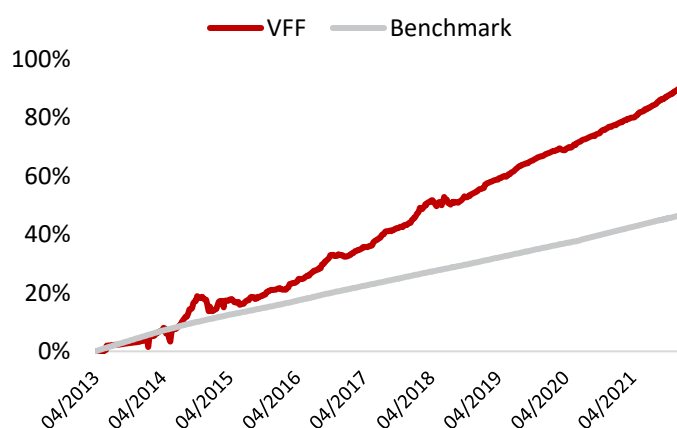


## VFF Investment approach

- Deliver attractive and stable returns from capital appreciation, coupon payments, and yield enhancement instruments.
- Invest at least 80% of the fund's total net assets into government bonds, government-guaranteed bonds, municipal bonds, and corporate bonds issued by highly creditworthy institutions, and short-term bank deposits.

## 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.

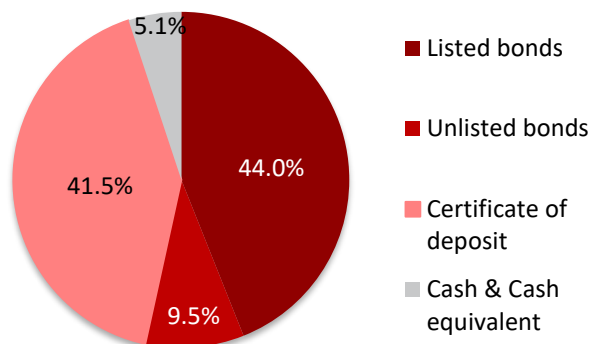
## Fund performance

	VFF	Benchmark
Total AUM (VND billion)	798	
NAV/Share	19,110	
Dec 2021 return (%)	0.88	0.47
YTD 2021 return (%)	7.72	5.56
3-year annualized return (%)	7.10	5.05
Annualized return since inception (%)	7.68	4.48
Cumulative return since inception (%)	91.10	46.76

(NAV is net of management fee and administrative expenses)

## Investment allocation

% Total NAV



## Fund information

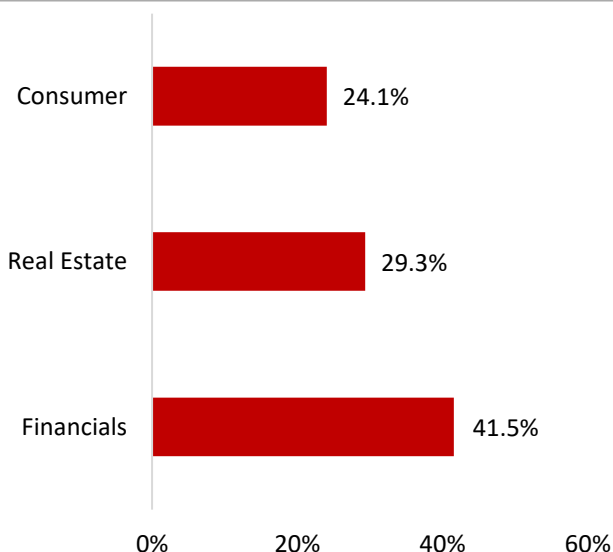
<b>Inception</b>	01 April 2013
<b>Management fee</b>	0.95% per annum
<b>Subscription fee</b>	0.0%
<b>Redemption fee</b>	<ul style="list-style-type: none"> <li>• 2.0% &lt; 12 months</li> <li>• 0.5% &gt;= 12 months</li> <li>• 0.0% &gt;= 24 months</li> </ul>
<b>Minimum subscription</b>	VND2,000,000 / ~USD90
<b>Custodian and Supervisory Bank</b>	Standard Chartered Bank Ltd. (Vietnam)
<b>Auditor</b>	PwC Vietnam
<b>Trading frequency</b>	Twice a week, on every Tuesday & Thursday
<b>Benchmark</b>	Average 12-month VND denominated deposit rate by four SOCBs, namely VietinBank, Agribank, BIDV, and Vietcombank.

