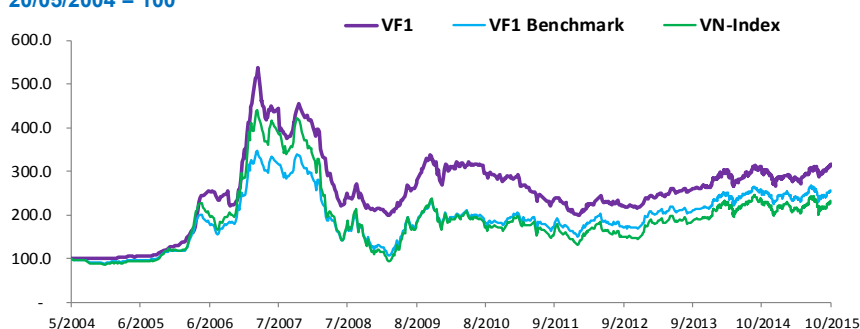
## NAV PERFORMANCE

	NAV/Unit (VND) & Indices	Performance (%)				
		1 month	3 months	YTD	Trailing 12 months	Since Inception (20/5/2004)
VFMVF1	24,241.3	6.8	3.3	16.7	5.7	215.9 (**)
VF1 Benchmark	257.5	6.4	(1.4)	10.0	1.9	157.5
VN-Index	607.4	8.0	(2.2)	11.3	1.1	132.2
HNX-Index	82.2	5.5	(3.4)	(0.9)	(6.6)	n/a

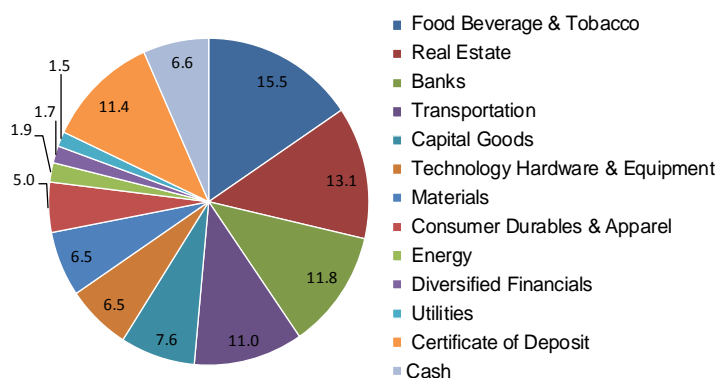
(\*) VF1 Benchmark = 80% VN-Index + 20% Bond Index 1Y  
 (\*\*) Including dividends paid to investors

## VFMVF1 PERFORMANCE (\*) VS. INDEX

20/05/2004 = 100



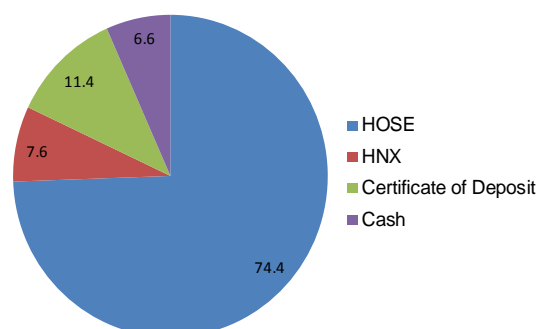
## ASSET ALLOCATION BY ASSET SECTOR (% NAV)



## TOP 10 HOLDINGS

Stock	Sector	Bourse	% NAV
VNM	Food Beverage & Tobacco	HOSE	11.9
FPT	Technology Hardware & Equipment	HOSE	6.5
CII	Transportation	HOSE	5.2
TCM	Consumer Durables & Apparel	HOSE	5.0
BMP	Capital Goods	HOSE	4.6
VCB	Banks	HOSE	4.4
VIC	Real Estate	HOSE	3.8
SKG	Transportation	HOSE	3.8
DBC	Food Beverage & Tobacco	HNX	3.6
HPG	Materials	HOSE	3.5

## ASSET ALLOCATION BY ASSET CLASS (% NAV)



## FUNDAMENTAL STATISTICS

	VF1	VN-Index
P/E (median)	9.9	9.9
P/E	10.9	11.9
P/B (median)	1.9	1.1
P/B	1.9	1.8
ROE (%)	21.9	15.7
Dividend Yield (%)	3.6	3.8
Number of holdings	27	309

(Source: VFM và Bloomberg)

## INVESTMENT RESTRICTIONS

Investment Assets	Limit
Cash & cash equivalents	49% Total Asset
Assets issued by the same group of companies	30% Total Asset
Securities in circulation of an issuer	20% Total Asset
Securities in circulation of an issuer	10% Outstanding Shares
Shares/bonds to be listed or registered for trading	10% Total Asset
Holdings of 5% or more of total asset in aggregate	40% Total Asset

