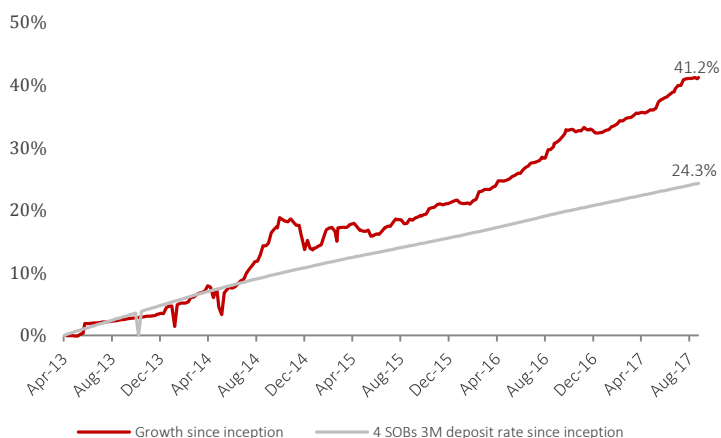


VFF NAV Growth since inception (Apr 2013 – Aug 2017)

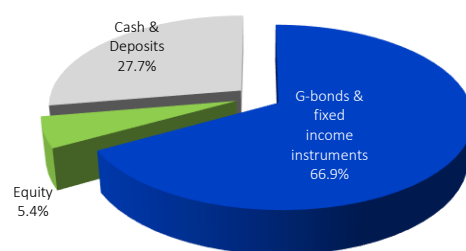


The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your fund units. Current performance may be higher or lower than the performance 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)
			YTD	Annualized YTD	2013	2014	2015	2016	2017	
VFF	500.6	14,129	6.6%	9.9%	4.7%	8.8%	6.7%	9.0%	41.2%	
4 SOCBs 3M deposit ¹			3.2%	4.8%	5.2%	5.9%	4.7%	5.2%	24.3%	
4 SOCBs 12M deposit ²			4.5%	6.7%	5.8%	7.1%	6.1%	6.7%	30.2%	
VCB 12M deposit ³			4.4%	6.5%	5.8%	7.0%	6.1%	6.5%	29.8%	

¹ VFF's benchmark is the average trailing three-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 • 1.0% >= 12 months	• 2.0% < 24 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 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.

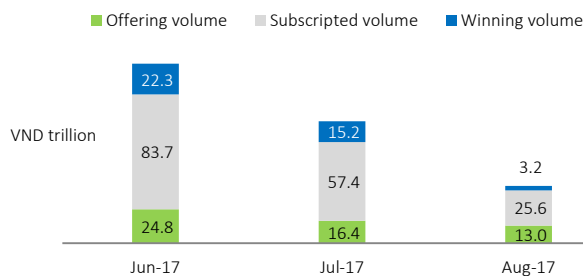
Benchmark

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

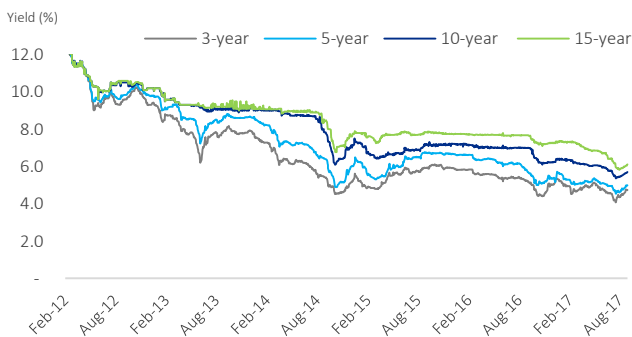
Portfolio Manager: Ms. Xuan Dung Nguyen
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Investor Relations: irwm@vinacapital.com
 Tel: +84 28 38 27 85 35

Auction result



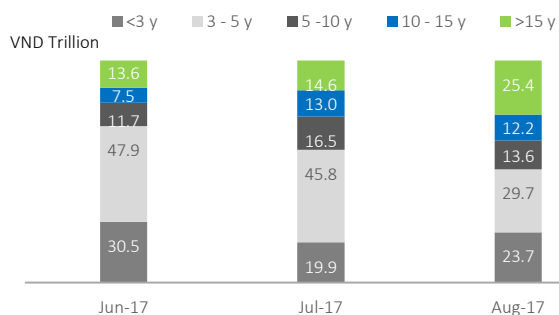
Secondary bond yield



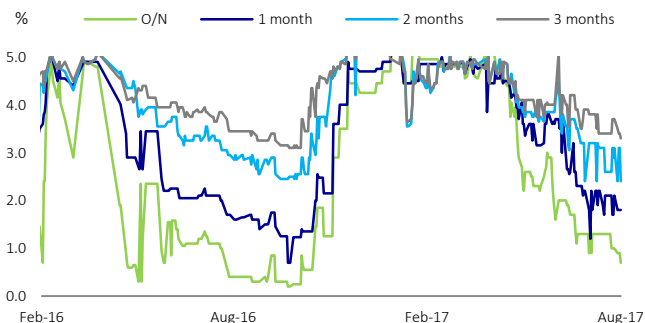
Secondary bond yield movement

Tenor	Month		Change
	07-2017	08-2017	
1 year	3.36	4.16	0.80
2 years	4.14	4.42	0.28
3 years	4.38	4.74	0.36
5 years	4.65	4.98	0.33
7 years	4.91	5.20	0.29
10 years	5.45	5.71	0.26
15 years	5.89	6.12	0.23

Secondary trading by tenor



Interbank rate



Source: Bloomberg

Fund Manager's comments

The government's adjusted target for credit growth in 2017 (from 18% to 21%) has put pressure on bond yields in August as banks lower their appetite for government bonds ("g-bonds") to make way for accelerated credit growth in the remaining months of the year. As of August 2017, credit growth has increased 11.5%; meanwhile, deposit growth slowed down to 9.1%, notably lower than the 11% the same period last year and the total deposit growth of 18.4% in 2016.

On the primary market, only the State Treasury (ST) made tender offers in August and the winning ratio was recorded at 25%, a low ratio compared to average winning ratio of 81% in the first seven months of 2017. Over the month, the ST raised VND3.18 trillion (USD139.9 million) worth of 5- to 30-year bonds, a low amount compared to the VND15.17 trillion (USD667.25 million) raised by the ST in July. The primary bond yields of 5-year ST bonds increased by 12 bps month-on-month while 7-, 10-, 15-, and 30-year bond yields declined by 12 bps to 15 bps versus that in July. The ST failed to issue any 20-year bonds in August.

After the first eight months of 2017, the ST has issued VND143.93 trillion (USD6.33 billion) worth of g-bonds and fulfilled 78.5% of the government's revised issuance target of VND183.3 trillion (or USD8.04 billion) for 2017.

On the secondary market, total trading volume was VND104.59 trillion (USD4.60 billion) in August, a month-over-month decline of 4.8%. 1-year g-bond yields surged by 80 bps month-on-month while 2- to 15-year g-bond yields experienced an increase at a slower space of 23 bps to 36 bps versus last month.

For the rest of 2017, the bond market is forecasted to be less active as in the first half of the year given expectations of stronger credit. However, pressure on the bond yields is anticipated to be benign as nearly 80% of the government's bond issuance target for 2017 has been achieved and liquidity in the banking system is forecasted to remain adequate.

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