



**Vietnam Blue-Chips Fund**

Financial Statements for the period from  
1 January 2013 to 16 December 2013



**Vietnam Blue-Chips Fund  
General Information**

**Fund Unit Issuance Certificate** 04/UBCK-GCN dated 18 December 2007

**Listing Approval Certificate** 58/QĐ- SGDHCM dated 3 June 2008

**Establishment Registration Certificate** 11/UBCK-GCN dated 28 February 2008

The Establishment Registration Certificate was issued by the State Securities Commission and is valid for 10 years.

**Fund Representative Committee**

Mr. Dang Thai Nguyen	Chairman
Ms. Do Thi Duc Minh	Vice Chairwoman
Mr. Tran Thien Ha	Vice Chairman
Mr. Le Hoang Anh	Member (until 19 March 2013)
Mr. Le Trung Thanh	Member
Mr. Huynh Van Thon	Member
Mr. Nguyen Kim Long	Member (from 19 March 2013)
Mr. Hoang Kien	Member (from 19 March 2013)

**Fund Management Company**

Vietnam Investment Fund Management Joint Stock Company

**Supervising Bank**

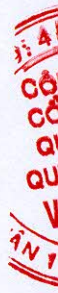
HSBC Bank (Vietnam) Ltd.

**Registered Office**

Room 1701, 17<sup>th</sup> Floor Me Linh Point Building  
2 Ngo Duc Ke Street,  
Ben Nghe Ward, District 1  
Ho Chi Minh City  
Vietnam

**Auditors**

KPMG Limited  
Vietnam



**Vietnam Blue-Chips Fund**  
**REPORT OF THE FUND MANAGEMENT COMPANY**

**STATEMENT OF THE FUND MANAGEMENT COMPANY'S RESPONSIBILITY IN  
RESPECT OF THE FINANCIAL STATEMENTS**

Management of Vietnam Investment Fund Management Joint Stock Company ("the Fund Management Company") is responsible for the financial statements, prepared in accordance with Decision 63/2005/QĐ-BTC on the promulgation of accounting systems for securities investment funds, Circular 224/2012/TT-BTC on the promulgation of regulations on establishment and management of closed-end funds and member funds, both issued by the Ministry of Finance, Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements applicable to financial reporting, which give a true and fair view of the state of affairs of the Fund as at 16 December 2013 and of its results of operations for the period from 1 January 2013 to 16 December 2013. In preparing those financial statements, the Fund Management Company is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

Management of the Fund Management Company is also responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Fund and to ensure that the accounting records comply with the requirements of Decision 63/2005/QĐ-BTC on the promulgation of accounting systems for securities investment funds and Circular 224/2012/TT-BTC on the promulgation of regulations on establishment and management of closed-end funds and member funds, both issued by the Ministry of Finance, Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements applicable to financial reporting. The management of the Fund Management Company is also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

For and on behalf of Vietnam Investment Fund Management Joint Stock Company




Mr. Tran Thanh Tan  
Chief Executive Officer

Ho Chi Minh City, 3 March 2014

**Vietnam Blue-Chips Fund**  
**REPORT OF THE FUND REPRESENTATIVE COMMITTEE**

**APPROVAL OF THE FINANCIAL STATEMENTS**

I, Dang Thai Nguyen, being the Chairman of the Fund Representative Committee and on behalf of the Unit holders of Vietnam Blue-Chips Fund ("the Fund"), do hereby approve the attached financial statements of the Fund for the period from 1 January 2013 to 16 December 2013, which have been prepared in accordance with Decision 63/2005/QD-BTC on the promulgation of accounting systems for securities investment funds, Circular 224/2012/TT-BTC on the promulgation of regulations on establishment and management of closed-end funds and member funds, both issued by the Ministry of Finance, Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements applicable to financial reporting.

On behalf of the Fund Representative Committee 



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Mr. Dang Thai Nguyen  
*Chairman*

Ho Chi Minh City, 3 March 2014



**KPMG Limited Branch**  
10<sup>th</sup> Floor, Sun Wah Tower  
115 Nguyen Hue Street  
District 1, Ho Chi Minh City  
The Socialist Republic of Vietnam

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## **INDEPENDENT AUDITORS' REPORT**

### **To the Fund's Unitholders Vietnam Blue-Chips Fund**

We have audited the accompanying financial statements of Vietnam Blue-Chips Fund ("the Fund"), which comprise the balance sheet, the statement of assets and the statement of investment portfolio as of 16 December 2013 and the related statements of income and changes in net assets for the period from 1 January 2013 to 16 December 2013 and the explanatory notes thereto which were authorised for issue by the Fund Representative Committee on 3 March 2014, as set out on pages 6 to 32.

### **The Fund Management Company's Responsibility for the Financial Statements**

The Management of Vietnam Investment Fund Management Joint Stock Company ("the Fund Management Company") is responsible for the preparation and fair presentation of these financial statements in accordance with Decision 63/2005/QĐ-BTC on the promulgation of accounting systems for securities investment funds, Circular 224/2012/TT-BTC on the promulgation of regulations on establishment and management of closed-end funds and member funds, both issued by the Ministry of Finance, Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Management of the Fund Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

These Financial Statements have also been verified by HSBC Bank (Vietnam) Ltd., as the Supervising Bank of the Fund.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the Fund Management Company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Audit Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Vietnam Blue-Chips Fund as at 16 December 2013 and of its results of operations for the period from 1 January 2013 to 16 December 2013 in accordance with Decision 63/2005/QĐ-BTC on the promulgation of accounting systems for securities investment funds, Circular 224/2012/TT-BTC on the promulgation of regulations on establishment and management of closed-end funds and member funds, both issued by the Ministry of Finance, Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements applicable to financial reporting.

### KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Operating Registration Certificate No: 4114000230

Audit Report No: 13-01-871



Lam Thi Ngoc Hao  
Practicing Auditor Registration  
Certificate No. 0866-2013-007-1  
*Deputy General Director*

Ho Chi Minh City, 3 March 2014

Nguyen Anh Tuan  
Practicing Auditor Registration  
Certificate No. 0436-2013-007-1

**Vietnam Blue-Chips Fund**  
**Balance sheet as at 16 December 2013**

Form B01-QDT

Code	Items	Note	16/12/2013 VND	31/12/2012 VND
<b>A.</b>	<b>ASSETS</b>			
110	1. Cash in banks	4	100,545,148,347	108,406,152,310
120	2. Investments in securities	5	583,889,315,100	426,418,326,100
130	3. Receivables from investment activities	6	1,205,983,378	884,944,445
<b>200</b>	<b>TOTAL ASSETS</b>		<b>685,640,446,825</b>	<b>535,709,422,855</b>
<b>B.</b>	<b>RESOURCES</b>			
<b>300</b>	<b>I. LIABILITIES</b>		<b>1,477,182,985</b>	<b>1,770,265,033</b>
311	1. Payables for investment activities		-	29,756,023
314	2. Remunerations payable to the Fund Representative Committee		72,320,468	88,000,000
315	3. Payables to the Fund Management Company and the Supervising Bank	7	627,888,871	927,994,510
318	4. Other payables	8	776,973,646	724,514,500
<b>400</b>	<b>II. EQUITY</b>		<b>684,163,263,840</b>	<b>533,939,157,822</b>
410	1. Capital issued to Unitholders	9	806,460,000,000	806,460,000,000
420	2. Accumulated losses	10	(122,296,736,160)	(272,520,842,178)
<b>430</b>	<b>TOTAL RESOURCES</b>		<b>685,640,446,825</b>	<b>535,709,422,855</b>

*The accompanying notes are an integral part of these financial statements*

**Vietnam Blue-Chips Fund**  
**Balance sheet as at 16 December 2013 (continued)**

**Form B01-QDT**

**OFF-BALANCE SHEET ITEMS**

Items	16/12/2013 VND	31/12/2012 VND
Securities at par value	147,755,700,000	132,692,920,000

3 March 2014



HSBC Bank (Vietnam) Ltd. *h*

**Vinith Rao**  
 Head of HSBC Securities Services  
 HSBC Bank (Vietnam) Ltd.

Vietnam Investment Fund Management Joint  
 Stock Company  
 Mr. Nguyen Minh Dang Khanh  
*Deputy CFO cum Finance Controller*



Vietnam Investment Fund Management Joint  
 Stock Company  
 Mr. Tran Thanh Tan  
*Chief Executive Officer*

*The accompanying notes are an integral part of these financial statements*



**Vietnam Blue-Chips Fund**

**Statement of income for the period from 1 January 2013 to 16 December 2013**

**Form B02-QDT**

<b>Code</b>	<b>Items</b>	<b>Note</b>	<b>From 1/1/2013 to 16/12/2013 VND</b>	<b>Year ended 31/12/2012 VND</b>
<b>A.</b>	<b>REALISED OPERATING RESULT</b>			
<b>10</b>	<b>I. Realised loss from investment activities</b>		<b>(38,039,519)</b>	<b>(78,367,795,908)</b>
11	1. Dividend income		27,824,950,500	25,610,732,100
13	2. Interest income from bank deposits		3,662,381,727	4,702,648,230
14	3. Losses from securities trading		(31,525,371,746)	(108,681,176,238)
<b>30</b>	<b>II. Expenses</b>		<b>15,184,558,986</b>	<b>12,969,130,712</b>
31	1. Management and performance fees	13a	12,372,666,225	10,409,349,877
32	2. Custody and supervising fees	13b	590,615,300	544,701,245
33	3. Meeting expenses		493,713,030	288,062,934
34	4. Audit fees		406,481,258	312,512,473
38	5. Other operating expenses	11	1,321,083,173	1,414,504,183
<b>50</b>	<b>III. Net realised operating loss for the period/year</b>		<b>(15,222,598,505)</b>	<b>(91,336,926,620)</b>

*The accompanying notes are an integral part of these financial statements*

**Vietnam Blue-Chips Fund**

**Statement of income for the period from 1 January 2013 to 16 December 2013 (continued)**

Form B02-QDT

Code	Items	Note	From 1/1/2013 to 16/12/2013 VND	Year ended 31/12/2012 VND
<b>B.</b>	<b>UNREALISED RESULT</b>			
<b>60</b>	<b>I. Income</b>		<b>182,898,749,814</b>	<b>203,851,963,849</b>
61	1. Gain on securities investments revaluation		182,898,749,814	203,851,963,849
<b>70</b>	<b>II. Expenses</b>		<b>17,452,045,291</b>	<b>22,955,046,638</b>
71	1. Loss on securities investments revaluation		17,452,045,291	22,955,046,638
<b>80</b>	<b>III. Net unrealised gain for the period/year</b>		<b>165,446,704,523</b>	<b>180,896,917,211</b>
	<b>NET PROFIT FOR THE PERIOD/YEAR</b>		<b>150,224,106,018</b>	<b>89,559,990,591</b>
	<b>Earnings per fund unit</b>	<b>12</b>	<b>1,863</b>	<b>1,111</b>

3 March 2014



HSBC Bank (Vietnam) Ltd. *tr*  
**Vinith Rao**  
 Head of HSBC Securities Services  
 HSBC Bank (Vietnam) Ltd.

Vietnam Investment Fund Management Joint  
 Stock Company  
 Mr. Nguyen Minh Dang Khanh  
*Deputy CEO cum Finance Controller*



Vietnam Investment Fund Management Joint  
 Stock Company  
 Mr. Tran Thanh Tan  
*Chief Executive Officer*

*The accompanying notes are an integral part of these financial statements*

**Vietnam Blue-Chips Fund**  
**Statement of assets as at 16 December 2013**

Form B05-QDT

No.	Items	Note	16/12/2013 VND	31/12/2012 VND
1	Cash in banks	4	100,545,148,347	108,406,152,310
2	Investments in securities	5	583,889,315,100	426,418,326,100
2.1	<i>Listed shares</i>		583,889,315,100	426,418,326,100
3	Dividend receivables	6	700,905,600	-
4	Interest receivables from bank deposits	6	505,077,778	884,944,445
<b>Total assets</b>			<b>685,640,446,825</b>	<b>535,709,422,855</b>
1	Payables for investment activities		-	29,756,023
2	Remunerations payable to the Fund Representative Committee		72,320,468	88,000,000
3	Payables to the Fund Management Company and the Supervising Bank	7	627,888,871	927,994,510
4	Other payables	8	776,973,646	724,514,500
<b>Total liabilities</b>			<b>1,477,182,985</b>	<b>1,770,265,033</b>
<b>Net assets of the Fund</b>			<b>684,163,263,840</b>	<b>533,939,157,822</b>
<b>Number of fund units</b>			<b>80,646,000</b>	<b>80,646,000</b>
<b>Net asset value per fund unit</b>			<b>8,484</b>	<b>6,621</b>