## RISK STATISTICS

	VF1	VN-Index
Beta	0.8	1.0
Standard Deviation (%)	16.9	17.3
Sharpe Ratio	0.0	(0.0)

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# VFMVF4 FUND

Oct 2015

## FUND FACTS

Fund name	Vietnam Blue-chips 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	Standard Chartered Bank VN
Transfer Agency	Vietnam Securities Depository (VSD)
Distributors	ABS, HSC, FPT, KIS, MSBS, SBS, SSI, VCBS, VCSC, VDSC, VND, VFM
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% based on total switched amount
Minimum subscription order	VND1 million
Minimum account balance	100 units
Trading cycle	Everyday (T day)
Cut-off time	10:30am, T-1 day
Dividend	Annually

Total NAV (billion VND)	321.9
Number of fund unit	29,433,054.8
NAV/unit 12-month high (VND)	10,937.3
NAV/unit 12-month low (VND)	8,737.4
Expense Ratio (%)	2.4
12-month Turnover Ratio (%)	108.1

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## 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.

VFMVF4 could at anytime be fully-invested in equity. Additionally, to create flexibility in seeking investing opportunities and bringing added value to cash available, VFMVF4 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

VFMVF4 has had the 6th consecutive outperforming month with 8.3% return, surpassing VN-Index by 0.3%. Accumulative for 10 months of 2015, VF4 has grown 21.8%. Most of stocks in the portfolio has advanced in October, in which top contributors, also outperformed market, are VNM (+ 18%), VSC (+17.4%), BMP and SJS (+16%), and VCB, FPT and KBC (more than 10%).

In October, portfolio components have also been flexibly changed to cope with the market fluctuations, in which: taking profit of MBB (up to 12.7% NAV as at 30 September 2015) with average executed price higher than market price after room for foreign investors opened up more than 40 mn shares thanks to issuing to strategic partners; significantly increasing weight of VNM from 10.6% to 13.5% NAV; and investing in new stickers namely BMP and VSC. VNM has become the center of the market followed lots of news supporting stock price, such as very good business result of 9M2015 (NPAT reaching 86% plan, at VND 5877 bn, an increase of 35%/y), or divestment plan of VCSC, possibly opening up the foreign ownership limitation.

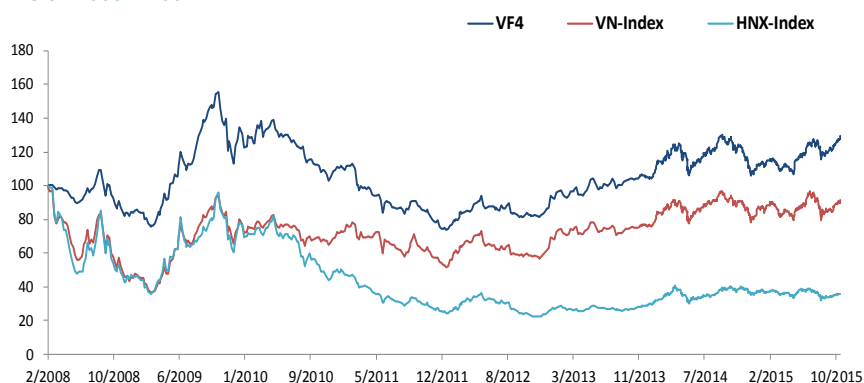
## NAV PERFORMANCE

	NAV/Unit (VND) & Indices	Performance (%)				
		1 month	3 months	YTD	Trailing 12 months	Since Inception (28/2/2008)
<b>VFMVF4</b>	10,937.3	8.3	3.4	21.8	5.8	29.4 (*)
<b>VN-Index</b>	607.4	8.0	(2.2)	11.3	1.1	(8.4)
<b>HNX-Index</b>	82.2	5.5	(3.4)	(0.9)	(6.6)	(64.0)

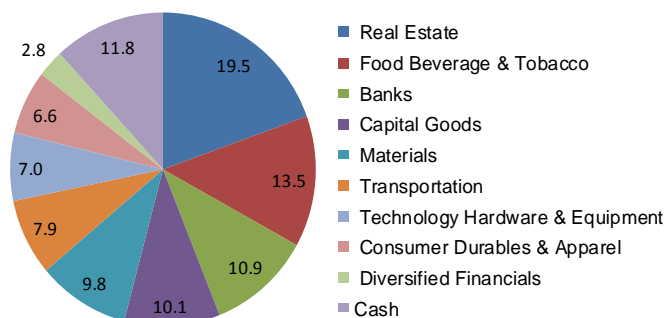
(\*) Including dividends paid to VFMVF4's investors

