

## Snapshot

Structure	Open-Ended Fund		
Investment risk	MODERATE		
Investment return	LOW	AVG	HIGH
Fees	LOW	AVG	HIGH

## Details

Inception	02 July 2019	
Management fee	1.75% per annum	
Subscription fee	0%	
Redemption fee	<b>VinaFlex</b>	<b>VinaSave</b>
	• < 365 days: 2.00%	• < 365 days: 2.25%
	• 365-729 days: 1.50%	• 365-729 days: 2.25%
	• > 730 days: 0.50%	• > 730 days: 0.00%
Minimum subscription	<b>VinaFlex</b>	<b>VinaSave</b>
	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

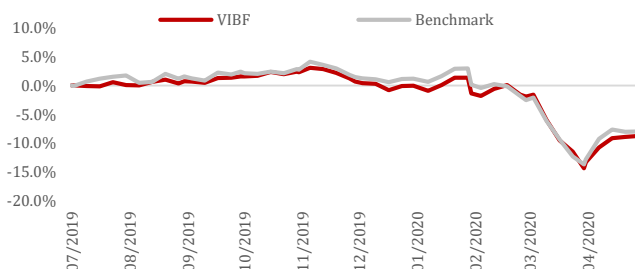
The Fund has an active investment strategy balancing between listed equity and fixed-income products with flexibility to allocate between 30% to 70% in either asset class.

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.

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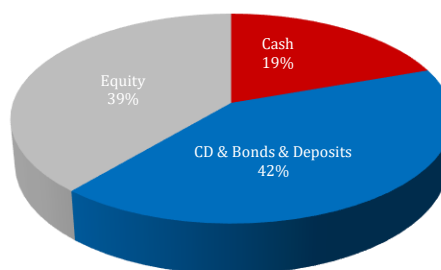
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## VIBF NAV performance since inception



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	12.6%
Information Technology	9.2%
Transportation	3.9%

## Performance versus Benchmark

	VIBF	Benchmark <sup>2</sup>
Total Assets, VND billion	71.0	
NAV/Unit, VND	9,126	
<b>NAV performance<sup>1</sup></b>		
m-o-m	6.6%	5.7%
Since inception	-8.7%	-8.0%

<sup>1</sup> NAV is net of management fee and administrative expenses.

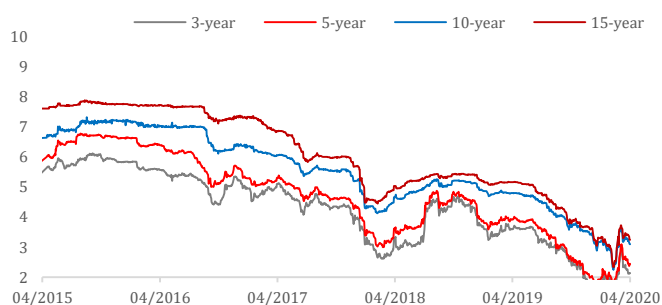
<sup>2</sup> VIBF's benchmark is the average of VN-Index and 3-month VND denominated deposit rate by Vietcombank.

## Equity Valuation

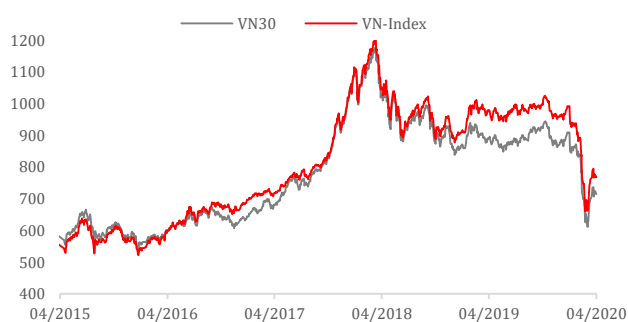
	VIBF	VN30	VN-INDEX
P/E	10.9x	9.8x	12.2x
P/B	2.4x	1.6x	1.7x
ROE	22.9%	16.9%	14.2%
Dividend yield	2.5%	2.3%	2.2%
No. of stocks	10	30	380

