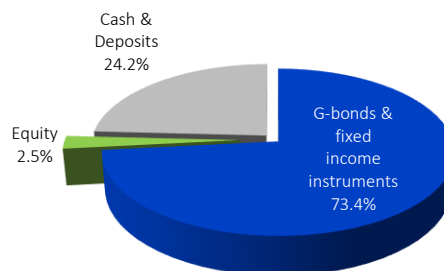


The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your fund units. Current performance may be higher or lower than the performance data quoted.

## Snapshot

Structure	Open-ended Bond Fund
Investment risk	LOW
Investment return	LOW AVG HIGH
Fees	LOW AVG HIGH

## Investment Highlight



## Performance versus Benchmark

	Total Assets (VND bn)	NAV/unit (VND)	NAV growth						
			YTD	Annualized YTD	2013	2014	2015	2016	Since Inception (Apr 2013)
VFF	422.7	14,107	6.5%	11.1%	4.7%	8.8%	6.7%	9.0%	41.0%
4 SOCBs 3M deposit <sup>1</sup>			2.8%	4.8%	5.2%	5.9%	4.7%	5.2%	23.9%
4 SOCBs 12M deposit <sup>2</sup>			3.9%	6.7%	5.8%	7.1%	6.1%	6.7%	29.6%
VCB 12M deposit <sup>3</sup>			3.8%	6.5%	5.8%	7.0%	6.1%	6.5%	29.2%

<sup>1</sup>: Average trailing 3-month deposit rate by 4 State-owned Commercial Banks (VCB, BIDV, Vietin, Agri) is VFF's benchmark

<sup>2</sup>: Average trailing 12-month deposit rate by 4 SOCBs is additional reference

<sup>3</sup>: Average trailing 12-month deposit rate by VCB is additional reference

## Investment Approach

### Asset allocation

Invest at least 80% of Total Net Assets into Government Bonds, Government-guaranteed Bonds, Municipal Bonds, Valuable Papers issued by high creditworthy institutions, and Short-term Bank Deposits.

Invest up to 15% of Total Net Assets on listed stocks with strong fundamental, high potential upside, and stable dividend yield for downside risk mitigation.

### Target

Deliver attractive and stable return from capital appreciation, coupon payment, and yield enhancement instruments.

### Benchmark

Average 3-month VND denominated deposit rate by 4 State-owned Commercial Banks, namely VietinBank, Agribank, BIDV, and VietcomBank.

## Details

Inception	9 April 2013	
Management fee	1.2% per annum	
Subscription fee	0.0%	
Redemption fee	VINAFLEX <sup>4</sup>	VINASAVE <sup>5</sup>
	• 2.5% < 12 months	• 2.0% < 24 months
Redemption fee	• 1.0% >= 12 months	• 0.0 >= 24 months
	Minimum subscription	VND2,000,000/ ~USD90
Custodian and Supervisory Bank	Standard Chartered Bank Ltd. (Viet Nam)	
Auditor	Ernst & Young (Vietnam)	
Trading frequency	Once a week, on Tuesday	

