

# **Vietnam Bond Fund**

Interim financial statements

30 June 2018

# Vietnam Investment Fund Management Joint Stock Company

## Vietnam Bond Fund

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# Vietnam Investment Fund Management Joint Stock Company

## Vietnam Bond Fund

### GENERAL INFORMATION

#### THE FUND

Vietnam Bond Fund ("the Fund") was established as an open-ended securities investment fund in Vietnam in accordance with Initial Public Offering Certificate No. 04/GCN-UBCK dated 27 February 2013; Registration certificate for open ended fund No. 04/GCN-UBCK issued by the State Securities Commission ("SSC") on 10 June 2013 and Decision No. 398/QD-UBCK issued by SSC dated 7 May 2015 on the amendment of the certificate registration of the public investment fund. As such, the Fund was licensed to operate for an undefined period.

Total number of initial distributed fund units was 9,957,482.26 amounting to VND99,574,822,600 at par value of VND10,000 per fund unit. As at 31 December 2017, the capital of the Fund at par value contributed by investors was VND224,289,567,100. During the six-month period ended 30 June 2018 the Fund issued additional 44,822,528.12 fund units, amounting to VND448,225,281,200 and redeemed 27,557,818.74 fund units, amounting to VND275,578,187,400 at par value. The capital of the Fund at par value contributed by investors as at 30 June 2018 amounting to VND396,936,660,900.

The Fund has no employee and is managed by Vietnam Investment Fund Management Joint Stock Company ("the Fund Management Company") which was established in accordance with License No. 45/UBCK-GP issued by the SSC on 8 January 2009.

The Fund is located at Unit 1701-04, 17th Floor, Me Linh Point Tower, 2 Ngo Duc Ke Street, District 1, Ho Chi Minh City, Vietnam.

Net asset value (NAV) valuation period:

- ▶ Weekly basis: NAV is weekly valued every Friday. In case the valuation date falls in a weekend or holiday, the valuation shall be carried on the next working day right after.
- ▶ Monthly basis: NAV is monthly valued on the first day of the next month regardless of the valuation date falls in a weekend or holiday.

Frequency of fund unit trading is arranged every Friday.

The main objective of the Fund is to earn profit from debt securities (including but not limited to Vietnamese Government bonds, Government guaranteed bonds, municipal bonds, corporate bonds of issuers operating under Vietnamese law, etc.), valuable papers and money market instruments. In addition, the Fund's investment objective may be entirely adjusted subject to the General Meeting of Investors' Resolution in compliance with the current regulations, which is reported to the State Securities Commission.

The Fund's strategy is active management based on fundamental analysis of macro-economic conditions, as well as quantitative models, statistic or corporate analysis in making investment decisions which optimizes profit for the portfolio. The analysis of corporate bonds is based on at least a credit rating model developed by a technical supporter and the Fund Management Company.

# Vietnam Investment Fund Management Joint Stock Company

## Vietnam Bond Fund

GENERAL INFORMATION (continued)

### **CUSTODIAN AND SUPERVISORY BANK**

The Fund was approved by the SSC that its Custodian and Supervisory Bank is Standard Chartered Bank (Vietnam) Limited ("Standard Chartered Bank"), under amended Decision of Certificate Registration No. 398/QD-UBCK dated 7 May 2015.

The Custodian and Supervisory Bank was appointed by the General Meeting of Investors. Functions of the Custodian and Supervisory Bank include safe keeping, depository of securities, certificates of legitimate ownership of the Fund; business contracts, other documents related to assets of the Fund and supervisory activities of the Fund's assets management by the Fund Management Company. Rights and obligations of the Depository and Supervisory Bank are stipulated in the Fund Charter.

### **FUND MANAGEMENT COMPANY**

Vietnam Investment Fund Management Joint Stock Company is the authorised representative of the Fund, on behalf of the Fund to execute the ownership towards the assets of the Fund in an honest and careful manner. The Fund Management Company complies with the provisions of law and the Charter of the Fund Management Company and manages the Fund's assets as stipulated in Fund Charter in compliance with the code of professional ethics, voluntariness, fairness, honesty and for the best interests of the Fund.

### **BOARD OF REPRESENTATIVES**

The members of the Board of Representatives during the period and at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment/reappointment</i>
Ms. Nguyen Boi Hong Le	Chairwoman	Reappointed on 5 April 2016
Ms. Le Thi Thu Huong	Member	Reappointed on 5 April 2016
Ms. Pham Thi Thanh Thuy	Member	Appointed on 5 April 2016

### **LEGAL REPRESENTATIVE**

The legal representative of the Fund Management Company during the period and at the date of this report is Mr. Tran Thanh Tan - Chief Executive Officer - Vietnam Investment Fund Management Joint Stock Company - Fund Management Company.

### **AUDITORS**

The auditors of the Fund are Ernst & Young Vietnam Limited.



# Vietnam Investment Fund Management Joint Stock Company Vietnam Bond Fund

## REPORT OF THE BOARD OF REPRESENTATIVES

The Board of Representatives of Vietnam Bond Fund ("the Fund") is pleased to present this report and the interim financial statements of the Fund for the six-month period ended 30 June 2018.

### **THE RESPONSIBILITY OF THE FUND MANAGEMENT COMPANY'S BOARD OF MANAGEMENT FOR THE INTERIM FINANCIAL STATEMENTS**

The Board of Management of Vietnam Investment Fund Management Joint Stock Company ("the Fund Management Company") is responsible for the interim financial statements of each financial period which give a true and fair view of the financial position of the Fund as at 30 June 2018 and of the interim results of its operations, interim changes in its net assets, transactions of fund units and its interim cash flows for the six-month period then ended. In preparing those interim financial statements, the Fund Management Company's Board of Management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgments and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards applicable to the Fund have been followed, subject to any material departures disclosed and explained in the interim financial statements; and
- ▶ prepare the interim financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

The Board of Management of the Fund Management Company is 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 applied accounting system. The Board of Management 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.

The Board of Management of the Fund Management Company confirmed that it has complied with the above requirements in preparing the accompanying interim financial statements.

### **APPROVAL OF THE INTERIM FINANCIAL STATEMENTS**

The Board of Representatives does hereby state that, in its opinion, the accompanying interim financial statements give a true and fair view of the financial position of the Fund as at 30 June 2018 and of the interim results of its operations, interim changes in its net assets, transactions of Fund units and its interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds and statutory requirements relevant to preparation and presentation of open-ended funds' interim financial statements.

✓ On behalf of the Board of Representatives: 

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Ms. Nguyen Boi Hong Le  
Chairwoman

Ho Chi Minh City, Vietnam

10 August 2018

# Vietnam Investment Fund Management Joint Stock Company

## Vietnam Bond Fund

### REPORT OF FUND MANAGEMENT COMPANY

#### I. GENERAL INFORMATION

##### 1. Objectives:

Consistent with the Registration certificate for open ended fund issued by the SSC, the Statute and the Prospectus of the Fund.

##### 2. Operation effectiveness:

According to the Fund's financial statements which have been reviewed or audited, as of the reporting period, changes in net assets value (NAV) per fund unit of the Fund is 16.40 (%) compared with the NAV per fund unit of the Fund previous period. The Fund does not have the investment growth value and reference index.

##### 3. Policies and investment strategies:

The Fund's strategy is active management based on fundamental analysis of macro-economic conditions, as well as quantitative models, statistic or corporate analysis in making investment decision which optimizes profit for the portfolio. The analysis of corporate bonds is based on at least a credit rating model that are developed by a technical supporter and the Fund Management Company.

##### 4. Classification: Public open-ended fund

##### 5. Recommendation of investment term: None

##### 6. Current risk profile (low, medium, high): Low

##### 7. Starting date: 10 June 2013

##### 8. Operation scale at the reporting date (as at 30 June 2018)

Net assets value: VND684,807,998,005

Number of units: 39,693,666.09 units

##### 9. Reference index: None

##### 10. Dividend policy: Dividend of the Fund could be distributed annually

##### 11. Profit per Fund unit: None

Vietnam Investment Fund Management Joint Stock Company  
Vietnam Bond Fund

REPORT OF FUND MANAGEMENT COMPANY (continued)

**II. PERFORMANCE INFORMATION**

**1. Assets portfolio**

<i>Asset portfolio</i>	<i>30/06/2018</i> (%)	<i>30/06/2017</i> (%)	<i>30/06/2016</i> (%)
Investment securities	6.91	49.57	66.80
Other assets	93.09	50.43	33.20
Total	100.00	100.00	100.00

**2. Key performance indicators**

<i>Indicators</i>	<i>30/06/2018</i>	<i>30/06/2017</i>	<i>30/06/2016</i>
NAV for the period	684,807,998,005	320,588,862,096	99,789,098,733
Total number of Fund units	39,693,666.09	21,629,596.13	7,628,449.70
NAV per fund unit (units)	17,252.32	14,821.76	13,081.17
Maximum NAV per fund unit in the period	17,252.32	14,821.76	13,104.31
Minimum NAV per fund unit in the period	14,837.83	13,103.95	12,622.81
Closing price per fund unit at the reporting date	N/A	N/A	N/A
Maximum closing price per fund unit at the reporting date	N/A	N/A	N/A
Minimum closing price per fund unit at the reporting date	N/A	N/A	N/A
Growth rate (%) / fund unit	13.40	320.40	7.24
Capital growth rate (%) / fund unit (movement of market price)	-204.38	338.51	0.86
Net profit growth rate (%) / fund unit (distributed profit)	217.78	-18.11	6.38
Gross distribution per fund unit	None	None	None
Net distribution per fund unit	None	None	None
Ex-right date	None	None	None
Operating expenses proportion (%)	1.12	1.40	1.80
Investment turnover ratio (%)	154.80	250.80	368.34

# Vietnam Investment Fund Management Joint Stock Company

## Vietnam Bond Fund

REPORT OF FUND MANAGEMENT COMPANY (continued)

### II. PERFORMANCE INFORMATION (continued)

#### 3. Growth rate over periods

<i>Period</i>	<i>Total increase in NAV/fund unit (%)</i>	<i>Annual growth rate of NAV/fund unit (%)</i>
1 year	16.40	16.40
3 year	41.46	12.26
From establishment	72.52	11.39
Growth rate of reference indicators	None	None

#### 4. Annual growth rate

<i>Year</i>	<i>30/06/2018 (%)</i>	<i>30/06/2017 (%)</i>	<i>30/06/2016 (%)</i>
Growth rate (%)/01 fund unit	16.40	13.31	7.30

*Note: The figures to calculate annual growth rate need to reflect upon the moment of time and comparability. For example, at the time of 30/6, the figures expressing in the tables ensure at 30/6 each year.*

### III. MARKET ASSESSMENT DURING THE PERIOD

#### 1. Primary market

The State Treasury has mobilized more than VND74,581 trillion, reaching 37.29% of the whole year 2018 plan. In particular, the portfolio structure is still focused on long term over-10-year or more, accounting for 80% of total portfolio and there is the shift in investment taste from 20-30 year bonds in the first quarter to 10-15 years in the second quarter. The winning rates for 5, 10, 15 and 20 years increased by 10-30 basic points (bps) in the second quarter to 3.10%, 4.37%, 4.70% and 5.20% respectively after bottoming out in the first quarter of 2018, however, the interest rate is still 20-30 bps lower than the actual transaction rate on the secondary market.

By the end of June 2018, the total outstanding value of all types of government bonds was VND1,035,097 billion. Of which, the value of government bonds reached VND876,301 billion, accounting for 84.66%, government guaranteed bonds was VND137,932 billion, accounting for 13.33% and local government bonds got VND20,864 billion, accounting for 2.01%.

# Vietnam Investment Fund Management Joint Stock Company

## Vietnam Bond Fund

REPORT OF FUND MANAGEMENT COMPANY (continued)

### III. MARKET ASSESSMENT DURING THE PERIOD (continued)

#### 2. Secondary market

In the second quarter of 2018, the secondary market witnessed a reversal of interest rates from its trough in the first quarter of 2018, rising by 20-40 bps in tenors of less-than-5 and rising 50-60 bps with term of 5 years or more. As of June 29, bond yields for 2, 5, 10 and 15 years were 2.62%, 3.55%, 4.76% and 5.12%, respectively.