3 March 2014



HSBC Bank (Vietnam) Ltd. *tr*  
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*Deputy CEO cum Finance Controller*



Vietnam Investment Fund Management Joint  
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 Mr. Tran Thanh Tan  
*Chief Executive Officer*

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**Vietnam Blue-Chips Fund**

**Statement of changes in net assets for the period from 1 January 2013 to 16 December 2013**

Form B06-QDT

No.	Items	From 1/1/2013 to 16/12/2013 VND	Year ended 31/12/2012 VND
I	Net assets at the beginning of the period/year	533,939,157,822	444,379,167,231
II	Changes in net assets during the period/year	150,224,106,018	89,559,990,591
	<i>In which:</i>		
1	Changes in net assets due to investment activities of the Fund during the period/year	150,224,106,018	89,559,990,591
III	Net assets at the end of the period/year	<u>684,163,263,840</u>	<u>533,939,157,822</u>

3 March 2014



HSBC Bank (Vietnam) Ltd. *th*

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HSBC Bank (Vietnam) Ltd.

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Mr. Nguyen Minh Dang Khanh  
*Deputy CEO cum Finance Controller*



Vietnam Investment Fund Management Joint  
Stock Company  
Mr. Tran Thanh Tan  
*Chief Executive Officer*

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**Vietnam Blue-Chips Fund**  
**Statement of investment portfolio as at 16 December 2013**

Form B07-QDT

No.	Items	No. of shares	Market price per share as at 16/12/2013 VND	Total value as at 16/12/2013 VND	% of total assets of the Fund
<b>I</b>	<b>Listed shares</b>			<b>583,889,315,100</b>	<b>85.16%</b>
1	BVH	250,000	38,800	9,700,000,000	1.41%
2	CTG	1,554,390	16,900	26,269,191,000	3.83%
3	DPM	813,320	41,000	33,346,120,000	4.86%
4	DRC	246,760	39,100	9,648,316,000	1.41%
5	EIB	1,524,960	12,900	19,671,984,000	2.87%
6	FPT	1,988,406	47,200	93,852,763,200	13.69%
7	GAS	792,900	64,500	51,142,050,000	7.46%
8	HAG	180,159	20,700	3,729,291,300	0.54%
9	HPG	917,557	38,300	35,142,433,100	5.13%
10	MSN	362,150	85,000	30,782,750,000	4.49%
11	PVD	540,107	60,000	32,406,420,000	4.73%
12	PVS	667,900	19,300	12,890,470,000	1.88%
13	REE	1,301,770	29,300	38,141,861,000	5.56%
14	SPM	543,420	30,000	16,302,600,000	2.38%
15	SSI	1,082,440	17,600	19,050,944,000	2.78%
16	VCB	1,133,199	26,500	30,029,773,500	4.38%
17	VNM	876,132	139,000	121,782,348,000	17.76%
<b>IV</b>	<b>Other assets</b>			<b>1,205,983,378</b>	<b>0.18%</b>
1	Interest receivables			505,077,778	0.08%
2	Dividend receivables			700,905,600	0.10%
<b>V</b>	<b>Cash in banks</b>			<b>100,545,148,347</b>	<b>14.66%</b>
<b>VI</b>	<b>Total investment portfolio</b>			<b>685,640,446,825</b>	<b>100%</b>

3 March 2014



HSBC Bank (Vietnam) Ltd. *u*

**Vinith Rao**  
 Head of HSBC Securities Services  
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Vietnam Investment Fund Management Joint  
 Stock Company

Mr. Nguyen Minh Dang Khanh  
 Deputy CEO cum Finance Controller



Vietnam Investment Fund Management Joint  
 Stock Company

Mr. Tran Thanh Tan  
 Chief Executive Officer

*The accompanying notes are an integral part of these financial statements*

## **Vietnam Blue-Chips Fund**

### **Notes to the financial statements for the period from 1 January 2013 to 16 December 2013**

**Form B04-QDT**

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

#### **1. Reporting entity**

Vietnam Blue-Chips Fund (“the Fund”) is established as a public closed-end fund under Establishment Registration Certificate No. 11/UBCK-GCN issued by the State Securities Commission of Vietnam on 28 February 2008. The Fund was licensed to operate for 10 years from the Establishment Registration Certificate date.

The maximum total capital of the Fund as stipulated in the Establishment Registration Certificate is VND8,000 billion. According to this Certificate, the Fund is authorised to issue 80,646,000 fund units to the public with par value of each fund unit of VND10,000 per unit for the first fund mobilisation.

The primary objective of the Fund is to invest in top-ranking companies operating in all fundamental sectors of the Vietnam economy. Most of the investments are listed on the Vietnamese stock exchanges. The investment portfolio of the Fund will be managed to maximise profits and minimise risks to the Fund’s investments.

The Fund Unit Certificate is listed on the Ho Chi Minh City Stock Exchange under Listing Approval Certificate No. 58/QD-SGDHCM dated 3 June 2008.

The Fund has no employees and is managed by Vietnam Investment Fund Management Joint Stock Company, an investment management company incorporated in Vietnam. The Fund is supervised by HSBC Bank (Vietnam) Ltd.

On 16 December 2011, the Ministry of Finance issued Circular No. 183/2011/TT-BTC with effective date from 1 March 2012 guiding the establishment and management of open-ended funds. Accordingly, the Circular also allows open-ended funds to be formed by converting from closed-end funds providing that conditions stated in the circular being met by the fund. In the Extraordinary Meeting of the Fund Unitholders on 6 September 2013, it was decided to convert the Fund from a closed-end fund to an open-ended fund. On 16 December 2013, the Fund obtained approval from the State Securities Commission to convert from a closed-end fund to an open-ended fund.