## VFMVF4 PERFORMANCE VS. INDEX

28/02/2008 = 100



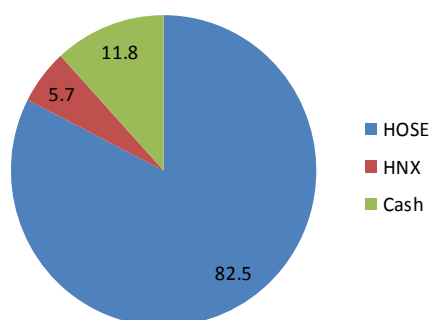
## ASSET ALLOCATION BY SECTOR (% NAV)



## TOP 10 HOLDINGS

Stock	Sector	Bourse	% NAV
VNM	Food Beverage & Tobacco	HOSE	13.5
FPT	Technology Hardware & Equipment	HOSE	7.0
BMP	Capital Goods	HOSE	6.8
TCM	Consumer Durables & Apparel	HOSE	6.6
VCB	Banks	HOSE	4.9
HPG	Materials	HOSE	4.6
VIC	Real Estate	HOSE	4.6
CII	Transportation	HOSE	4.5
SJS	Real Estate	HOSE	4.2
KDH	Real Estate	HOSE	4.1

## ASSET ALLOCATION BY ASSET CLASS (% NAV)



## FUNDAMENTAL STATISTICS

	VF4	VN-Index
P/E (median)	12.2	9.9
P/E	11.8	11.9
P/B (median)	1.7	1.1
P/B	1.9	1.8
ROE (%)	19.7	15.7
Dividend Yield (%)	3.4	3.8
Number of holdings	22	309

(Source: VFM and Bloomberg)

## INVESTMENT RESTRICTIONS

Investment Assets	Limit
Cash & cash equivalents	49% Total Asset
Assets issued by the same group of companies	30% Total Asset
Securities in circulation of an issuer	20% Total Asset
Securities in circulation of an issuer	10% Outstanding Shares
Shares/bonds to be listed or registered for trading	10% Total Asset
Holdings of 5% or more of total asset in aggregate	40% Total Asset

## RISK STATISTICS

	VF4	VN-Index
Beta	0.9	1.0
Standard Deviation (%)	16.5	17.3
Sharpe Ratio	0.0	(0.0)

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# VFMVFA FUND

Oct 2015

## 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	Standard Chartered Bank (Vietnam)
Transfer Agency	VSD
Distributors	VFM, HSC, VCSC, KIS, VDSC, FPTIS
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% 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

Total NAV (bil VND)	68.6
Number of fund unit	9,185,261.7
NAV/unit 12-month high (VND)	7,711.6
NAV/unit 12-month low (VND)	6,835.7
Expense ratio (12-month) (%)	2.9
Turnover ratio (12-month) (%)	186.6

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## INVESTMENT OBJECTIVE

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 October 2015, the Vietnam's stock market performance was quite spectacular while the VN-Index advanced 8.0% to 600 points as compared with the last month. In the meantime, the VN30-Index included thirty stocks with largest market capitalization and highest liquidity raised 6.7% lower than VN-Index's growth. The Insurance and Retailing sectors were the largest increases equivalent to 29.7% and 22.6%, respectively. However, the Banks and Food Beverage & Tobacco sectors were the largest contributors in VN-Index about 2.17% and 1.67%, respectively. As of October 31, 2015 VFMVFA's NAV/unit was VND 7,467.2, an increase of 5.3% compared to the last month.

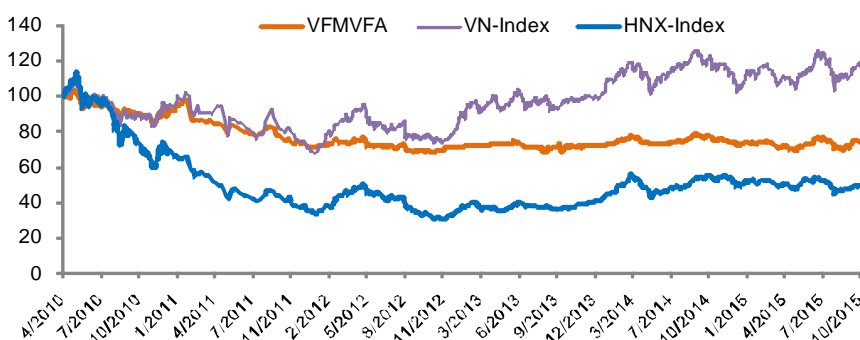
Although the Vietnam's stock market increased sharply in October 2015 to show uptrend period, many stocks had significant correction. That is the reason VFMVFA's strategies occurred some sell signals to decrease investment amount in stock market. Therefore, the allocation by asset class changed significantly when stock proportion accounted for 58.1% NAV and risk-free assets accounted for 41.9% NAV.