The fears about inflation risk have become more severe in June because CPI in June increased by 4.67% compared to the same period last year and increased 0.61% compared to last month. Besides, exchange rates showing few positive signs when staying greatly fluctuated from the second half of May to the end of June with 100 to 150 bps increase for each fluctuation has shift investors more toward the state of caution. However, the secondary trading yield did not move up sharply in the second quarter due to factors supporting the stable trend of interest rates, such as: (1) Capital mobilization pressure in the primary market is still at low level under the circumstance that the State budget deficit for the first 6 months of 2018 was only VND3 trillion, considerably lower than the same period of 2016 and 2017; (2) Liquidity in the market continued its stability, interest rates fluctuated at a low of around 0.8-1.7% p.a and (3) credit growth in the first 6 months has reached 6.35%; lower than the same period last year (7.54%) causing banks to have little pressure in liquidity in the interbank market.

### IV. DETAIL OF KEY PERFORMANCE INDICATORS

#### 1. Detail of key performance indicators

<i>Indicators</i>	<i>1 year to the reporting date (%)</i>	<i>The nearest 3 years to the reporting date (%)</i>	<i>From establishment to the reporting date (%)</i>
A	1	2	3
Net profit growth/fund unit	217.78	195.90	N/A
Capital growth/fund unit	-204.38	N/A	N/A
Total growth value/fund unit	13.40	N/A	N/A
Annual growth rate (%)/fund unit	16.40	12.26	11.39
Total investment growth value	None	None	None
Market value change per fund unit	None	None	None

- ▶ Capital, Total growth value, Annual growth rate: Based on the average net asset value (NAV) per fund unit;
- ▶ Reference index: Based on the published price at the newest moment.
- ▶ The index and information presented must be based on the reviewed or audited financial statements. Otherwise, there must be a clear disclosure of such information.
- ▶ Monthly growth rate chart of the Fund during the newest 3 years.
- ▶ Change in NAV.

# Vietnam Investment Fund Management Joint Stock Company

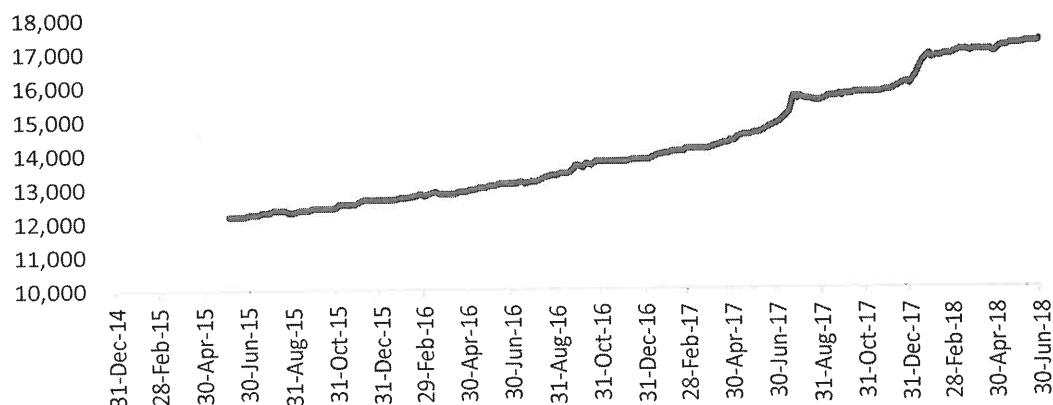
## Vietnam Bond Fund

REPORT OF FUND MANAGEMENT COMPANY (continued)

### IV. DETAIL OF KEY PERFORMANCE INDICATORS (continued)

#### 1. Detail of key performance indicators (continued)

Changes in VFB's NAV per share in recent 3 years



Indicators	30/06/2018	30/06/2017	Variance
A	(1)	(2)	(3)=((1)-(2))/(2)
Net asset value (NAV) of the Fund	684,807,998,005	320,588,862,096	113.61%
Net asset value (NAV) per fund unit	17,252.32	14,821.76	16.40%

Within the period from 30 June 2017 to 30 June 2018, Net asset value (NAV) of VFMVFB per share unit increased by 16.40% as a result of gain from increasing holding assets price and income on investments. Total net asset value (NAV) increased by 113.61%, higher than growth of NAV per share due to the new subscriptions of investors, which make the fund's asset growth in comparison with the beginning of the period.

In the first half of 2018, the net asset value (NAV) per unit of Vietnam Bond Fund (VFB) reached VND17,252.32 as of 30 June 2018. After 6 months, VFB's net asset value per unit (NAVPU) has grown 7.68% compared to its value at 31 December 2017. In the first half of 2018, VFB has outperformed other bond funds in the market and its growth rate was considerable higher than the growth rate of internal benchmark index of VFB (3-year total bond yield announced by HNX has grown 3.99% in the first 6 months of 2018). In the second quarter of 2018, NAV/unit grew by 1.71% compared to the end of Q1 and by 0.38% in June. In the reporting month, a large flow has been subscribed to the fund, by which the net asset value of the fund increases sharply from VND291 billion at the end of May to VND685 billion by the end of June 2018. Having this new cash flow, during the month, the fund has invested in 5-year government bonds and settled to realize profit by 30 June 2018 in the context of the slight decrease of 5-year or shorter government bond yields and the increase of 7-year or longer bond yield. By the same time, the fund's asset structure has changed significantly compared to the end of May 2018 with a significant increase in the proportion of bank deposits. At 30 June 2018, VFB invested 6.91%; 28.50% and 63.30% of the total fund assets in bonds, certificates of deposit and cash, respectively.

Vietnam Investment Fund Management Joint Stock Company  
Vietnam Bond Fund

REPORT OF FUND MANAGEMENT COMPANY (continued)

IV. DETAIL OF KEY PERFORMANCE INDICATORS (continued)

2. Statistic information of investors and their number of fund units held at the reporting date (the newest date):

<i>Criteria (units)</i>	<i>Number of investors</i>	<i>Number of fund units held</i>	<i>Holding percentage (%)</i>
A	1	2	3
Under 5000	103	168,834.45	0.43
From 5000 to 10,000	43	306,465.53	0.77
From 10,000 to 50,000	125	3,305,933.85	8.33
From 50,000 to 500,000	102	14,369,881.81	36.20
Over 500,000	18	21,542,441.16	54.27
<b>Total</b>	<b>391</b>	<b>39,693,556.80</b>	<b>100.00</b>

*Notes: Presenting fund units hold by investors from the least to the most.*

3. Implicit expenses and discounting: None

V. PROSPECT OF MARKET

The fact that foreign investors suddenly turned to net-selling bonds are raising concerns about the risk of reversing money flows and withdraw from Vietnam. However, local banks still made up the majority of bond investors in Vietnam market and the Vietnam bond market still has room to develop further as Vietnam's total-bond-over-GDP ratio still remains relatively low (about 32.5%) compared to those of other countries in South East Asia such as Thailand, Malaysia and Singapore (from 42-55%). Market liquidity is expected to remain low and bond prices will continue to decline (bond yields rise) in the third quarter of 2018 before market correction occurs at the end of the year.



Vietnam Investment Fund Management Joint Stock Company  
Vietnam Bond Fund

REPORT OF FUND MANAGEMENT COMPANY (continued)

**VI. OTHER INFORMATION**

Funds operating personnel, Board of Representative, and Board of Management of Fund Management Company:

	<i>Name</i>	<i>Position</i>	<i>Qualifications</i>	<i>Work History</i>
Funds operating personnel	Luong Thi My Hanh	Deputy General Director - Investment Research Division	Master of Economics	- From 2010 to now: Deputy General Director - Investment Research Division of Vietnam Investment Fund Management Joint Stock Company.
	Tran Le Minh	Deputy General Director - Director of Hanoi Branch	Master of Financial management	- From 2011 to now: Deputy General Director - Director of the Hanoi branch - Vietnam Investment Fund Management Joint Stock Company.
Board of Representative	Nguyen Boi Hong Le	Chairwoman	Master of Business Administration	- From 2010 to 2012: Head of Securities Trading - Department of Petroleum Joint Stock Company - From 2012 to present: Economics and Management Petroleum Specialist of Vietnam Petroleum Institute
	Le Thi Thu Huong	Member	BA in Accounting - Auditing	- From 2011 to 2012: Deputy Director of AS audit Ltd - From 2012 to now: Deputy General Director of Trust audit Ltd
	Pham Thi Thanh Thuy	Member	Lawyer	- From 2010 to now: Head of the Legal Compliance Department of Vietnam Investment Fund Management Joint Stock Company.



Vietnam Investment Fund Management Joint Stock Company  
Vietnam Bond Fund

REPORT OF FUND MANAGEMENT COMPANY (continued)

VI. OTHER INFORMATION (continued)

	Name	Position	Qualifications	Work History
Board of management of Fund Management Company	Tran Thanh Tan	General Director	Master of Business Administration	- From 2003 - now: General Director of Vietnam Investment Fund Management Joint Stock Company.
	Luong Thi My Hanh	Deputy General Director - Investment Research Division	Master of Economics	- From 2010 to now: Deputy General Director – Investment Research Division of Vietnam Investment Fund Management Joint Stock Company.
	Nguyen Minh Dang Khanh	Deputy General Director – CFO	Master of Finance - Economic	- From 2011 to now: Deputy General Director and CFO of Vietnam Investment Fund Management Joint Stock Company.
	Tran Le Minh	Deputy General Director - Director of Hanoi Branch	Master of Financial Management	- From 2011 to now: Deputy General Director - Director of the Hanoi branch - Vietnam Investment Fund Management Joint Stock Company.
	Tran Van Hieu	Deputy General Director - Raising Capital Division	Master of Business Administration	- From 2010 to 2012: Executive Director of Pana Harrison Asia Limited Vietnam insurance broker Company - From 2012 to 2014: Project Director of Generali Vietnam Company - From 2014 to 2015: Director of Capital Raising of Vietnam Investment Fund Management Joint Stock Company. - From 2016 to present: Deputy General Director of Vietnam Investment Fund Management Joint Stock Company.



Mr Tran Thanh Tan  
Chief Executive Officer

Ho Chi Minh City, Vietnam

10 August 2018

## SUPERVISORY BANK'S REPORT

We, appointed as the Supervisory Bank of the Vietnam Bond Fund ("the Fund") for the financial period from 01<sup>st</sup> January 2018 to 30<sup>th</sup> June 2018, recognize that the Fund operated and was managed in the following matters:

a) During our supervision of the Fund's investments and asset transactions for the period from 01<sup>st</sup> January 2018 to 30<sup>th</sup> June 2018, the Fund's investment portfolio deviated from the prevailing regulations for open-ended funds, Fund Prospectus and other relevant regulations, details as below:

Article 1, Circular 15/2016/TT-BTC ("Circular 15") amending and supplementing several articles in Circular No.183/2011/TT-BTC ("Circular 183") and Article 11, Fund Charter regulate that: "Bond funds are the open-ended funds that invest in various kinds of treasury bills, bonds and other fixed-income instruments with the proportion of investment in such assets that makes up at least eighty percents (80%) of the net asset value".

On 1<sup>st</sup> February 2018, the Fund adjusted its portfolio so that its investment into bonds and valuable papers on valuation date 2<sup>nd</sup> February 2018 accounted for 69.37% the Fund's net assets value. On 6<sup>th</sup> February 2018, the Fund invested in term deposits at commercial banks which are approved by its Board of Representatives on 3<sup>rd</sup> February 2018 to meet the investment restriction for valuation date 9<sup>th</sup> February 2018.

From valuation date 23<sup>rd</sup> February 2018 to 30<sup>th</sup> June 2018, the Fund's investment portfolio complied with prevailing regulations for open-ended funds, Fund Prospectus and other relevant regulations.

- b) Assets Valuation and Pricing of the Fund units were carried out in accordance with Fund Charter, Fund Prospectus and other prevailing regulations.
- c) Fund subscriptions and redemptions were carried out in accordance with Fund Charter, Fund Prospectus and other prevailing regulations.
- d) For the period from 01<sup>st</sup> January 2018 to 30<sup>th</sup> June 2018, the Fund did not pay dividend to Fund Unit Holders.

