

OCTOBER

06

MONDAY

“The first trading day of ETF VN30, a new start of investment diversification”

ADVISORY DIARY

- **The first trading day of ETF VN30, a new start of investment diversification**
- **Monthly strategy report: A meeting of supply and demand**

The first trading day of ETF VN30, a new start of investment diversification

Today, the World Bank recently published a report on Vietnam's economy in 2014. According to the report, the organization maintained assessment of macroeconomic stability with low inflation rate in Vietnam. Economic growth was forecasted at approximately 5.4%, and about 4.5% for inflation. However, the World Bank also noted on the structural problems of state enterprises and the banking sector would be a barrier for long-term growth of Vietnam.

Recently, the latest report of many prestigious organizations such as HSBC has also provided a positive statement on the macroeconomic outlook. These positive expectations have been reflected in the stock market over the period. VNI-Index constantly hitting the peak within 4-5 years. At the same time, Vietnam has also been rated as one of the emerging markets of concern.

Prior to this vibrant, the stock market begins to establish derivatives, such as internal ETF, or prepare for another in the following year. Today is the first trading date of VFM ETFVN30 fund. With charter capital of 202 billion VND, equivalent to 20,200,000 units, is estimated as appropriate investment channel for investors worrying risks. Profit margin that investors receive will gain closely with profit of VN30 when the fund imitates the variables of the VN30 reference index in the most accurate way.

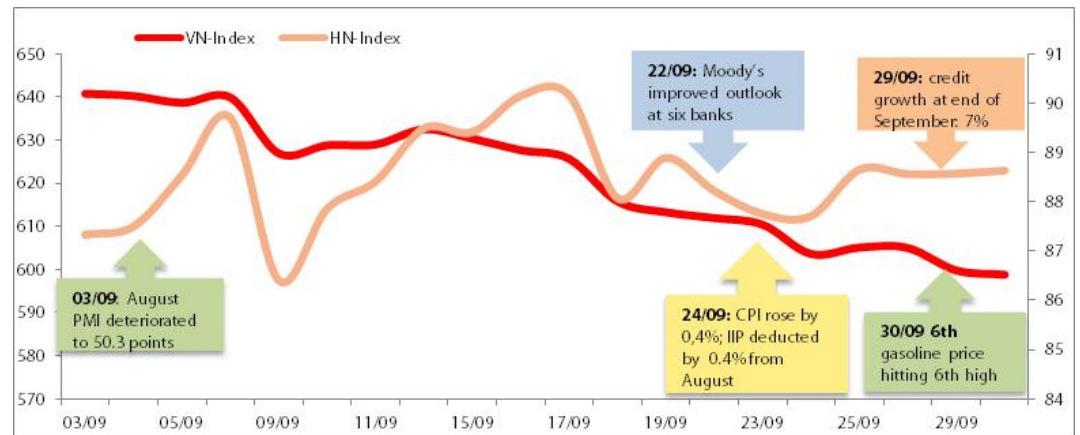
In the first trading day of ETFVN30, it attracted investors' attentions as traded at a price of VND12,000 (+15.4%). A huge gap between NAV and market values (+15%) caused profit-taking to be incremental. Afterwards, it ended at a price of VND10,400 at closed session. To comment on ETFVN30 performance, we recognize that specific advantages such as low management fee, no limit on foreign proportions maybe gradually attract foreign as well as domestic investors. Similar to other open-end funds, it would be a great opportunity for fresh or non-specialized investors that desire to join the market. Additionally, due to an anchor of large-cap stocks, risks from investment may be low. Consequently, a definition related to risk and equivalent profit causes risky investors to be less care of the fund. Thus, liquidity of this fund in the early stage would not be as high. Otherwise, T+ lag is another factor that deducts the advantages. Along with the lag, arbitrage activity may not be conducted as its nature. However, we also believe that a diversification by establishment of new investment method is necessary for the stock market to be improved.

Monthly strategy report: A meeting of supply and demand

Today, RongViet Research has published October strategy report. In this report, we forecasted that the recovery had taken place on the market in the recent would bring a combination of ups and downs until the end of October and then give way to cautious sentiment during the National People's Congress. Communication in this phase will have a certain influence on investor psychology as not only the economic but also the pending issues will be discussed.

On waiting for Q3 earnings, short-term investors may find opportunities in stocks with outstanding earnings forecasts. However, the market reacts very quickly to such information as a company's earnings announcement; therefore, the time frame for trading opportunities like is very short. Given that, investors should never pay too much a stock and always have a ready exit plan. In contrast, intermediate and long-term investors can still maintain their positions in stocks of companies with long-term prospects. We believe any correction will open opportunities to

stock accumulation, of course, in the assumption that investors take into account the growth prospects of the underlying companies as well as the reasonableness in the valuations of the stocks.