## NAV PERFORMANCE

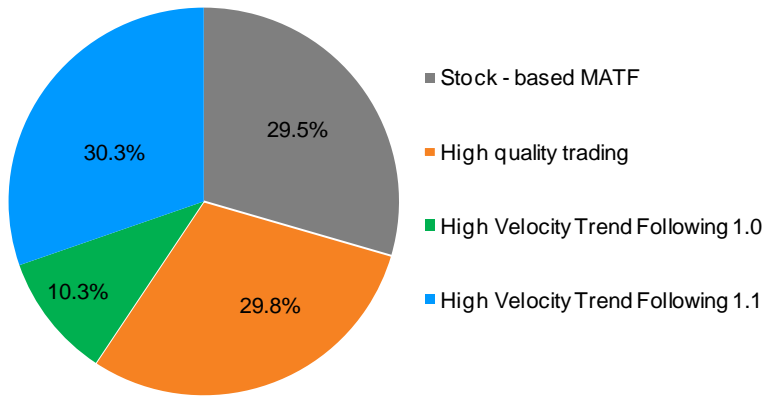
	NAV/Unit (VND) & Indices	Performance (%)				
		1 month	3 months	YTD	Trailing 12 months	Since inception (02/04/2010)
VFMVFA	7,467.2	5.3	(1.4)	2.1	(1.5)	(25.3)
VN-Index	607.4	8.0	(2.2)	11.3	1.1	19.0
HNX-Index	82.2	5.5	(3.4)	(0.9)	(6.6)	(49.9)
VN30-Index	619.2	6.7	(4.3)	2.9	(3.1)	15.9

## VFMVFA PERFORMANCE VS. INDEX

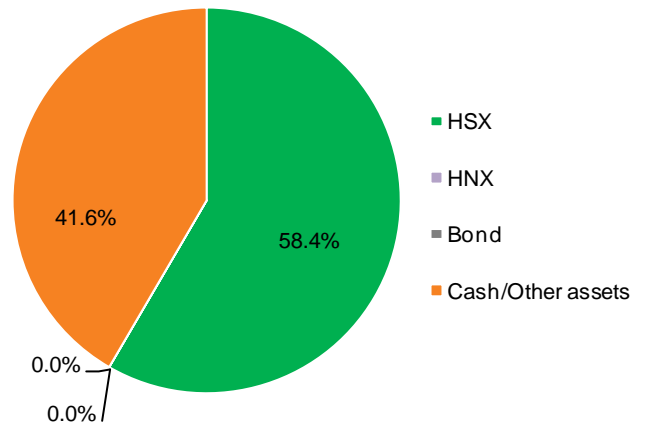
02/04/2010=100



## ALLOCATION BY STRATEGY (%NAV)



## ALLOCATION BY ASSET CLASS (%NAV)



## RISK STATISTICS

	VFA	VN-Index
Beta	0.5	1.0
Standard Deviation (%)	10.3	17.3
Sharpe Ratio	(0.6)	(0.03)

## INVESTMENT RESTRICTIONS

Investment Assets	Limit
Deposits at commercial bank and money market instruments ...	49% TA
Assets issued by the same group of companies	30% TA
Securities in circulation of an issuer	20% TA
Securities in circulation of an issuer	10% OS
Stocks/bonds to be listed or registered for trading	10% TA
Holdings of 5% or more of TA in aggregate	40% TA

(TA: Total Asset of the Fund; OS: Outstanding shares)

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# VFMVFB FUND

Oct 2015

## 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	Standard Chartered Bank VN
Transfer Agency	Vietnam Securities Depository (VSD)
Distributors	ABS, HSC, FPT, KIS, MSBS, VCSC, VDSC, VND, VFM
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	VND1 million
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 (billion VND)	93.7
Number of fund unit	7,549,122.3
NAV/unit 12-month high (VND)	12,414.3
NAV/unit 12-month low (VND)	11,761.5
Annualized Turnover Ratio (%)	459.5

**Mr. Tran Le Minh - Fund Manager**

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Email: [ir@vinafund.com](mailto:ir@vinafund.com)