**Supervisory Bank Representative**



**Le Sy Hoang**

Unit Head, Securities Services Operations

**Supervisory Bank Officer**



**Vu Huong Giang**

Senior Manager, Securities Services Operations

**Standard Chartered Bank (Vietnam) Limited  
Head Office**

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E6 Pham Hung, Me Tri Ward,  
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Swift: SCBLNVX

**Here for good**

Reference: 61070172/20392133-SX

## **REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

**To: The investors of Vietnam Bond Fund**

We have reviewed the accompanying interim financial statements of Vietnam Bond Fund (“the Fund”) as prepared on 10 August 2018 as set out on pages 16 to 57, which comprise the interim balance sheet, the interim statement of investment portfolio as at 30 June 2018, the interim income statement, the interim statement of changes in net assets, transactions of fund units and the interim cash flow statement for the six-month period then ended and the notes thereto.

### ***The responsibility of the Board of Management of the Fund Management Company***

The Board of Management of Vietnam Investment Fund Management Joint Stock Company as the Fund Management Company is responsible for the preparation and fair presentation of these interim financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds and statutory requirements relevant to preparation and presentation of open-ended funds’ interim financial statements, and for such internal control as the Board of Management determines is necessary to enable the preparation and presentation of interim financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors’ responsibility***

Our responsibility is to express a conclusion on the interim financial information based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Company.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the interim financial position of the Fund as at 30 June 2018, and of the interim results of its operations, the interim changes in its net assets, transactions of fund units and its interim cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds and statutory requirements relevant to preparation and presentation of open-ended funds' interim financial statements.

**Ernst & Young Vietnam Limited**



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Nguyen Thi Duong  
Deputy General Director  
Audit Practicing Registration  
Certificate No. 0893-2018-004-1

Ho Chi Minh City, Vietnam

10 August 2018

Vietnam Investment Fund Management Joint Stock Company  
Vietnam Bond Fund

INTERIM INCOME STATEMENT  
for the six-month period then ended 30 June 2018

B01g-QM

Code	ITEMS	Notes	For the six-month period ended 30 June 2018 VND	For the six-month period ended 30 June 2017 VND
<b>01</b>	<b>I. Income from investing activities</b>		<b>27,469,093,613</b>	<b>15,485,524,596</b>
03	1. Interest income	11	14,892,894,710	6,705,832,815
04	2. Gain from securities trading	12	26,788,452,327	1,360,445,206
05	3. Unrealized (loss)/gain on revaluation of securities investments	13	(14,212,253,424)	7,419,246,575
<b>10</b>	<b>II. Expenses from investing activities</b>	<b>14</b>	<b>96,591,025</b>	<b>66,035,625</b>
11	1. Transaction costs for securities trading		96,591,025	66,035,625
<b>20</b>	<b>III. Operating expenses</b>		<b>2,171,630,617</b>	<b>1,241,918,492</b>
20.1	1. Fund management fee	21.1	1,735,007,344	791,537,757
20.2	2. Custody fee		102,240,259	91,843,333
20.3	3. Supervising fee	21.2	109,997,720	99,000,000
20.4	4. Fund administration fee	21.2	75,623,289	66,000,000
20.5	5. Transfer agent fee		39,600,000	39,600,000
20.7	6. General Meeting expenses		1,728,188	3,000,129
20.8	7. Audit fee		48,547,666	48,547,666
20.10	8. Other operating expenses	15	58,886,151	102,389,607
<b>23</b>	<b>IV. Net income from investing activities</b>		<b>25,200,871,971</b>	<b>14,177,570,479</b>
<b>24</b>	<b>V. Net other income and other expenses</b>		-	-
<b>30</b>	<b>VI. Profit before tax</b>		<b>25,200,871,971</b>	<b>14,177,570,479</b>
31	1. Realized gain	10	39,413,125,395	6,758,323,904
32	2. Unrealized (loss)/gain	10	(14,212,253,424)	7,419,246,575
<b>40</b>	<b>VII. Corporate income tax expense</b>		-	-
<b>41</b>	<b>VIII. Profit after tax</b>		<b>25,200,871,971</b>	<b>14,177,570,479</b>



Ms Vuong Thi Tram Anh  
Fund Accountant



Mr Nguyen Minh Dang Khanh  
Deputy Chief Executive Officer  
cum Chief Financial Officer



Mr Tran Thanh Tan  
Chief Executive Officer

Ho Chi Minh City, Vietnam

10 August 2018

Vietnam Investment Fund Management Joint Stock Company  
Vietnam Bond Fund

INTERIM BALANCE SHEET  
as at 30 June 2018

B02g-QM

Code	ITEMS	Notes	30 June 2018 VND	31 December 2017 VND
<b>100</b>	<b>A. ASSETS</b>			
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>458,031,471,890</b>	<b>19,219,316,500</b>
111	1. Cash at bank for the Fund operations		58,531,471,890	1,219,316,500
112	2. Deposits with terms less than three (3) months		399,500,000,000	18,000,000,000
<b>120</b>	<b>II. Investments</b>		<b>256,251,130,980</b>	<b>341,541,071,258</b>
121	1. Investments	5	256,251,130,980	341,541,071,258
<b>130</b>	<b>III. Receivables</b>	<b>6</b>	<b>9,315,550,521</b>	<b>15,277,693,492</b>
133	1. Receivables and dividends, accrued interest receivables from investments		9,315,550,521	15,277,693,492
136	1.1. Dividends and interest not yet entitled to receive		9,315,550,521	15,277,693,492
<b>100</b>	<b>TOTAL ASSETS</b>		<b>723,598,153,391</b>	<b>376,038,081,250</b>
<b>300</b>	<b>B. LIABILITIES</b>			
313	1. Payables to Distributors and Fund Management Company		1,402,588,163	855,889,314
314	2. Tax and payables to the State		179,056,717	219,254,357
316	3. Accrued expenses	7	269,564,604	275,892,125
317	4. Payables to investors related to subscription of fund units		14,000,000	38,450,000
318	5. Payables to investors related to redemption of fund units		36,218,114,721	14,807,485,993
319	6. Fund management fee payables	8	701,872,272	455,082,846
320	7. Other payables		4,958,909	28,801,563
<b>300</b>	<b>TOTAL LIABILITIES</b>		<b>38,790,155,386</b>	<b>16,680,856,198</b>
<b>400</b>	<b>C. NET ASSET VALUE ATTRIBUTABLE TO HOLDERS OF FUND UNITS (C=A-B)</b>		<b>684,807,998,005</b>	<b>359,357,225,052</b>
411	1. Share capital	9	396,936,660,900	224,289,567,100
412	1.1 Capital issued		1,083,890,257,600	635,664,976,400
413	1.2 Capital redeemed		(686,953,596,700)	(411,375,409,300)
414	2. Share premium	9	191,715,739,989	64,112,932,807
420	3. Retained earnings	10	96,155,597,116	70,954,725,145
<b>430</b>	<b>D. NET ASSET VALUE PER FUND UNIT</b>	<b>9</b>	<b>17,252.32</b>	<b>16,022.02</b>



Vietnam Investment Fund Management Joint Stock Company  
Vietnam Bond Fund

INTERIM BALANCE SHEET (continued)  
as at 30 June 2018

B02g-QM

**OFF BALANCE SHEET ITEMS**

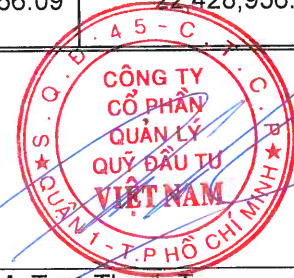
Code	ITEMS	Notes	30 June 2018	31 December 2017
004	1. Number of outstanding fund units	9, 17	39,693,666.09	22,428,956.71



Ms Vuong Thi Tram Anh  
Accountant



Mr Nguyen Minh Dang Khanh  
Deputy Chief Executive Officer  
cum Chief Financial Officer



Mr Tran Thanh Tan  
Chief Executive Officer

Ho Chi Minh City, Vietnam

10 August 2018

Vietnam Investment Fund Management Joint Stock Company  
Vietnam Bond Fund

INTERIM STATEMENT OF CHANGES IN NET ASSETS,  
TRANSACTIONS OF FUND UNITS  
for the six-month period then ended 30 June 2018

B03g-QM

Code	ITEMS	For the six-month period ended 30 June 2018 VND	For the six-month period ended 30 June 2017 VND
I	<b>The Fund's NAV, beginning balance</b>	<b>359,357,225,052</b>	<b>102,184,671,330</b>
II	<b>Changes in NAV during the period</b>	<b>25,200,871,971</b>	<b>14,177,570,479</b>
	<i>In which:</i>		
II.1	- <i>Changes in NAV arising from market fluctuation and the Fund's investment activities during the period</i>	25,200,871,971	14,177,570,479
III	<b>Changes in NAV due to subscription, redemption of fund units</b>	<b>300,249,900,982</b>	<b>204,226,620,287</b>
	<i>In which:</i>		
III.1	- <i>Proceeds from additional subscription of fund units</i>	767,183,431,902	241,460,555,064
III.2	- <i>Payment for redemption of fund units</i>	(466,933,530,920)	(37,233,934,777)
IV	<b>The Fund's NAV, ending balance</b>	<b>684,807,998,005</b>	<b>320,588,862,096</b>



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cum Chief Financial Officer



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Chief Executive Officer

Ho Chi Minh City, Vietnam

10 August 2018



Vietnam Investment Fund Management Joint Stock Company  
Vietnam Bond Fund

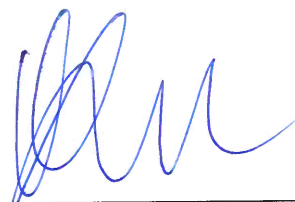
INTERIM STATEMENT OF INVESTMENT PORTFOLIO  
as at 30 June 2018

B04g-QM

No.	Items	Quantity	Market price as at 30 June 2018 VND	Total value VND	Percentages of the Fund's total assets as at 30 June 2018
<b>I</b>	<b>Listed bonds</b>	<b>500,000</b>	<b>50,000,000,000</b>	<b>50,000,000,000</b>	<b>6.91%</b>
1	CII11713	500,000	50,000,000,000	50,000,000,000	
<b>II</b>	<b>Certificates of deposits</b>		<b>206,251,130,980</b>	<b>206,251,130,980</b>	<b>28.50%</b>
1	Issued by HD Saison Finance Co., Ltd		101,463,571,258	101,463,571,258	
2	Issued by VP Bank Finance Co., Ltd		54,787,559,722	54,787,559,722	
3	Issued by Home Credit Vietnam Co., Ltd.		50,000,000,000	50,000,000,000	
<b>III</b>	<b>Other assets</b>		<b>9,315,550,521</b>	<b>9,315,550,521</b>	<b>1.29%</b>
1	Interest receivable from bond investment		1,793,750,000	1,793,750,000	
2	Interest receivable from certificates of deposits		6,068,293,664	6,068,293,664	
3	Interest receivable from term deposits		1,453,506,857	1,453,506,857	
<b>IV</b>	<b>Cash and cash equivalents</b>		<b>458,031,471,890</b>	<b>458,031,471,890</b>	<b>63.30%</b>
1	Deposits with terms under three months		399,500,000,000	399,500,000,000	
2	Cash at bank		58,531,471,890	58,531,471,890	
<b>V</b>	<b>Total investment portfolio</b>		<b>723,598,153,391</b>	<b>723,598,153,391</b>	<b>100.00%</b>



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Mr Tran Thanh Tan  
Chief Executive Officer

Ho Chi Minh City, Vietnam

10 August 2018

Vietnam Investment Fund Management Joint Stock Company  
Vietnam Bond Fund

INTERIM CASH FLOW STATEMENT  
for the six-month period then ended 30 June 2018

B05g-QM

No	ITEMS	Notes	For the six-month period ended 30 June 2018 VND	For the six-month period ended 30 June 2017 VND
	<b>I. INVESTING ACTIVITIES</b>			
01	<b>1. Profit before tax</b>		<b>25,200,871,971</b>	<b>14,177,570,479</b>
	<i>Adjustments for increase/(decrease) NAV from investing activities:</i>			
03	1.1 Unrealized loss/(gain) from investing activities	13	14,212,253,424	(7,419,246,575)
04	1.2 Accrued expenses		(25,633,195)	24,122,381
05	<b>2. Profit from investing activities before changes in working capital</b>		<b>39,387,492,200</b>	<b>6,782,446,285</b>
20	Decrease/(increase) in investments		71,077,686,854	(229,429,322,988)
07	Decrease/(increase) in interest receivable from investments		5,962,142,971	(5,011,004,109)
11	Increase in payable to distribution agent		546,698,849	415,004,349
13	Decrease in tax and statutory obligations		(40,197,640)	(501,039)
14	(Decrease)/increase in payable to investors of subscription		(24,450,000)	2,590,050,000
15	Increase in payable to investors of redemption		21,410,628,728	102,772,217
16	(Decrease)/increase in other payable		(4,536,980)	18,000,146
17	Increase in fund management fee payable		246,789,426	120,022,490
19	<b>Net cash from/(used in) investing activities</b>		<b>138,562,254,408</b>	<b>(224,412,532,649)</b>
	<b>II. FINANCING ACTIVITIES</b>		<b>300,249,900,982</b>	<b>204,226,620,287</b>
31	1. Capital contribution	9	767,183,431,902	241,460,555,064
32	2. Capital redemption	9	(466,933,530,920)	(37,233,934,777)
30	<b>Net cash from financing activities</b>		<b>300,249,900,982</b>	<b>204,226,620,287</b>
40	<b>III. Net increase/(decrease) in cash and cash equivalents during the period</b>		<b>438,812,155,390</b>	<b>(20,185,912,362)</b>
50	<b>IV. Cash and cash equivalents at the beginning of the period</b>		<b>19,219,316,500</b>	<b>75,523,833,444</b>

