

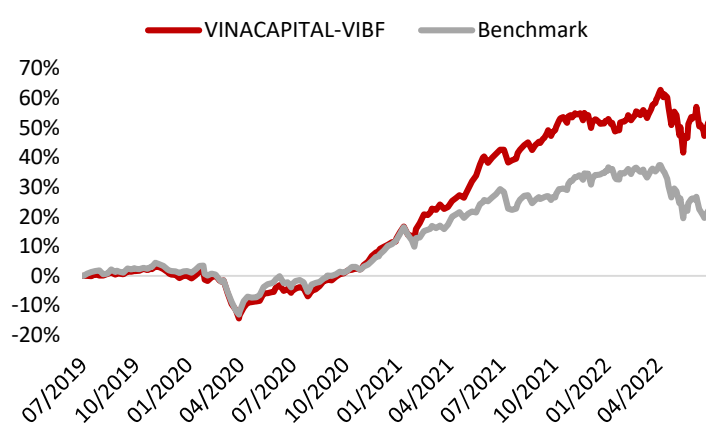
VINACAPITAL-VIBF Investment approach

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

	VINACAPITAL-VIBF	BM
Total AUM (VND billion)	699.2	
NAV/Share	15,029.9	
Jun 2022 return (%)	-1.7	-3.5
YTD 2022 return (%)	-1.3	-8.7
3-year annualized return (%)	N/A	N/A
Annualized return since inception (%)	14.6	6.6
Cumulative return since inception (%)	50.3	21.1

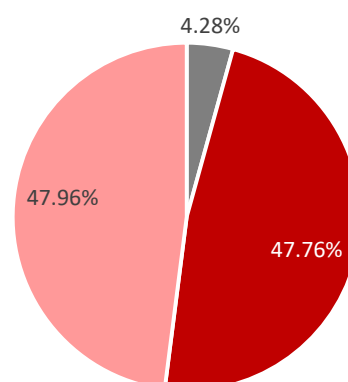
(The NAV is net of management fee and administrative expenses)

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Investment allocation

% Total NAV



■ Cash ■ CD & Bonds & Deposits ■ Equity

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
Custodian and Supervisory Bank	Standard Chartered Bank Ltd. (Vietnam)
Auditor	PwC Vietnam
Trading frequency	Daily, from Monday to Friday
Benchmark (BM)	Average of VN-Index and 12-month VND denominated deposit rate by Vietcombank.

Equity portfolio statistics

	VINACAPITAL-VIBF	BM
Trailing P/E (x)	11.3	13.0
Trailing P/B (x)	2.9	2.0
Trailing ROE (%)	23.3	15.6
Dividend yield (%)	1.6	1.5
No. of stocks	21	403

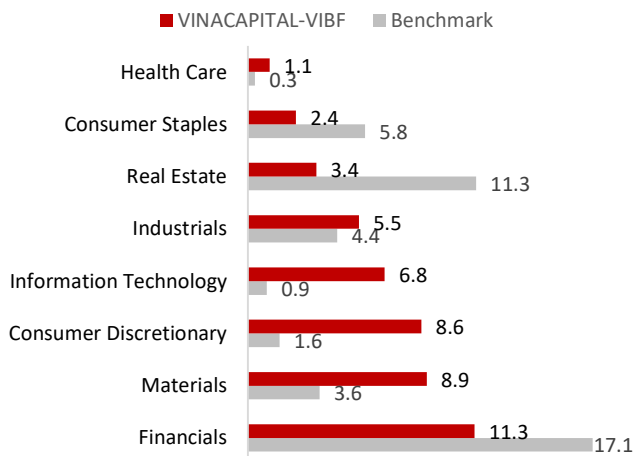
Fixed-income portfolio statistics

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	6.8
	MWG	Consumer Discretionary	5.5
	MBB	Financials	4.4
	DPR	Materials	3.3
	PNJ	Consumer Discretionary	3.1
Bond	MSN12003	Consumer Staples	8.9
	KBC121020	Real Estate	6.0
	SBT121002	Consumer Staples	4.4