## 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

Circular No. 15/2015/TT-NHNN by SBV guiding foreign currency transactions of credit organizations effective from 05 October 2015 has significantly contributed to the activeness of bond market in October alongside its main objective is to stabilize the foreign exchange market (see graph on VND-USD exchange rate fluctuations). Limiting foreign currency transactions made liquidity of Vietnam Dong in the banking system increased and bonds has received renewed interest of credit institutions. Values of outright transactions on the secondary bond market in October rose 16.8% compared to September 2015, worth more than VND46 trillion, the average daily transaction value in October rose 11.5% in comparison to September. Primary issuance was also active. Value of government bonds successfully issued in October reached VND12,954 billion for 5,10 and 15 year tenors (successfully issued value in September was VND2,503 billion), raising the rate of issue/call value up 81.47% (September: 16.7%). Besides government bonds, the government guaranteed bond issued by VDB and VBSP also successfully sold in October with the corresponding amounts of VND11.300 billion and 700 billion.

Interest from banks pushed government bond yields to decrease. Yields of under 5 year tenor bonds fell in October, yields of 1-year bond declines most (14.2 basis points), followed by the yields on 2 and 3-year tenors decreased 9.6 and 5.3 basis points respectively. Yields of bonds with tenor on and over 5-year were almost unchanged in October compared to September 2015. However, winning rate of primary issuance of 5-year bonds fell from 6.65% to 6.63% in the last bidding section of October and the reduction signals a downward trend of bond yield to continue in November 2015.

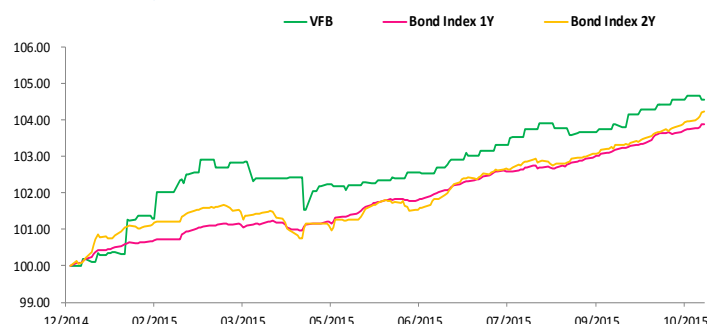
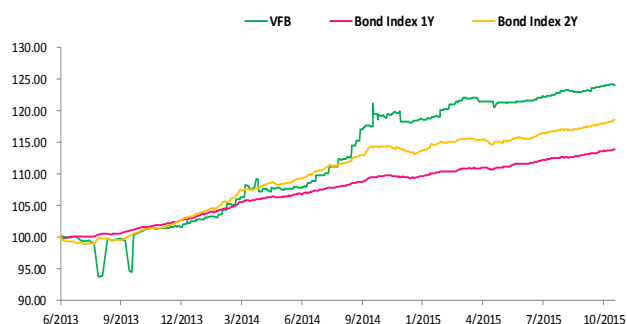
At 31 October 2015, NAV/fund unit of Vietnam Bond Fund (VFMVFB) was VND12,414.26, increased 0.32% MoM and 4.62% YTD. In October, VFMVFB sold its investment in short-term bonds and invest in a government bonds with remaining time to maturity of 3.7 years in a situation of increasing market liquidity and the downward trend of bond yields. Applying active trading strategy to seek for profit, VFMVFB's fund turnover ratio at the end of October was 382%, equivalence to annualized turnover of 462%.

## NAV PERFORMANCE

	NAV/Unit (VND) & Indices	Performance (%)			
		1 month	3 months	YTD	Since Inception (10/06/2013)
VFMVFB	12,414.3	0.3	1.0	4.6	24.1
Bond-Index 1Y	204.7	0.5	1.3	3.9	13.9
Bond-Index 2Y	220.6	0.7	1.5	4.2	18.6

## VFMVFB PERFORMANCE (\*) VS. BOND\_INDEX (\*\*)

Left chart: Since inception ; Right chart: Year 2015



### Notes

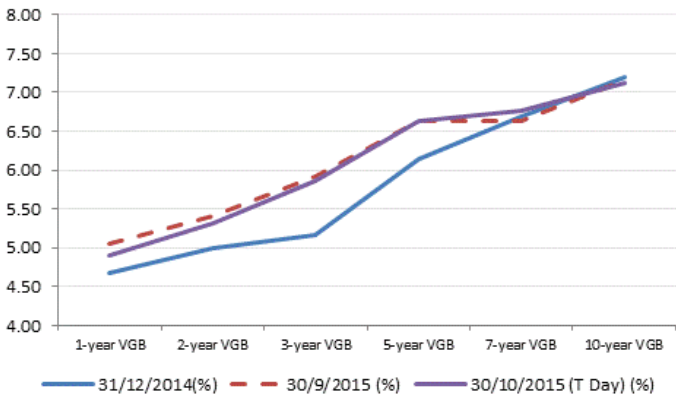
(\*) NAV of VFMVFB showed abnormal volatility at 08/08/2013 and 26/09/2013 due to the occurrences of abnormal volatility in trading prices. The volatility was majorly due to the technical NAV calculation methodology and did not really reflect accurately fund NAV at the dates. Under the NAV calculation 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.

