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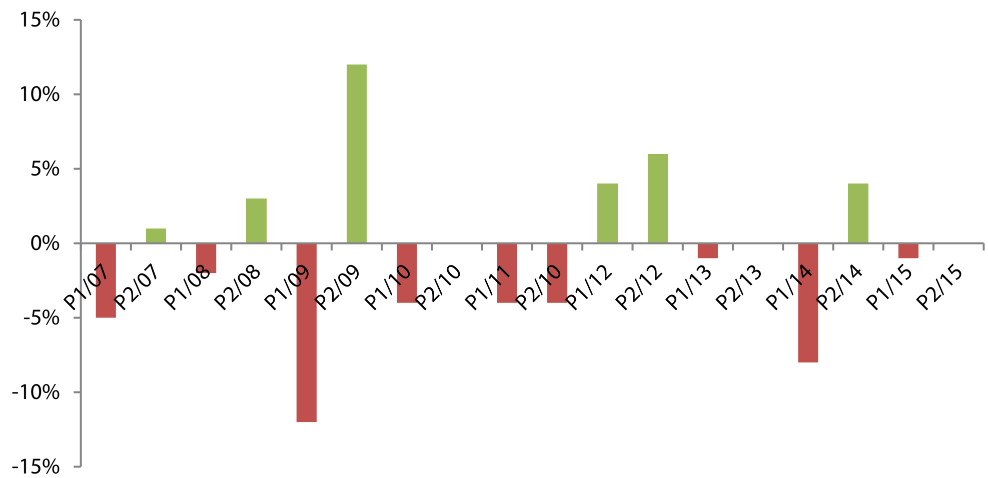
FRIDAY

- **ETFs pushed stocks' prices lower**
- **HDC – A long way to realizing a land bank potential**

ETFs pushed stocks' prices lower

It is reasonable to concern about the last day of ETFs' reconstitutions. Three session before today, market was so bullish but liquidity remained low, with order-matching volume around 90-95 million shares in HSX. This showed investors worried about today session, the last trading session of ETFs review. As this concern, market plunged in ATC session due to ETF's trading with difference of 7 points (-1.2%) between continuous order-matching and periodic order matching session.

VNIndex's movement in the first two weeks and the last two weeks of December in 2007-current *(P1: the first two weeks of Dec, P2: the last two weeks of Dec)*



Source: Rongviet Research

"ETFs pushed stocks' prices lower"

Historical data support a rally for the rest of 2015. Markets used to witness gain in the two final weeks of the year since 2007 (except for 2011, the bullish markets arrived no sooner than beginning of January). Hence, 9-year historical data are calling for "strong buy" in next 2 weeks as market risks are weakening.

In our opinion, short-term downside risk is relatively low so accumulation action is happening. However, after FED rate hike, concern on VND depreciation has existed in the market. Therefore, liquidity would hardly surge significantly and the liquidity is probably absorbed by many IPO deals. As previous mention, investors could consider to accumulate stocks having positive result in the last quarter as well as optimistic 2016's business guidance. Meanwhile, upward trendy stocks are also reasonable for traders since market has just showed initial signal of bottom-up, meaning that huge potential upside still ahead.

HDC – A long way to realizing a land bank potential

Whereas the real estate markets of Hanoi and HCMC witnessed a strong takeoff in 11M2015, the warmth has been felt only recently in many other provinces. Our analyst just met with representatives of Ba Ria – Vung Tau House Development JSC – Hodeco (HSX – HDC) to discuss the potential of the property markets outside of the two major cities. Despite its being the most prominent real estate developer in Ba Ria -Vung Tau, Hodeco has been disfavored by the market for its small cap-size, low liquidity and tepid earnings growth. The stock only captured attention again after the Red River Holdings' liquidate over 4 million shares of the Company in late

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November.

Like DIG, another prominent developer based in Vung Tau, HDC started out as a state-owned company. Whereas 56.72% of DIG's outstanding shares are still owned by the Ministry of Construction, SCIC is the largest shareholder of HDC, holding 11.67% of the firm's share capital. As compared to DIG, whose land bank is larger but also scattered across the country, HDC is arguably the largest real estate developer in Ba Ria – Vung Tau. HDC's portfolio is quite diversified with projects ranging from residential land plots and low-income apartments to high-end hotels and villas. The Company has 11 projects in its pipeline, 5 of which will contribute to sales and earnings in 2015 and 2016 (see Table).

