

## VIBF Investment approach

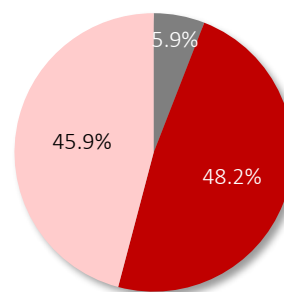
The Fund has a goal of providing investors with exposure to potential equity appreciation while also investing in fixed income to reduce overall portfolio volatility. The Fund has a standard allocation of 50%/50%.

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

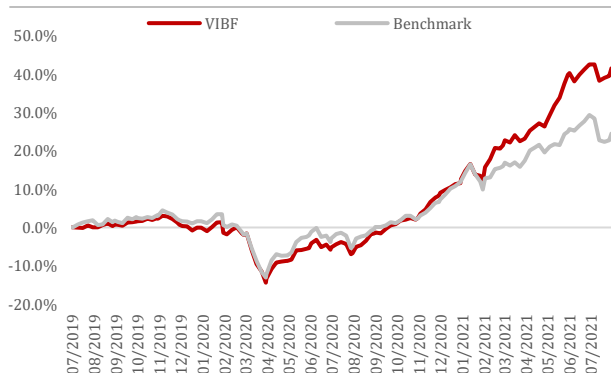


■ Cash ■ CD & Bonds & Deposits ■ Equity

## 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)	449.24	
NAV/Share	14,152	
July 2021 return (%)	-0.7%	-3.3%
YTD return (%)	25.7%	10.9%
3-year annualized return (%)	N/A	N/A
Annualized return since inception (%)	18.1%	11.1%
Cumulative return since inception (%)	41.5%	24.4%

(NAV is net of management fee and administrative expenses)

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## Equity portfolio statistics

	VIBF	VN INDEX
Trailing P/E (x)	15.0	16.5
Trailing P/B (x)	3.4	2.6
Trailing ROE (%)	24.9	16.1
Dividend yield (%)	0.8	1.3
No. of stocks	15	385

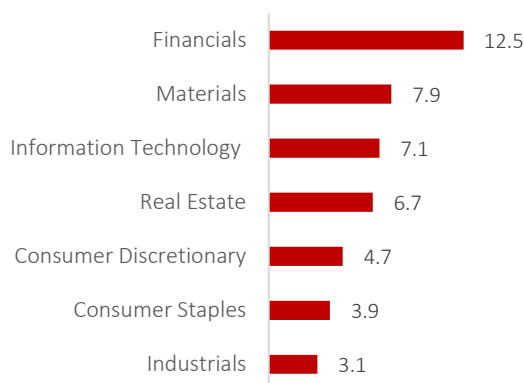
## Fixed-income portfolio statistics

Macaulay Duration (years)	0.78
Yield-To-Maturity (%)	7.7

Source: Bloomberg, VinaCapital's forecast

## Equity sector allocation

### % Total NAV



## Top holdings

	Ticker	Sector	Weighted (%)
Equity	HPG	Materials	7.9
	FPT	Information Technology	7.1
	TCB	Financials	5.4
	MWG	Consumer Discretionary	4.7
Bond	KBC2021.AB	Real Estate	2.9
	ANC11601	Consumer Discretionary	2.3
	KBCBOND2020.DC	Real Estate	1.3

### Important information

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## Comments from Fund Manager

### MARKET COMMENTARY

**Fixed income market:** In July, interbank interest rates gradually declined after a large amount of liquidity poured into the system when more than VND 69 trillion worth of 6-month FX forward contracts expired in July. The G-bond issuance success ratio improved from 69% in June to 77%. However, the 7M issuing value of Government bonds has met just 48% of the annual plan, which implies that investment disbursement pressure is still relatively low. While winning yields of tenors below 10Y decreased slightly, the figures for 10Y and 15Y bonds somewhat increased.

There were 53 domestic issuances of private placement bonds in the corporate bond market, with a total issuing value of VND 38.9 trillion, of which 59% were issued by the banking sector and 28% by the real estate sector. Bond yields ranged from 8.5%-13.0%/year for the real estate sector, while they were only 3-4%/year for the banking sector (not tier-2 capital-raising bonds). There was also one issuance to the international market from Novaland, with a total value of USD 300 million.

**Stock market:** The VN Index declined 7.0% in July after five consecutive months of advancing, due to the surge of COVID-19 cases in many provinces. The further spread of the fourth wave of COVID-19 has prompted the highest level of social distancing measures in Ho Chi Minh City (9 July), the entire southern region (17 July) and Hanoi (24 July). Macroeconomic figures deteriorated in July as a result, with retail sales declining 8.3% m-o-m and industrial production increasing only 1.8% m-o-m. Vietnam's stock market still gained 18.7% year-to-date after July's decline. After strong rallies in 1H21, most banks slumped in July on heavy profit-taking pressure, leading to a 9.9% m-o-m decline of the financials sector. The real estate sector also declined 9.1% as the Vingroup companies stepped back. The information technology and consumer discretionary sectors, however, were resilient with gains of 7.6% and 2.8%, respectively, thanks to the strong performances of FPT and MWG. After months of consecutive selling, foreign investors turned to net purchase of VND5.4 trillion in July, the highest monthly foreign inflow since June 2020.

We saw positive signals from the stock market during the last 10 trading days of the month, with the VN Index rising from 1,244 on the 19th to 1,310 on the 30th. We believe the recent rebound was supported by investors' expectations that measures to control the outbreak will be successful and the launch of an aggressive vaccination campaign. Encouraging 2Q earnings results, which were recorded at 57% y-o-y, also lifted investor sentiment regarding corporate earnings outlook once the COVID outbreak is under control.

The correction in July has brought Vietnam's market valuation to a more attractive level. At the end of July, the VN Index was trading at a 2021F P/E of 15.2x, approximately 1 standard deviation below its 5-year average. The vaccination campaign has accelerated since mid-July, with more than 500,000 doses administered per day. As of 5 August, 6.4 million and 0.8 million people got their first and second doses, respectively, equivalent to 6.5% and 0.8% population. We expect the stock market to continue its recovery on both the strong economic prospects post-COVID and reasonable valuations.

### FUND COMMENTARY

The Fund's NAV per share decreased 0.7% in the reported month due to the recent correction in the stock market. However, the fund significantly outperformed the benchmark as several top equity holdings bucked the market trend to deliver positive returns for the month, including FPT (+6.8%), MWG (+8.0%), DGC (+17.0%), and HDC (14.8%).

Mobile World Group (MWG) increased 8% in July due to positive Q2 results, including net profit growth of 36% y-o-y. The upbeat performance was driven by a 14% increase in sales of the mobile and electronics segment, while the grocery segment posted encouraging sales growth of 49% y-o-y thanks to surging demand during the recent COVID-19 outbreak. In 2021, we expect MWG can deliver earnings growth of 22% based on the assumption that the current 4th wave of COVID-19 outbreak will be well contained within 1-2 months. Longer-term, we believe MWG is one of the best retailers in Vietnam which will benefit from the rising middle affluent class and the shifting trend to modern retail channels.