

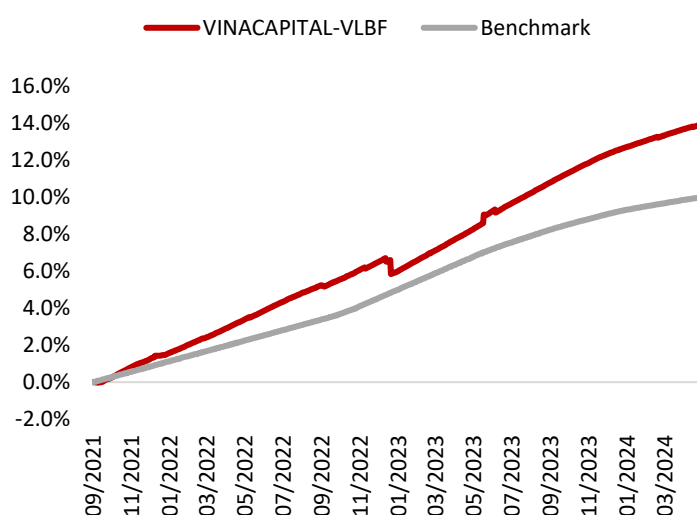
VINACAPITAL-VLBF

Investment approach

VINACAPITAL-VLBF mainly invests in short-term fixed income securities and money market instruments to generate very stable returns while maintaining daily liquidity.

VINACAPITAL-VLBF is considered a low-risk fund suitable for investors who are looking for a safe, short and medium term investment with a higher return than short-term bank deposit rates. The target return for the fund is 2.5 – 3.0% per annum.

NAV chart since inception

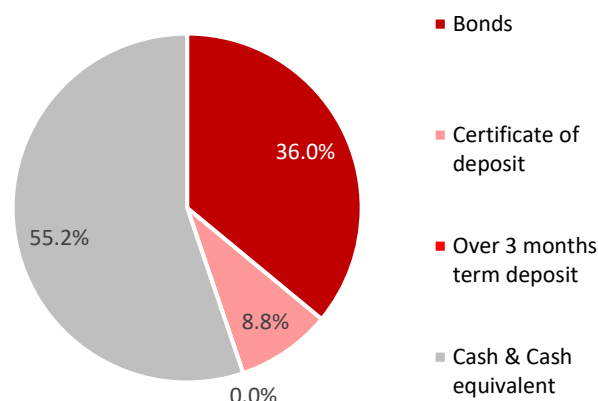


Fund performance

	VINACAPITAL-VLBF	BM
Total AUM (VND billion)	64.0	
NAV/Share	11,385.0	
April 2024 return (%)	0.2	0.2
YTD 2024 return (%)	1.1	0.7

(NAV is net of management fee and administrative expenses)

Investment allocation



Fund information

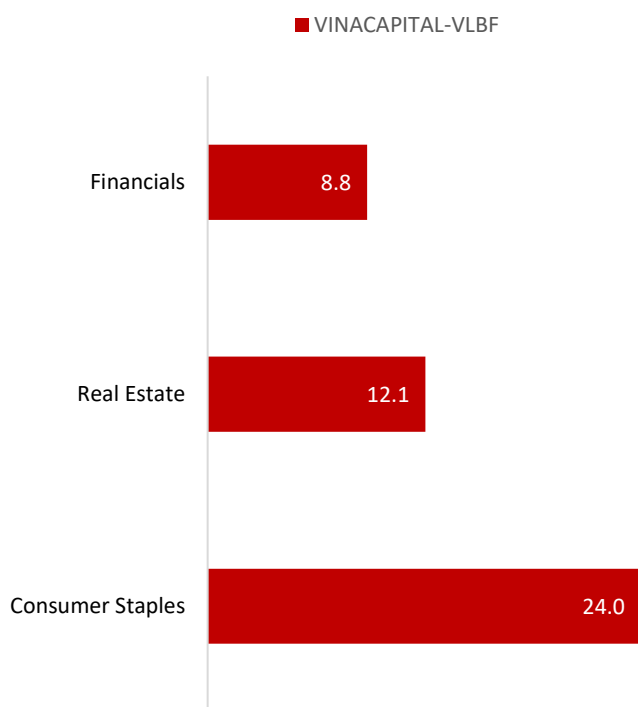
Inception	09/07/2021
Management fee	0.9% per annum
Subscription fee	0.0%
Redemption fee	<=45 days: 0.1%; >45 days: 0%
Minimum subscription	0 VND
PIT	0.10%
Custodian and Supervisory Bank	BIDV
Auditor	PwC Vietnam
Trading frequency	Daily, from Monday to Friday

Benchmark (BM) Average 3-month VND denominated deposit rate of VietinBank, Agribank, BIDV, and Vietcombank.

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Sector allocation



Comments from Fund Manager

Vietnam’s economic recovery accelerated incrementally in April, driven by better consumption and manufacturing growth. That said, the VN Dong depreciated by 2.2% during the month (and by 4.4% YTD), which is likely to lead to higher deposit rates in the months ahead. Real retail sales growth (i.e., stripping out the impact of inflation) ticked up from 5.1% yoy in 3M24 to 5.3% in 4M24.

Manufacturing output growth increased from 5.9% yoy in 3M24 to 6.3% in 4M24, driven by a surge in the production of computer and electronics products, a trend occurring across Asia (China’s production of computers and electronics jumped 13% yoy in Q1). Exports of computers and electronics grew 35% yoy in 4M24, propelling Vietnam’s overall exports 15% higher to USD123.6b in the first four months of the year, according to the General Statistics Office (GSO). Increased new orders helped nudge the PMI index up from 49.9 in March to 50.3 in April.

Inflation is also accelerating, driven by higher oil prices and lower “base effects” (inflation bottomed out in the summer of 2023). In particular, inflation ticked up from 4% yoy in March to 4.4% in April driven by a circa 4% MoM increase in retail petrol prices. We expect inflation will reach 5% in the next months, in part because of the above-mentioned low-base effects. Higher inflation, coupled with policy makers’ desire to dampen the decline of the Dong make it likely that bank deposit rates will be 50-100bps higher than current levels by the end of 2024. However, even with such an increase, deposit rates are still at a very low and supportive level to the economy.

In the corporate bond market, the total issuances in April 2024 reached VND 15.7 trillion, nearly a fivefold increase compared to the same period last year. The Banking sector led issuances with VND 9.1 trillion, accounting for approximately 58% of the total, with an average yield of 5.4% and an average maturity of 5.9 years. The Real Estate sector followed, with a total issuance value of VND 6.6 trillion, representing approximately 42% of the total monthly issuance, an average yield of 11%, and an average term of 2.4 years. Within this, Vingroup and its affiliates raised VND 6 trillion with an average yield of 12.3% and a maturity of 2.0 years. The remaining VND 590 billion was issued by Lac Hong Tourist Trading JSC with an interest rate of 9% and a term of 3 years.

Top holdings

Issuer	Name	Allocation (%)	Yield-to-maturity (%)	Duration (years)
BAF	BAF Viet nam Agriculture JSC	16.0	10.3	1.2
TN1	TNS HOLDINGS JSC	12.1	7.6	0.8
FECREDIT	FE CREDIT	8.8	6.7	0.2
SBT	Thanh Thanh Cong - Bien Hoa JSC	8.0	11.0	2.3

Important information

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