Table: HDC's real estate project pipeline

Finished	Developing	Under preparations	Other
15-storey Apartment - **0.64ha**	Phu My New Urban Area - **21.5ha**	Hodeco Sea Village - **4.7ha**	Hai Dang Residential Area - **49ha**
Thuy Van Tourism cluster -**1.8ha**	Ngoc Tuoc Hill Villas 2 - **14.3ha**	Go Sao Residential Area, Dist.12, HCMC - **5.1ha**	Phuoc Thang Urban Area -**75.4ha**
21-storey Apartment - **1.1ha**	Hill No.2, Ward10 Apartment - **0.4ha**	Thi Sach Apartment - **0.3ha**	Vung Tau Wonderland Eco Urban Area - **234ha**
Hill No.2, Ward10 Residential Area - **20.5ha**	West 3/2 Street Residential Area - **6.1ha**	No. 2 Truong Cong Dinh, Hotel and Office - **0.2ha**	Ward 11, Vung Tau Social Apartment - **9.8ha**
Ben Dinh Residential and Relocation Area-**6ha**	Binh Gia Apartment - **0.36ha**	Son Hung, Phu My Residential Area - **6.3ha**	Ward 11, Vung Tau High-end Tourism Area - **7.5ha**
Block B 199 Nam Ky Khoi Nghia Apartment - **0.4ha**		25-storer Hodeco	
Block A Nam Ky Khoi Nghia Apartment - **0.3ha**		Seaside Apartment - **0.7ha**	
Phu My 18-storey Apartment - **0.4ha**			
8 projects ~ 31.11 ha	**5 projects ~ 42.61ha**	**6 projects ~ 17.24ha**	**5 projects ~ 375.67ha**

Source: HDC

Ngoc Tuoc Hill Villas 2 is the crown jewel in HDC's pipeline, sporting a land area of 14.3ha in the heart of Vung Tau City, on a natural hill filled with green space only 200 meters away from the city's most popular beach. The project has with 159 villas, sizing from 300m^2 to 700 m^2 per unit and selling at VND15-30 million/m^2 along with 40 townhouses for onsite relocation. HDC started the project in late 2012 but so far has sold just over a third of the commercial land. Despite its prime location, ready infrastructures and LURs, Ngoc Tuoc Hill was less appealing to buyers during the last period of market contraction for its large unit value, which started around VND6-7 billion/plot and has stayed relatively constant over the course of 3 years. Also, the requirement that sold units are handed over only after the foundations are constructed allowed the project to contribute only modestly to HDC's total sales in 2013 -2014. Our analyst estimates that HDC still has VND290-300 billion of unbooked revenue here. Should the property market of Vung Tau continue to pick up, there is a chance that HDC will recognize 40-50% of the amount in 2016.

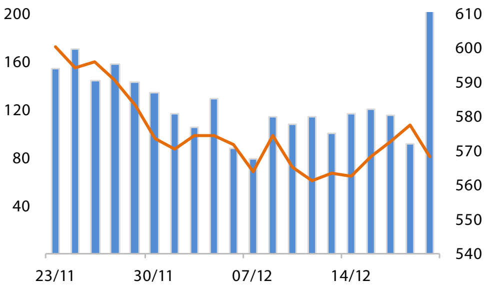
With a total land area of 21.4ha and an estimated total investment of VND105 billion, Phu My New Urban Area is HDC's second most important project. Unlike many land plot projects and Dong Nai, Binh Duong and even some parts of HCMC that sell most to speculators, Phu My New Urban Area has the advantages to attract buyers with real demand. It is a street front land-plot project on the side of National Route 51, the main link between Vung Tau and HCMC. The project faces the densely populated area of Phu My Town and is in close proximity to major industrial parks in the region (Phu My IP, My Xuan IP, etc.). HDC constructed then handed over 352 social apartments to the authority of Ba Ria - Vung Tau in 2011 for a total price of VND240 billion, over 70% of which amount has been paid and the rest will be collected in 2016. Land prices here now range from VND4.5 million to VND9 million per square meter and HDC still has over 4ha in its inventory.