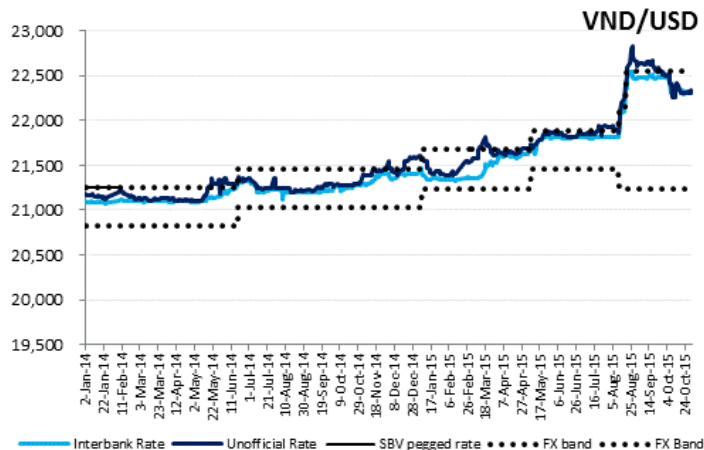


## GENERAL MARKET INFORMATION

### BOND YIELD CURVE

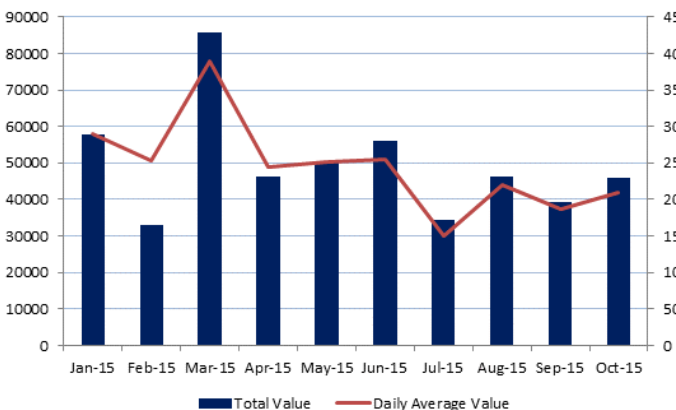


### EXCHANGE RATE

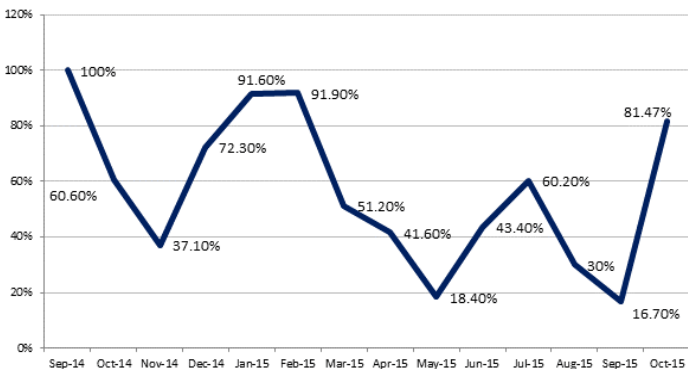


Bond Yield Changes	1-year VGB	2-year VGB	3-year VGB	5-year VGB	7-year VGB
31/12/2014(%)	4.67	4.99	5.16	6.15	6.69
30/9/2015 (%)	5.05	5.41	5.92	6.63	6.63
15/10/2015 (%)	4.96	5.38	5.93	6.63	6.76
30/10/2015 (T Day) (%)	4.91	5.32	5.87	6.63	6.76
T Day -14 Change (Bp)	8.62	3.12	(1.13)	(0.63)	(12.92)
T Day -30 Change (Bp)	(14.17)	(9.58)	(5.33)	0.50	12.50
T Day - 31/12/2014 Change (Bp)	38.12	42.50	75.75	47.87	(5.17)

