

VFMVFB FUND

Nov 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)	94.7
Number of fund unit	7,550,552.9
NAV/unit 12-month high (VND)	12,546.1
NAV/unit 12-month low (VND)	11,817.3
Annualized Turnover Ratio (%)	417.6

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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

Vietnam State Treasury continues to success in November 2015 in the primary issuance of government bonds (VGB), value of issued bonds equals to 80.23% of total called amount and winning rate for the reissued 3-year bond after having approval of National Assembly is 100%. In November, the State Treasury raised 14.800 billion of 3-year bond through 2 auctions with ratio of bidding values over called amount reach to 3.27 times (see table on page 2). The sudden abundance of VND liquidity in the banking system is the main reason for the successful issuance of short-term bonds.

Bond yields in November do not change compared to October 2015. At as 30/11/2015, government bond yields are +/- 5 basis points compare to the 31/10/2015. 3-year bond yield downs slightly. Trading on the secondary market decreased slightly compared with October 2015 with a total transaction value is 37.328 billion (October 2015: 46.000 billion), average daily transaction value also decreases correspondingly to 1.778 billion/session down from 2.091 billion/session in October 2015. Secondary trading of bonds focuses on maturities of less than 3 years (74% of total trading value - See chart on page 2). The trading weight of short term bonds on the primary and secondary markets reflects market sentiment which is reluctant to add risks given possible fluctuations of bonds yields in 2016.

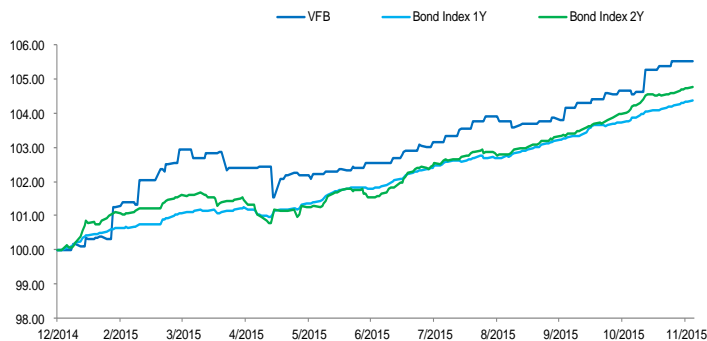
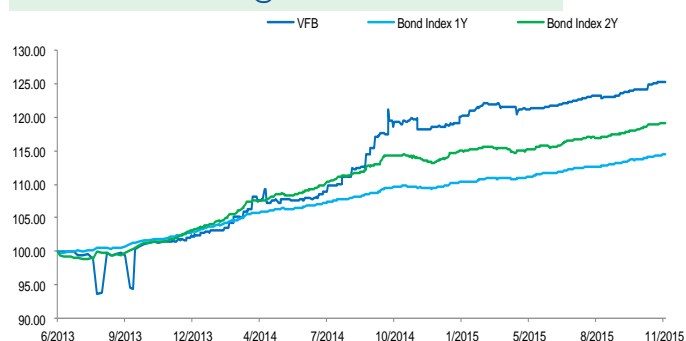
At 30/11/2015, NAV/unit of Vietnam Bonds Fund is 12.546,06 VND, an increase of 1,06% vs. last month and an increase of 5.73% YTD. Growth achieved in November is a result of the decision to sell short term bond and invest in bond with remaining life of 3,7 years in October 2015. The investment is profitable thanks to the decrease of 3 year bond yield in late November. In December, VFMVFB will continue to trade on its own merit and performance in context of market conditions.

NAV PERFORMANCE

	NAV/Unit (VND) & Indices	Performance (%)			
		1 month	3 months	YTD	Since Inception (10/06/2013)
VFMVFB	12,546.1	1.1	2.0	5.7	25.5
Bond-Index 1Y	205.6	0.5	1.5	4.4	14.5
Bond-Index 2Y	221.8	0.5	1.8	4.8	19.2

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

Left chart: Since inception ; Right chart: Year 2015



Notes

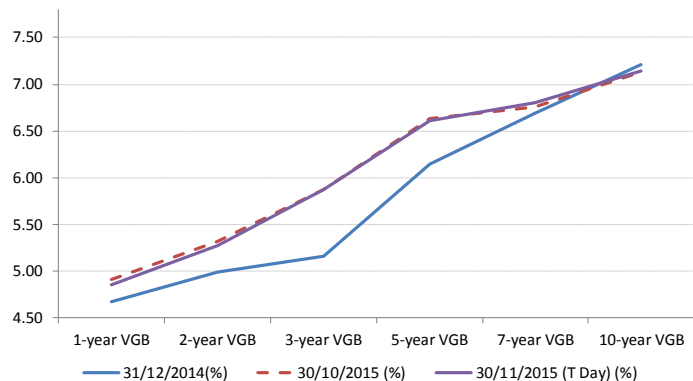
(*) NAV of VFMVFB showed abnormal volatility at 08/08/2013 and 26/09/2013 due to the occurrences of abnormal volatility in trading prices. The volatility was majorly due to the technical NAV calculation methodology and did not really reflect accurately fund' NAV at the dates. Under the NAV calculation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

