

Snapshot

Structure	Open-Ended Fund
Investment risk	MODERATE
Investment return	<div style="display: flex; justify-content: space-around;"> <div style="width: 33%; text-align: center;">LOW</div> <div style="width: 33%; text-align: center;">AVG</div> <div style="width: 33%; text-align: center;">HIGH</div> </div>
Fees	<div style="display: flex; justify-content: space-around;"> <div style="width: 33%; text-align: center;">LOW</div> <div style="width: 33%; text-align: center;">AVG</div> <div style="width: 33%; text-align: center;">HIGH</div> </div>

Details

Inception	11 July 2019	
Management fee	1.75% per annum	
Subscription fee	0%	
Redemption fee	VinaFlex	VinaSave
	<ul style="list-style-type: none"> • < 365 days: 2.50% • 365-729 days: 1.50% • > 730 days: 0.75% 	<ul style="list-style-type: none"> • < 365 days: 2.25% • 365-729 days: 2.25% • > 730 days: 0.00%
Minimum subscription	VinaFlex	VinaSave
	VND2,000,000 / ~USD87	VND500,000/~USD22
Custodian and Supervisory Bank	Standard Chartered Bank Ltd. (Vietnam)	
Trading frequency	Once a week, on Thursday	
Auditor	PWC Vietnam	
Benchmark	Average of VN-Index and 3-month VND denominated deposit rate by Vietcombank.	

Investment Approach

Investment objective

Increase Net Asset Value (NAV) in the medium-to-long terms (from two [2] years and above), generating a stable return to investors through varied economic cycles by investing into listed equities with strong fundamentals and fixed-income products with high credit worthiness.

Investment approach

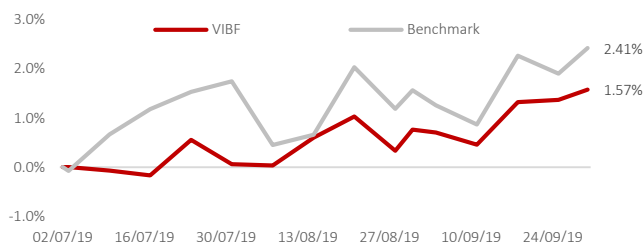
The Fund has an active investment strategy balancing between listed equity and fixed-income products with flexibility to allocate between 30% to 70% in either asset class.

The Fund focuses on investing into companies with strong fundamentals, large market shares, good corporate governance, healthy financial status and reasonable valuations compared to their potential upside. The Fund will also take positions in bills, bonds, valuable papers and other fixed-income products issued by creditworthy companies with sustainable profitability and high capital adequacy.

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

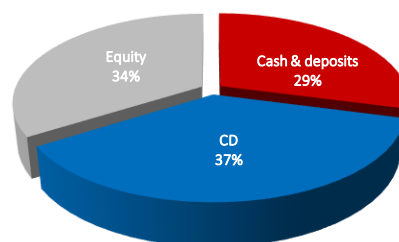
Investor Relations: irwm@vinacapital.com
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VIBF NAV performance since inception



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.

Investment Allocation



Top 3 Sectors

Sector	% Total Assets
Financials	6.8%
Consumer Discretionary	6.0%
Industrials	4.8%

Performance versus Benchmark

	VIBF	Benchmark ²
Total Assets, VND billion	86.3	
NAV/Unit, VND	10,157	
NAV performance¹		
m-o-m	1.23%	1.20%
Since inception	1.57%	2.41%

¹ NAV is net of management fee and administrative expenses.

² VIBF's benchmark is the average of VN-Index and 3-month VND denominated deposit rate by Vietcombank.

Equity Valuation

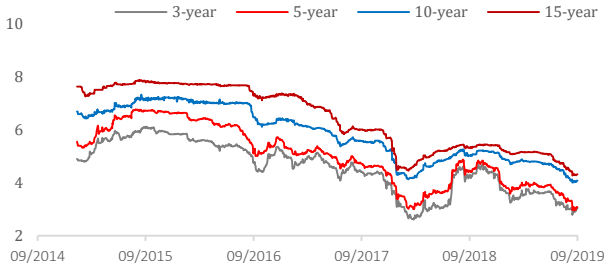
	VIBF	VN30	VN-INDEX
P/E	14.5x	14.1x	17.0x
P/B	3.4x	2.3x	2.4x
ROE	24.7%	16.8%	14.6%
Dividend yield	2.6%	2.1%	1.9%
Portfolio turnover	N/A	N/A	N/A
Sharpe ratio	-1.1	-0.5	-0.1
No. of stocks	18	30	380

Macro indicators

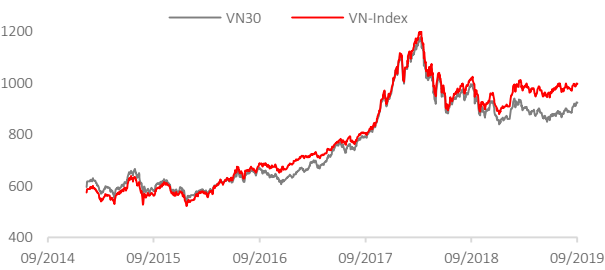
		09/2019	08/2019	2018A	2019F
GDP	% y/y	6.98	N/A	6.98	N/A
PMI		50.5	51.4	50.5	51.4
CPI, average	% y/y	1.98	2.26	1.98	2.26
Trade balance, cumulative	USD billion	5.87	3.71	5.87	3.71
	Imports % y/y	8.9	8.5	8.9	8.5
	Exports % y/y	8.2	7.3	8.2	7.3
FDI, registered, cumulative	USD billion	15.77	22.63	15.77	22.63
FDI, disbursed, cumulative	USD billion	14.20	12.00	14.20	12.00
FX reserve	USD billion	66.00	66.00	66.00	66.00
USD/VND	VND	23,203	23,196	23,203	23,196