### BOND OUTRIGHTS TRADING VALUE FY2015 (bn VND)



### PRIMARY MARKET AUCTION WINNING RATIOS



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# VFMVN30 ETF

Oct 2015

## FUND FACTS

Fund name	VFMVN30 ETF
Fund Code	E1VFN30
Bloomberg Ticker	E1VFN30 VN Equity
Listing Bourse	HOSE
Fund Type	Exchange Traded Fund
Benchmark Index	VN30-Index
Currency	VND
Fund Manager	VietFund Management (VFM)
Custodian Bank	Standard Chartered Bank VN
Transfer Agency	Vietnam Securities Depository (VSD)
Index Provider	Ho Chi Minh Stock Exchange (HOSE)
Authorized Participants (AP)	HSC, BVSC
Market Maker	HSC
A Creation Unit	Equal to 100,000 ETF fund certificates
Exchange Trading Time	Daily
Management Fee	0.65%/NAV/annually
Creation Fee	<b>Waived</b>
Redemption Fee	0% to 0.15%
Dividend Distribution	Annually

Total NAV (VND bil)	375.1
Outstanding units	38,000,000
NAV/unit 12-month high (VND)	10,331.2
NAV/unit 12-month low (VND)	8,531.4
Expense ratio (%) (annually)	1.08
Tracking error (%)	1.37

## INVESTMENT OBJECTIVE

The objective of VFMVN30 ETF is to replicate the performance of VN30 Benchmark Index as closely as possible after subtracting Fund's expenses. VN30 Index is the price index established and managed by Ho Chi Minh Stock Exchange. **VFMVN30 ETF has no foreign ownership limit.**

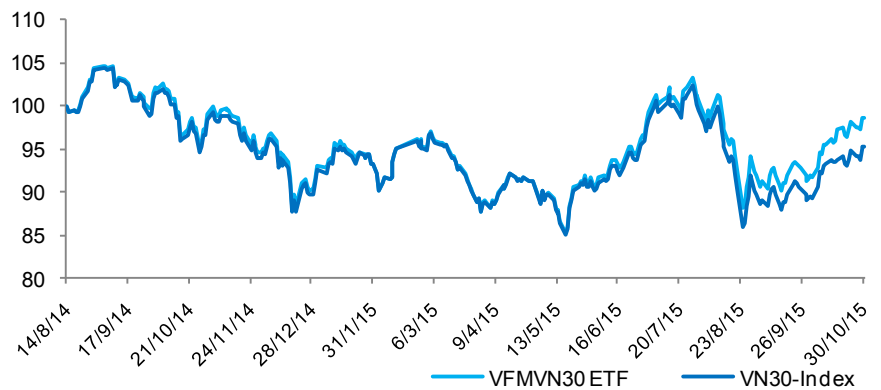
VFMVN30 ETF implements a passive investing strategy to carry out its preset investment objectives. When the basket of securities of VN30 index changes, VFMVN30 ETF will adjust the Fund's portfolio to be consistent with the basket of VN30 index in terms of structure and weighting of assets. The value of investment portfolio of the Fund is often not less than 95% of the corresponding value of basket of securities of VN30 Benchmark Index.

## NAV PERFORMANCE

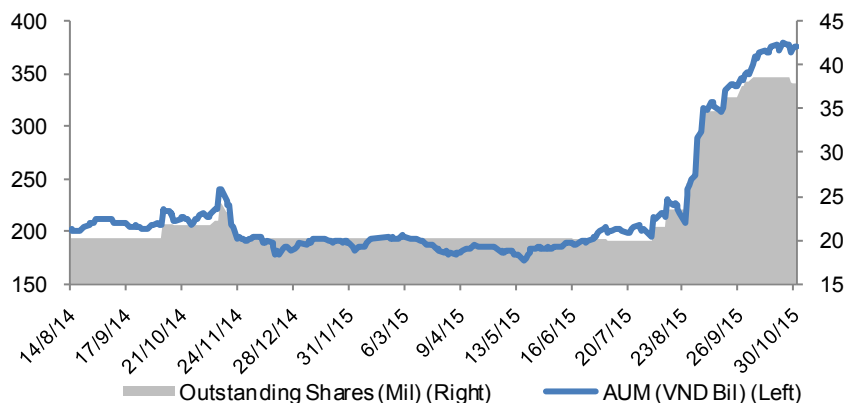
	NAV/Unit (VND) & Indices	Performance (%)				
		1 month	3 months	YTD	Trailing 12 months	Since IPO 14/08/2014
VFMVN30 ETF	9,871.7	7.8	(1.8)	6.0	(0.3)	(1.3)
VN30-Index	619.2	6.7	(4.3)	2.9	(3.1)	(4.7)