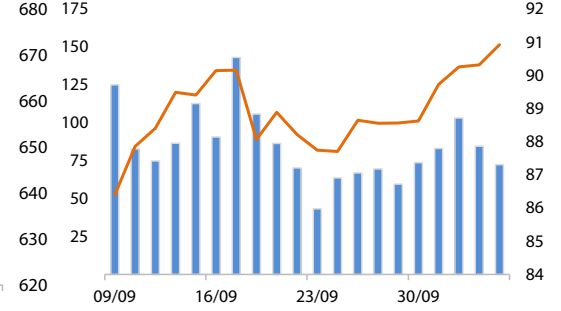
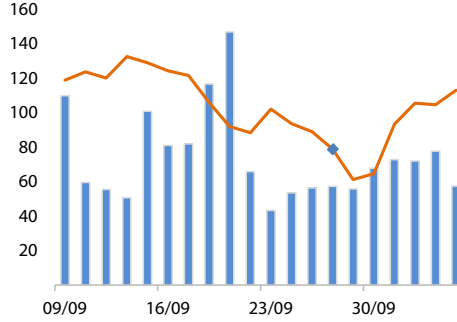
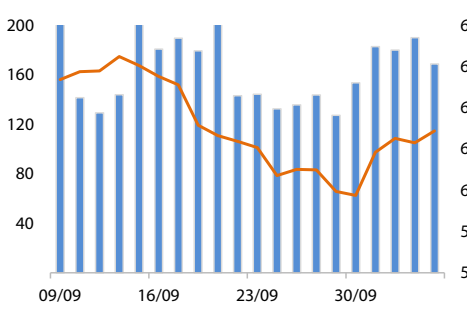
Source: RongViet Securities compiled

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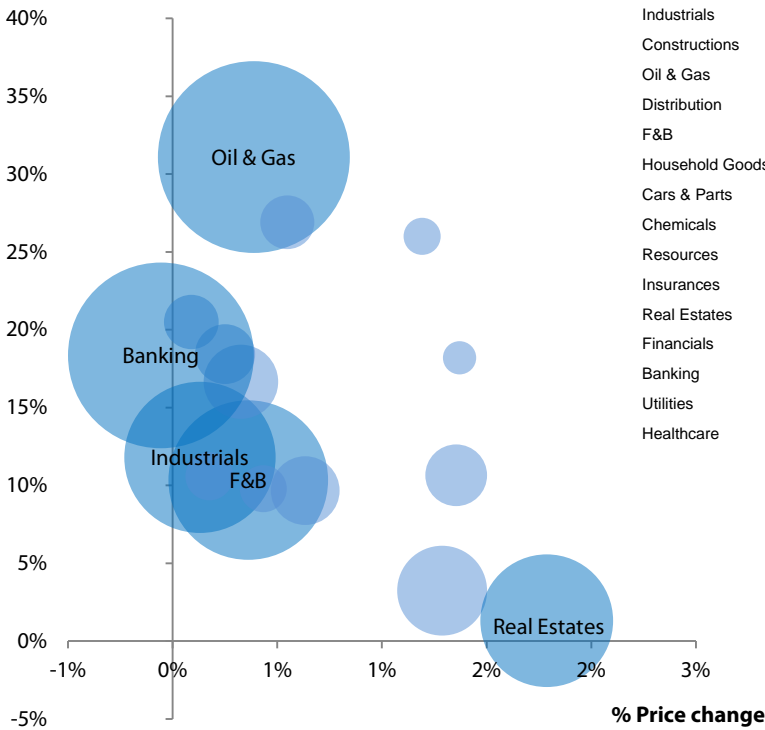
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VNINDEX 0.47% **614.42** **VN30** 0.48% **662.43** **HNXINDEX** 0.68% **90.93**