## Vietnam Blue-Chips Fund

### Notes to the financial statements for the period from 1 January 2013 to 16 December 2013 (continued)

Form B04-QDT

## 2. Basis of preparation

### (a) Statement of compliance

The financial statements have been prepared in accordance with Decision 63/2005/QD-BTC on the promulgation of accounting systems for securities investment funds, Circular 224/2012/TT-BTC on the promulgation of regulations on establishment and management of closed-end funds and member funds, both issued by the Ministry of Finance, Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements applicable to financial reporting.

The accompanying financial statements have not been prepared to express the financial position and the operating results in accordance with accounting principles and practices generally accepted in other countries and other jurisdictions outside Vietnam. The accounting principles and practices applicable in Vietnam may be different with those in other countries and other jurisdictions.

In accordance with Decision 63/2005/QD-BTC, the Fund's financial statements include the following reports:

- Balance sheet;
- Statement of income;
- Statement of assets;
- Statement of changes in net assets;
- Statement of investment portfolio; and
- Notes to the financial statements.

### (b) Basis of measurement

The financial statements of the Fund are prepared on the accruals basis using the historical cost concept, except as discussed in Note 3(d).

Comparative information has been provided where it is considered appropriate to assist in the understanding of the current financial position of the Fund and movements in that financial position since the previous reporting period.

The following are the accounting policies which have been adopted for the current period, together with the previous accounting policy which was adopted in prior years.

### (c) Annual accounting period

The annual accounting period of the Fund is from 1 January to 31 December. This fiscal period, being the last period of the Fund as a closed-end fund, is from 1 January 2013 to 16 December 2013.

### (d) Accounting currency

The financial statements are prepared and presented in Vietnam Dong ("VND").

**Vietnam Blue-Chips Fund**

**Notes to the financial statements for the period from 1 January 2013 to 16 December 2013 (continued)**

Form B04-QDT

**3. Summary of significant accounting policies**

The following significant accounting policies have been adopted by the Fund in the preparation of these financial statements.

**(a) Foreign currency transactions**

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the balance sheet date. Transactions in currencies other than VND during the period/year have been translated into VND at rates approximating those ruling at the transaction dates.

All foreign exchange differences are recorded as expenses or income in the statement of income.

**(b) Accounting documentation system**

The registered accounting documentation system of the Fund is the General Journal system.

**(c) Cash in banks**

Cash in banks comprises current accounts and term deposits. Cash in banks are highly liquid, readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in value.

**(d) Investments in securities**

Investments in securities are initially stated at cost, which comprises the purchase price and attributable costs incurred on the acquisitions of the investments, and are revalued at the balance sheet date in accordance with Circular 224/2012/TT-BTC dated 26 December 2012 issued by the Ministry of Finance on the promulgation of regulations on establishment and management of closed-end funds and member funds. Any unrealised gains or loss on revaluation of investment securities are recognised in the statement of income in accordance with Decision 63/2005/QD-BTC dated 14 September 2005 issued by the Ministry of Finance on the promulgation of accounting systems for securities investment funds.

**(i) Classification**

The Fund classifies its listed securities and unlisted securities which are purchased for trading purposes as trading securities.

**(ii) Recognition**

The Fund recognizes investments in securities at the transaction date.



## Vietnam Blue-Chips Fund

### Notes to the financial statements for the period from 1 January 2013 to 16 December 2013 (continued)

Form B04-QDT

#### (iii) Measurement

The Fund applies Circular 224/2012/TT-BTC (“Circular 224”) issued by the Ministry of Finance on 26 December 2012 on the promulgation of regulations on establishment and management of closed-end investment funds and member funds. In accordance with the requirement of Circular 224, the Fund is required to establish a valuation book providing guidance on valuation of investments. The Fund Representative Committee on 18 March 2013 resolved the Fund’s valuation book whereby investments are revalued at the reporting date as follows:

##### Shares

Shares which are listed on the Ho Chi Minh City Stock Exchange are revalued on the reporting date at the closing price (closing price or other names, depending on the internal regulations of the Stock Exchange) of latest trading date of the securities before the valuation date.

If there is no trading in the two previous weeks prior to the reporting date, then the above securities are revalued on the reporting date using the following values in order of precedence:

- Closing price (or other names, depending on the internal regulations of the Stock Exchange) of latest trading date of the securities before the valuation date; or
- Book value; or
- Purchase price; or
- Value determined in accordance with the methodology approved by the Fund Representative Committee.

Shares which are listed on the Hanoi Stock Exchange are revalued on the reporting date at closing price (closing price or other names, depending on the internal regulations of the Stock Exchange) of the latest trading date before the valuation date.

If there is no trading in the two previous weeks prior to the reporting date, then the above securities are revalued on the reporting date using the following values in order of precedence:

- Closing price (or other names, depending on the internal regulations of the Stock Exchange) of latest trading date of the securities before the valuation date; or
- Book value; or
- Purchase price; or
- Value determined in accordance with the methodology approved by the Fund Representative Committee.

Shares of public companies registered for UpCom trading are revalued on the reporting date at the closing prices of latest trading date of the securities before the valuation date.

If there is no trading in the two previous weeks prior to the reporting date, then the above securities are revalued on the reporting date using the following values in order of precedence:

- Closing Price of latest trading date of the securities before the valuation date; or
- Book value; or
- Purchase price; or
- Value determined in accordance with the methodology approved by the Fund Representative Committee.

## **Vietnam Blue-Chips Fund**

### **Notes to the financial statements for the period from 1 January 2013 to 16 December 2013 (continued)**

**Form B04-QDT**

Unlisted shares are revalued on the reporting date using the following values in order of precedence:

- Quoted prices (if any) obtained from quotation system of relevant authorities; or
- Average quoted prices (average price of transactions during the period) obtained from at least three securities companies which are not related parties at the latest trading date before the valuation date.