## PERFORMANCE VS. INDEX

14/08/2014 = 100



## AUM & OUTSTANDING SHARES



**Ms. Luong Thi My Hanh - Fund Manager**

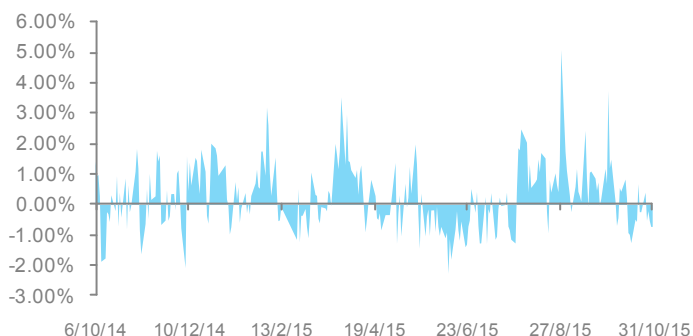
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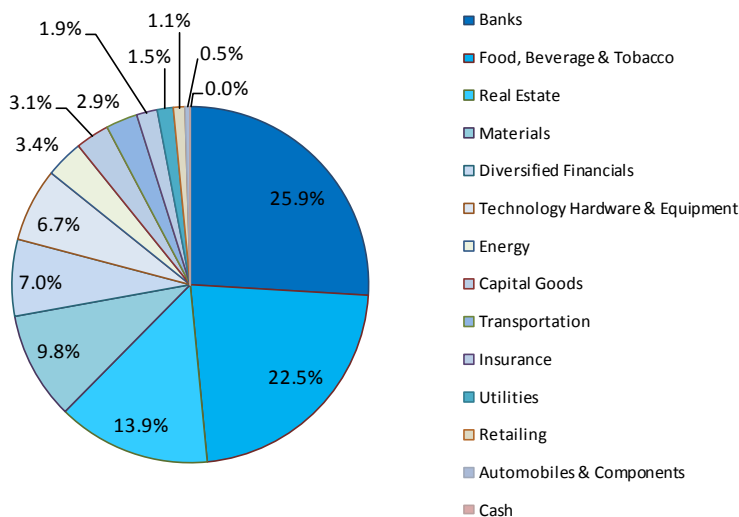
## NAV/UNIT & CLOSING PRICE



## PREMIUM (+) / DISCOUNT (-)



## ASSET ALLOCATION BY SECTOR (%NAV)



## FUNDAMENTAL STATISTICS

	VFMVN30 ETF
Dividend Yield (%)	3.53
P/E Ratio	11.22
P/B Ratio	1.65
Number of holdings	30

## RISK STATISTICS

	VFMVN30 ETF
Beta (vs. VN-Index)	0.9
Standard Deviation (%)	16.4
Sharpe Ratio	(0.3)

## ALL HOLDINGS

Stock	Shares	Market Value (VND bil)	% NAV	Foreign Ownership/Room	Stock	Shares	Market Value (VND bil)	% NAV	Foreign Ownership/Room
VNM	395,222	46.6	12.4%	100.0%	BVH	115,690	7.1	1.9%	51.2%
VIC	908,574	41.3	11.0%	70.5%	GMD	147,890	6.3	1.7%	100.0%
MSN	413,770	30.6	8.2%	71.5%	KBC	399,010	5.7	1.5%	62.2%
STB	2,022,921	27.5	7.3%	30.2%	FLC	720,632	5.0	1.3%	25.4%
FPT	507,393	25.0	6.7%	100.0%	HSG	98,360	4.6	1.2%	88.0%
HPG	747,710	23.6	6.3%	80.3%	CII	180,190	4.4	1.2%	77.9%
VCB	453,570	21.6	5.8%	70.1%	KDC	180,190	4.2	1.1%	43.0%
MBB	1,224,561	17.6	4.7%	100.0%	ITA	640,000	4.2	1.1%	33.6%
EIB	1,468,570	17.3	4.6%	87.4%	HHS	217,782	3.9	1.1%	57.8%
SSI	601,268	14.4	3.8%	50.8%	HCM	86,730	3.1	0.8%	100.0%
CTG	635,420	13.2	3.5%	98.6%	HVG	193,080	3.1	0.8%	43.8%
PVD	296,902	10.9	2.9%	75.4%	VSH	174,760	2.9	0.8%	57.1%
HAG	608,170	8.6	2.3%	46.6%	PPC	135,100	2.5	0.7%	29.3%
DPM	257,880	8.5	2.3%	55.7%	PVT	173,400	2.0	0.5%	31.1%
REE	273,520	7.3	2.0%	100.0%	CSM	63,774	1.8	0.5%	30.8%

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