Vietnam Investment Fund Management Joint Stock Company  
Vietnam Bond Fund

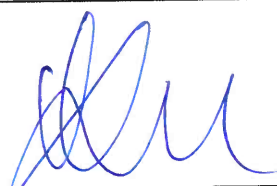
INTERIM CASH FLOW STATEMENT (continued)  
for the six-month period then ended 30 June 2018

B05g-QM

No	ITEMS	Notes	For the six-month period ended 30 June 2018 VND	For the six-month period ended 30 June 2017 VND
<b>55</b>	<b>V. Cash and cash equivalents at the end of the period</b>	<b>4</b>	<b>458,031,471,890</b>	<b>55,337,921,082</b>
56	Cash in banks at the end of the period:			
57	- Cash in bank for the Fund's operation		458,031,471,890	52,747,871,082
	+ Demand deposits for the Fund's operation		58,531,471,890	23,247,871,082
	+ Deposits with terms less than three months		399,500,000,000	29,500,000,000
58	- Cash of Investors for purchasing fund units		-	2,590,050,000
<b>60</b>	<b>VI. Net increase/(decrease) in cash and cash equivalents during the period</b>		<b>438,812,155,390</b>	<b>(20,185,912,362)</b>



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Deputy Chief Executive Officer  
cum Chief Financial Officer



Mr Tran Thanh Tan  
Chief Executive Officer

Ho Chi Minh City, Vietnam

10 August 2018

# Vietnam Investment Fund Management Joint Stock Company

## Vietnam Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
as at 30 June 2018 and for the six-month period then ended

B06g-QM

### 1. THE FUND CHARACTERISTICS

#### 1.1 *The Fund information*

##### **The Fund**

Vietnam Bond Fund ("the Fund") was established as an open-ended securities investment fund in Vietnam in accordance with Initial Public Offering Certificate No. 04/GCN-UBCK dated 27 February 2013; Registration certificate for open ended fund No. 04/GCN-UBCK issued by the State Securities Commission ("SSC") on 10 June 2013 and Decision No. 398/QD-UBCK issued by SSC dated 7 May 2015 on the amendment of the certificate registration of the public investment fund. As such, the Fund was licensed to operate for an indefinite period.

The Fund has no employee and is managed by Vietnam Investment Fund Management Joint Stock Company ("the Fund Management Company") which was established in accordance with License No. 45/UBCK-GP issued by the SSC on 8 January 2009.

The Fund is located at Unit 1701-04, 17th Floor, Me Linh Point Tower, 2 Ngo Duc Ke Street, District 1, Ho Chi Minh City, Vietnam.

##### **Fund Management Company**

Vietnam Investment Fund Management Joint Stock Company is the authorized Representative of the Fund, on behalf of the Fund to execute the ownership towards the assets of the Fund in an honest and careful manner. The Fund Management Company complies with the provisions of law and the charter of Fund Management Company and manages the Fund's assets as stipulated in the Fund Charter in compliance with the code of professional ethics, voluntariness, fairness, honesty and for the best interests of the Fund.

##### **Custodian and Supervisory Bank**

The Fund was approved by the SSC that its Custodian and Supervisory Bank is Standard Chartered Bank (Vietnam) Limited, under amended Decision of Certificate Registration No. 398/QD-UBCK dated 7 May 2015.

The Custodian and Supervisory Bank was appointed by the General Meeting of Investors. Functions of the Custodian and Supervisory Bank include safe keeping, depository of securities, certificates of legitimate ownership of the Fund, business contracts, other documents related to assets of the Fund and supervisory activities of the Fund's assets management by the Fund Management Company. Rights and obligations of the Depository and Supervisory Bank are stipulated in the Fund Charter.

#### 1.2 *The Fund characteristics*

##### **Initial distributed fund units**

Total number of initial distributed fund units was 9,957,482.26 amounting to VND99,574,822,600 at par value of VND10,000 per fund unit. As at 31 December 2017, the capital of the Fund at par value contributed by investors was VND224,289,567,100. During six-month period ended 30 June 2018, the Fund issued additional 44,822,528.12 fund units amounting to VND448,225,281,200 and redeemed 27,557,818.74 fund units amounting to VND275,578,187,400 at par value. The capital of the Fund at par value contributed by investors as at 30 June 2018 amounted to VND396,936,660,900.

# Vietnam Investment Fund Management Joint Stock Company

## Vietnam Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2018 and for the six-month period then ended

B06g-QM

### 1. THE FUND CHARACTERISTICS (continued)

#### 1.2 *The Fund characteristics* (continued)

##### **Main objective**

The main objective of the Fund is to earn profit from trading of debt securities (including but not limited to Vietnamese Government bonds, Government guaranteed bonds, municipal bonds, corporate bonds of issuers operating under Vietnamese law, etc.), valuable papers and fixed income instruments.

The Fund's strategy is active management based on fundamental analysis of macro-economic conditions, as well as quantitative models, statistic or corporate analysis in making investment decisions which optimizes profit for the portfolio.

##### **Net asset value valuation period**

Net asset value (NAV) valuation period:

- ▶ Weekly basis: NAV is weekly valued on every Friday. In case the valuation date falls in a weekend or holiday, the valuation shall be carried on the next working day right after.
- ▶ Monthly basis: NAV is monthly valued on the first day of the next month regardless the valuation date falls in a weekend or holiday.

##### **Frequency of trading**

Frequency of fund unit trading is arranged every Friday. If the trading day is a public holiday, the trading shall be executed on the next trading day. In the case of the next trading day also is a public holiday, the trading shall be executed on the working day right after the first trading day was the public holiday.

##### **Investment restrictions**

Investment restrictions of the Fund:

- a. Do not invest more than twenty percent (20%) of the Fund's total asset value in outstanding securities of an issuer, including valuable papers, negotiable instruments, bonds, (except Government bonds) voting shares, non-voting preferred shares, and convertible bonds;
- b. Do not invest in securities of an issuer, which are more than ten percent (10%) of the total value of outstanding securities of that issuer, except Government bonds;
- c. Do not invest more than thirty percent (30%) of the Fund's total asset value in the following assets: deposits at commercial banks as stipulated by banking laws; foreign currencies, money market instruments including: valuable papers, negotiable instruments in accordance with relevant laws and regulations; listed bonds, listed shares, and registered shares of issuers operating under Vietnamese law; shares, bonds to be listed or registered by the issuers operating under Vietnamese laws; corporate bond issued by listed organization having guarantee from credit institutions or repurchasing commitment of that issuers; listed and registered derivatives at Stock Exchange as a hedge which are issued by the company or by a group of companies that have mutual ownership relations. The investment in derivative securities equals the value committed in the contract as defined in the Fund Charter;
- d. Do not invest more than ten percent (10%) of the Fund's total asset value in shares, bonds to be listed or registered by the issuers operating under Vietnamese law, corporate bond issued by listed organization having guarantee from credit institutions or repurchasing commitment of that issuers;

# Vietnam Investment Fund Management Joint Stock Company

## Vietnam Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2018 and for the six-month period then ended

B06g-QM

### 1. THE FUND CHARACTERISTICS (continued)

#### 1.2 *The fund characteristics* (continued)

##### **Investment restrictions** (continued)

- e. At any time, the total commitment value in the transactions of derivative securities, outstanding loans and other payables of the Fund must not exceed the NAV of the Fund;
- f. Do not invest in securities investment funds, shares of securities investment companies that are established and operate in Vietnam;
- g. Do not directly invest in real estates, precious stones and metals;

Except for cases stated in point e, f, g above, the Fund's investment structure is allowed to vary within the limits prescribed above and only due to the following reasons:

- a. The fluctuation of the market prices of assets in the Fund's investment portfolio;
- b. Making eligible payments of the Fund;
- c. Implementation of trading orders of investors;
- d. Merger, consolidation and acquisition activities of issuers;
- e. The new fund has just been licensed for establishment due to the splitting, merge, consolidation, and the operation time has not exceeded six (6) months from the date of issuance of certificate of fund registration; and
- f. The Fund is under dissolution process.

### 2. BASIS OF PREPARATION

#### 2.1 *Accounting standards and system*

The interim financial statements of the Fund are prepared in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds and statutory requirements relevant to preparation and presentation of the interim financial statements as per Circular No. 198/2012/TT-BTC ("Circular 198") dated 15 November 2012 regulating the accounting system applicable to open – ended funds, Circular No. 183/2011/TT-BTC ("Circular 183") dated 16 December 2011 regulating the establishment and management of open – ended funds, Circular No. 15/2016/TT-BTC dated 20 January 2016 amending, supplementing some articles of Circular No. 183 dated 16 December 2011, Circular No. 181/2015/TT-BTC dated 13 November 2015 regulating the accounting system applicable to exchange traded funds issued by the Ministry of Finance.

# Vietnam Investment Fund Management Joint Stock Company

## Vietnam Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2018 and for the six-month period then ended

B06g-QM

### **2. BASIS OF PREPARATION** (continued)

#### **2.1 Accounting standards and system** (continued)

The interim financial statements have been prepared on historical cost basis, except investments that have been measured at fair value (*Note 3.2*).

The interim financial statements accompanied have been prepared using accounting principles, procedures and reporting practices generally accepted in Vietnam. Accordingly, the accompanying interim financial statements are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices, and furthermore are not intended to present the interim financial position, interim result of operations, the changes in net assets, transactions of fund units and interim cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

According to Circular 198, the Fund's interim financial statements include the following reports:

1. Interim income statement
2. Interim balance sheet
3. Interim statement of changes in net assets, transactions of fund units
4. Interim statement of investment portfolio
5. Interim cash flow statement
6. Notes to the interim financial statements

#### **2.2 Applied accounting documentation system**

The Fund's applied accounting documentation system is the General Journal system.

#### **2.3 Fiscal year**

The Fund's fiscal year starts on 1 January and ends on 31 December.

The Fund's interim period starts on 1 January and ends on 30 June.

#### **2.4 Accounting currency**

The Fund maintains its accounting records in Vietnam dong and the interim financial statements are presented in Vietnam dong ("VND").



# Vietnam Investment Fund Management Joint Stock Company

## Vietnam Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2018 and for the six-month period then ended

B06g-QM

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Cash and cash equivalents

Cash and cash equivalents comprise current accounts, term deposits with terms of equal or less than three months, and highly liquid short-term investments that are readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment purpose or other purposes.

#### 3.2 Investments

Investments are initially recognized at cost which excludes transaction costs at transaction date. Transaction costs are recognized as transaction cost for investing activities in the income statement at the transaction date.

Investments are subsequently measured at market value or fair value (in case there is no market value) on the NAV valuation date or at the end of fiscal year in accordance with Circular No. 183/2011/TT-BTC dated 16 December 2011 regulating the establishment and management of open-ended funds, Circular No. 15/2016/TT-BTC dated 20 January 2016 amending and supplementing several articles of the Circular No. 183, Circular No.181/2015/TT-BTC dated 13 November 2015 regulating about accounting policies of Exchange Traded Fund and Open-ended fund issued by the Ministry of Finance and Fund Charter. Changes in fair value are recognized in the income statement in accordance with Circular No. 198/2012/BTC dated 15 November 2012 issued by the Ministry of Finance guiding the accounting system applicable to open-ended funds. Fair value is determined using the acceptable valuation methods as follows:

No.	Type of asset	Principles for valuation of transactions on the market
<b>Cash and cash equivalent, money market instrument</b>		
1.	Cash (VND)	Cash balance in demand deposit account on the date prior to the valuation date.
2.	Foreign currency	The balances are converted to VND equivalent at the buying exchange rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam on the date prior to the valuation date.
3.	Term deposit	Principal balances plus accrued interest receivables at the date prior to the valuation date.
4.	Treasury bills, bank notes, commercial papers, transferable certificates of deposit, bonds due within three (3) months and discounted money market instruments	Purchase price plus accrued interest receivables as at the date prior to the valuation date.