Comments from fund manager

FIXED INCOME COMMENTARY

The SBV was very active in OMO activities in June, one of the most active months since 2018. VND151 trillion of treasury bills were issued and reverse repos were also utilized regularly, to the tune of VND3.3 trillion. The most significant rate increase was for the overnight term, which reached 0.84% by the end of June (up 17 bps MoM, but down 35.7 bps YoY). The 1-week term was down 2.5 bps MoM but up 6.5 bps YoY. As of 30 June, credit growth surged to 9.35% YTD (compared with 6.47% YTD over the same period last year) or 16.7% YoY. Banks have almost reached the credit growth ceiling set by the SBV at the beginning of the year, so they will have to slow down loan disbursements until the SBV permits a ceiling lift for credit growth. Should the SBV grant extra credit for banks in July, we expect rates will rise under less ample liquidity towards the end of the month.

In the corporate market, there were a total of 56 domestic corporate bond issuances via private placement with a total value of VND40.45 trillion (a drop of 58% YoY), and one international bond issuance worth USD100 million from Vingroup. Banking was the dominant sector with 84.8% of total issuance value. The real estate sector was muted this month with only VND2 trillion of issuances, decreasing by 88% YoY.

EQUITY MARKET COMMENTARY

The VN-Index declined 7.4% in June, closing the month at 1,197.6 points, making it the third month in-a-row that the market has fallen. On a year-to-date (YTD) basis, the VN-Index has declined 20.1%.

Vietnam's stock market receded after US CPI surged by 8.6% YoY in May, the highest inflation since December 1981, prompting the Fed to raise its benchmark interest rate by 75 bps to a range of 1.5% - 1.75%. Global stock markets retreated further in June, with the MSCI World Index and the S&P 500 falling 8.6% and 8.4% MoM, respectively.

Domestic retail investors remained cautious in their investment decisions as the average daily trade value was unchanged in June, at VND17.8 trillion on the combined three bourses, 42% lower than the average in 1Q22. In contrast, foreign investors were net-buyers of VND3.3 trillion in June, the third consecutive month and bringing the YTD net-buy value to VND4.2 trillion.

Macro-economic data for 2Q22 were far better than expected. Vietnam's GDP advanced by 7.7% YoY in the quarter, lifting the 1H22 growth to 6.4% YoY, a significant improvement compared with 5.7% YoY growth in 1H21. The June figures alone were also impressive. The industrial production index grew 11.5% YoY in June and 8.7% YTD. Retail sales surged by 27.3% YoY in June, bringing the YTD growth to 11.7% YoY in nominal terms and 7.9% in real terms. Inflation might be a bit of a concern as the CPI increased 0.7% MoM, while YoY inflation was kept at 3.4% by the end of June.

Short-term market volatility is likely to continue as the Fed may raise interest rates and domestic investor sentiment remained affected by the recent violations on the stock market and the stringent regulations on the real estate sector. Nevertheless, we maintain our view that at the current valuation of 2022F P/E of 11.8x by the end of June, Vietnam's stock market is attractive for long-term investment. In the next few months, investors may look forward to higher credit quotas granted by the State Bank of Vietnam and a cooling-down of inflation. Until 6 July, the Bloomberg Commodity Index has declined by 19% from its peak roughly one month ago.

FUND COMMENTARY

The Fund's NAV per share decreased 1.7% in the month, outperforming the benchmark which declined 3.5%. Several equity holdings delivered positive returns, including PNJ (+12.3%), DGC (+13.0%), and HDG (+9.9%), while holdings such as MBB (-12.8%), FPT (-5%) were among the laggards.

PNJ increased 12.3% during the month on the back of upbeat 5M22 results. Net profit increased by 49.6% YoY due to strong retail and whole sales, beating most consensus estimates. In May alone, net profit growth surged 66%, all-time high given the normally low season in Q2. We believe PNJ will post strong earnings growth off a low 2022 base, driven by the recovery of discretionary spending after peak COVID-19 disruptions and market share gain. In the long term, we like PNJ as the dominant player in the fashion jewellery industry with unparalleled manufacturing and design capabilities as well as its wide-ranging retail network.

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%	-1.71%							-1.29%

Important information

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