

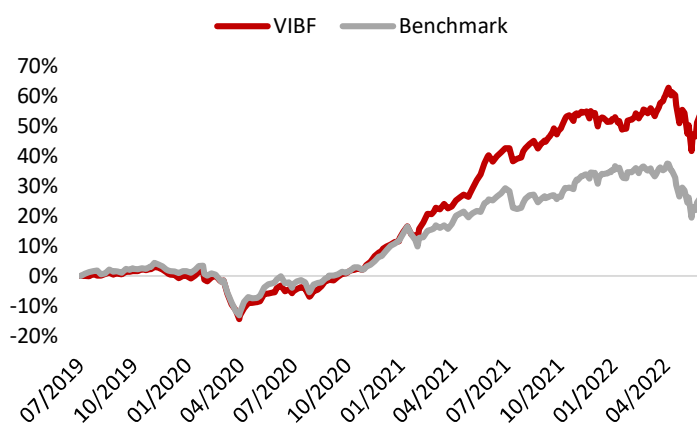
## VIBF Investment approach

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

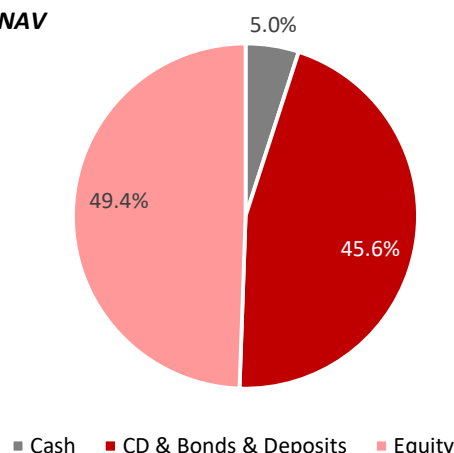
	VIBF	BM
Total AUM (VND billion)	707.0	
NAV/Share	15,292.0	
May 2022 return (%)	-1.6	-2.5
YTD 2022 return (%)	0.4	-5.7
3-year annualized return (%)	N/A	N/A
Annualized return since inception (%)	15.7	8.2
Cumulative return since inception (%)	52.9	25.8

(The NAV is net of management fee and administrative expenses)

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## Investment allocation

### % Total NAV



## Fund information

Inception	2/7/2019
Management fee	1.75% per annum
Subscription fee	0.0%
Redemption fee	2.0% < 12 months 1.5% >= 12 months 0.5% >= 24 months
Minimum subscription	2.000.000 VNĐ / ~90USD
Custodian and Supervisory Bank	Standard Chartered Bank Ltd. (Vietnam)
Auditor	PwC Vietnam
Trading frequency	Twice a week, on every Tuesday & Thursday
Benchmark (BM)	Average of VN-Index and 12-month VND denominated deposit rate by Vietcombank.

## Equity portfolio statistics

	VIBF	BM
Trailing P/E (x)	11.7	13.9
Trailing P/B (x)	2.9	2.2
Trailing ROE (%)	23.1	15.9
Dividend yield (%)	1.4	1.4
No. of stocks	21	404

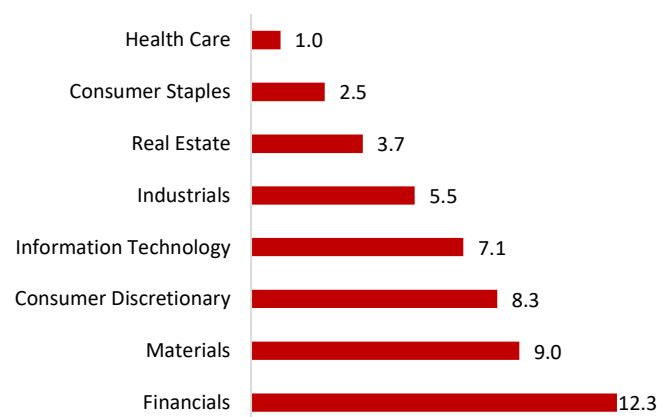
## Fixed-income portfolio statistics

Macaulay Duration (years)	0.9
Yield-To-Maturity (%)	7.4

Source: Bloomberg, VinaCapital's forecast

## Equity sector allocation

% Total NAV



## Top holdings

	Ticker	Sector	Weighted (%)
Equity	FPT	Information Technology	7.1
	MWG	Consumer Discretionary	5.5
	MBB	Financials	5.0
	DPR	Materials	3.6
	REE	Industrials	3.2
Bond	MSN12003	Consumer Staples	8.8
	KBC121020	Real Estate	4.7
	SBT121002	Consumer Staples	4.3