If there is not sufficient quoted prices from at least three securities companies, then the above securities are revalued on the reporting date using the following values in order of precedence:

- Quoted prices obtained from two securities companies; or
- Price of the latest reporting period but not exceed 3 months prior to valuation date; or
- Book value; or
- Purchase price; or
- Value determined in accordance with the methodology approved by the Fund Representative Committee.

#### **Bonds**

Listed bonds are revalued on the reporting date at the closing price obtained from the Stock Exchanges at the latest trading date prior to valuation date plus accumulated accrued interest.

If there was no trading in the previous two weeks prior to the reporting date, then market value is the following value in order of precedence:

- Purchase price plus accumulated accrued interest; or
- Par value plus accumulated accrued interest; or
- Value determined in accordance with the methodology approved by the Fund Representative Committee.

Unlisted bonds are revalued on the reporting date, then the market value is the following values in order of precedence:

- Quoted price (if any) from the quotation system plus accumulated accrued interest of the latest trading date before the valuation date; or
- Purchase price plus accrued interest; or
- Par value plus accrued interest; or
- Value determined in accordance with the methodology approved by the Fund Representative Committee.

#### **Bonus shares, share dividends and right issues**

Bonus shares, share dividends and right issues are recorded as investments at nil cost at inception and are revalued at market value at the reporting date by reference to the value of the underlying securities on that date.

#### **Money market instruments**

Treasury bills, bank drafts, commercial bills, transferrable certificates of deposit, bonds (with remaining maturities less than three months) and discounted money market instruments are revalued at purchase price plus accrued interest at the date prior to the reporting date.

**Vietnam Blue-Chips Fund**

**Notes to the financial statements for the period from 1 January 2013 to 16 December 2013 (continued)**

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The Fund has applied this new accounting policy prospectively. Had the Fund applied this new accounting policy for the previous periods, there would be no material impact to the previous financial statements given the Fund's investments are all listed shares.

**(iv) Derecognition**

Investments in securities are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Cost of trading securities is determined on a weighted average basis.

**(e) Receivables**

Receivables from investment activities and other receivables are stated at cost less allowance for doubtful debts.

**(f) Payables**

Payables for investment activities and other payables are stated at their cost.

**(g) Provisions**

A provision is recognised if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

In relation with the conversion of the Fund from a closed-end fund to an open-ended fund ("the Conversion"), the Fund has made the provision for conversion costs. The best estimate of this provision has been determined by the Fund Representative Committee' using their experience and knowledge at the present time and approved by the Fund's Unitholders in the Extraordinary Meeting on 6 September 2013. This amount has been recognised as other payables on the balance sheet and an expense in profit or loss. The provision has not been discounted as it is expected that the expenses will be incurred in the short term.

## Vietnam Blue-Chips Fund

### Notes to the financial statements for the period from 1 January 2013 to 16 December 2013 (continued)

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#### (h) Classification of financial instruments

Solely for the purpose of providing disclosures about the significance of financial instruments to the Fund's financial position and results of operations and the nature and extent of risk arising from financial instruments, the Fund classifies its financial instruments as follows:

#### (i) *Financial assets*

##### *Financial assets at fair value through profit or loss*

A financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

- It is considered by the Fund as held for trading. A financial asset is considered as held for trading if:
  - it is acquired principally for the purpose of selling it in the near term;
  - there is evidence of a recent pattern of short-term profit-taking; or
  - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Fund as at fair value through profit or loss.

##### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Fund has the positive intention and ability to hold to maturity, other than:

- those that the Fund upon initial recognition designates as at fair value through profit or loss;
- those that the Fund designates as available-for-sale; and
- those that meet the definition of loans and receivables.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those:

- that the Fund intends to sell immediately or in the near term, which are classified as held for trading, and those that the entity on initial recognition designates as at fair value through profit or loss;
- that the Fund upon initial recognition designates as available-for-sale; or
- for which the Fund may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

## Vietnam Blue-Chips Fund

### Notes to the financial statements for the period from 1 January 2013 to 16 December 2013 (continued)

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#### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or that are not classified as:

- financial assets at fair value through profit or loss;
- held-to-maturity investments; or
- loans and receivables.

#### **(ii) Financial liabilities**

##### *Financial liabilities at fair value through profit or loss*

A financial liability at fair value through profit or loss is a financial liability that meets either of the following conditions:

- It is considered by the Fund as held for trading. A financial liability is considered as held for trading if:
  - it is incurred principally for the purpose of repurchasing it in the near term;
  - there is evidence of a recent pattern of short-term profit-taking; or
  - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Fund as at fair value through profit or loss.

##### *Financial liabilities carried at amortised cost*

Financial liabilities which are not classified as financial liabilities at fair value through profit or loss are classified as financial liabilities carried at amortised cost.

The above described classification of financial instruments is solely for presentation and disclosure purpose and is not intended to be a description of how the instruments are measured. Accounting policies for measurement of financial instruments are disclosed in other relevant notes.

#### **(i) Taxation**

Under current regulations in Vietnam, the Fund is not subject to corporate income tax. However, when the Fund distributes dividends to its corporate Unitholders, regardless of local or overseas corporate Unitholders, it is required to withhold 25% of distributed profit (except for distributed profit portions already imposed with CIT in the previous stage and bond interest collected from tax-free bonds in accordance with the current regulations) in accordance with Official Letter No. 10945/BTC-TCT dated 19 August 2010 issued by the Ministry of Finance. When the Fund distributes dividends to its Unitholders who are individuals, it is required to withhold 5% of distributed profits in accordance with Circular 84/2008/TT-BTC dated 30 September 2008 issued by the Ministry of Finance.

## Vietnam Blue-Chips Fund

### Notes to the financial statements for the period from 1 January 2013 to 16 December 2013 (continued)

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#### (j) Issued capital

Fund units issued to Unitholders are classified as equity.

#### (k) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

##### (i) *Interest income and dividend income*

Interest income is recognised in the statement of income as the interest accrues unless collectability is in doubt. Dividend income is recognised when the right to receive payment is established.

##### (ii) *Income from securities trading*

Income from securities trading activities is recognised in the statement of income upon receipt of the Notice of securities trading transactions from the Vietnam Securities Deposit (for listed securities) which are verified by the Supervising Bank and completion of the agreement on transfer of assets (for unlisted securities).

