

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

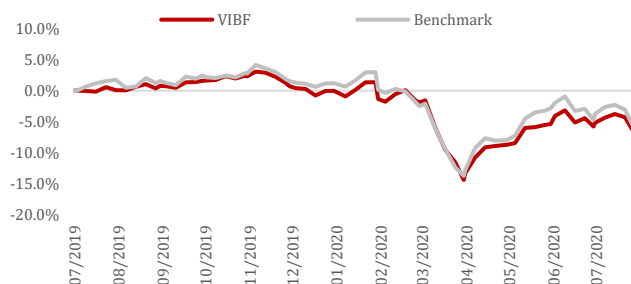
The Fund has an active investment strategy balancing between listed equity and fixed-income products with flexibility to allocate between 30% to 70% in either asset class.

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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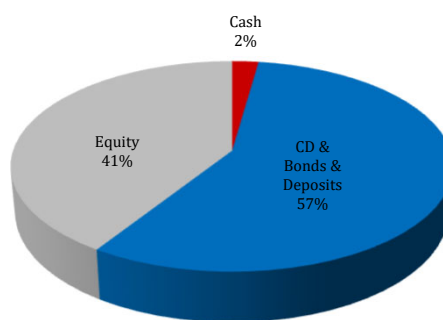
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VIBF NAV performance since inception



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	10.3%
Information Technology	9.5%
Industrials	5.4%

Performance versus Benchmark

	VIBF	Benchmark ²
Total Assets, VND billion	71.8	
NAV/Unit, VND	9,331	
NAV performance¹		
m-o-m	-0.9%	-1.2%
Since inception	-6.7%	-5.9%

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	12.1x	10.2x	13.4x
P/B	2.6x	1.7x	1.8x
ROE	22.6%	16.4%	13.2%
Dividend yield	2.9%	1.8%	1.8%
No. of stocks	12	30	380

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

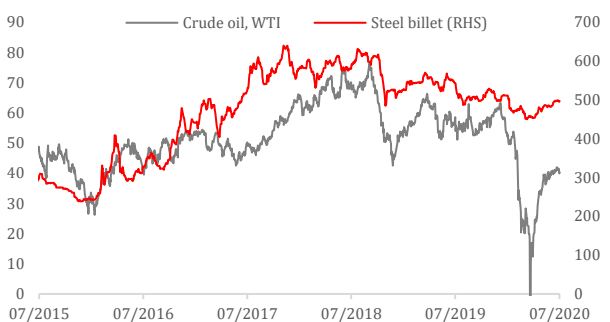
Secondary bond yield



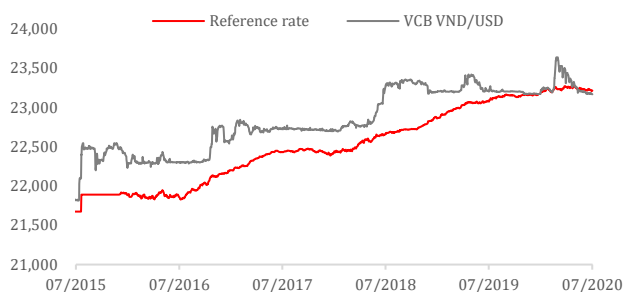
Stock exchange index movement



Oil and steel price (USD/ton)



USD/VND movement



Source: Bloomberg

Commentary from Fund Manager

Fixed Income market

The State Bank of Vietnam instructed the State Owned Commercial Banks (SOCB's) to cut the short term deposit rates they offer to savers (ie. less than six months) by 30 basis points, and to cut longer term deposit rates (over six months) by 50bp. The private sector banks quickly followed the SOCB's, so deposit interest rates in Vietnam fell by about 100 basis this year to 3.5-4% for short term rates, and 5.5-7% for long-term deposit rates.

In July, State Treasury successfully issued VND 58 trillion, increasing by 80% m/m. Issuance volumes of Government Bond have continue to rise over last three months thanks to market bond yields stabilized at low levels.

The Vietnamese government issued a new decree that tightens corporate bond regulations. This decree will be effective from 09/01/2020.

Moody's confirms ratings of five Vietnamese financial institutions unchanged after reviewing thanks to early reopening of Vietnam economy due to the successful control of the outbreak; and the companies' ability to manage credit and liquidity risks amid disruptions from the coronavirus outbreak.

Stock market

Vietnam's stock market retreated 3.1% in July as sentiment turned bearish after new cases of COVID-19 community transmission were reported in Da Nang, a popular beachside tourist destination and Vietnam's third largest city. The virus' resurgence officially ended the nation's 99-day period of no community spread. With immediate effect, the authorities essentially closed the city of Danang, restricting incoming visitors, and enacting an elaborate contact tracing program for visitors leaving Danang to return to their home cities. As a precautionary measure, both Hanoi and Ho Chi Minh City limited public gatherings and closed bars and nightclubs. Within The local community is now very familiar with the procedures, and locals have readily complied with public health recommendations to help limit the impact of the second wave.

For 7M2020, the VN-Index has declined 16.9%, slightly underperforming Thailand's SET (-15.9%), but outperforming the Philippines' PCOMP (-24.1%) and Indonesia's JCI (-18.3%). The average daily trading value on Vietnam's three bourses combined dropped 33% m-o-m to USD233 million. Foreign investors were net sellers in July with a net outflow of USD23.8 million, and have net sold in five of the past seven months, with a net outflow totalling USD165 million vs USD536 million of net inflows in 7M 2019.

The Q2 earnings season ended with aggregate reported profit (as compiled by Bloomberg) contracting 7% for listed companies on HOSE (the main board), with the largest declines posted by companies in the oil & gas and transportation sectors.

The second wave of COVID-19 cases in Vietnam could slow the recovery momentum of Vietnam's economy in the second half of 2020. However, we believe the government's rapid response to contain the community spread will enable Vietnam to avoid the deep, national-level disruption in domestic business activities as seen in April. We will monitor the situation closely and brace ourselves for additional volatility, although we think it would be short-term in nature. In the meantime, we will continue to identify opportunities to invest in key companies that we have been eyeing at fairer valuations.

VIBF

The fund's return in July was mostly attributed to equity investment, which accounts for 41% of the Fund's total NAV. Besides, term deposits, CDs and bonds, which account for 57%, 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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