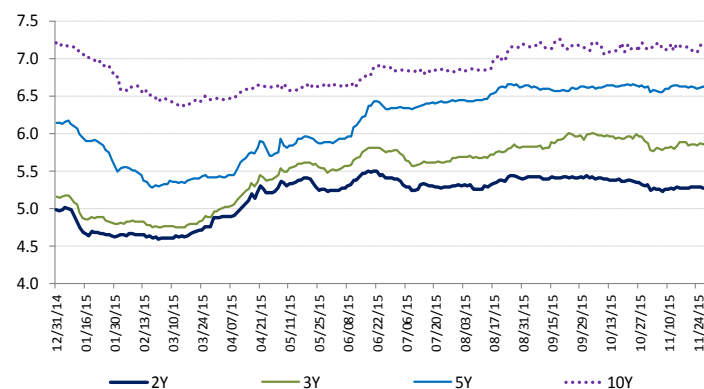


GENERAL MARKET INFORMATION

BOND YIELD CURVE



MOVEMENTS OF VGB BOND YIELDS



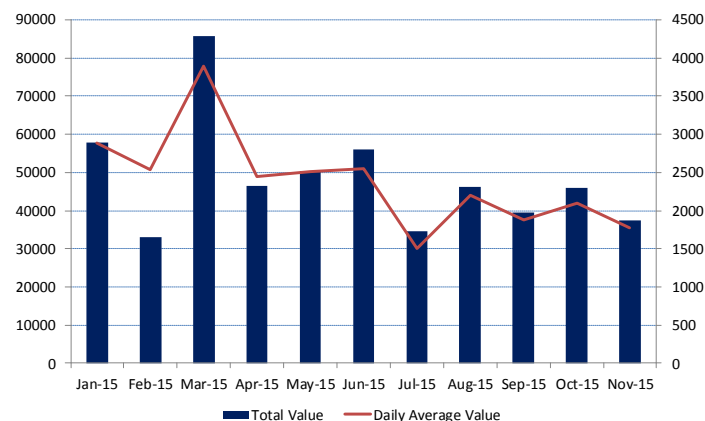
FLUCTUATIONS IN GOVERNMENT BOND YIELDS

	1-year VGB	2-year VGB	3-year VGB	5-year VGB	7-year VGB	10-year VGB
31/12/2014(%)	4.67	4.99	5.16	6.15	6.69	7.21
30/10/2015 (%)	4.91	5.32	5.87	6.63	6.76	7.13
16/11/2015 (%)	4.84	5.28	5.89	6.63	6.80	7.16
30/11/2015 (T Day) (%)	4.85	5.28	5.87	6.61	6.80	7.14
T Day -14 Change (Bp)	0.83	(0.50)	(2.00)	(2.00)	0.00	(1.66)
T Day -30 Change (Bp)	(5.83)	(4.17)	0.50	(1.67)	4.17	1.67
T Day - 31/12/2014 Change (Bp)	18.12	28.75	70.92	46.70	11.50	(6.33)

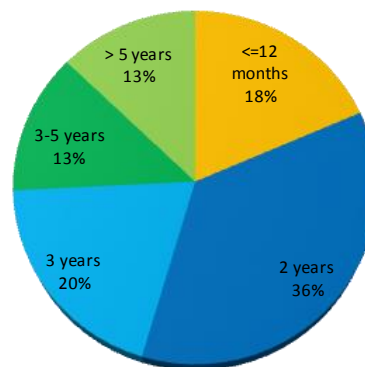
VGB PRIMARY ISSUE (November 2015)

Bond Tenors	Number of auctions	Called amount (VND bn)	Registered amount (VND bn)	Winning amount (VND bn)	Yield (%)	Registered/Called amount
3Y	2	14,800	48,484	14,800	5.88-5.9	327.59%
5Y	3	14,100	22,041	9,510	6.53-6.6	156.32%
10Y	2	1,500	30	10	6.95-6.95	2.00%
15Y	2	2,800	2,692	2,317	7.65-7.65	96.13%
Tổng cộng		33,200	73,246	26,637		

BOND OUTRIGHTS TRADING VALUE FY2015 (bn VND)



BOND OUTRIGHTS TRADING VALUE BREAKDOWN BY TENNORS (November 2015)



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