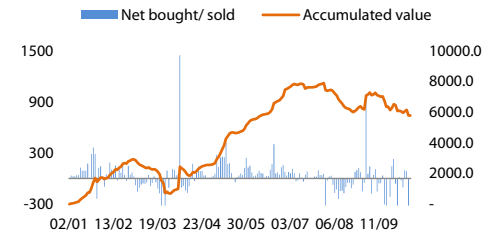


Industry Movement

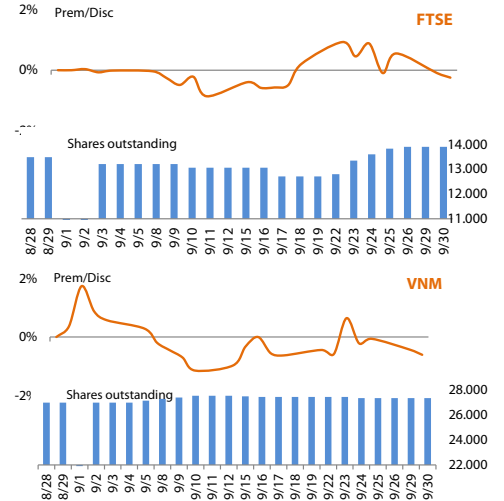
Industry ROE



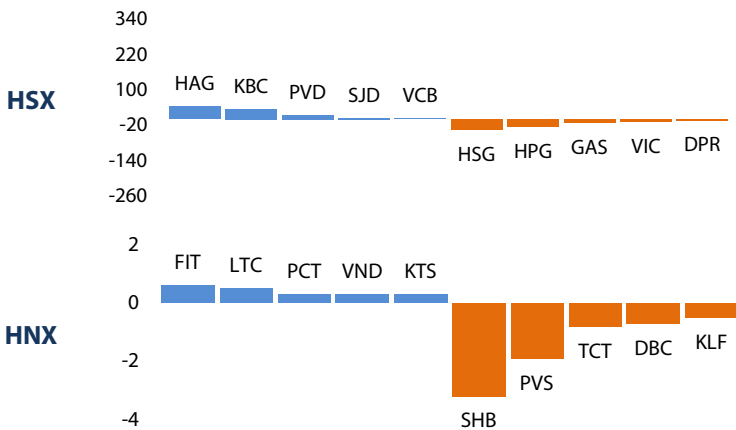
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)

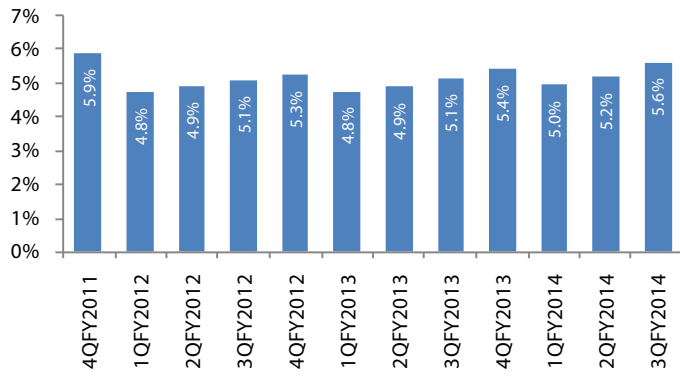


Top Active

Ticker	Price	Volume	% price change
FLC	11.9	14.14	0.9%
ITA	9.3	9.03	1.1%
HAG	26.2	8.88	0.4%
HQC	8.5	7.62	2.4%
KBC	16.6	5.61	0.6%
SCR	11.00	9.83	4.8%
SHB	9.30	7.31	1.1%
KLF	12.30	5.98	0.8%
PVX	6.60	5.79	1.5%
FIT	26.30	3.37	1.9%

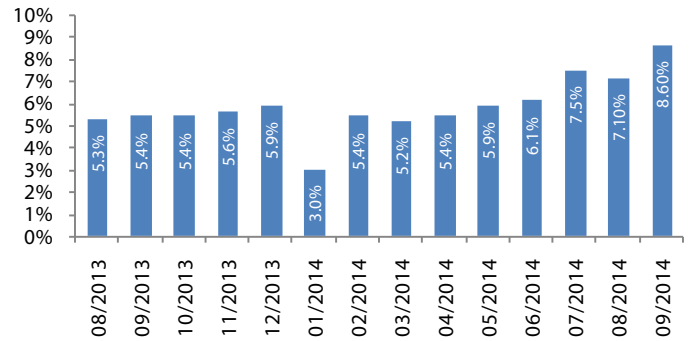
MACRO WATCH

Graph 1: GDP Growth



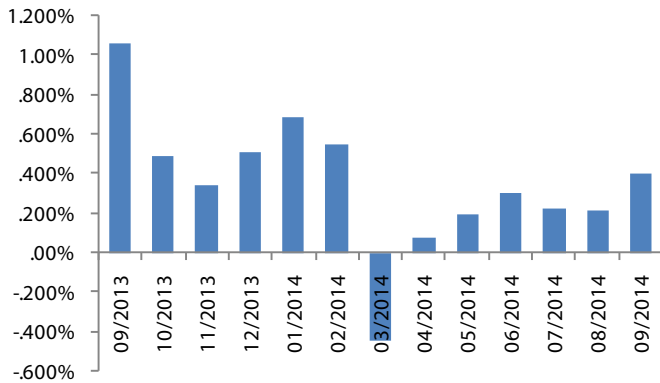
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