Aside from land plot, HDC also has in its pipeline several high-rise projects, the majority of which concentrate in Vung Tau. Binh An Apartment (Hill 2, Ward 10, Vung Tau City) is a 378-unit apartment project the firm just opened for sale in Q4 at prices around VND11.6-13.5 million/m2. Construction will finish and sold units handed over starting 4Q2016, making the project a significant source of sales and earnings for HDC in 2017. Our analyst believes, however, small and slow-growing population of Vung Tau make it much less an ideal market for high-rising apartments than Hanoi an HCMC. Since HDC has a number of smaller land plots (under 1ha) scattering across the Vung Tau CBD, the firm is considering the concept of timeshare, i.e. resort and hotel or buy-to-let condominiums, for its hotel-office project at No. 2 Truong Cong Dinh, Vung Tau, which may be started as soon as 2016. Since few players have entered the buy-to-let condominium market of Vung Tau, there should be little competition. Nonetheless, it takes a lot of expertise to run this kind of business so HDC may need a partnership with an experienced hotel management brand.

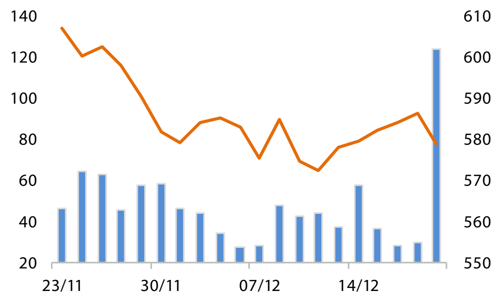
Overall, our analyst sees a lot of potential in HDC's land bank on top the firm's market leader status. Most of of HDC's major projects, e.g. Ngoc Tuoc Hill Villas 2, Phu My New Urban Area, Binh An Apartment… have prime location, low cost of land (acquired many years ago or through bidding), official LURs and little outstanding legal work. However, (1) the timing of sales recognition and (2) the time lag between Vung Tau and HCMC in term of property market liquidity improvement would not allow strong sales and earnings this year but instead 2016 and 2017. 9M2015, HDC reported VND255 billion of revenue (-8% yoy) and VND19 million of NPAT (-0.4% yoy). On a prudent basis, we see little chance that HDC will meet this year business guidance (VND442 billion of revenue and VND60 billion of PBT) and the whole-year bottom-line will depend largely on the recognition of sold unit at Ngoc Tuoc Hill Villas 2. HDC is trading at a P/B ratio about 0.95x as compared to the industry average of 1.1x. Like many other companies whose shares are owned by SCIC, the departure of state-owned investment firm can allow HDC's management more room in their decision-making of and should be a catalyst for the stock in 2016.

