

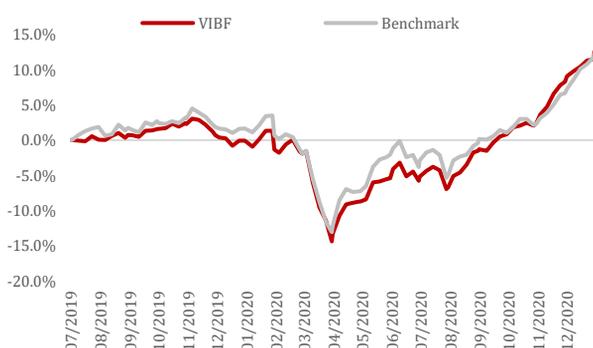
VIBF Investment approach

The Fund has a goal of providing investors with exposure to potential equity appreciation while also investing in fixed income to reduce overall portfolio volatility. The Fund has a standard allocation of 50%/50% and can be adjusted based on market opportunities.

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, certificate of deposits, and other fixed-income products issued by creditworthy companies with sustainable profitability and high capital adequacy.

NAV Growth 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.

Performance vs. Benchmark

	VIBF	Benchmark
Total AUM (VND billion)	109.99	
NAV/Share	11,261	
December 2020 (%)	4.0%	5.3%
YTD return (%)	12.7%	10.5%
2019 return (%)	-0.1%	1.6%
Since inception return (%)	12.6%	12.1%
Annualized return since inception (%)	7.9%	7.6%

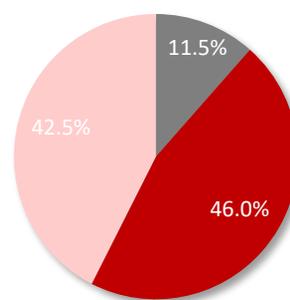
(NAV is net of management fee and administrative expenses)

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Investment Allocation

% Total NAV



■ Cash ■ CD & Bonds & Deposits ■ Equity

Fund information

Inception	02 July 2019
Management fee	1.75% per annum
Subscription fee	0%
Redemption fee	<ul style="list-style-type: none"> • 2.0% < 12 months • 1.5% >= 12 months • 0.5% >= 24 months
Minimum subscription	VND2,000,000 / ~USD87
Custodian and Supervisory Bank	Standard Chartered Bank Ltd. (Vietnam)
Auditor	PwC Vietnam
Trading frequency	Once a week, on Thursday
Benchmark	Average of VN Index and 12-month VND denominated deposit rate by Vietcombank.

Equity portfolio statistics

	VIBF	VN INDEX
Trailing P/E (x)	13.8	18.4
Trailing P/B (x)	2.5	2.4
Trailing ROE (%)	20.1	12.9
Dividend yield (%)	2.1	1.5
No. of stocks	16	392

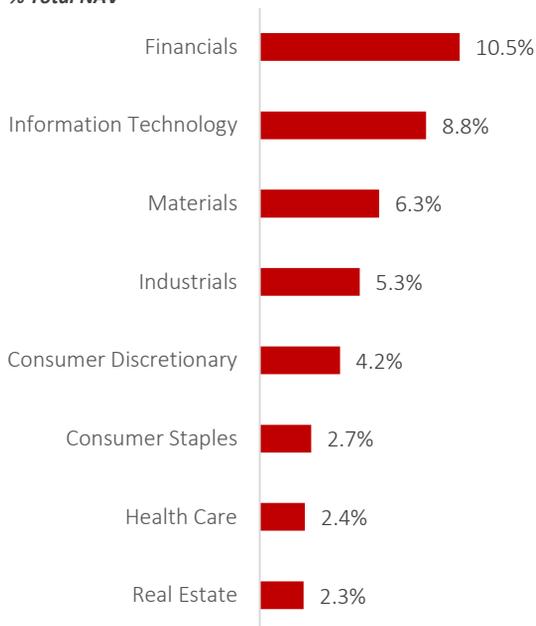
Fixed-income portfolio statistics

Macaulay Duration (years)	0.54
Yield-To-Maturity (%)	6.5

Source: Bloomberg, VinaCapital's forecast

Equity sector allocation

% Total NAV



Top holdings

	Ticker	Sector	Weighted (%)
Equity	FPT	Information Technology	8.8%
	HPG	Materials	6.3%
	VPB	Financials	3.4%
	MWG	Consumer Discretionary	3.1%
Bond	KBCBOND2019-06	Real Estate	2.8%
	KBCBOND2020.DC	Real Estate	2.9%
	MSN11906	Consumer Staples	2.8%

Comments from Fund Manager

MARKET COMMENTARY

Fixed income market: Credit growth increased 11.4% y-o-y in 2020. Total issuance value of Government Bond reached USD 14.4 billion (+64% y-o-y) with the average winning yields reducing significantly from 4.51% to 2.83% in this year. We forecast the yield of Government Bond will continue to stay at a low level in 2021.

Total issuance value of corporate bond was USD 17.3 billion with the average yield of 9.4% in 2020. The total outstanding corporate bond increased to 14.7% GDP in 2020 from 10.7% in 2019. We expect the corporate bond market will continue to grow nicely in 2021.

Stock market: Vietnam stock market rallied 10% in December to end the year with 14.9% gain (VND term), outperforming its neighboring markets such as Thailand (-8.3% y-o-y), Philippines (-8.6% y-o-y), Indonesia (-5.1% y-o-y). The stellar performance was supported by positive macro data in Q4, low interest rate environment and rising sentiment from the roll-out of vaccines globally. Of note, GDP in 4Q 2020 grew 4.48% y-o-y, beating all the consensus forecasts. The average daily trading value on the three bourses combined jumped to record high to USD 644.2 million, up 48.7% y-o-y.

Looking ahead to 2021, we reiterate our positive view on Vietnam stock market on the rebound of the local corporate earnings, which consensus estimates by Bloomberg implied a 28% EPS growth. While the valuation of market for 2021 remains attractive at 14.0x P/E (Bloomberg), we plan to increase our exposure to high quality cyclical stocks which will benefit from the recovery theme this year.

FUND COMMENTARY

The fund's return in December was mostly attributed to equity investment, which accounts for 42.5% of the Fund's total NAV. Besides, term deposits, CDs and bonds, which account for 46%, are expected to generate a stable income stream to VIBF's investors in the year ahead.

The fund's NAV per share increased 4.0% in the reported month, mostly attributable to the performances of HPG (+16.7%), VPB (+21.3%), FPT (+6.7%).

Hoa Phat Group (HPG) rallied 16.7% in December on market expectation of an outstanding Q4 result, supported by record selling volume and a series of recent selling price hike. HPG is forecast to deliver strong double-digit growth in 2021, given its expected higher utilization rate in construction steel and hot rolled coil products as the company stands to benefit from growing urbanization and infrastructure spending.

Important information

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