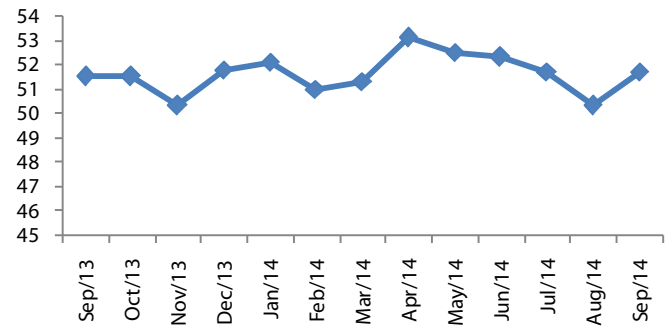
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



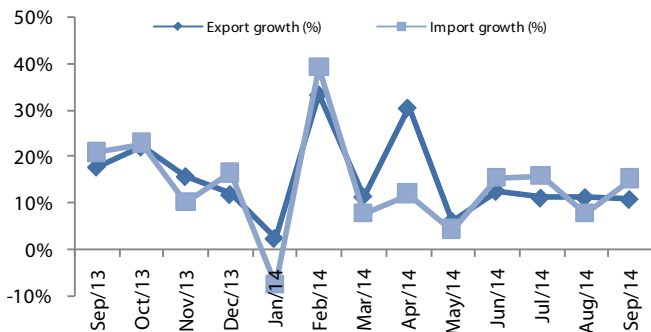
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



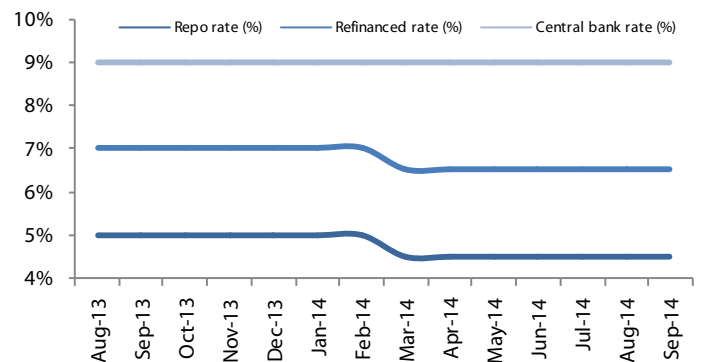
Sources: GSO. Rongviet Securities database

Graph 5: Trade Growth



Sources: GSO. Rongviet Securities database

Graph 6: Interest



Sources: SBV. Rongviet Securities database

RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
DHC - Restructuring yielded juicy fruits	Sep 29 th , 2014	Buy – Intermediate term	25,200
PVD – Busy O&G exploitation brought warmth	Sep 17 th , 2014	Accumulate – Long term	122,00
REE - Solid ground s for sustainable growth	Sept 9 th , 2014	Neutral - Long term	29,700
HSG - The hard part has gradually done!	Aug 21 st , 2014	Accumulate – Intermediate term	48,100
HPG - On the way to dominate nationwide' market shares	Aug 12 th , 2014	Accumulated – Intermediate-term	66,400

Please find more information at <http://vdsc.com.vn/tabid/149/language/vi-VN/default.aspx>

FUND CERTIFICATION INFORMATION

Fund name	Trading Day	Subscription Fee (% of trading value)	Redemption Fee (% of trading value)	NAV per unit at valuation date	NAV per unit last valuation date	Change in NAV
VFF	23/09/2014	0-0.75%	0-2.5%	11,702	11,645	0.49%
VF1	26/09/2014	0.20% - 1.00%	0.50%-1.50%	23,267	23,041	0.98%
VF4	24/09/2014	0.20% - 1.00%	0.00%-1.50%	10,541	10,868	-3.01%
VFA	26/09/2014	0.20% - 1.00%	0.00%-1.50%	7,690	7,709	-0.25%
VFB	26/09/2014	0.30% - 0.60%	0.00%-1.00%	11,709	11,532	1.53%
ENF	19/09/2014	0.00% - 3.00%		10,761	10,705	0.52%

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