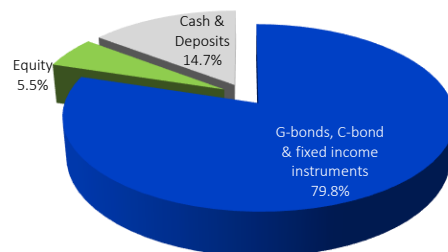


The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your fund units. Current performance may be higher or lower than the performance 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	704.5	14,391	0.8%	8.6%	4.7%	8.8%	6.7%	9.0%	43.9%	
4 SOCBs 3M deposit ¹				4.4%	5.2%	5.9%	4.7%	5.2%	25.5%	
4 SOCBs 12M deposit ²				6.2%	5.8%	7.1%	6.1%	6.7%	31.9%	
VCB 12M deposit ³				6.0%	5.8%	7.0%	6.1%	6.5%	31.4%	

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
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	

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.

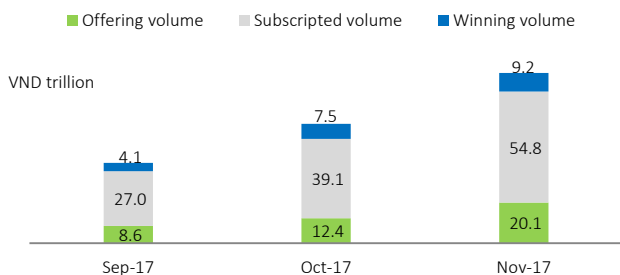
Benchmark

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

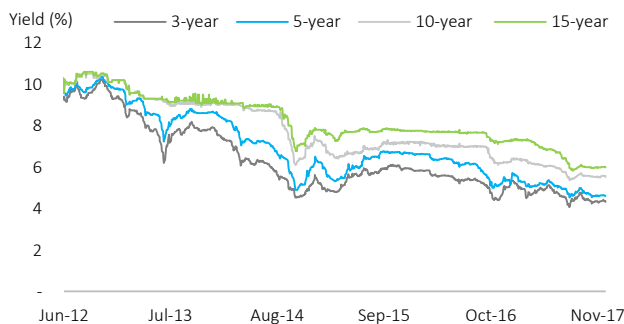
Portfolio Manager: Ms. Xuan Dung Nguyen
dung.xuan.nguyen@vinacapital.com

Investor Relations: irwm@vinacapital.com
 Tel: +84 28 38 27 85 35

Auction result



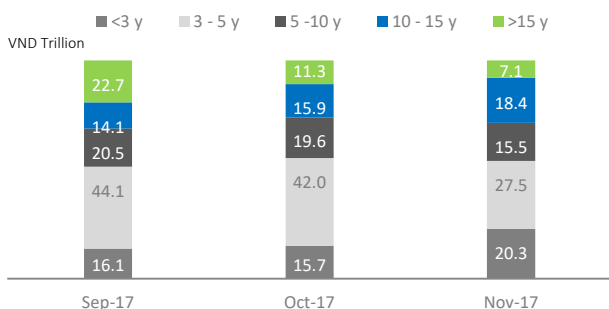
Secondary bond yield



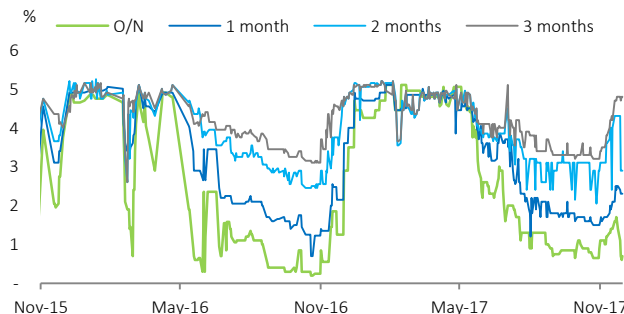
Secondary bond yield movement

Tenor	Month		Change
	10/2017	11/2017	
1 year	3.80	3.96	0.16
2 years	4.08	4.10	0.02
3 years	4.33	4.33	0.00
5 years	4.60	4.60	0.00
7 years	4.85	4.96	0.11
10 years	5.50	5.51	0.01
15 years	5.95	5.98	0.02

Secondary trading by tenor



Interbank rate



Source: Bloomberg

Fund Manager's comments

VFF's net asset value (NAV) was VND 14,391 per unit by the end of November, an increase of 0.8% month-over-month (m-o-m), versus that of 0.3% m-o-m in October. As a result, VFF increased 8.6% year-to-date. The NAV increase during the reported month was due to:

- Capital appreciation from government bond investments resulting from stable bond yields following healthy liquidity in the banking system and improved risk appetite for bond investments;
- Income from new fixed income investments in November;
- Income from interest from short-term bank deposits and other fixed income instruments; and,
- Gains from listed equity investment, however, listed equity investment did not contribute materially to VFF's NAV growth over the month given its small allocation of 5% of the total NAV.

Bond investments and fixed income instruments in November accounted for over 79% of VFF's total NAV, maintaining the portfolio's stable and steady NAV growth during the month. VFF also realized profit in some stocks and preserved nearly 14.7% of the fund's total net NAV in cash and short-term deposits for other investment opportunities in the coming months for yield enhancements.

Bond investors were more active on the primary market in November with the total issuance value reaching VND9.15 trillion (USD 402.9 million), an increase of 22% compared to that of October. New issues by the State Treasury (ST) reached a total of VND2.93 trillion (USD 129.02 million) with 5-, 7-, 10-, 15-, 20-, and 30-year tenors accounting for 32% of total issues over the month. 5-year ST bond yield increased slightly by 2 basis points (bps) while 10-, 15-, 20-, and 30-year ST bond yields remained flat. Notably, 7-year ST bond yields accelerated by 58 bps versus last month.

Bonds issued by Vietnam Bank for Social Policy (VBSP) and Vietnam Development Bank (VDB) accounted for 24% (VND2.22 trillion or USD 97.8 million) and 44% (VND 4.0 trillion or USD 176.07 million) of total issues respectively with 5-, 10-, and 15-year tenors. 10- and 15-year VBSP bond yields stayed flat at 5.9% and 6.2% respectively. Meanwhile, 5-year VDB bond yield increased 11 bps and 10- and 15-year bond yields contracted by 74 and 140 bps respectively compared to their last issues in February.

After the first 11 months of 2017, the ST has issued VND158.02 trillion (USD6.96 billion) worth of government bonds, delivering 86.2% of the government's issuance target of VND 183.3 trillion (USD8.04 billion) for 2017.

On the secondary market, the total trading value decreased 15.2% m-o-m with VND88.68 trillion (USD3.9 billion) worth of bonds was transacted. Accordingly, bond yields stayed flat on 3- and 5-year tenors and increased by 1 to 16 bps at the longer end of the yield curve compared to that of last month.

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