

## VIBF Investment approach

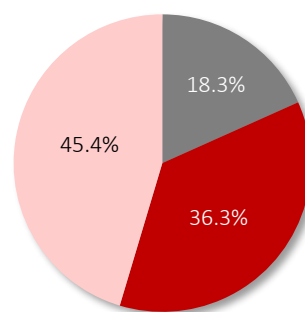
The Fund has a goal of providing investors with exposure to potential equity appreciation while also investing in fixed income to reduce overall portfolio volatility. The Fund has a standard allocation of 50%/50% and can be adjusted based on market opportunities.

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

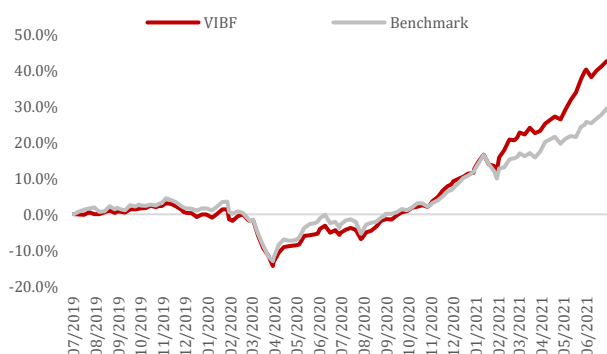


■ Cash ■ CD & Bonds & Deposits ■ Equity

## 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)	396.43	
NAV/Share	14,253	
June 2021 (%)	1.9%	3.3%
YTD return (%)	26.6%	15.2%
2020 return (%)	12.7%	10.5%
Since inception return (%)	42.5%	29.4%
Annualized return since inception (%)	19.4%	13.7%

(NAV is net of management fee and administrative expenses)

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## Equity portfolio statistics

	VIBF	VN INDEX
Trailing P/E (x)	15.6	19.2
Trailing P/B (x)	3.2	2.8
Trailing ROE (%)	23.9	15.0
Dividend yield (%)	1.0	1.3
No. of stocks	16	385

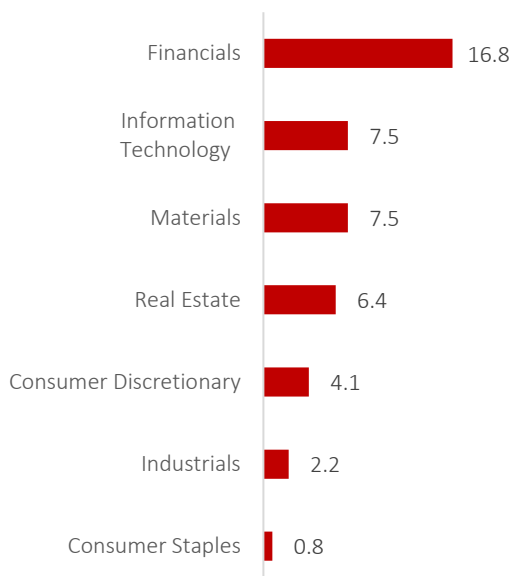
## Fixed-income portfolio statistics

Macaulay Duration (years)	0.93
Yield-To-Maturity (%)	8.2

Source: Bloomberg, VinaCapital's forecast

Equity sector allocation

% Total NAV



Top holdings

Ticker	Sector	Weighted (%)
Equity	FPT	Information Technology 7.5
	HPG	Materials 7.5
	TCB	Financials 5.2
	MBB	Financials 4.6
	VHM11801	Real Estate 2.6
Bond	ANC11601	Consumer Discretionary 2.6
	BONDHDG/202	Real Estate 2.1

Comments from Fund Manager

MARKET COMMENTARY

**Fixed income market:** Interbank interest rates decreased slightly in the 2nd half of June due to rich liquidity. The government bond issuance amounted to VND 31,803 trillion, indicating a success rate of 69% compared to 92% in May due to low issuance pressure from the State Treasury of Vietnam. As a result, the winning yields declined slightly by 7-8 bps compared to the end of May. The yield for 10Y and 15Y terms were 2.2%/year and 2.46%/year, respectively.

In the corporate bond market, there was VND 53,773 billion of bond issuance in the domestic market, of which banks account for 59%. Bond yields are as high as around 8.5%-12.5%/year for the real estate sector, while they are only 3-4.2%/year for the banking sector (not tier-2 capital-raising bonds).

**Stock market:** The VN Index reached the new all-time high of 1,410 points on June 29, then closed the month at 1,409 points, gaining 6.1% m-o-m. YTD, the market has advanced 27.6%. Despite the longer-than-expected COVID-19 outbreak across the country, retail investors' sentiment remained strong. Average daily trade value across the combined three bourses climbed 13% m-o-m to reach VND29.7 trillion. On the other hand, foreign investors continued to net sell an amount of VND4.7 trillion in June.

VN Index is trading at 2021F P/E of 16.9x, a reasonable level and still 9% lower than the average of ASEAN peers. The COVID-19 outbreak negatively impacts the economy to some extent, prompting some short-term volatilities to the stock market. Nevertheless, the fundamental factors that can support further market upside remain solid, including the aggressive vaccination rollout in Vietnam and throughout the world, high earning growth of listed companies (est. 30% in 2021) and a low-interest rate environment.

FUND COMMENTARY

The Fund's return in June was mainly attributed to equity investment, accounting for 45.4% of the Fund's total NAV. Besides, term deposits, CDs and bonds, which account for 36.3%, are expected to generate a stable income stream to VIBF's investors in the year ahead.

The Fund's NAV per share increased 1.9% in the reported month, which was mainly attributable to the performances of VHM (+15%), FPT (+4.4%), MBB (+14.1%), HDC (+23.8%), and HCM (+30.2%).

VHM increased 15% in June thanks to the expectation of robust presales in the 2H2021 coming from 3 mega-projects in Ha Noi. In 2021, the management sets a profit growth of 24% y-o-y despite a high base in 2020. VHM also plans to pay a cash dividend of VND 1.5k/share and a stock dividend of 30%, which will be paid in the 2H 2021. VHM is one of our top picks in the real estate sector thanks to its huge land bank, dominant market share, and healthy balance sheet.

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