

## VIBF Investment approach

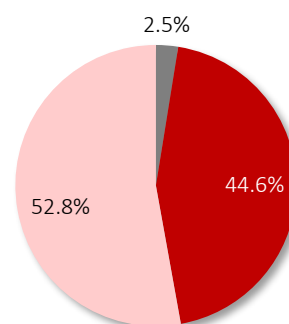
The Fund has a goal of providing investors with exposure to potential equity appreciation while also investing in fixed income to reduce overall portfolio volatility. The Fund has a standard allocation of 50%/50% and can be adjusted based on market opportunities.

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.

## Investment Allocation

% Total NAV

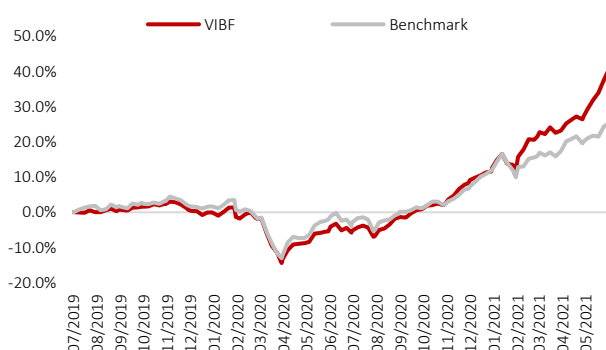


■ Cash ■ CD & Bonds & Deposits ■ Equity

## Fund information

Inception	02 July 2019
Management fee	1.75% per annum
Subscription fee	0%
Redemption fee	<ul style="list-style-type: none"> <li>• 2.0% &lt; 12 months</li> <li>• 1.5% &gt;= 12 months</li> <li>• 0.5% &gt;= 24 months</li> </ul>
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.

## 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)	300.43	
NAV/Share	13,985	
May 2021 (%)	9.9%	3.8%
YTD return (%)	24.2%	11.3%
2020 return (%)	12.7%	10.5%
Since inception return(%)	39.8%	25.0%
Annualized return since inception (%)	19.1%	12.3%

(NAV is net of management fee and administrative expenses)

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## Equity portfolio statistics

	VIBF	VN INDEX
Trailing P/E (x)	16.0	18.2
Trailing P/B (x)	3.0	2.5
Trailing ROE (%)	22.5	14.9
Dividend yield (%)	0.8	1.2
No. of stocks	17	386

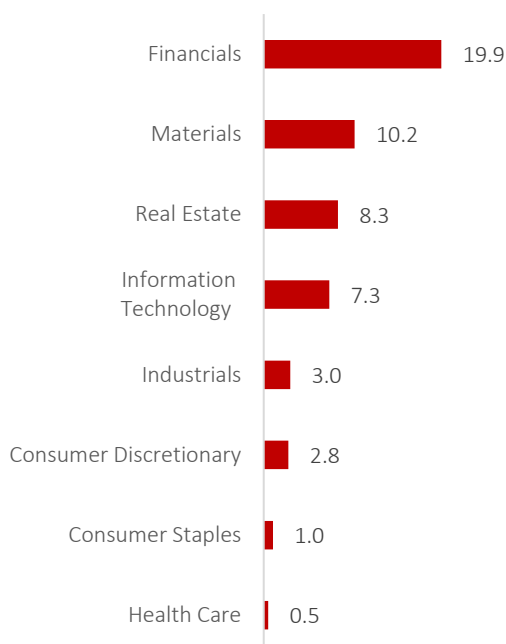
## Fixed-income portfolio statistics

Macaulay Duration (years)	0.97
Yield-To-Maturity (%)	7.8

Source: Bloomberg, VinaCapital's forecast

Equity sector allocation

% Total NAV



Top holdings

	Ticker	Sector	Weighted (%)
Equity	HPG	Materials	10.2
	FPT	Information Technology	7.3
	MBB	Financials	5.3
	TCB	Financials	4.6
Bond	VHM11801	Real Estate	3.5
	ANC11601	Consumer Discretionary	3.4
	BONDHDG/2020.02	Real Estate	2.8

Comments from Fund Manager

MARKET COMMENTARY

**Fixed income market:** Interbank interest rates saw some upward pressure in May as the system liquidity is less abundant. Credit growth was relatively high at 4.67% YTD, far surpassing deposit growth of 2.68% as of the 21st of May.

The largest monthly volume of Government bond was issued in May with the amount of VND 44,183 billion and a high winning rate of 92%. However, YTD issuance has only reached 31.3% of the 2021 target. The winning bond yield tended to decrease from 3-8 basis points across the tenors.

In the corporate bond market, there were VND 28,910 billion of corporate bonds issued in the domestic market. The banking sector accounted for 65% of total issuance, followed by the real estate sector with 17%. The banks' corporate bond offered a coupon rate of 3.7%-4.2% per annum, much lower than real estate companies' coupon rate of 9.5% to 11%.

**Stock market:** Investors who applied the "Sell in May" strategy missed one of the best months of the year 2021. The VN Index reached an all-time high level of 1,328.1, recording a 7.2% m-o-m return. YTD, the market has advanced 20.3%, outperforming all ASEAN emerging markets. The fourth wave of COVID-19, starting from late April, prompted several provinces across the country to implement the social-distancing regulation. Nevertheless, the stock market was continuously fueled by a large influx of cash from retail investors. Average daily trade value surged to a record high level of VND26.2 trillion in May on the three bourses combined. Financials were the best-performing sector which advanced 18.8% m-o-m, followed by materials sector of 16.3% m-o-m increase. In contrast, real estate was the lagging sector with a decline of 2.5% m-o-m. By the end of May, the VN- Index was trading at 2021E P/E of 16.2x, a 6% discount to the ASEAN peers. While the bullish momentum may persist on the back of surging local inflows and positive investors' sentiment on the expected positive Q2 earnings, some short-term volatilities should be anticipated as the stock market was somewhat overheated at the time.

FUND COMMENTARY

The Fund's return in May was mainly attributed to equity investment, accounting for 52.8% of the Fund's total NAV. Besides, term deposits, CDs and bonds, which account for 44.6%, are expected to generate a stable income stream to VIBF's investors in the year ahead.

The Fund's NAV per share increased 9.9% in the reported month, outperforming the benchmark, which mainly attributable to the performances of HPG (+23.4%), FPT (+21%), MBB (+25.2%), and TCB (31%).

Techcombank (TCB) increased 31% in May thanks to the stellar profit growth in Q1 and expected solid performance in the coming quarters. The bank is well-known for pioneering digitalization over the past few years. That digital success was the reason behind TCB having the highest CASA ratio in Vietnam's banking system, as high as 44% at the end of 1Q21. The bank is on track to continue to build its strong digital ecosystem and fully prepared to capitalize on the trend toward a cashless society..

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