#### (l) Expenses

Expenses are recognised on an accrual basis. All expenses are recognised in the statement of income except for expenses incurred on the acquisition of an investment which are included in the cost of that investment.

#### (m) Earnings per fund unit and net asset value per fund unit

The Fund presents basic earnings per fund unit ("EPU") for its fund units. Basic EPU is calculated by dividing the profit or loss of the Fund by the weighted average number of fund units outstanding during the period/year.

Net asset value ("NAV") per fund unit is calculated by dividing the net asset value of the Fund by the number of outstanding fund units as at the balance sheet date. Net assets is determined as total assets less total liabilities.

#### (n) Segment reporting

The Fund operates as one segment.

## Vietnam Blue-Chips Fund

Notes to the financial statements for the period from 1 January 2013 to 16 December 2013 (continued)

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### (o) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Other investment funds under the management of the Fund Management Company and shareholders of the Fund Management Company are considered related parties to the Fund.

### (p) Off balance sheet items

Amounts which are defined as off balance sheet items under the Decision 63/2005/QD-BTC dated 14 September 2005 issued by the Ministry of Finance on promulgation of accounting systems for securities investment funds and the Vietnam Accounting System are disclosed in the relevant notes to these financial statements.

### (q) Nil balances

Items or balances required by the Decision 63/2005/QD-BTC dated 14 September 2005 issued by the Ministry of Finance on promulgation of accounting systems for securities investment funds and the Vietnam Accounting System that are not shown in these financial statements indicate nil balances.

## 4. Cash in banks

Cash in banks represents cash in Vietnam Dong deposited at the following banks at period/year end:

	16/12/2013 VND	31/12/2012 VND
<b>Current accounts</b>		
HSBC Bank (Vietnam) Ltd.	5,045,148,347	3,406,152,310
<b>Term deposits</b>		
Joint Stock Commercial Bank for Foreign Trade of Vietnam	-	39,000,000,000
HSBC Bank (Vietnam) Ltd.	-	9,000,000,000
Joint Stock Commercial Bank for Investment and Development of Vietnam	-	57,000,000,000
Vietnam Export Import Commercial Joint Stock Bank	95,500,000,000	-
	<hr/>	<hr/>
	100,545,148,347	108,406,152,310

Term deposits represents deposits at banks with original terms to maturity of three months or less. During the period, these balance of term deposits earn interest ranging from 1.2% to 7% per annum (year ended 31 December 2012: ranging from 2% to 11% per annum).

**Vietnam Blue-Chips Fund**

Notes to the financial statements for the period from 1 January 2013 to 16 December 2013 (continued)

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**5. Investments in securities**

All the investee companies (both listed and unlisted) as shown in the statement of investment portfolio are incorporated in Vietnam.

The Fund does not seek to participate in day-to-day financial and operating policy decisions of the investee companies. Accordingly, the Fund does not intend to exert a controlling or significant influence over the investee companies and therefore, the Fund's investments are recorded on the basis set out in Note 3(d), rather than being consolidated or equity accounted.

The details of investments in securities were as follows:

	At cost VND	Revaluation gain/(loss) VND	Market value at balance sheet date VND
<b>16/12/2013</b>			
Listed shares	512,664,145,492	71,225,169,608	583,889,315,100
<b>31/12/2012</b>			
Listed shares	520,639,861,015	(94,221,534,915)	426,418,326,100

**6. Receivables from investment activities**

	16/12/2013 VND	31/12/2012 VND
Interest receivables from deposits at banks	505,077,778	884,944,445
Dividend receivables	700,905,600	-
	1,205,983,378	884,944,445

**7. Payables to the Fund Management Company and the Supervising Bank**

	16/12/2013 VND	31/12/2012 VND
Fund management fee payable to the Fund Management Company	603,159,339	891,445,254
Custody and supervising fees payable to the Supervising Bank	24,729,532	36,549,256
	627,888,871	927,994,510



**Vietnam Blue-Chips Fund****Notes to the financial statements for the period from 1 January 2013 to 16 December 2013 (continued)**

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**8. Other payables**

	16/12/2013 VND	31/12/2012 VND
Dividends payable to Unitholders not registered with the Vietnam Securities Depository	83,000,000	83,000,000
Accrual of meeting expenses	367,093,888	382,189,500
Accrual of audit fees	326,879,758	259,325,000
	<hr/>	<hr/>
	776,973,646	724,514,500
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**9. Issued capital**

The Fund's maximum authorised capital is VND8,000 billion, equivalent to 800,000,000 fund units of VND10,000 each. Up to 16 December 2013, total capital subscribed by existing Unitholders was VND806,460 million, equivalent to 80,646,000 fund units (31/12/2012: VND806,460 million, equivalent to 80,646,000 fund units).

There were no movements in issued capital during the period/year.

Each fund unit has a par value of VND10,000. All fund units have the same rights in regard to voting right, dividends, redemption of capital and others. Each issued and fully paid fund unit carries one vote at general meetings of the Fund and is entitled to receive dividend as declared by the Fund from time to time.

**10. Accumulated losses**

	From 1/1/2013 to 16/12/2013 VND	Year ended 31/12/2012 VND
Balance at the beginning of the period/year	(272,520,842,178)	(362,080,832,769)
Net profit for the period/year	150,224,106,018	89,559,990,591
	<hr/>	<hr/>
Balance at the end of the period/year	(122,296,736,160)	(272,520,842,178)
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**Vietnam Blue-Chips Fund****Notes to the financial statements for the period from 1 January 2013 to 16 December 2013 (continued)**

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**11. Other operating expenses**

	<b>From 1/1/2013 to 16/12/2013 VND</b>	<b>Year ended 31/12/2012 VND</b>
Brokerage fees for selling securities	222,307,978	297,793,917
Fund Representative Committee's remunerations (Note 13 (a))	604,320,468	532,000,000
Fund Representative Committee's meeting fees	369,136,804	363,636,975
Sundry expenses	125,317,923	221,073,291
	<hr/>	<hr/>
	1,321,083,173	1,414,504,183

**12. Earnings per fund unit**

The calculation of earnings per fund unit for the period from 1 January 2013 to 16 December 2013 was based on the profit for the period of VND150,224,106,018 (year ended 31/12/2012: profit of VND89,559,990,591) and a weighted average number of fund units outstanding of 80,646,000 (year ended 31/12/2012: 80,646,000) units during the period/year.