RONGVIET SECURITIES

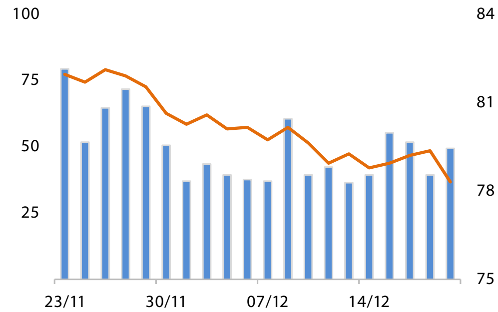
VNINDEX	-1.55%	568.18



VN30	-1.30%	578.85

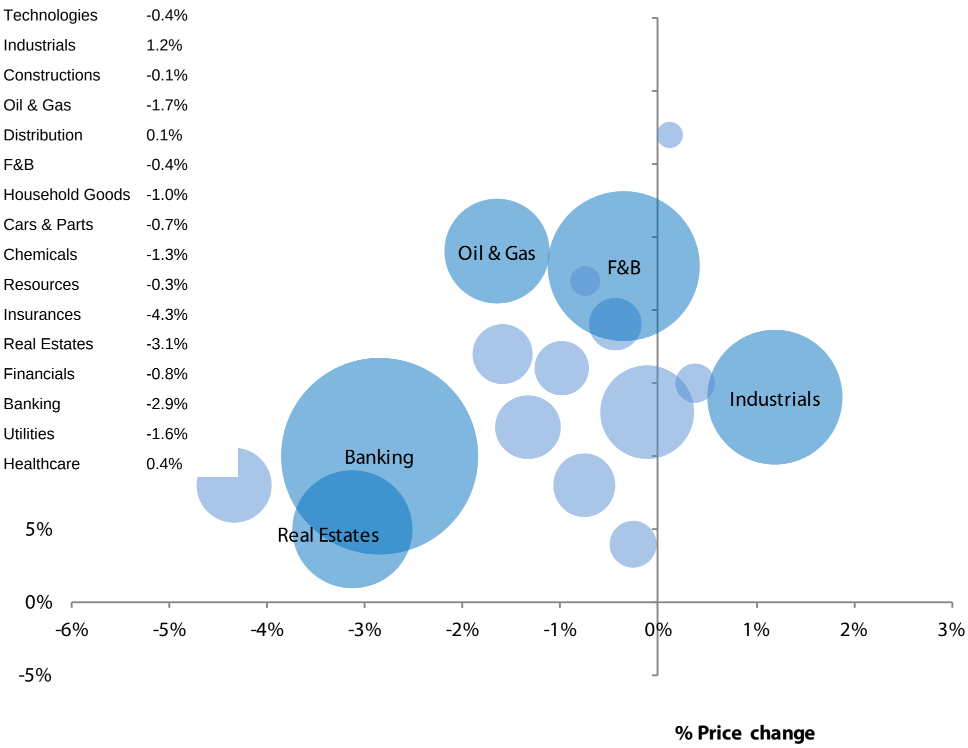


HNXINDEX	-1.31%	78.29

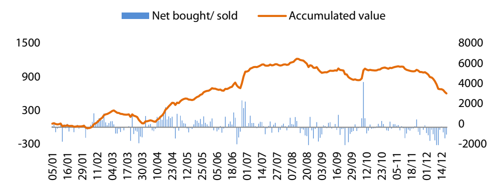


Industry Movement

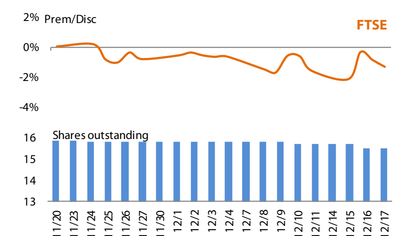
Industry	% change
Technologies	-0.4%
Industrials	1.2%
Constructions	-0.1%
Oil & Gas	-1.7%
Distribution	0.1%
F&B	-0.4%
Household Goods	-1.0%
Cars & Parts	-0.7%
Chemicals	-1.3%
Resources	-0.3%
Insurances	-4.3%
Real Estates	-3.1%
Financials	-0.8%
Banking	-2.9%
Utilities	-1.6%
Healthcare	0.4%

