

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	VinaFlex	VinaSave
	• < 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	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

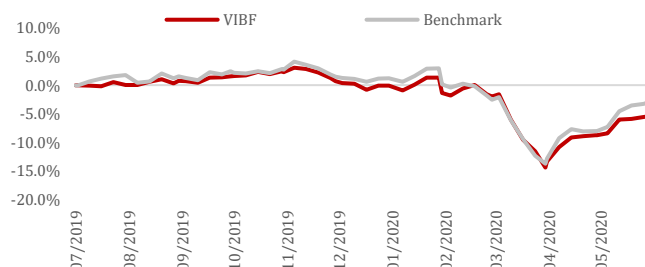
The Fund has an active investment strategy balancing between listed equity and fixed-income products with flexibility to allocate between 30% to 70% in either asset class.

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.

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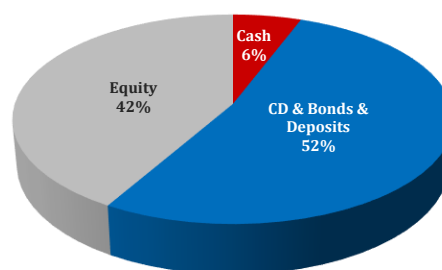
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VIBF NAV performance since inception



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	11.5%
Information Technology	9.6%
Industrials	5.2%

Performance versus Benchmark

	VIBF	Benchmark ²
Total Assets, VND billion	73.8	
NAV/Unit, VND	9,460	
NAV performance¹		
m-o-m	3.7%	5.1%
Since inception	-5.4%	-2.9%

¹ NAV is net of management fee and administrative expenses.

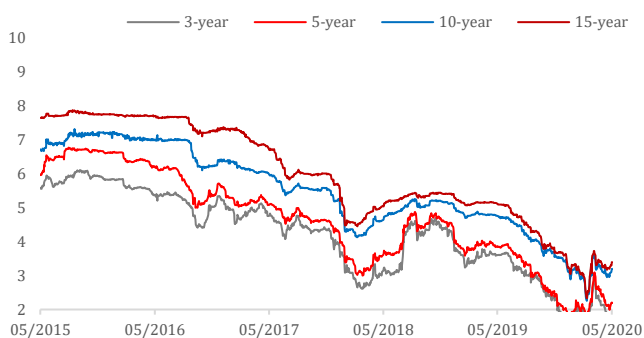
² VIBF's benchmark is the average of VN-Index and 3-month VND denominated deposit rate by Vietcombank.

Equity Valuation

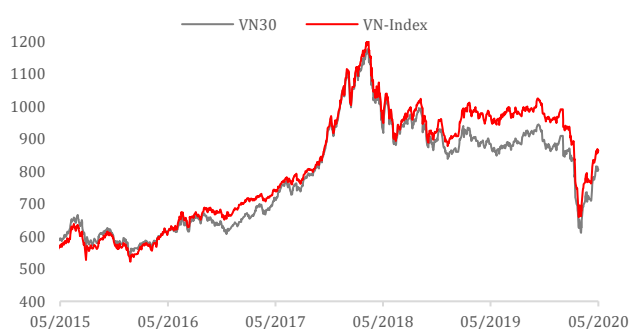
	VIBF	VN30	VN-INDEX
P/E	12.4x	11.5x	14.3x
P/B	2.7x	1.8x	1.9x
ROE	22.5%	16.2%	13.6%
Dividend yield	2.9%	1.9%	1.8%
No. of stocks	12	30	380

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

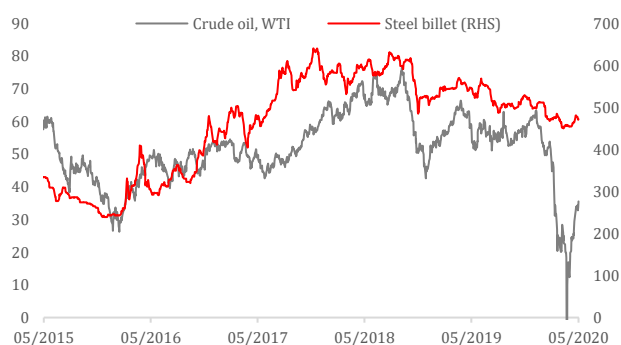
Secondary bond yield



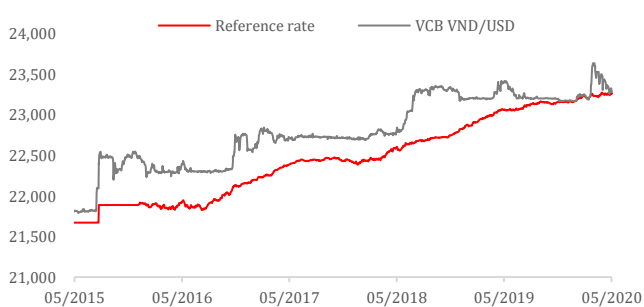
Stock exchange index movement



Oil and steel price (USD/ton)



USD/VND movement



Commentary from Fund Manager

Fixed Income market

Standard & Poor's announced its decision to maintain Vietnam's sovereign rating at BB, with stable outlook. The stable outlook reflects expectation that the Vietnam economy will recover quickly when COVID-19 pandemic was controlled.

State Bank of Vietnam continued to cut 50 basis points of policy rate and the ceiling of term deposit rate (under 6M tenor) to support the economy. As a result, the liquidity on interbank is excessive. Over-night interbank rate was reduced by 160 basis point to 0.6% in the end of May.

In May, State Treasury issued VND 18,392 billion with the winning ratio of 70.3%. The yield curve of government bond became steeper with a decrease in short tenors and an increase in long tenors.

The liquidity of Government Bond secondary market in May improved with the daily trading value of VND 9,263 billion, up 32% m-o-m.

Stock market

Vietnamese stocks soared for the second straight month in May, up 12.4% as investors looked past economic data and focused instead on the economy's reopening and recovery post-COVID-19. The equity market's rebound has been extraordinary in both speed and scale, rallying 31% from its 2020 low of 659.2 in March to narrow its YTD decline to 10.5%. Blue-chip stocks led the recovery while financials outperformed all other sectors, gaining 18.5% in the month. The real estate (+12%), consumer staples (+14%) and materials (+21%) sectors also performed well. Market liquidity reached a two-year high, given that turnover on the three bourses jumped 31% m-o-m to reach USD287.6 million in average daily trading value in May, the highest monthly level since June 2018. Foreign net outflows showed signs of slowing as net outflows across the three bourses declined sharply to USD38.4 million in May from USD296.3 million in April. For 5M 2020, foreign net outflows reached USD766.7 million versus net inflows of USD412.4 million in the same period of last year.

According to data from Bloomberg, Vietnam's stock market is one of the best performers in Asia in May. The Vietnamese government's effective outbreak containment efforts paved the way for the successful reopening of the domestic economy, reassuring investors, who are seemingly looking past the short term and forward to 2021. Nevertheless, we think there is considerable uncertainty remaining with respect to the growth trajectory for Vietnam as well as globally, especially when Q2 macro and corporate results are announced. Meanwhile, the sharp increases in the past two months lifted the VN-Index's trailing P/E to 14.3x as of the end of May, which is still relatively attractive compared to neighbouring markets such as the Thai SET at 18.5x and Malaysian KLCI at 17.8x.

VIBF

The fund's return in May was mostly attributed to equity investment, which accounts for 41.7% of the Fund's total NAV. Besides, term deposits, CDs and bonds, which account for 52.6%, 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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