Vietnam Investment Fund Management Joint Stock Company  
Vietnam Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2018 and for the six-month period then ended

B06g-QM

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Investments (continued)

No.	Type of asset	Principles for valuation of transactions on the market
<b>Bonds</b>		
5.	Listed bonds	<ul style="list-style-type: none"> <li>- Quoted price or another name (clean price), depending on the internal regulations of the Stock Exchange, which is being shown on the transaction system of the Stock Exchange for normal trading transactions on the latest transaction (outright) date prior to the valuation date plus accrued interest receivables (if listed price excluded accrued interest);</li> <li>- In case of no transaction in more than two (2) weeks prior to the valuation date or transactions with unusual price fluctuation according to Valuation manual approved by the Board of Representatives, bonds are measured in priority order as follows:               <ul style="list-style-type: none"> <li>+ Price determined by the method approved by the Board of Representatives (detailed in Valuation manual);</li> <li>+ Purchase price plus accrued interest receivables;</li> <li>+ Face value plus accrued interest receivables.</li> </ul> </li> <li>- In case when the Fund succeeded in bond auction, during the period of additional listing, these bonds will be valued based on the latest bidding yields.</li> </ul>
6.	Unlisted bonds	<p>Bonds are measured in priority order as follows:</p> <ul style="list-style-type: none"> <li>- Quoted price or another name (clean price), depending on the internal regulations of the Stock Exchange, which is being shown on the transaction system of the Stock Exchange for unlisted bonds (if any) on the latest transaction date prior to the valuation date plus accrued interest receivables;</li> <li>- Average prices of successful trading prices in the lasted period prior to the valuation date obtained from at least three (3) securities companies which are not related parties and are approved by the Board of Representatives;</li> <li>- Price determined by the method approved by the Board of Representatives (detailed in Valuation manual);</li> <li>- Purchase price plus accrued interest receivables;</li> <li>- Face value plus accrued interest receivables.</li> </ul>
7.	Warrant on convertible bonds	<ul style="list-style-type: none"> <li>- Average prices obtained from three (3) securities companies which are not related parties and are approved by the Board of Representatives ;</li> <li>- In case of no transactions, the reference price is determined by the method approved by the Board of Representatives.</li> </ul>

Vietnam Investment Fund Management Joint Stock Company  
Vietnam Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2018 and for the six-month period then ended

B06g-QM

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Investment (continued)

No.	Type of asset	Principle for valuation of the transactions on the market
<b>Shares</b>		
8.	Listed shares on Ho Chi Minh City Stock Exchange or Hanoi Stock Exchange	<ul style="list-style-type: none"> <li>- Closing price (or another name regulated internally of the Stock Exchange) on the latest transaction date prior to the valuation date;</li> <li>- In case of no transaction in more than two (2) weeks prior the valuation date, shares are measured in priority order as follows:               <ul style="list-style-type: none"> <li>+ Closing price (or another name regulated internally of the Stock Exchange) on the transaction date within 12 months prior to the valuation date;</li> <li>+ Purchase price;</li> <li>+ Book value;</li> <li>+ Price determined by the method approved by the Board of Representatives.</li> </ul> </li> <li>- In the time of securities preparing to transfer to another stock exchange, the closing price on the latest transaction date prior to valuation date is selected.</li> </ul>
9.	Shares of public companies registered for trading on the UpCom system	<ul style="list-style-type: none"> <li>- Closing price (or another name regulated internally of the Stock Exchange) on the latest transaction date prior to the valuation date;</li> <li>- In case of no transaction in more than two (2) weeks prior valuation date, the closing price (or another name regulated internally of the Stock Exchange) on the latest transaction date within 12 months prior to the valuation date is selected; or               <ul style="list-style-type: none"> <li>+ Purchase price; or</li> <li>+ Book value; or</li> <li>+ Price determined by the method approved by the Board of Representatives.</li> </ul> </li> <li>- In case the securities on the UpCom market are in the progress of completing procedures for being listed, the closing price on the latest transaction date on the UpCom market prior to the valuation date is used.</li> </ul>

Vietnam Investment Fund Management Joint Stock Company  
Vietnam Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2018 and for the six-month period then ended

B06g-QM

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 *Investment* (continued)

No.	Type of asset	Principle for valuation of the transactions on the market
<b>Shares</b> (continued)		
10.	Shares registered and deposited but not listed and registered for trading	<ul style="list-style-type: none"> <li>- Average prices obtained from three (3) securities companies which are not related parties and are approved by the Board of Representatives on the latest transaction date prior to the valuation date;</li> <li>- In case of no prices being obtained in full from three (3) securities which are not related parties and are approved by the Board of Representatives, shares are measured in priority order as follows:               <ul style="list-style-type: none"> <li>+ Average price obtained from two (2) securities companies which are not related parties and are approved by the Board of Representatives;</li> <li>+ Price of the latest reporting period but not more than three (3) months prior to the valuation date;</li> <li>+ Purchase price;</li> <li>+ Book value;</li> <li>+ Price determined by the method approved by the Board of Representatives.</li> </ul> </li> </ul>
11.	Shares suspended for trading, or cancelled listing or transaction registration	Shares are measured in priority order as follows: <ul style="list-style-type: none"> <li>- Book value;</li> <li>- Face value;</li> <li>- Price determined by the method approved by the Board of Representatives.</li> </ul>
12.	Shares of organization in the process of dissolution or bankruptcy	The valuation shall be implemented in descending order of priority with the following prices: <ul style="list-style-type: none"> <li>- 80% of liquidating value of such shares on latest balance sheet date prior to valuation date;</li> <li>- Price determined by the method approved by Board of Representatives on a case-by-case basis.</li> </ul>

Vietnam Investment Fund Management Joint Stock Company  
Vietnam Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2018 and for the six-month period then ended

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 *Investment* (continued)

No.	Type of asset	Principle for valuation of the transactions on the market
<b>Derivative securities</b>		
13.	Listed derivative securities	Closing price on latest transaction date prior to valuation date.
14.	Listed derivative securities with no transaction within two weeks or more	Price determined by the method approved by the Board of Representatives.
15.	Commitment value from derivative contracts	<p>Commitment value (global exposure) is the monetary value or amount to match the exposure arising from the Fund's derivative obligation. Commitment value is calculated by taking into account the fair value of the underlying assets, liquidity risks, market risks and the time required to liquidate the position.</p> <p>When calculating the committed amount, fund management companies may apply:</p> <ul style="list-style-type: none"> <li>+ Net offset principle of derivative position (reverse) for the same underlying security;</li> <li>+ Net offset principle of derivative position and spot delivery position of the same security;</li> </ul> <p>Other principles are in accordance with the international practice to ensure the risk management.</p>
<b>Other assets</b>		
16.	Other permitted investment assets	Price determined by the method in compliance with the current regulations.

# Vietnam Investment Fund Management Joint Stock Company

## Vietnam Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.2 *Investments* (continued)

##### *Classification*

Investments in the investment portfolio of the Fund are classified into financial assets (shares, bonds, monetary instruments, derivative instruments, etc.) and transaction methods (trading via Stock Exchange or Over-the-counter ("OTC")). The investments trading via OTC only include investments which are ready to be listed.

##### *Recognition*

The Fund recognizes investments in securities at the transaction date.

##### *De-recognition*

Securities investments are derecognized when the rights to receive cash flows from those investments in securities are terminated or the Fund does not hold almost risks and benefits associated with ownership of securities.

Cost of trading securities is calculated by using the weighted average method.

##### *Right issue*

Right issue is initially recognized in investment at nil value (0). Right issue is subsequently measured at fair value which is premium of securities market price at reporting date and price at announcing date multiplied by the ratio of the right exercised to buy one new share.

#### 3.3 *Net asset value and net asset value per fund unit*

Net asset value is the total value of assets owned by the Fund after deducting related payables (such as management fee, supervisory fee, custody fee, administration fee, agent fee and other fees) on the date preceding the revaluation date.

Net asset value per fund unit is calculated by dividing net asset value of the Fund by the total number of outstanding fund units as at the most recent trading day preceding the valuation date. Net asset value is rounded in accordance with relevant accounting and auditing regulations.

#### 3.4 *Contributed capital and share premium*

##### 3.4.1 *Contributed capital*

The Fund's units with discretionary dividends are classified as contributed capital, which includes capital issued and capital redeemed.

##### *Capital issued*

Capital issued reflects fund capital of the Fund contributed by the investors by purchasing fund unit upon the initial offering to the public and supplementary capital contribution of subsequent offerings from the Fund or by switching fund units of other open-ended funds which are monitored by Fund Management Company.

Capital issued is reflected at face value.

# Vietnam Investment Fund Management Joint Stock Company

## Vietnam Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.4 *Contributed capital and surplus* (continued)

##### 3.4.1 *Contributed capital* (continued)

###### *Capital redeemed*

Capital redeemed reflects the gross redemption amount paid to investor in subsequent Fund's Certificate redemption cycles after establishment date or switching between open-ended funds under the management of Fund Management Company.

Capital redeemed is reflected at face value.

###### *Share premium*

Share premium represents the difference between the net asset value per Fund unit and par value per Fund unit in a subscription/redemption transaction.

##### 3.4.2 *Retained earnings*

Retained earnings reflect undistributed gain/loss as at the reporting date, which includes realized profit and unrealized profit.

Realized profit is the difference between the Fund's total income, revenue after eliminating the unrealized gain or loss from revaluation of the Fund's investments and expense during the period.

Unrealized profit is the difference between the total gain or loss arising from revaluation of the Fund's investments during the period.

At the end of the period, the Fund calculates realized and unrealized profit during the period and records them in "*Retained earnings*".

##### 3.4.3 *Profit/assets distributed to investors*

This account reflects the profit/assets distributed to investors during the period and the transfer of distributed profit to "*Retained earnings*" at the period-end.

The Fund recognizes the profit/assets distributed to investors, based on Resolution by the General Meeting of Investors in accordance with Fund Charter and prevailing securities laws.

#### 3.5 *Receivables*

Receivables are presented in the interim financial statements as the carrying value of receivables from sales of investments, dividends and interest receivable from investments and other receivables.

Provision for doubtful debts is set up based on the aging schedule of overdue debts or expected losses which may occur in case where a debt has not been due for payment but an economic organization has become bankrupt or liquidated; or individual debtor is missing, ran away, being prosecuted, under a trial or serving a sentence or dead. Provision expense is recognized into expense of the income statement. Provision for receivables from sales of securities is recognized as expense increased during the year. Provision for receivables from dividends, coupons and deposit interest is recognized as income decreased during the period.

Provision for overdue debts is made in accordance with Circular No. 228/2009/TT-BTC and Circular No. 89/2013/TT-BTC amending and supplementing Circular No. 228/2009/ TT-BTC as follows:

<u>Overdue</u>	<u>Provision rate</u>
From over six (6) months up to under one (1) year	30%
From one (1) year up to under two (2) years	50%
From two (2) years up to under three (3) years	70%
From three (3) years and above	100%

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## Vietnam Bond Fund

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as at 30 June 2018 and for the six-month period then ended

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.6 Payables

Payables presented in the interim financial statements are carried at cost for redemption of fund units, payables for trading securities, remuneration payables to the Fund's Board of Representatives, payables to the Fund Management Company and the Supervisory Bank and other payables.

#### 3.7 Expenses

The Fund's investing expenses are recognized on an accrual basis. Expenses arising from sales of investments are recorded as operating expenses during the period. Expenses of Fund are mainly as follows:

##### *Management fee*

Management fee is accounted 0.9% of the net asset value for the financial year. It is paid to the Fund Management Company to provide management service to the Fund and the fee rate is fixed during the period of service provided.