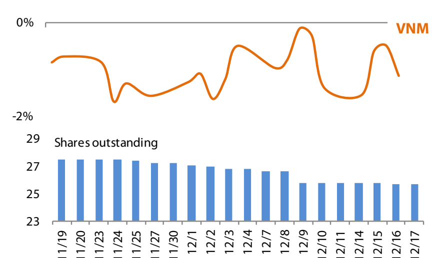


Foreign Investors Trading

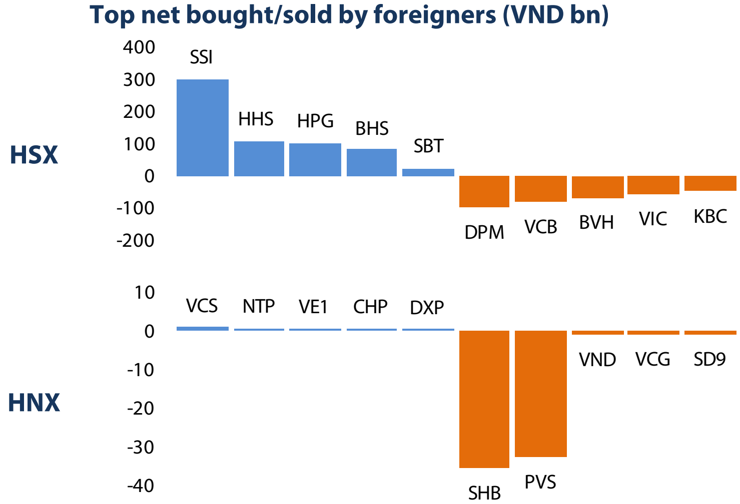


ETF





Top net bought/sold by foreigners (VND bn)



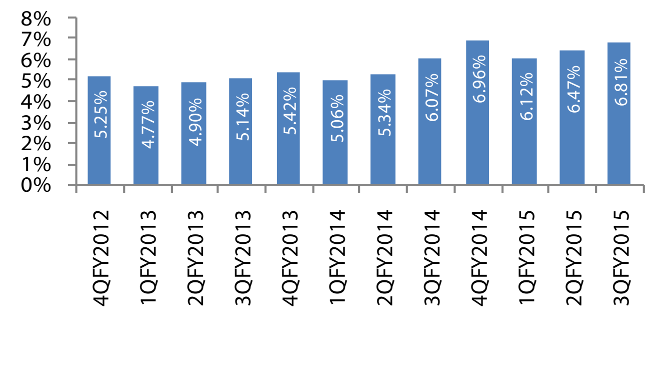
Top Active

Ticker	Price	Volume	% price change
SSI	23.1	18.91	1.3%
HHS	14.6	13.47	6.4%
FLC	7.9	12.60	2.5%
HPG	30.4	9.53	0.0%
ITA	5.7	8.82	5.0%

Ticker	Price	Volume	% price change
SHB	6.0	6.98	-7.7%
PVS	16.5	2.97	-4.1%
SCR	8.2	2.76	-1.2%
TIG	11.5	2.23	0.0%
VCG	11.2	1.56	0.0%

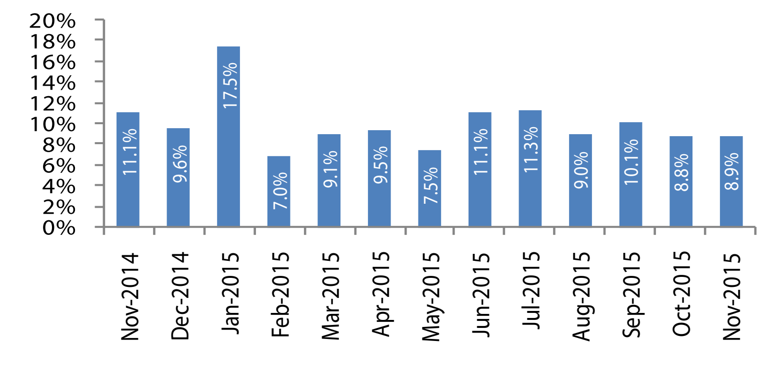
MACRO WATCH

Graph 1: GDP Growth



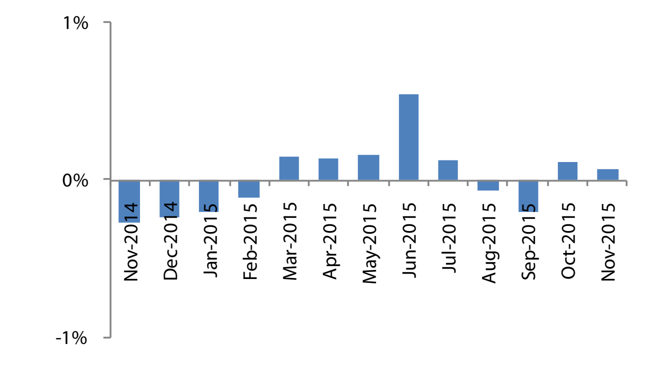
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