(Bloomberg, Valuation is based on the latest 12 month data)

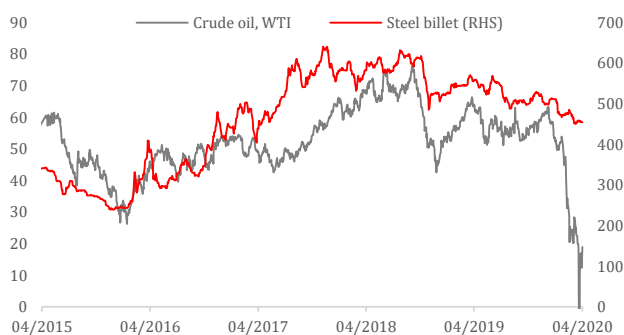
## Secondary bond yield



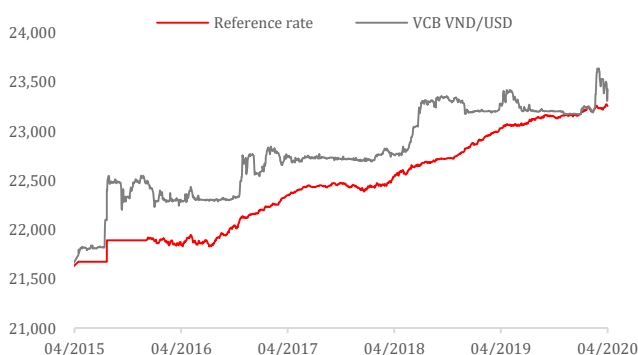
## Stock exchange index movement



## Oil and steel price (USD/ton)



## USD/VND movement



## Commentary from Fund Manager

### Fixed Income market

Due to impact of Covid-19 pandemic, the Government Bond market became less active in April. State Treasury issued only VND 3,070 billion, decreasing significantly by 68% m/m. The winning ratio in April reached only 18.6% versus 54.01% in March.

In Government Bond secondary market, the daily trading value was VND 7,006 billion, decreasing by 49% m/m. The yields of key tenors dropped by 15 to 80 bps for 1Y to 15Y tenors.

The issuing value of Corporate Bond still grew in 1Q2020. However, investors required higher yield because companies were facing higher risk under impact of Covid-19.

We expect that the demand of issuing corporate bonds will drop in 2Q2020. In best case scenario, corporate bond market will recover in 3Q2020 when economy activities come back to normal.

### Stock market

After the record high monthly loss suffered in March, Vietnam's stock market rebounded strongly in April, despite the continued global spread of COVID-19. Vietnam was among the first nations to re-open after lockdown, with businesses gradually resuming some sense of normalcy since the end of April. Vietnam's effectiveness in managing the outbreak was helpful in restoring positive sentiment to the stock market, despite macroeconomic data showing the huge economic cost of the COVID-19 shutdowns.

The VN Index rallied 16.7% in April, even in the face of continuously strong foreign outflows of USD296 million in the month and USD728 million YTD. The fund's NAV per share increased 6.6% in April versus benchmark 5.7%. During the month, listed companies reported grim 1st quarter results, with profit declining 27.5% y-o-y versus upbeat weighted average earnings growth of the fund at 1.9%. The market's earnings decline came mostly from the huge losses at airline and petrol retailing companies, as well as declining profit at Sabeco (SAB), the largest local beer company. Analysts revised down their 2020 earnings estimates, which are now expected to decline by 6-10%.

We continue to invest in well-managed companies with solid balance sheets and cash flow characteristic, attributes that should make them more resilient in an economic downturn. At the same time, we expect to build up positions in stocks with strong recovery prospects post COVID-19, potentially in the retailing, logistics, and industrials sectors; and increase equity stake in coming quarters.

### VIBF

As of 30 April 2020, the NAV was partly attributed to equity investments, which accounts for 38.8% of the Fund's total NAV. Besides, term deposits, CDs and bonds, which account for 41.6%, 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.

### Important information

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Source: Bloomberg