**13. Related parties and other key contracts****(a) Significant transactions with related parties***Vietnam Investment Fund Management Joint Stock Company, the Fund Management Company*

	<b>From 1/1/2013 to 16/12/2013 VND</b>	<b>Year ended 31/12/2012 VND</b>
Management fee	12,372,666,225	10,409,349,877

In accordance with the Fund's Charter, the Fund Management Company is entitled to receive management fee and performance fee. Management fee is calculated on a monthly basis and is equal to one-twelfth of two per cent (2%) of the Net Asset Value of the Fund on the last day of the month.

Performance fee is calculated at year end based on the excess of the increase in net asset value of the Fund and the growth rate of the market which is adjusted in accordance with the Fund's average investment portfolio during the year. There was no performance fee recorded for the period from 1 January 2013 to 16 December 2013 (year ended 31/12/2012: Nil) because the conditions were not met.

**Vietnam Blue-Chips Fund****Notes to the financial statements for the period from 1 January 2013 to 16 December 2013 (continued)**

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***Fund Representative Committee***

Other than the remunerations, there is no other contracts to which the Fund and any member of the Fund Representative Committee is a party where a member of the Fund Representative Committee has a material interest. Remunerations and associated expenses to members of the Fund Representative Committee is recognised as expenses of the Fund in the statement of income.

	<b>From 1/1/2013 to 16/12/2013 VND</b>	<b>Year ended 31/12/2012 VND</b>
Fund Representative Committee's remunerations (Note 11)	604,320,468	532,000,000

**(b) Other key contracts*****HSBC Bank (Vietnam) Ltd., the Supervising Bank***

	<b>From 1/1/2013 to 16/12/2013 VND</b>	<b>Year ended 31/12/2012 VND</b>
Custody and supervising fees (*)	513,879,316	426,783,346

The Fund has appointed HSBC Bank (Vietnam) Ltd., to be the Supervising Bank of the Fund. In accordance with the Fund's Charter, the Fund has to pay the Supervising Bank a monthly custody and supervising fee in arrears equal to one twelfth of zero point zero eight per cent (0.08%) of the Net Asset Value of the Fund on the last day of the month. In which the supervising fee is equal to one twelfth of zero point zero two per cent (0.02%) of the Net Asset Value of the Fund and the custody fee is equal to one twelfth of zero point zero six (0.06%) per cent of the Net Asset Value of the Fund. The supervising fee is subject to Value Added Tax at rate of 10%.

(\*) The custody and supervising fees for the period from 1 January 2013 to 16 December 2013 has not included the custody fees paid to the Vietnam Securities Depository of VND76,735,984 (for the year ended 31 December 2012: VND117,917,899).

## Vietnam Blue-Chips Fund

Notes to the financial statements for the period from 1 January 2013 to 16 December 2013 (continued)

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### 14. Indices

No.	Indices	As at and for the period from 1/1/2013 to 16/12/2013	As at and for the year ended 31/12/2012
<b>I</b>	<b>Investment ratios</b>		
1	Securities investments/Total assets	85.16%	79.60%
2	Shares investments/Total assets	85.16%	79.60%
3	Listed shares/Total assets	85.16%	79.60%
4	Cash in banks/Total assets	14.66%	20.24%
5	Average income/Total assets	24.12%	19.14%
6	Average expenses/Total assets	2.21%	2.42%
<b>II</b>	<b>Market ratios</b>		
1	Number of fund units in circulation	80,646,000	80,646,000
2	Number of fund units held by employees of the Fund Management Company/Total fund units	0.28%	0.07%
3	Number of fund units traded/Total number of fund units	37.64%	24.15%
4	Net asset value per the fund unit (VND)	8,484	6,621

### 15. Financial risk management

The Fund has exposure to the following risks from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk.

The Fund's investment portfolio comprises listed securities. The Management of the Fund Management Company has been given a discretionary authority to manage the Fund's assets in line with the Fund's investment objectives. Compliance with the target asset allocations, the composition of the portfolio is monitored by the Fund Management Company on a weekly basis. In instances where the portfolio has diverged from the target asset allocations, the Management of the Fund Management Company is obliged to take actions to rebalance the portfolio in line with the established targets.

**Vietnam Blue-Chips Fund**

**Notes to the financial statements for the period from 1 January 2013 to 16 December 2013 (continued)**

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**(a) Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from cash in banks, investments in securities and receivables from investment activities. All call deposits and term deposits were placed with financial institutions where the Fund does not expect any losses arising from the non-performance of these financial institutions.

The Fund's listed securities will only be traded on or subject to the rules of the Ho Chi Minh City Stock Exchange and the Hanoi Stock Exchange or with counterparties which have a specified credit rating. All transactions in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal since the delivery of securities sold is made only once the broker has received payment. A purchase payment is only made once the securities have been received by the broker. If either party fails to meet their obligations, the trade will fail.

Receivables from investment activities represents interest receivables from bank deposits and dividend income receivables. The Fund Management Company believes no allowance for doubtful debts was considered necessary for these receivables as at 16 December 2013.

The maximum exposure to credit risk faced by the Fund is equal to the carrying amounts of cash in banks and receivables from investment activities.

**Vietnam Blue-Chips Fund**

**Notes to the financial statements for the period from 1 January 2013 to 16 December 2013 (continued)**

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**(b) Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Fund's approach to managing liquidity risk is to ensure that it will always have sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The Fund's financial assets as at 16 December 2013 include listed securities and cash in banks. The Fund's investments in listed securities are considered to be readily realisable as they are traded on the Ho Chi Minh City Stock Exchange and the Hanoi Stock Exchange. As a result the Fund may be able to liquid some of its investments in due time in order to meet its liquidity requirements.