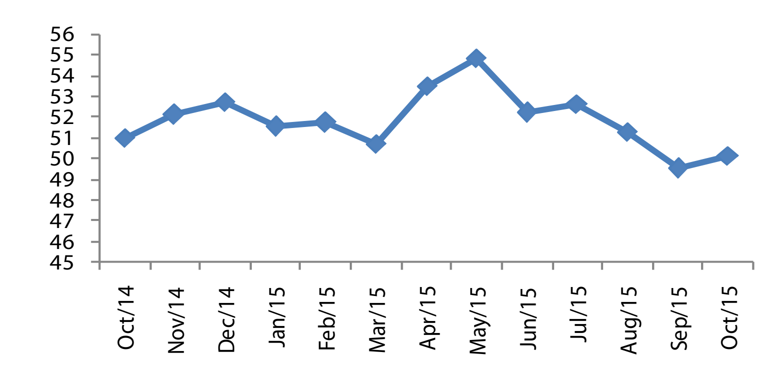
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



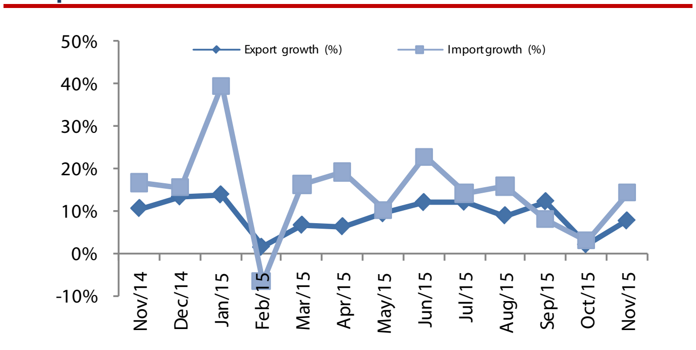
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



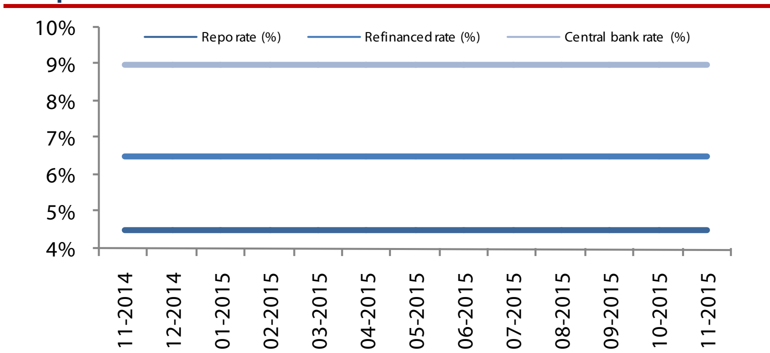
Sources: GSO. Rongviet Securities database

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
ELC- A new growth cycle	December 3rd , 2015	Buy – Long term	33,000
PPC- Positive core business	December 2nd, 2015	Neutral –Long term	21,100
LHG - In the right time, in the right place	November 17th, 2015	Buy – Long term	25,700
DRC - Expecting on replacement segment	November 13th, 2015	Accumulate – Long term	52,000
NKG - Capital ravels to be untangled	November 6th, 2015	Neutral – Intermediate term	17,400

Please find more information at http://www.vdsc.com.vn/en/companyReport.rv?categoryId=302

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	01/12/2015	0%-5%	0%-3%	12,109	12,093	0.13%
VEOF	01/12/2015	0%-5%	0%-3%	10,385	10,639	-2.39%
VF1	08/12/2015	0.2% - 1%	0.5%-1.5%	23,552	23,106	1.93%
VF4	08/12/2015	0.2% - 1%	0%-1.5%	10,688	10,456	2.22%
VFA	03/12/2015	0.2% - 1%	0%-1.5%	7,327	7,407	-1.08%
VFB	03/12/2015	0.3% - 0.6%	0%-1%	12,553	12,530	0.18%
ENF	04/12/2015	0% - 3%	0%	12,029	12,147	-0.97%
MBVF	03/12/2015	1%	0%-1%	10,839	10,894	-0.50%
MBBF	02/12/2015	0%-0.5%	0%-1%	12,507	12,501	0.05%

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