Management fee is calculated in formula as:

Fund management fee for the period = 0.9% (per annum) x NAV at the pre-valuation date x Number of days in the period of valuation / Numbers of days in the financial year (365 or 366)

##### *Custodian and supervisory fee*

Custodian and supervisory fee is the fee paid to the Custodian and Supervisory Bank to provide custodian and supervisory service to the Fund. The fee is calculated based on NAV at pre-valuation date and paid monthly. The monthly fee is total fee accrued for the period of valuation.

Type	Rate (NAV/year)	Minimum monthly rate (VND/month)
Supervisory fee	0.04%	15,000,000 (if the frequency of transaction is weekly) excluded VAT (if any)
		17,000,000 (if the frequency of transaction is daily) excluded VAT (if any)
Custodian fee	0.04%	15,000,000 (if the frequency of transaction is weekly)
		18,000,000 (if the frequency of transaction is daily)

The formula of calculation for each period of valuation is determined as:

Custodian and supervisory fee (excluded transaction fee) for the period of valuation = Rate (per annum) x NAV at the pre-valuation date x Number of days in the period of valuation / Numbers of days in the financial year (365 or 366)

##### *Administration fee*

Administration fee is the fee paid monthly to the Company providing administration service for the Fund, with the detail of rate as:

Rate (NAV/year)	Minimum monthly rate (VND/month)
0.03%	10,000,000 (if the frequency of transaction is weekly)
	15,000,000 (if the frequency of transaction is daily)



# Vietnam Investment Fund Management Joint Stock Company

## Vietnam Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2018 and for the six-month period then ended

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.7 Expenses (continued)

##### *Administration fee (continued)*

The formula of calculation for each period of valuation is determined as:

Administration fee for the period of valuation = Rate (per annum) x NAV at the pre-valuation date x Number of days in the period of valuation / Numbers of days in the financial year (365 or 366)

##### *Transfer agent fee*

Transfer agent fee is the fee paid to suppliers for providing transfer agent service to the Fund. The rate is fixed at VND10 million per month and allocated for periods of valuation during the month. The transaction fee to buy, sell, swap, owner-right transfer and bank transfer is 0.01% of transaction value in the new purchase, repurchase, transfer transaction and free for the first 400 transactions per month. The fee of exercise rights is VND1,000,000 once providing a list of options. Total maximum transfer agent fee is 0.03% NAV/year. Total minimum transfer agent fee is VND96 million per annum (i.e VND8 million per month), which is always applied onwards.

Transfer agent fee is calculated at the year end, based on the average NAV of the financial year and adjusted at the first month of next year (if any). The fee rate, method and payment term are regulated specifically in the service contract between the Fund management company and the Supplier.

#### 3.8 Revenue recognition

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

##### *Interest (include interest from deposit, certificates of deposits and bond)*

Revenue is recognized as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

##### *Income from securities trading activities*

Income from securities trading activities is recognized into the income statement when the Fund receives the deal confirmation from Vietnam Security Depository, which is certified by the Supervisory Bank (for listed securities) and when assets transfer contracts are settled (for unlisted securities).

#### 3.9 Tax

Under the Vietnamese current regulations, the Fund is not subject to corporate income tax. However, the Fund is required to withhold income tax of individual and institutional investors in the following transactions:



# Vietnam Investment Fund Management Joint Stock Company

## Vietnam Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.9 Tax (continued)

##### *Dividend payments to investors*

When the Fund distributes dividends to its investors, the Fund Management Company must comply with Circular No. 78/2014/TT-BTC dated 18 June 2014, Circular No. 111/2013/TT-BTC dated 15 August 2013 issued by the Ministry of Finance and Circular No. 92/2015/TT-BTC dated 15 June 2015 on guidelines for VAT and personal income tax incurred by residents doing business, amendments to some articles on personal income tax of the Law No. 71/2014/QH13 on the amendments to tax laws and the Government's Decree no. 12/2015/NĐ-CP dated 12 February 2015 on guidelines for the law on the amendments to tax laws and decrees on taxation, Circular No. 96/2015/TT-BTC dated 25 August 2014 guidelines for corporate income tax in the Government's Decree No. 12/2015/NĐ-CP dated 12 February 2015 on guidelines for the Law on amendments to laws on taxation and amendments to decrees on taxation; amendments to some articles of Circular No. 78/2014/TT-BTC dated 18 June 2014, Circular no. 119/2014/TT-BTC dated 25 August 2014, and Circular No. 151/2014/TT-BTC dated 10 October 2014 of the MoF, Official Letter No. 10945/BTC-TCT dated 19 August 2010 on guidelines for tax policies for investors. Accordingly, when the Fund distributes dividends to its institutional investors, regardless of domestic or foreign, the Fund Management Company is required to withhold 20% of distributed profit (except for distributed profit portions already imposed with corporate income tax in the previous stage and bond interest collected from tax-free bonds in accordance with the current regulations). In addition, when the Fund distributes dividends to its individual investors, it must withhold the personal income tax at 5% of dividend amounts.

##### *Fund units redemption*

The Fund Management Company is required to withhold, declare and pay income tax of transactions relating to fund units redemption from individuals (domestic or foreign) and foreign Institutions in accordance with regulations regarding to foreign transactions. The applied tax rate for unlisted securities transfer transactions is 0.1% of transfer value in accordance with Circular No. 78/2014/TT-BTC dated 18 June 2014, Circular No. 111/2013/TT-BTC dated 15 August 2013 and Circular No. 103/2014/TT-BTC dated 6 August 2014 issued by the Ministry of Finance.

The Fund does not withhold income tax of domestic investors who are the organizations since these domestic organizations shall be responsible for their income tax declaration and payment.

#### 3.10 *Related parties*

Parties/persons are considered to be related if one party/person 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 same Fund Management Company, the Fund Management Company and shareholders of the Fund Management Company are considered as related parties to the Fund. The substance of each party's relationship is more important than its legal form.

#### 3.11 *Off balance sheet items*

Off balance sheet items stated in Circular No. 198/2012/TT-BTC dated 15 November 2012 issued by the Ministry of Finance on accounting system applicable to open-ended funds are presented in the relevant notes in these interim financial statements.

# Vietnam Investment Fund Management Joint Stock Company

## Vietnam Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2018 and for the six-month period then ended

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.12 *Financial instruments*

##### *Financial instruments – initial recognition and presentation*

###### Financial assets

Financial assets within the scope of Circular No. 210 /2009/TT-BTC dated 6 November 2009 issued by the Ministry of Finance providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments (“Circular 210”) are classified, for disclosures in the notes to the interim financial statements, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets as appropriate. The Fund determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at cost plus directly attributable transaction costs.

The Fund's financial assets include cash and short-term deposits, dividend receivables, interest receivables from investments, listed bond and certificates of deposits.

###### Financial liabilities

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the interim financial statements, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost as appropriate. The Fund determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at cost net of directly attributable transaction costs.

The Fund's financial liabilities include payables to distributors, accrued expenses, payables to investors related to subscription/redemption of fund units, fund management fee payables and other payables.

##### *Financial instruments – subsequent re-measurement*

There is currently no guidance in Circular 210 in relation to subsequent re-measurement of financial instruments. Accordingly, the financial instruments are subsequently re-measured at cost.

##### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount reported in the interim balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### 3.13 *Nil balance*

Items or balance stipulated in Circular No. 198/2012/TT-BTC dated 15 November 2012 issued by the Ministry of Finance regarding the accounting systems for open-ended funds, which are not presented in these interim financial statements, are considered nil balance.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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**4. CASH AND CASH EQUIVALENTS**

	<i>30 June 2018</i> VND	<i>31 December 2017</i> VND
Deposits in VND with term less than three (3) months	399,500,000,000	18,000,000,000
<i>Including:</i>		
- Asia Commercial Joint Stock Bank	123,500,000,000	18,000,000,000
- Ho Chi Minh Development Commercial Joint Stock Bank	100,000,000,000	-
- Vietnam Maritime Joint Stock Commercial Bank	83,000,000,000	-
- Bac A Commercial Joint Stock Bank	57,000,000,000	-
- Joint Stock Commercial Bank for Investment and Development of Vietnam	36,000,000,000	-
Demand deposit at the Custodian and Supervisory Bank for the Fund's operation	58,531,471,890	1,219,316,500
	<b>458,031,471,890</b>	<b>19,219,316,500</b>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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5. INVESTMENTS

	Cost VND	Market value or fair value VND	Revaluation difference		Revaluation VND
			Increase VND	Decrease VND	
	[1]	[2]	[3]	[4]	[5]=[1]+[3]+[4]
<b>30 June 2018</b>					
Listed bonds	50,000,058,333	50,000,000,000	-	(58,333)	50,000,000,000
Certificates of deposits	206,251,130,980	206,251,130,980	-	-	206,251,130,980
	<b>256,251,189,313</b>	<b>256,251,130,980</b>	-	<b>(58,333)</b>	<b>256,251,130,980</b>
<b>31 December 2017</b>					
Listed bonds	207,865,304,909	222,077,500,000	14,212,253,424	(58,333)	222,077,500,000
Certificates of deposits	119,463,571,258	119,463,571,258	-	-	119,463,571,258
	<b>327,328,876,167</b>	<b>341,541,071,258</b>	<b>14,212,253,424</b>	<b>(58,333)</b>	<b>341,541,071,258</b>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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5. INVESTMENTS (continued)

Details of investments as at 30 June 2018 are as follows:

	Quantity	Purchasing price VND	Market price or fair value VND	Interest rate	Issue date	Maturity date
<b>30 June 2018</b>						
Corporate Bond CII11713	500,000	50,000,058,333	50,000,000,000	10.50%	15/08/2017	15/08/2019
Certificates of Deposits - HD Saison Finance Co., Ltd		50,000,000,000	50,000,000,000	8.75%	07/06/2018	07/06/2020
Certificates of Deposits - Home Credit Vietnam Co., Ltd		40,000,000,000	40,000,000,000	9.50%	20/11/2017	20/11/2020
Certificates of Deposits - HD Saison Finance Co., Ltd		31,463,571,258	31,463,571,258	11.50%	11/07/2016	11/07/2018
Certificates of Deposits - VP Bank Finance Co., Ltd		30,000,000,000	30,000,000,000	10.50%	10/04/2018	10/04/2020
Certificates of Deposits - VP Bank Finance Co., Ltd		24,787,559,722	24,787,559,722	10.75%	30/08/2017	30/08/2019
Certificates of Deposits - HD Saison Finance Co., Ltd		20,000,000,000	20,000,000,000	10.50%	25/04/2017	25/11/2018
Certificates of Deposits - Home Credit Vietnam Co., Ltd		10,000,000,000	10,000,000,000	11.20%	19/09/2016	19/09/2019
		<b>256,251,189,313</b>	<b>256,251,130,980</b>			

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6. RECEIVABLES

	<i>30 June 2018</i> VND	<i>31 December 2017</i> VND
<b>Receivables and dividends, accrued</b>		
<b>Interest receivables from investments</b>		
Interest receivable from bond investment	1,793,750,000	10,602,151,826
Interest receivable from certificates of deposits	6,068,293,664	4,641,625,000
Interest receivable from term deposits	1,453,506,857	33,916,666
	<b><u>9,315,550,521</u></b>	<b><u>15,277,693,492</u></b>

7. ACCRUED EXPENSES

	<i>30 June 2018</i> VND	<i>31 December 2017</i> VND
Broker fee	192,537,125	192,537,125
Audit fee	48,547,666	48,950,000
Remuneration payables to the Board of Representatives	13,463,020	18,000,000
Annual reporting fee	10,141,909	12,920,000
Annual general meeting expenses	4,874,884	3,485,000
	<b><u>269,564,604</u></b>	<b><u>275,892,125</u></b>

8. FUND MANAGEMENT SERVICE PAYABLES

	<i>30 June 2018</i> VND	<i>31 December 2017</i> VND
Fund management fee	562,453,338	342,087,963
Transfer agent fee	66,000,000	66,000,000
Supervising fee	27,497,719	17,621,719
Custody fee	24,997,926	16,019,747
Fund administration fee	20,623,289	12,753,417
Transaction fee	300,000	600,000
	<b><u>701,872,272</u></b>	<b><u>455,082,846</u></b>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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9. STATEMENT OF CHANGES IN OWNERS' EQUITY

