

VIBF Investment approach

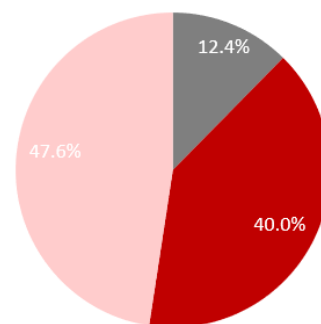
The Fund has a goal of providing investors with exposure to potential equity appreciation while also investing in fixed income to reduce overall portfolio volatility. The Fund has a standard allocation of 50%/50%.

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

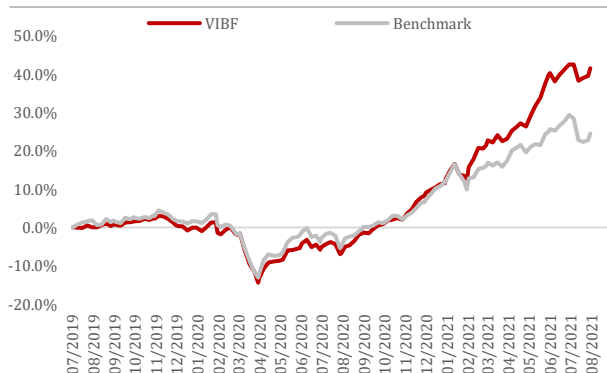


■ Cash ■ CD & Bonds & Deposits ■ Equity

Fund information

Inception	02 July 2019
Management fee	1.75% per annum
Subscription fee	0%
Redemption fee	<ul style="list-style-type: none"> • 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	Twice a week, on every Tuesday & 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)	464.73	
NAV/Share	14,430	
August 2021 return (%)	2.0	1.1
YTD return (%)	28.1	12.1
3-year annualized return (%)	N/A	N/A
Annualized return since inception (%)	18.4	11.2
Cumulative return since inception (%)	44.3	25.8

(NAV is net of management fee and administrative expenses)

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Equity portfolio statistics

	VIBF	VN INDEX
Trailing P/E (x)	14.6	16.0
Trailing P/B (x)	3.3	2.6
Trailing ROE (%)	26.5	16.3
Dividend yield (%)	1.0	1.3
No. of stocks	17	385

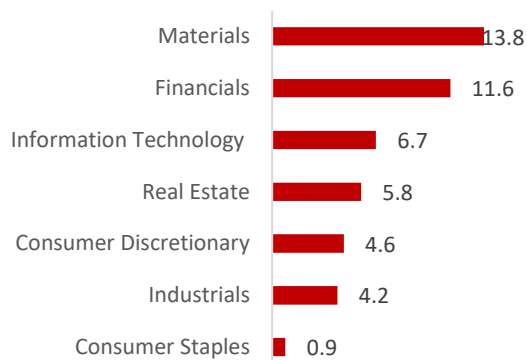
Fixed-income portfolio statistics

Macaulay Duration (years)	0.9
Yield-To-Maturity (%)	7.5

Source: Bloomberg, VinaCapital's forecast

Equity sector allocation

% Total NAV



Comments from Fund Manager

MARKET COMMENTARY

Fixed income market: Interbank interest rates continued to decrease in August as liquidity in the banking system remained abundant. Although there were no new transactions in OMO, roughly VND 30 trillion was injected into the market via the exercise of 6-month USD forward contracts. In addition, slow credit growth (7.4% YTD as of end-August) and public investment disbursement (-0.4% YoY in 8M2021) resulted from the current Covid lockdown in major cities also supported market liquidity. In the corporate bond market, as of end-August, there were 52 domestic issuances of corporate bonds under private placement with a total issuing value of VND 24,077 billion. The banking and real estate sectors ranked first and second in terms of issuance value accounting for 42% and 34% of total issuance value, respectively. While bank bond yields ranged from 3.5% to 7.6% per annum, yields of real estate bonds ranged from 8.2% to 13% per annum.

Stock market: The VN Index recovered 1.6% in August following a decline of 7.0% in July, lifting the YTD return to 20.6% despite volatility during the last week of the month due to the implementation of stricter social-distancing orders in Ho Chi Minh City and several other provinces. The average daily trading value across the combined three bourses reached VND28.9 trillion in August, a 17% m-o-m increase. Local flows were into mid- and small-cap stocks while the VN30 Index, which represents large-cap stocks, declined 1.3%, significantly underperforming the market. Foreign investors turned to net sellers of VND6.6 trillion in August from net buyers of VND5.4 trillion in July, increasing the YTD foreign outflows to a total of VND32.1 trillion. Q3 macro data is expected to be gloomy, given the deterioration of July and August figures.

We expect the economy’s trough to occur during Q3 and believe that the stock market has already accounted for most of the negative impact of the social distancing measures. As of 7 Sep 2021, 20% of the Vietnamese population has been vaccinated with at least one dose, of which 3.6% have received two doses, a significant increase from 5.1% and 0.6% at the end of July, respectively. In the two manufacturing hubs of Ho Chi Minh City and Binh Duong province, 87% and 71% of the population over 18 years old have been given at least one dose of vaccine, respectively. The strict social-distancing regulations are expected to gradually reduce the number of new infections and deaths. At the same time, accelerated vaccinations will enable the economy to gradually re-open. We expect the stock market to maintain its upward momentum as the economy’s positive recovery in 2022 makes the current market valuations attractive.

FUND COMMENTARY

The Fund’s NAV per share increased 2.0% in August, outperforming the benchmark, as several top equity holdings delivered positive returns including HPG (+4.2%), DGC (+23.6%), REE (20%), and HDC (+10.6%).

Duc Giang Chemical Group (DGC) is Vietnam’s largest exporter of phosphorus-related chemicals, which are the raw materials for agriculture and industrial applications. Its share price increased 23.6% in August following surges in selling price across all their main products, especially yellow phosphorus which are in high demand globally but faces supply shortage due to aggressive capacity reduction in China. We believe DGC will benefit from the rising demand from phosphorus-related products as the global economy recovers while supply from China remains tight.

Top holdings

	Ticker	Sector	Weighted (%)
Equity	HPG	Materials	7.9
	FPT	Information Technology	6.7
	TCB	Financials	5.0
	MWG	Consumer Discretionary	4.6
Bond	KBC2021.AB	Real Estate	2.8
	KBCBOND2020.DC	Real Estate	1.2
	VICB2023001	Real Estate	1.1

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