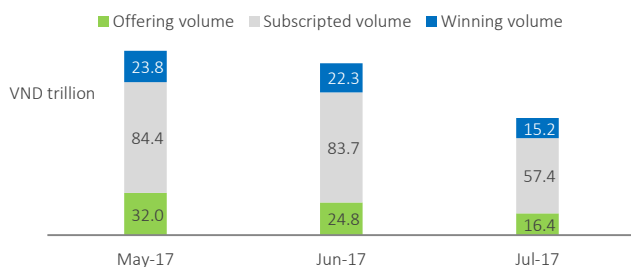
<sup>4</sup>: Flexible investment plan

<sup>5</sup>: Saving plan encouraging periodic contribution

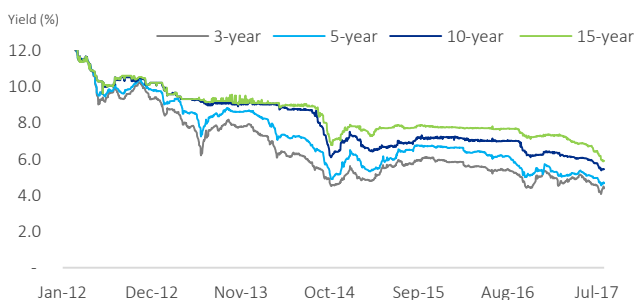
Portfolio Manager: Ms. Xuan Dung Nguyen  
[dung.xuan.nguyen@vinawealth.com.vn](mailto:dung.xuan.nguyen@vinawealth.com.vn)

Investor Relation: [ir@vinawealth.com.vn](mailto:ir@vinawealth.com.vn)  
 Tel: +84 28 38 27 85 35

## Auction result



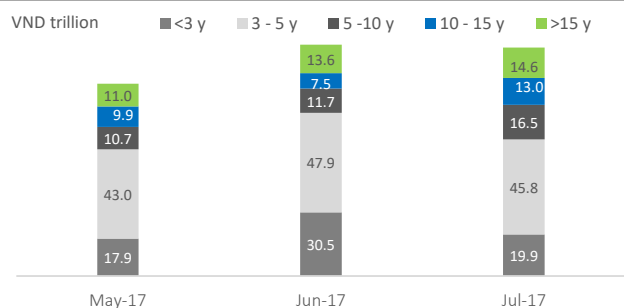
## Secondary bond yield



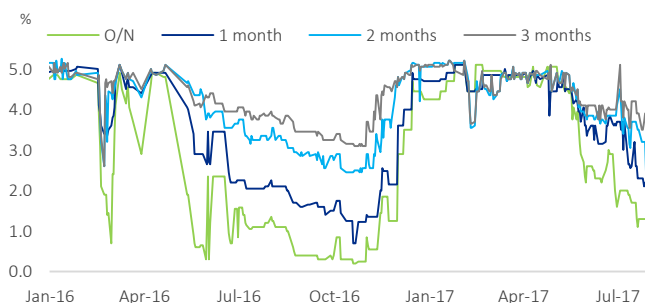
## Secondary bond yield movement

Tenor	Month		Change
	06-2017	07-2017	
1 year	3.70	3.36	-0.34
2 year	4.35	4.14	-0.21
3 year	4.55	4.38	-0.17
5 year	4.94	4.65	-0.29
7 year	5.25	4.91	-0.34
10 year	5.75	5.45	-0.30
15 year	6.41	5.89	-0.52

## Secondary trading by tenor



## Interbank rate



Source: Bloomberg

## Fund Manager's comments

Total offering value for new g-bonds issuance by the State Treasury (ST) was reduced by 34% m-o-m in July and winning ratio remained high at 93%, versus that of 90% in June. Over the month, the ST has successfully raised VND15.17 trillion (USD667.25 million) worth of 5- to 30-year bonds at 3.5x bid-to-cover ratio. Accordingly, primary bond yields were slashed by 25bps to 88bps m-o-m across tenors. In particular, 7- and 10-year bond yields were deducted 25bps and 27bps respectively, 5-year bond yield experienced a sharp decline of 42bps, and longer bond yields slumped 55bps to 88bps.

After the first 7 months of 2017, the ST has issued VND140.92 trillion (USD6.20 billion) worth of g-bonds and fulfilled 76.9% of the government's revised issuance target for 2017 (VND183.30 trillion or USD8.04 billion).

On the secondary market, total trading volume in July reached VND109.83 trillion (USD4.83 billion), declined slightly by 1.2% versus that in June. Bond yields experienced further m-o-m decline of 17bps to 52bps across the yield curve.

For the rest of 2017, the bond market is expected to continue being supported by stable macro environment, healthy liquidity in the banking system, and easing pressure on g-bond issuance target given the government has achieved over three-fourths of issuance plan for 2017.

## Important information

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