	<u>31 December 2017</u>	<i>Movement</i> <u>during the period</u>	<u>30 June 2018</u>
<b>Capital issued</b>			
Number of fund units (unit)	63,566,497.64	44,822,528.12	108,389,025.76
Subscribed capital at face value (VND)	635,664,976,400	448,225,281,200	1,083,890,257,600
Share premium (VND)	258,389,631,952	318,958,150,702	577,347,782,654
Total capital issued (VND)	<u>894,054,608,352</u>	<u>767,183,431,902</u>	<u>1,661,238,040,254</u>
<b>Capital redeemed</b>			
Number of fund units (unit)	(41,137,540.93)	(27,557,818.74)	(68,695,359.67)
Redeemed capital at face value (VND)	(411,375,409,300)	(275,578,187,400)	(686,953,596,700)
Share premium (VND)	(194,276,699,145)	(191,355,343,520)	(385,632,042,665)
Total capital redeemed (VND)	<u>(605,652,108,445)</u>	<u>(466,933,530,920)</u>	<u>(1,072,585,639,365)</u>
<b>Number of outstanding fund units (unit)</b>	<u><b>22,428,956.71</b></u>	<u><b>17,264,709.38</b></u>	<u><b>39,693,666.09</b></u>
<b>Contributed capital (VND)</b>	<u><b>288,402,499,907</b></u>	<u><b>300,249,900,982</b></u>	<u><b>588,652,400,889</b></u>
<b>Retained earnings (VND)</b>	<u><b>70,954,725,145</b></u>	<u><b>25,200,871,971</b></u>	<u><b>96,155,597,116</b></u>
<b>NAV (VND)</b>	<u><b>359,357,225,052</b></u>		<u><b>684,807,998,005</b></u>
<b>NAV per fund unit</b>	<b>16,022.02</b>		<b>17,252.32</b>

10. RETAINED EARNINGS

	<u>30 June 2018</u> VND	<u>31 December 2017</u> VND
Beginning balance	70,954,725,145	28,006,576,643
Realized gain in the period	39,413,125,395	28,735,953,411
Unrealized (loss)/gain in the period	(14,212,253,424)	14,212,195,091
	<u><b>96,155,597,116</b></u>	<u><b>70,954,725,145</b></u>

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11. INTEREST INCOME

	<i>For the six-month period ended 30 June 2018 VND</i>	<i>For the six-month period ended 30 June 2017 VND</i>
<b>Interest income received in the period</b>	<b>6,794,184,467</b>	<b>1,895,044,727</b>
Interest from certificates of deposits	3,052,875,000	616,361,112
Interest from bond investment	2,126,889,271	912,054,794
Interest from deposits	1,614,420,196	366,628,821
<b>Accrued interest at the period-end</b>	<b>8,098,710,243</b>	<b>4,810,788,088</b>
Interest from bond investment	4,851,453,386	2,712,833,332
Interest from certificates of deposits	1,793,750,000	2,034,657,534
Interest from term deposits	1,453,506,857	63,297,222
	<b>14,892,894,710</b>	<b>6,705,832,815</b>

12. GAIN FROM SECURITIES TRADING

	<i>For the six-month period ended 30 June 2018</i>			
	<i>Total value of investments sold VND</i>	<i>Weighted average cost at the end of transaction date VND</i>	<i>Gain from selling investments in six-months of 2018 VND</i>	<i>Gain from selling investments in six-months of 2017 VND</i>
Listed bonds	331,616,294,520	304,979,582,193	26,636,712,327	1,360,445,206
Certificates of Deposits	18,151,740,000	18,000,000,000	151,740,000	-
	<b>349,768,034,520</b>	<b>322,979,582,193</b>	<b>26,788,452,327</b>	<b>1,360,445,206</b>

13. UNREALIZED (LOSS)/GAIN ON REVALUATION OF SECURITIES INVESTMENTS

	<i>Purchase price per book value VND</i>	<i>Market value or fair value VND</i>	<i>Unrealized loss as at 30 June 2018 VND</i>	<i>Unrealized gain as at 31 December 2017 VND</i>	<i>Revaluation difference recognized in the current period VND</i>
Listed bonds	50,000,058,333	50,000,000,000	(58,333)	14,212,195,091	(14,212,253,424)
Certificates of deposits	206,251,130,980	206,251,130,980	-	-	-
	<b>256,251,189,313</b>	<b>256,251,130,980</b>	<b>(58,333)</b>	<b>14,212,195,091</b>	<b>(14,212,253,424)</b>



Vietnam Investment Fund Management Joint Stock Company  
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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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**14. EXPENSES FROM INVESTING ACTIVITIES**

	<i>For the six-month period ended 30 June 2018 VND</i>	<i>For the six-month period ended 30 June 2017 VND</i>
Transaction costs on buying investments	27,098,725	44,207,925
Transaction costs on selling investments	68,492,300	21,327,700
Off-setting fee payable to VSD	1,000,000	500,000
	<b><u>96,591,025</u></b>	<b><u>66,035,625</u></b>

**14.1 Transaction costs on buying investments**

	<i>For the six-month period ended 30 June 2018 VND</i>	<i>For the six-month period ended 30 June 2017 VND</i>
Bonds	<u>27,098,725</u>	<u>44,207,925</u>

**14.2 Transaction costs on selling investments**

	<i>For the six-month period ended 30 June 2018 VND</i>	<i>For the six-month period ended 30 June 2017 VND</i>
Bonds	<u>68,492,300</u>	<u>21,327,700</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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14. EXPENSES FROM INVESTING ACTIVITIES (continued)

The Fund's transactions for the six-month period ended 30 June 2018 were mainly made through the following securities companies:

No.	Name (code) of securities companies through which the fund's transactions exceed 5% total fund's transaction value for the period	Relationship with the fund management company	Ratio of the fund's transactions through each security			Average brokerage fee in the market	
			Transacted amount of the fund for the period VND	Total transacted value of the fund for the period VND	Ratio of the fund's transactions through each security for the period		Average brokerage fee
(1)	(2)	(3)	(4)	(5)	(6)=(4)/(5)	(7)	(8)
1	Bank for Investment and Development of Vietnam Securities Joint Stock Company	Not related	147,032,000,000	490,562,000,000	29.97%	0.02%	0.02%
2	Ho Chi Minh City Securities Corporation	Related	125,907,000,000	490,562,000,000	25.67%	0.02%	0.02%
3	Bao Viet Security Joint Stock Company	Not related	119,565,000,000	490,562,000,000	24.37%	0.02%	0.02%
4	Vietcombank Securities Limited Company	Not related	98,058,000,000	490,562,000,000	19.99%	0.02%	0.02%
<b>Total</b>			<b>490,562,000,000</b>		<b>100.00%</b>		

Vietnam Investment Fund Management Joint Stock Company  
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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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**15. OTHER OPERATING EXPENSES**

	<i>For the six-month period ended 30 June 2018 VND</i>	<i>For the six-month period ended 30 June 2017 VND</i>
Board of Representatives' remuneration (Note 21.1)	58,463,020	57,963,021
Bank charges (Note 21.2)	17,858,876	15,774,000
Annual reporting fee	6,406,909	16,453,289
(Reversal)/expense for business traveling and meeting of the Fund's Board of Representatives	(28,801,563)	7,240,389
Annual management fee	4,958,909	4,958,908
	<b><u>58,886,151</u></b>	<b><u>102,389,607</u></b>

Vietnam Investment Fund Management Joint Stock Company  
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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2018 and for the six-month period then ended

**16. NET ASSET VALUE**

Net asset value for the six-month period ended 30 June 2018

Period of NAV	For the six-month period ended 30 June 2018			Increase/(decrease) of NAV per fund unit
	NAV	Number of fund units	NAV per fund unit	
	VND		VND	VND
Last period/December	359,357,225,052	22,428,956.71	16,022.02	(8.38)
First period/January	359,169,448,657	22,428,956.71	16,013.64	293.39
Second period/January	363,691,034,317	22,302,701.81	16,307.03	281.78
Third period/January	334,620,711,150	20,171,469.26	16,588.81	183.73
Fourth period/January	298,443,343,173	17,793,558.57	16,772.54	111.75
Last period/January	286,854,634,580	16,989,436.90	16,884.29	(91.57)
First period/February	285,298,858,733	16,989,436.90	16,792.72	19.36
Second period/February	284,933,530,744	16,948,139.92	16,812.08	23.24
Third period/February	330,823,610,662	19,650,560.67	16,835.32	23.37
Fourth period/February	331,282,732,452	19,650,560.67	16,858.69	20.23
Last period/February	295,470,814,806	17,505,308.02	16,878.92	3.44
First period/March	295,531,014,573	17,505,308.02	16,882.36	23.08
Second period/March	303,614,905,567	17,959,592.05	16,905.44	60.71
Third period/March	306,064,980,587	18,039,740.91	16,966.15	(7.44)
Fourth period/March	317,952,784,356	18,748,639.45	16,958.71	(11.62)
Fifth period/March	321,351,031,223	18,962,015.92	16,947.09	15.47
Last period/March	338,494,769,358	19,955,395.54	16,962.56	43.08
First period/April	339,354,416,135	19,955,395.54	17,005.64	(47.47)
Second period/April	337,476,890,301	19,900,537.53	16,958.17	20.23
Third period/April	342,364,352,141	20,164,698.04	16,978.40	3.90
Fourth period/April	335,342,869,785	19,746,605.54	16,982.30	(64.81)
Last period/April	334,577,419,644	19,777,009.65	16,917.49	5.34
First period/May	334,683,155,712	19,777,009.65	16,922.83	166.93
Second period/May	282,875,677,912	16,552,348.42	17,089.76	26.26
Third period/May	270,643,239,449	15,812,273.67	17,116.02	44.50
Fourth period/May	278,946,237,254	16,255,111.18	17,160.52	25.68
Last period/May	290,580,450,234	16,907,772.79	17,186.20	

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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**16. NET ASSET VALUE** (continued)

Net asset value for the six-month period ended 30 June 2018 (continued)

Period of NAV	For the six-month period ended 30 June 2018			
	NAV VND	Number of fund units	NAV per fund unit VND	Increase/(decrease) NAV per fund unit VND
First period/June	771,177,647,522	44,868,965.18	17,187.32	1.12
Second period/June	825,229,657,740	47,978,400.35	17,200.02	12.70
Third period/June	750,115,631,015	43,545,306.36	17,226.09	26.07
Fourth period/June	715,867,560,334	41,508,323.41	17,246.36	20.27
Last period/June	684,807,998,005	39,693,666.09	17,252.32	5.96
Average NAV for the period	388,679,498,734			293.39
Maximum variance of NAV per fund unit in the period				1.12
Minimum variance of NAV per fund unit in the period				

Vietnam Investment Fund Management Joint Stock Company  
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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2018 and for the six-month period then ended

16. NET ASSET VALUE (continued)

Net asset value for the six-month period ended 30 June 2017

Period of NAV	For the six-month period ended 30 June 2017			Increase/(decrease) of NAV per fund unit
	NAV	Number of fund units	NAV per fund unit	
	VND		VND	VND
Last period/ December	102,184,671,330	7,394,447.29	13,819.10	3.39
First period of January	102,209,730,045	7,394,447.29	13,822.49	60.30
Second period of January	102,655,578,075	7,394,447.29	13,882.79	59.09
Third period of January	103,162,710,970	7,399,480.72	13,941.88	24.11
Fourth period of January	103,311,767,924	7,397,380.72	13,965.99	9.90
Last period of January	103,385,012,001	7,397,380.72	13,975.89	4.06
First period of February	103,415,085,439	7,397,380.72	13,979.95	53.29
Second period of February	103,767,184,694	7,394,380.72	14,033.24	16.96
Third period of February	104,389,416,189	7,429,743.18	14,050.20	4.43
Fourth period of February	104,423,466,282	7,429,822.64	14,054.63	38.61
Last period of February	104,950,383,759	7,446,855.90	14,093.24	(5.82)
First period of March	104,907,051,769	7,446,855.90	14,087.42	17.27
Second period of March	105,064,508,145	7,448,901.19	14,104.69	(8.23)
Third period of March	105,010,151,055	7,449,393.71	14,096.46	16.25
Fourth period of March	118,214,115,940	8,376,426.79	14,112.71	4.44
Fifth period of March	232,999,510,343	16,504,703.28	14,117.15	(6.17)
Last period of March	231,951,624,700	16,437,666.22	14,110.98	25.82
First period of April	232,376,022,529	16,437,666.22	14,136.80	63.40
Second period of April	243,344,253,916	17,136,666.58	14,200.20	83.94
Third period of April	244,805,206,250	17,138,249.38	14,284.14	17.86
Fourth period of April	214,039,883,060	14,965,725.33	14,302.00	7.51
Last period of April	214,042,708,502	14,958,073.33	14,309.51	19.75
First period of May	214,338,199,505	14,958,073.33	14,329.26	109.70
Second period of May	212,895,445,124	14,744,512.53	14,438.96	46.63
Third period of May	213,607,366,138	14,746,192.67	14,485.59	44.34
Fourth period of May	214,755,909,502	14,780,239.00	14,529.93	41.12
Last period of May	216,881,663,759	14,884,415.32	14,571.05	