(SOCBs: State-owned Commercial Banks)

## Portfolio statistics

Duration (years)	1.13
Yield-To-Maturity (%)	7.53

Sector allocation



Top holdings

Issuer	Allocation (%)	Effective Yield (%)	Duration (years)
SHB Finance	15.0	8.4	0.1
Kinh Bac	11.3	10.8	1.3
Masan Group	9.7	7.0	1.1
Phat Dat	9.1	11.0	1.3
Ha Do Group	9.0	10.2	0.9

Comments from fund manager

**MARKET COMMENTARY**

Interbank interest rates saw a jump in December on the back of a temporary liquidity shortage in the banking system. As expected, this was due to cyclical year-end credit demand. The State Bank of Vietnam actively supported the liquidity via OMO and USD spot buying activities, partially offsetting the shortage pressure. OMO activities were used for the first time since July 2021, with a total amount of VND 10.54 trillion injected into the system via 14-day reverse repos. Meanwhile, approximately VND 20.4 trillion was pumped into the system via USD 900 million worth of USD bought at spot during December. As a result, interbank rates closed at 1.57% p.a. (+90 bps MoM) for the overnight term and 1.76% p.a. (+100 bps MoM) for the 1-week term. For January 2022, we believe liquidity pressure will remain given the upcoming Tet holidays, the interbank rate will continue to stay above 1% p.a.

Government bond yields increased for most terms by a factor of 1 – 13 bps in the secondary market. This is in line with regional movements in response to the shift in the monetary stance of the US Fed. In the primary market, the STV issuance volume dropped to VND 30,220 billion, down 11.5% MoM due to low demand in short-tenure bonds as the market remained cautious against a potential yield hike for short-term yields. As a result, the average winning yield was up by 16 bps to 2.49% compared to last month, with an average term up to 17.8 years vs 14.8 years in November. Year-to-date, the STV has issued VND 318.2 trillion of government bonds, equivalent to 85.3% of the 2021 issuance plan.

In the corporate market, there were a total of 80 domestic corporate bond issuances via private placement, with a total value of VND 65.7 trillion. The banking and real estate sectors ranked first and second in terms of issuance value, accounting for 71.4% and 14.5% of total issuance value, respectively. While bank bond yields ranged from 2.4% to 7.1% per annum, yields of real estate bonds ranged from 11% to 13% per annum.

**FUND COMMENTARY**

VFF's net asset value (NAV) per unit was VND 19,110 at the end of December, increasing 0.88% month-on-month (mom). VFF's total AUM was VND 798 billion (USD 34.97 million). In December, VFF invested Thanh Thanh Cong Sugar (SBT) with a coupon of 10% and Phat Dat Real Estate (PDR) with a coupon of 12%, so VFF will maintain a stable return in 2022.

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	1.30%	0.46%	0.35%	0.69%	0.47%	0.80%	1.03%	0.46%	0.51%	0.70%	0.33%	0.60%	7.90%
2020	0.39%	0.48%	-0.25%	0.46%	0.87%	0.64%	0.41%	0.52%	0.36%	0.73%	0.64%	0.27%	5.67%
2021	0.57%	0.54%	0.36%	0.60%	0.63%	0.59%	0.60%	0.91%	0.52%	0.59%	0.67%	0.88%	7.72%

**Important information**

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