## Comments from fund manager

### FIXED INCOME COMMENTARY

After climbing in April, interbank interest rates dropped significantly in May. Credit growth slowed as banks have almost reached the credit growth ceiling set by the SBV at the beginning of the year. As of 31 May, credit growth surged to 8.03% YTD or 16.9% YoY amid expanding demand for business activities post-covid. Banks will have to slow down their loan disbursements until the SBV permits a ceiling lift for the credit growth. Therefore, the interbank rate closed at 0.67% p.a. (-163 bps MoM and -80 bps YoY) for the overnight term and 1.5% (-113.3 bps MoM and -11.4 bps YoY) for the 1-week term.

In the corporate market, there were a total of 56 domestic corporate bond issuances via private placement with a total value of VND37.9 trillion (a drop of 27.0% YoY); and one international bond issuance worth USD525 million from Vingroup. The banking and real estate sectors ranked first and second in terms of issuance value, accounting for 67.1% and 21.5% of total issuance value, respectively.

## Comments from fund manager (cont)

After being muted in April, bond issuance from the real estate sector slowly resumed, with VND8.5 trillion in bonds issued, compared with only VND1.7 trillion in April. That said, the sector has still recorded a significant drop of 45% YoY.

### EQUITY MARKET COMMENTARY

After retreating 8.4% in April, Vietnam's stock market continued to be volatile in May. The VN-Index fell from 1,366.8 at the end of April to 1,171.9 on 16 May (-14.3%), but then recovered to close at 1,292.7 by the end of the month, a 5.4% MoM decline. On a year-to-date basis, the VN-Index has declined 13.7%.

Most investors remained concerned about the risks that lingered from April, such as inflation, interest rate hikes, the investigation into violations of stock market regulations, and the more stringent control of loans to the real estate sector. Retail investors were cautious in buying stocks, as the average daily trading value on the combined three bourses receded to VND17.8t in May, a 32% MoM decline, and also a 15-month low.

Investors welcomed several positive news items that may have contributed to the market's recovery during the second half of the month, including S&P Global Ratings upgraded Vietnam's long-term sovereign credit rating to BB+ from BB with a stable outlook. In addition, the State Bank of Vietnam issued guidance for the 2% interest rate subsidy for bank loans amounted VND2,000 trillion offered to enterprises in a variety of industries to be disbursed in 2022-2023.

Notably, foreign investors turned to net-buyers in both April and May, when the stock market fell sharply, with the net-buy value reaching VND4.0 trillion and VND3.5 trillion in April and May, respectively.

At the VN-Index's current valuation (2022F P/E of 12.4x at the end of May), we believe that the downside risk is not significant, and there will be more on the upside, supported by economic growth and earnings results of listed companies. The risks that occurred in the last two months are rather short-term: inflation may peak in the next few months, while a stricter supervision of the stock market and the real estate sector will facilitate the sustainable growth of and strengthen investors' confidence in Vietnam's financial markets.

### FUND COMMENTARY

The Fund's NAV per share decreased 1.6% in the month, outperforming the benchmark. Several equity holdings delivered positive returns, including REE (+26.3%), FPT (+4.7%), and PNJ (+6.4%), while holdings such as DXS (-24.7%), STB (-19.3%) were among the laggards.

REE increased during the month thanks to positive progress relating to the selling price of electricity produced by its Upper Kontum Hydropower plant to EVN, which is expected to be one of the growth catalysts for 2022. In addition, the government is expected to approve the National Power Development Plant 8 in the upcoming months. REE is one of the reputable green energy developers that will benefit from the government's strong commitment to move to green energy in the long term.

## Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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%
2022	-0.10%	1.93%	3.11%	-2.76%	-1.63%								0.43%

### Important information

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