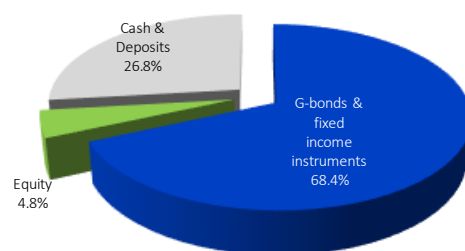


The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your fund units. Current performance may be higher or lower than the performance 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						Since Inception (Apr 2013)
			m-o-m	YTD	2013	2014	2015	2016	
VFF	574.8	14,221	0.7%	7.3%	4.7%	8.8%	6.7%	9.0%	42.2%
4 SOCBs 3M deposit ¹				3.6%	5.2%	5.9%	4.7%	5.2%	24.7%
4 SOCBs 12M deposit ²				5.1%	5.8%	7.1%	6.1%	6.7%	30.8%
VCB 12M deposit ³				4.9%	5.8%	7.0%	6.1%	6.5%	30.3%

¹ VFF's benchmark is the average trailing 3-month deposit rate by four state-owned commercial banks (SOCBs): VCB, BIDV, Vietinbank, and Agribank

² Average trailing 12-month deposit rate by the four SOCBs mentioned above is an additional reference

³ Average trailing 12-month deposit rate by VCB is additional reference

Details

Inception	9 April 2013	
Management fee	1.2% per annum	
Subscription fee	0.0%	
Redemption fee	VINAFLEX ⁴	VINASAVE ⁵
	• 2.5% < 12 months	• 2.0% < 24 months
	• 1.0% >= 12 months	• 0.0% >= 24 months
Minimum subscription	VND2,000,000/ ~USD90	VND200,000/ ~USD9
Custodian and Supervisory Bank	Standard Chartered Bank Ltd. (Viet Nam)	
Auditor	Ernst & Young (Vietnam)	
Trading frequency	Once a week, on Tuesday	

⁴ Flexible investment plan

⁵ Saving plan encouraging periodic contribution

Investment Approach

Asset allocation

Invest at least 80% of the fund's 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 the fund's total net assets into listed stocks with strong fundamentals, 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.

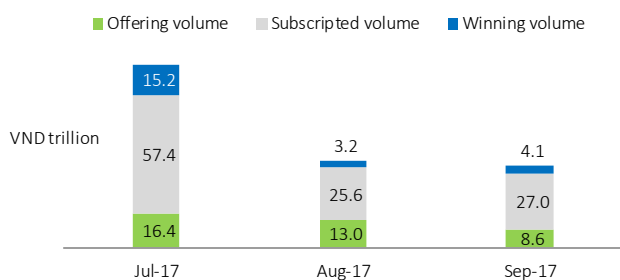
Benchmark

Average 3-month VND denominated deposit rate by four SOCBs, namely VietinBank, Agribank, BIDV, and VietcomBank.

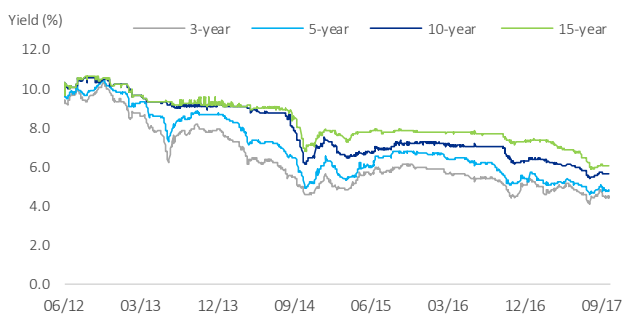
Portfolio Manager: Ms. Xuan Dung Nguyen
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Investor Relations: irwm@vinacapital.com
Tel: +84 28 38 27 85 35

Auction result



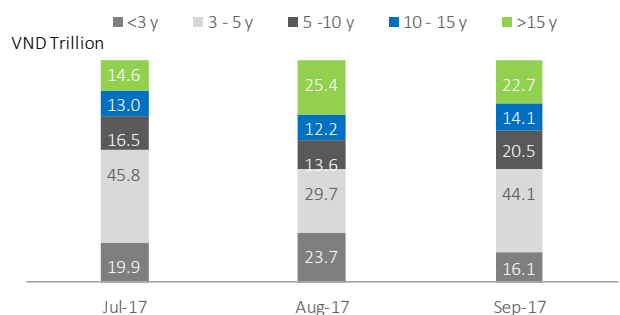
Secondary bond yield



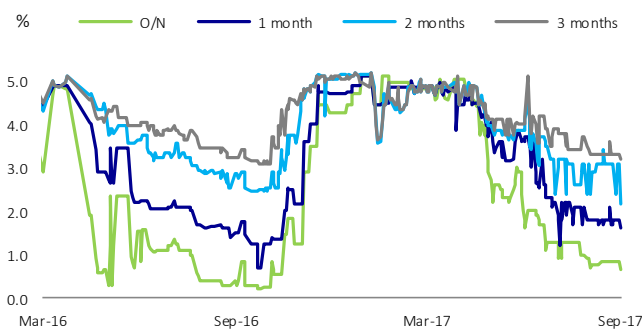
Secondary bond yield movement

Tenor	Month		Change
	08-2017	09-2017	
1 year	4.16	4.00	-0.16
2 years	4.42	4.16	-0.26
3 years	4.74	4.40	-0.34
5 years	4.98	4.71	-0.27
7 years	5.20	4.97	-0.23
10 years	5.71	5.57	-0.14
15 years	6.12	6.00	-0.12

Secondary trading by tenor



Interbank rate



Source: Bloomberg

Fund Manager's comments

VFF's net asset value (NAV) closed at VND14,221 per unit, increasing 0.7% month-over-month or 7.3% year-to-date during the reported period. The NAV increase was due to:

- Capital appreciation from bond investments as the result of declining bond yields which followed higher liquidity in the banking system and an increased risk appetite for bond investments;
- Interest income from short-term bank deposits and other fixed income instruments; and,
- Listed equity investment performing modestly. The listed equity portfolio did not contribute significantly to VFF's NAV growth over the month, given the portfolio's small allocation of about 5% of total NAV.

As of September, bond investments and fixed income instruments accounted for over 68% of VFF's total NAV, bolstering stable and steady NAV growth over the reported period. VFF also preserved nearly 27% of the fund's total net NAV in cash and short-term deposits for other investment opportunities in the coming months for yield enhancement.

Bond investors were less active in the primary market during the month given lower bond yields due to the lack of new offerings. The State Treasury (ST), therefore, managed to raise just VND4.09 trillion worth of bonds (USD179.76 million), a modest improvement of 8.5% month-over-month, with bond yields increasing from 2 bps to 5 bps on 5-, 7-, 10-year bonds while 30-year bond yields remained unchanged. New issues of 15- and 20-year ST bonds failed due to offering yields being below investors' expectations. After the first nine months of 2017, the ST has issued VND148.18 trillion (USD6.52 billion) worth of g-bonds, reaching 80.8% of the government's issuance target of VND183.3 trillion (USD8.04 billion) for 2017.

On the secondary market, total trading value posted an increase of 12.3% month-over-month with VND 117.43 trillion (USD 5.17 billion) of bonds was transacted, thanks to recovering demand from banks. Accordingly, bond yields softened by 12 bps to 34 bps across the curve compared to that of last month.

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