Forecasted figures are compiled by SSI Research

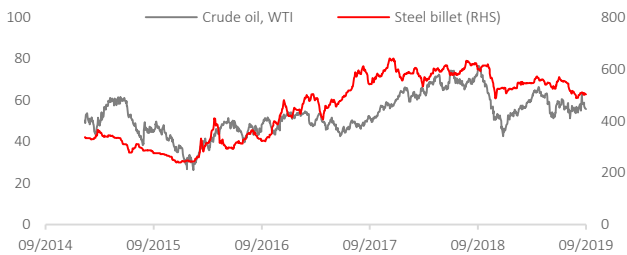
Secondary bond yield



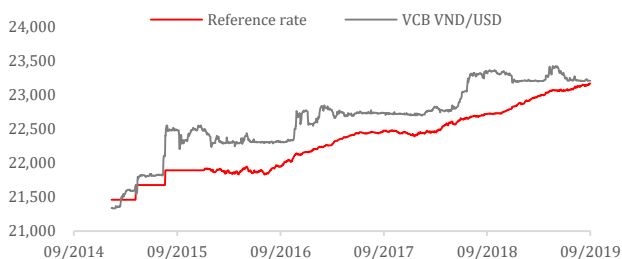
Stock exchange index movement



Oil and steel price (USD/ton)



USD/VND movement



Source: Bloomberg

Commentary from Fund Manager

Bond market

Primary bond market: The primary g-bond market in September comprised of two issuers, the State Treasury (ST) and Vietnam Bank of Social Policy (BVSP), with issuance values worth VND5.95 trillion of 5- to 30-year ST bonds (declined 45% compared to August) and VND3.7 trillion of 10- to 15-year BVSP bonds. The BVSP did not schedule any issue in August.

Primary g-bond yields of all tenors decreased from 12 to 22 basis points (bps) month-on-month (m-o-m). Particularly, yields from g-bonds of 7- to 15-year tenors decreased 21 to 22 bps, while yields of the others fell by 12 to 16 bps.

After nine months of 2019, the ST has mobilised a total VND153.7 trillion (USD6.6 billion) worth of bonds, delivering 59% of total target in 2019.

Secondary bond market: The secondary market in September was more active compared to the previous month due to higher demand from investors in response to lower yields. Total trading value in September increased to VND102.4 trillion (USD4.4 billion) from VND99.2 trillion (USD4.3 billion) in August, representing a m-o-m increase of 3.3%. As the result, secondary g-bond yields recognised a decrease of 10 to 27 bps on 5- to 15-year tenors and increased slightly on the shorter tenors compared to last month.

Stock market

VN-Index reached 998 in September, equivalent to an increase of 1.4% m-o-m with trade war concerns offset by the SBV's rate cut. Vietnam outperformed Asean peers thanks to strong local flow, strong foreign strategic flow, high FDI, a new fund focused on VN market (new Magna Frontier), strong GDP growth, and the upcoming ETFs on full-room and financial stocks.

Information technology, diversified finance and banking sectors were the best performers of the month, while insurance and energy sectors experienced extended losses. Information technology, led by FPT (+10%), climbed for the second consecutive month (+7% in September and +10.2% in August). Banking and securities stocks also recorded strong gains, including TCB (+9%), VPB (+9%), VCB (+7%), CTG (+5%), HCM (+16%), SSI (+7%) and VCI (+4%). In contrast, the insurance and energy sectors continued to fall in September, led by PVI (-4%), BVH (-2%), PLX (-2%), PVS (-6%) and PVD (-3%).

Trading activity weakened in September. The average daily trading value (ADTV) across the three bourses fell 10.6% to USD207 million; this amount was coincidentally also the 9M19 ADTV and approximately two-thirds of 9M18's ADTV of USD311 million.

Foreign investors net sold for a second consecutive month. Foreign investors net sold USD6 million on the three bourses in September (outflow of USD14 million on HOSE), following a net outflow of USD75 million in August. Foreign investors mainly sold VRE (-USD16.8 million), NVT (-USD9.4 million) and VIC (-USD9.3 million). Meanwhile, the stocks with the top net inflows were VIC (USD39.7 million), AST (USD12.8 million) and QNS (USD6.9 million).

A big waves of central banks cutting rates: ECB cut 10bps and restarted the QE, FED cut rate 25bps and SBV joined the trend, lowering policy rate by 25bps. Both VN-Index and banking stock reacted positively to the news.

Oil prices increased 3%. A refinery came under a drone attack, which disrupted 5% of global supply. Oil prices surged as much as 15% in one-day to USD68 per barrel but quickly dropped back to pre-drone-attack levels after Saudi Arabia promised to quickly recover the production in October.

VIBF

As of 30 September 2019, VIBF's NAV posted an increase of 1.57% since inception. The NAV increase was attributed to capital gains from equity investments, which accounts for 34% of the Fund's total NAV. Fixed income investments, which account for 37%, are expected to generate a stable income stream to VIBF's investors in the year ahead.

Recommendations to investors

- Current investors: **HOLD and ACCUMULATE** more VIBF unit to capitalize on stock market improvements.
- New investors: **BUY**, as investment opportunities are plentiful when the market experiences short-term technical corrections.

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