As at 16 December 2013 and 31 December 2012 the contractual maturities of non-derivative financial liabilities were as follows:

	<b>Carrying amount VND</b>	<b>Undiscounted contractual cash flow VND</b>	<b>Less than 1 month VND</b>	<b>From 1 to 3 months VND</b>	<b>From 3 months to 1 year VND</b>
<b>16 December 2013</b>					
Remunerations payable to the Fund Representative Committee	72,320,468	72,320,468	72,320,468	-	-
Payables to the Fund Management Company and the Supervising Bank	627,888,871	627,888,871	627,888,871	-	-
Other payables	776,973,646	776,973,646	776,973,646	-	-
	<b>1,477,182,985</b>	<b>1,477,182,985</b>	<b>1,477,182,985</b>	<b>-</b>	<b>-</b>
<b>31 December 2012</b>					
Payables for investment activities	29,756,023	29,756,023	29,756,023	-	-
Remunerations payable to the Fund Representative Committee	88,000,000	88,000,000	88,000,000	-	-
Payables to the Fund Management Company and the Supervising Bank	927,994,510	927,994,510	927,994,510	-	-
Other payables	724,514,500	724,514,500	724,514,500	-	-
	<b>1,770,265,033</b>	<b>1,770,265,033</b>	<b>1,770,265,033</b>	<b>-</b>	<b>-</b>

**Vietnam Blue-Chips Fund**

**Notes to the financial statements for the period from 1 January 2013 to 16 December 2013 (continued)**

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**(c) Market risk**

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and market prices will affect the Fund's income or the value of its holdings of financial instruments.

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Fund's financial instruments will fluctuate as a result of changes in market interest rates. The Fund's exposure to market risk due to change in interest rates is minimal since all term deposits have short-term maturities.

**(ii) Currency risk**

Currency risk is the risk that the value of the Fund's financial instruments will be affected by changes in exchange rates. The Fund is not exposed to currency risk as the Fund's assets and liabilities are denominated in Vietnam Dong which is the Fund's functional currency.

**(iii) Market price risk**

Market price risk is the risk that the value of the financial instruments will decrease as a result of change in equity indices and the values of individual securities.

The Fund has invested in listed securities that are affected by market price risk arising from the uncertainty in the fluctuation of the future market value of these securities. Market price risk is managed by the Fund Management Company by diversifying the investment portfolio and careful selection of securities within specified limits.

As at 16 December 2013, the market value of the Fund's listed securities is VND583,889,315,100 (31 December 2012: VND426,418,326,100). During the period from 1 January 2013 to 16 December 2013, the difference between the highest and lowest monthly VN Index was approximately 9.67%. Had the market prices of these securities declined or increased by 9.67% as at 16 December 2013 with all other variable remaining constant, the Fund's Net Asset Value would have decreased or increased by VND56,462,096,770 (31 December 2012: VND41,234,652,134), respectively.

**Vietnam Blue-Chips Fund**

**Notes to the financial statements for the period from 1 January 2013 to 16 December 2013 (continued)**

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**(d) Fair values**

**(i) Fair values versus carrying amounts**

The table below presents the carrying value and fair value of the Fund's financial assets and liabilities:

	16/12/2013		31/12/2012	
	Carrying amounts VND	Fair value VND	Carrying amounts VND	Fair value VND
<b>Financial assets</b>				
Categorised as financial assets at fair value through profit or loss:				
▪ Investments in securities	583,889,315,100	583,889,315,100	426,418,326,100	426,418,326,100
Categorised as loans and receivables:				
▪ Cash in banks	100,545,148,347	100,545,148,347	108,406,152,310	108,406,152,310
▪ Receivables from investment activities	1,205,983,378	1,205,983,378	884,944,445	884,944,445
	<b>685,640,446,825</b>	<b>685,640,446,825</b>	<b>535,709,422,855</b>	<b>535,709,422,855</b>
<b>Financial liabilities</b>				
Categorised as liabilities at amortised cost:				
▪ Payables for investment activities	-	-	29,756,023	29,756,023
▪ Remunerations payable to the Fund Representative Committee	72,320,468	72,320,468	88,000,000	88,000,000
▪ Payables to the Fund Management Company and the Supervising Bank	627,888,871	627,888,871	927,994,510	927,994,510
▪ Other payables	776,973,646	776,973,646	724,514,500	724,514,500
	<b>1,477,182,985</b>	<b>1,477,182,985</b>	<b>1,770,265,033</b>	<b>1,770,265,033</b>

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction on the measurement date.



**Vietnam Blue-Chips Fund**  
**Notes to the financial statements for the period from 1 January 2013 to 16 December 2013 (continued)**

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**(ii) Basis for determining fair values**

The Fund uses the following methods and assumptions in estimation of fair value for financial assets and liabilities:

- Fair value of cash in banks is account balance at the reporting date.
- Fair value of securities which are listed on the Ho Chi Minh City Stock Exchange are the closing prices (closing price or other names, depending on the internal regulations of the Stock Exchange) of latest trading date of the securities before the valuation date
- Fair value of securities which are listed on the Hanoi Stock Exchange are the closing prices (basic price or reference price for following date or other names, depending on the internal regulations of the Stock Exchange) of the latest trading date before the valuation date.
- Fair values of other financial assets and liabilities approximate their carrying values as at 16 December 2013 due to the short-term maturity of these financial instruments.

**16. Subsequent events**

On 17 December 2013 the Fund was officially converted to a public open-ended fund under the Establishment Registration Certificate No. 06/GCN-UBCK (“Certificate”) dated 16 December 2013 issued by the State Securities Commission of Vietnam.

**17. Approval for issue the financial statements**

The financial statements as of and for the period from 1 January 2013 to 16 December 2013 were authorised for issue by the Fund Representative Committee on 3 March 2014.

3 March 2014



HSBC Bank (Vietnam) Ltd. *rf*  
**Vinith Rao**  
Head of HSBC Securities Services  
HSBC Bank (Vietnam) Ltd.

*ph*  
Vietnam Investment Fund Management Joint  
Stock Company  
Mr. Nguyen Minh Dang Khanh  
Deputy CEO cum Finance Controller



*ph*  
Vietnam Investment Fund Management Joint  
Stock Company  
Mr. Tran Thanh Tan  
Chief Executive Officer

