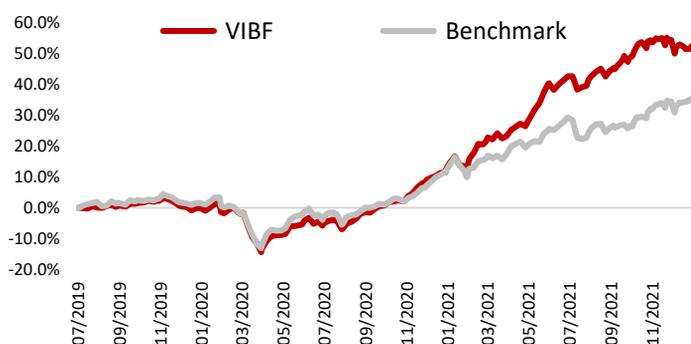


VIBF Investment approach

- 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.

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

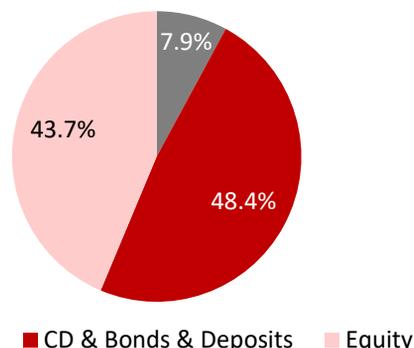
	VIBF	Benchmark
Total AUM (VND billion)	743.25	
NAV/Share	15,226.60	
Dec 2021 return (%)	(1.0)	0.9
YTD return (%)	35.2	20.6
3-year annualized return (%)	N/A	N/A
Annualized return since inception (%)	18.3	12.9
Cumulative return since inception (%)	52.3	35.4

(NAV is net of management fee and administrative expenses)

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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"> • 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.

Equity portfolio statistics

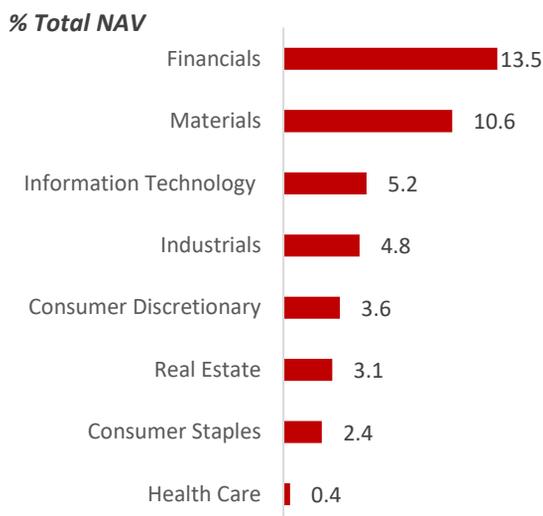
	VIBF	VN-Index
Trailing P/E (x)	15.2	17.5
Trailing P/B (x)	3.2	2.8
Trailing ROE (%)	25.0	16.1
Dividend yield (%)	1.3	1.1
No. of stocks	19	404

Fixed-income portfolio statistics

Macaulay Duration (years)	1.03
Yield-To-Maturity (%)	7.3

Source: Bloomberg, VinaCapital's forecast

Equity sector allocation



Comments from fund manager

FI 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.

EQUITY MARKET COMMENTARY

The VN Index gained 1.3% in December 2021, closing the year at 1,498.3, which is very near its all-time high of 1,500.8 recorded in November 2021. For the full year 2021, the VN Index advanced by 35.7%, which was the highest return among ASEAN emerging markets and one of the best-performing stock markets in the world.

With the dominance of retail investors on the stock market, the VN Mid Cap and VN Small Cap Index continued to outperform the market, increasing 7.4% and 7.5% MoM, respectively, while the VN30 Index declined 0.1% MoM. December average daily trading value retreated to VND33.0t from the record high of VND40.1t in November. Foreign investors continued selling, with the net-sell amount reaching VND4.7t on the combined three bourses in December. In 2021, foreign investors were net-sellers of VND62.7t on Vietnamese stock market.

Q4 macro data demonstrated clear economic improvement after social distancing regulations were relaxed. GDP grew 5.2% YoY from a 6.0% YoY contraction in Q3. For the full-year 2021, GDP growth reached 2.6%, slightly lower than the 2.9% growth in 2020.

Most other figures were positive. Exports and imports advanced by 19.0% and 26.5% YoY, reaching USD336.3b and USD332.3b, respectively, resulting in a USD4.0b trade surplus. Industrial production grew 8.7% YoY in December and 4.8% YoY in 2021. Retail sales also edged up 1.1% YoY in December, but still declined 3.8% in 2021 due to several months of social distancing.

Most stock investors ended 2021 with better-than-expected returns. For 2022, we look forward to the economy's continued recovery and growth, which should further drive the stock market higher. According to Bloomberg forecasts, listed companies on HOSE are expected to record 2022 net profit growth of 26%, which will put the 2022 P/E of the VN Index at 13.9x, well below its 5-year average as well as ASEAN emerging markets. The National Assembly is currently discussing a socioeconomic support package of VND347t, which should boost economic growth in 2022-2023 and bring additional positive sentiment to the stock market.

FUND COMMENTARY

The Fund's NAV per share decreased a slight 1.0% in December as several equity holdings delivered positive returns, including SZC (+15.5%), PHR (+2.9%), STB (+22.8%), and HDC (+4.4%), while our top holdings, HPG, FPT, and TCB, were among the laggards.

SZC increased 15.5% in December thanks to expectations of strong earnings in 2022E from residential land sales as well as upbeat industrial park (IP) land sales. SZC was one of the leading IP developers in Ba Ria-Vung Tau province, with a large and clear land bank with low cost. We believe SZC will be one of the main beneficiaries of major infrastructure projects, including Cai Mep Port, the future Long Thanh International Airport, and the Bien Hoa-Vung Tau Highway, as well as the continued relocation of foreign companies into Vietnam.

Top holdings

	Ticker	Sector	Weighted (%)
Equity	HPG	Materials	5.3
	FPT	Information Technology	5.2
	TCB	Financials	3.6
	MWG	Consumer Discretionary	3.6
Bond	MSN12003	Consumer Staples	8.4
	SBT121002	Consumer Staples	4.1
	KBC121020	Real Estate	3.9

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019								0.70%	0.80%	0.70%	-1.56%	-0.73%	-0.05%
2020	-1.31%	-0.60%	-12.68%	6.58%	3.66%	-0.42%	-0.95%	5.55%	2.40%	1.61%	5.70%	3.96%	12.67%
2021	-0.41%	8.27%	1.46%	3.33%	9.86%	1.91%	-0.71%	1.97%	2.90%	3.85%	-0.23%	-1.03%	35.22%

Important information

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