

## VIBF Investment approach

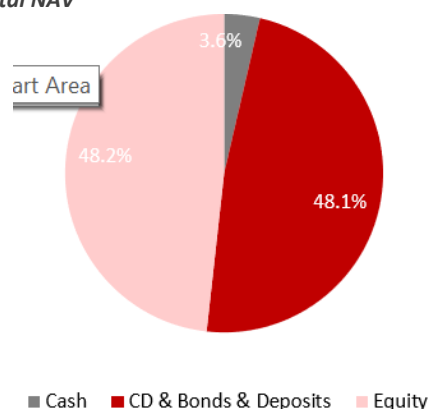
The Fund has a goal of providing investors with exposure to potential equity appreciation while also investing in fixed income to reduce overall portfolio volatility. The Fund has a standard allocation of 50%/50%.

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

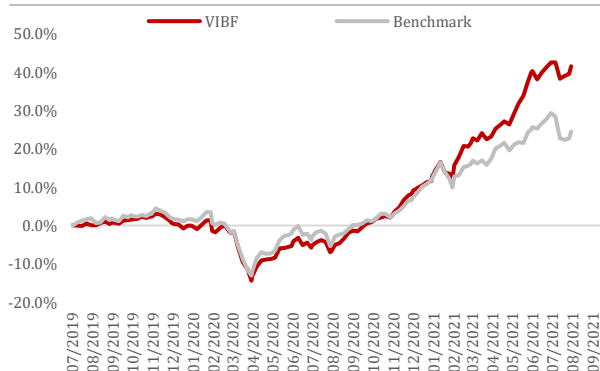
% Total NAV



## 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	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)	514.76	
NAV/Share	14,848	
Sep 2021 return (%)	2.9	0.6
YTD return (%)	31.9	12.9
3-year annualized return (%)	N/A	N/A
Annualized return since inception (%)	19.2	11.0
Cumulative return since inception (%)	48.5	26.6

(NAV is net of management fee and administrative expenses)

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## Equity portfolio statistics

	VIBF	VN INDEX
Trailing P/E (x)	15.8	16.3
Trailing P/B (x)	3.5	2.6
Trailing ROE (%)	25.7	16.1
Dividend yield (%)	1.3	1.3
No. of stocks	15	401

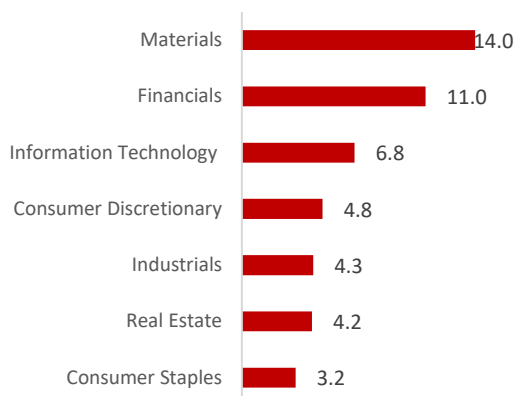
## Fixed-income portfolio statistics

Macaulay Duration (years)	0.82
Yield-To-Maturity (%)	6.9

Source: Bloomberg, VinaCapital's forecast

## Equity sector allocation

% Total NAV



## Top holdings

	Ticker	Sector	Weighted (%)
Equity	HPG	Materials	8.2
	FPT	Information Technology	6.8
	MWG	Consumer Discretionary	4.8
	TCB	Financials	4.6
Bond	KBC2021.AB	Real Estate	2.6
	BONDHDG/2020.02	Real Estate	1.6
	PDRH2123002	Real Estate	1.6

## Important information

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## Comments from Fund Manager

FI MARKET COMMENTARY

Interbank interest rates remained at low levels in September. Banking system liquidity continued to be abundant, the result of the State Bank of Vietnam's unsterilized FX accumulation activities, which helped to pump VND into the system, and its lack of transactions through the open market channel. In addition, slow credit growth (7.17% YTD as of 20-Sep or -0.23% MoM) and public investment disbursement (-7% YoY in 9M2021) resulting from the current Covid lockdown in major cities also supported market liquidity.

In the corporate market, as of end-September, there were a total of 42 domestic corporate bond issuances under private placement with a total value of VND29.7 trillion. The banking and real estate sectors ranked first and second in terms of issuance value, accounting for 47% and 28% of total issuance value, respectively. While bank bond yields ranged from 6.4% to 7.9% per annum (higher than the average rate in August since bonds issued in September have longer tenors), yields of real estate bonds ranged from 9.2% to 12% per annum.

EQUITY MARKET COMMENTARY

The VN Index increased slightly by 0.8% in September, during a period when most provinces and cities in Vietnam applied the strictest social-distancing regulations ever. On a YTD basis, the VN Index has gained 21.6%.

The adverse impact of the COVID-19 outbreak was shown in Q3 macro data. Vietnam's Q3 GDP shrank by 6.17% yoy as the industry and construction sector dropped 5.02% yoy and the service sector slumped 9.28% yoy. The economic contraction in Q3 has dragged the 9M21 GDP growth to 1.42%. In September alone, industrial production and retail sales dropped by 5.5% and 28.4% yoy but increased by 5.0% and 6.5% m-o-m, respectively, indicating a recovery as some areas in the country have been able to control the outbreak.

Returning to the stock market, as economic re-opening was imminently expected, Consumer Discretionary was the best-performing sector in September, gaining 10.3% MoM, driven by the retailers MWG and PNJ. The Utilities and Energy sector also outperformed, rising 6.6% and 6.2% MoM, respectively, thanks to the rally in crude oil and gas prices. On the contrary, the Real Estate sector declined 2.8% MoM due to the negative performance of VHM and VIC. Small-cap stocks continued outperforming as the VN Small Cap Index advanced by 6.5% MoM.

Average daily trading value declined by 7.9% MoM but remained high at VND26.5 trillion across the combined three bourses. Foreign investors net sold VND8.4 trillion in September, increasing the YTD foreign outflows to VND40.3 trillion.

At the beginning of October, most provinces in Vietnam started easing social-distancing regulations. Factories are no longer required to apply the "three-on-site" regulation (work – eat – sleep), while retail stores have been permitted to open. As of 5 Oct 2021, 37% of Vietnamese population has received at least one dose of a vaccine, of which 12% have received two doses, a significant increase from 15% and 3% at the end of August, respectively. We believe the trough of economy has passed and look forward to a strong recovery in Q4 2021 and 2022, which may prompt the stock market to continue to move in a positive direction.

FUND COMMENTARY

The Fund's NAV per share increased 2.9% in September, significantly outperforming the benchmark, as several top equity holdings delivered positive returns including DGC (+27.9%), MWG (+15.1%), HPG (7.3%), HDC (+11.7%) and VPB (+7%).

Mobile World Group (MWG) increased 15.1% in September despite short term headwinds in Q3 due to the strict social distancing. Investors are looking for a recovery in Q4 as well as elevated earnings growth for 2022. We expect MWG will post stellar profit growth of roughly 50% in 2022 thanks to a sales recovery in the mobile and electronics segment as well as significant improvements in the grocery business. We reiterate our view that MWG is one of the best retailers in Vietnam and it will benefit from rising incomes of the middle class.