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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**16. NET ASSET VALUE** (continued)

Net asset value for the six-month period ended 30 June 2017 (continued)

	For the six-month period ended 30 June 2017			Increase/(decrease) of NAV per fund unit
	NAV	Number of fund units	NAV per fund unit	
<i>Period of NAV</i>				VND
First period of June	216,704,129,828	14,884,415.32	14,559.12	(11.93)
Second period of June	220,597,822,282	15,111,089.48	14,598.40	39.28
Third period of June	259,635,566,263	17,748,949.85	14,628.22	29.82
Fourth period of June	289,953,828,438	19,690,991.07	14,725.20	96.98
Fifth period of June	297,776,032,971	20,109,653.59	14,807.61	82.41
Last period of June	320,588,862,096	21,629,596.13	14,821.76	14.15
Average NAV for the period	177,317,732,742			109.70
Maximum variance of NAV per fund unit in the period				3.39
Minimum variance of NAV per fund unit in the period				



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**17. OFF BALANCE SHEET ITEM**

*Number of outstanding fund units*

	<i>Book value</i>	
	<u>30 June 2018</u>	<u>31 December 2017</u>
Number of outstanding fund units	<u>39,693,666.09</u>	<u>22,428,956.71</u>

**18. SOME INDICES**

**18.1 Performance indicators**

<i>No</i>	<i>Indices</i>	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
<b>1</b>	<b>Performance indicators</b>		
1	Fund management fee paid to the Fund Management Company/Average NAV in the period (%)	0.89	0.89
2	Depository fee, supervising fee paid to the Supervisory Bank/Average NAV in the period (%)	0.11	0.22
3	Fund administration fee, transfer agent fee and other service fee that the Fund Management Company paid to the service providers/Average NAV in the period (%)	0.06	0.12
4	Audit fee paid to auditing firm (if any)/Average NAV in the period (%)	0.02	0.05
5	Expenses on legal consulting service, quotation service and other services, remunerations of the Board of Representatives/Average NAV in the period (%)	0.03	0.07
6	Total operating expense/Average NAV in the period (%) (*)	1.12	1.40
7	Turnover ratio of investment portfolio in the period = (Total purchase value + Total sales value) / (2 * Average NAV in the period) (%)	154.80	250.80

(\*) Operating expenses do not include brokerage fee

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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18. SOME INDICES (continued)

18.2 Other indices

No.	Indices	For the six-month period ended 30 June 2018	For the six-month period ended 30 June 2017
<b>II</b>	<b>Other indices</b>		
1	The Fund's scale, beginning balance Total value of outstanding fund units, beginning balance (face value) (VND) Total number of outstanding fund units, beginning balance (unit)	224,289,567,100 22,428,956.71	73,944,472,900 7,394,447.29
2	Change in scale during the period Number of fund units additionally offered (unit) Value of fund units additionally offered in the period (face value) (VND) Number of fund units redeemed (unit) Value of fund units paid to investors' upon their orders in the period (face value) (VND)	44,822,528.12 448,225,281,200 (27,557,818.74) (275,578,187,400)	16,842,134.08 168,421,340,800 (2,606,985.24) (26,069,852,400)
3	The Fund's scale, ending balance Total value of outstanding fund units, ending balance (face value) (VND) Total number of outstanding fund units, ending balance (unit)	396,936,660,900 39,693,666.09	216,295,961,300 21,629,596.13
4	Number of fund units held by the Fund Management Company and related parties/Total fund units (%)	0.05	65.53
5	Number of fund units held by the 10 biggest investors/Total fund units (%)	41.42	87.76
6	Number of fund units held by foreign investors/Total fund units (%)	17.93	65.58
7	Number of investors participating in the Fund as at period-end, included custodian transactions (investor)	389	109
8	NAV of the fund units as at period-end (VND)	17,252.32	14,821.76

# Vietnam Investment Fund Management Joint Stock Company

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as at 30 June 2018 and for the six-month period then ended

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### 19. FINANCIAL RISK MANAGEMENT POLICIES

The Fund is exposed to market risk, credit risk and liquidity risk. The process of risk management is critical to the Fund's continuing profitability. The Fund Management Company has designed a risk control system to ensure a sufficient balance between expected cost of risk and risk management cost. The Board of Management of the Fund Management Company continuously monitors the process of risk management to ensure a sufficient balance between risk and risk control.

The Board of Management of the Fund Management Company has reviewed and decided to apply the following risk management policies for the above risks:

#### 19.1 *Market risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises four types of risk: interest rate risk, currency risk, price risk and other price risk, such as security price risk. Financial instruments affected by market risk include deposits and securities investments.

##### *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's exposure to market risk for changes in interest rate relates primarily to the Fund's cash at bank, Government bond and certificates of deposits. These assets are highly liquid in nature and they are not held for speculative purposes.

The Fund Management Company manages interest rate risk by looking at the competitive structure of the market to obtain rates which are favorable for its purposes and within its risk management limits.

The Fund Management Company believes that interest rate risk does not have any impact on the Fund's operations result, as it owned mainly value papers of financial institutions with fixed interest rate.

A sensitivity analysis is not performed for interest rate risk because the Fund's investment portfolio contains Government bonds and corporate bonds whose interest rate risk is low and the Fund has invested in fixed-rate Government bonds and certificates of deposits as at interim reporting date.

##### *Price risk*

The Fund's listed Government and corporate bonds are exposed to market price risk arising from uncertainties about future prices of investment bonds. The Fund manages price risk by placing a limit on bond investments. The Fund's Investment Committee also reviews and approves all bond investment decisions.

# Vietnam Investment Fund Management Joint Stock Company

## Vietnam Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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### **19. FINANCIAL RISK MANAGEMENT POLICIES (continued)**

#### **19.1 Market risk (continued)**

##### *Currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Fund was incorporated and operates in Vietnam. As such, its reporting and transaction currency is denominated in VND. The Fund is not exposed to foreign currency risk, because the Fund does not hold any assets nor liabilities denominated in foreign currency as at 30 June 2018.

#### **19.2 Credit risk**

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation. These credit exposures exist within financing relationships including deposits with banks and other financial instruments.

The Fund's balances of deposits and certificates of deposits are mainly maintained with well-known banks and financial institutions in Vietnam. Credit risk from balances with banks and financial institutions is managed by the Fund's Investment management department in accordance with the Fund's policy. The Fund evaluates the concentration of credit risk in respect to these investments is too low.

It is the Fund's policy to enter into financial instruments with reputable counterparties.

The Investment management department closely monitors the credit worthiness of the Fund's counterparties (e.g., brokers, custodian, banks, etc.) by reviewing their financial position, settlement ability of counter parties, financial statements and public information.

#### **19.3 Liquidity risk**

The liquidity risk is the risk that the Fund will encounter difficulty in meeting financial obligations due to shortage of capital. The Fund's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and financial liabilities.

The Fund invests primarily in securities market and other financial instruments, which are under normal market conditions, are easily convertible to cash. The Fund monitors liquidity risk by maintaining sufficient amount of cash and cash equivalents for the Fund's operation and to mitigate the effect of fluctuations in cash flows.

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**20. SUPPLEMENTARY DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES**

The carrying amount and fair value of financial instruments of the Fund as at 30 June 2018 and 31 December 2017 are presented as follows:

	30 June 2018		31 December 2017	
	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
<b>Financial assets</b>				
Cash and cash equivalents				
- Cash at banks	58,531,471,890	58,531,471,890	1,219,316,500	1,219,316,500
- Deposits with terms less than three (3) months	399,500,000,000	399,500,000,000	18,000,000,000	18,000,000,000
Investments				
- Government bonds	-	-	157,865,246,576	172,077,500,000
- Corporate bonds	50,000,058,333	50,000,000,000	50,000,058,333	50,000,000,000
- Certificates of deposits	206,251,130,980	206,251,130,980	119,463,571,258	119,463,571,258
Receivables	9,315,550,521	9,315,550,521	15,277,693,492	15,277,693,492
<b>Total</b>	<b>723,598,211,724</b>	<b>723,598,153,391</b>	<b>361,825,886,159</b>	<b>376,038,081,250</b>
<b>Financial liabilities</b>				
Payables to Distributors and Fund Management Company	1,402,588,163	1,402,588,163	855,889,314	855,889,314
Fund management services payables	701,872,272	701,872,272	455,082,846	455,082,846
Payable to investors relating to subscription of fund units	14,000,000	14,000,000	38,450,000	38,450,000
Payables to investors relating to redemption of fund units	36,218,114,721	36,218,114,721	14,807,485,993	14,807,485,993
Other payables	261,060,493	261,060,493	286,693,688	286,693,688
<b>Total</b>	<b>38,597,635,649</b>	<b>38,597,635,649</b>	<b>16,443,601,841</b>	<b>16,443,601,841</b>

The fair values of the financial assets and liabilities represent the amounts at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced sales or liquidation.

The following methods and assumptions are being used to estimate the fair values:

- Fair values of cash and cash equivalents, receivables, payables to distributors, accrued expenses and payables for fund management service approximate their book values due mainly to the short-term maturities of these instruments.
- Fair value of listed Government bonds is re-valued using the valuation method stated in Note 3.2.
- Fair value of listed Corporate bonds is re-valued using the valuation method stated in Note 3.2.
- Fair value of certificates of deposits is calculated by purchase price plus accrued interest receivables as at the date prior to the valuation date.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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**21. RELATED PARTIES AND OTHER KEY CONTRACTS**

**21.1 Related parties**

a) *The Fund Management Company*

According to Fund Charter, the Fund Management Company is entitled to the management fee. The management fee is monthly calculated by 0.9% of the Fund's NAV in the period.

	<i>For the six-month period ended 30 June 2018 VND</i>	<i>For the six-month period ended 30 June 2017 VND</i>
Fund management fee	1,735,007,344	791,537,757

b) *Remunerations of the Board of Representatives*

Other than the remunerations, there are no other transactions or contracts to which the Fund and any member of the Board of Representatives is a party to where a member of Board of Representatives has a material interest. Remunerations of the Board of Representatives are recognized as expenses of the Fund.

	<i>For the six-month period ended 30 June 2018 VND</i>	<i>For the six-month period ended 30 June 2017 VND</i>
Remunerations of the Board of Representatives	58,463,020	57,963,021

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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**21. RELATED PARTIES AND OTHER KEY CONTRACTS** (continued)

**21.2 Other key contracts**

*Custodian and Supervisory Bank*

The Fund is obliged to pay the Custodian and Supervisory Bank annual supervisory fee equal to 0.04% of the Fund's NAV (the minimum amount was VND15,000,000 per month if the Fund's trading frequency is once a week and the minimum amount of VND17,000,000 per month if the trading frequency of the Fund is daily) and custodian fee equal to 0.04% of the Fund's NAV (the minimum amount was VND15,000,000 per month if the Fund's trading frequency is once a week and the minimum amount of VND18,000,000 per month if the trading frequency of the Fund is daily).

In addition, Standard Chartered Bank (Vietnam) Limited also carries out fund administration service. The Fund has an obligation to pay Standard Chartered Bank (Vietnam) Limited the minimum amount is 0.03% (minimum of VND10,000,000 per month if trading frequency is once a week and minimum of VND15,000,000 per month if trading frequency of the Fund is daily).

Details of service fees in the period are as follows:

	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
	Standard Chartered Bank VND	Standard Chartered Bank VND
Supervising fee	109,997,720	99,000,000
Depository fee	99,997,926	90,000,000
Fund administration fee	75,623,289	66,000,000
Bank charges	17,858,876	15,774,000
Transaction fee	1,100,000	1,300,000



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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2018 and for the six-month period then ended

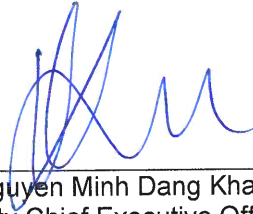
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**22. EVENTS AFTER THE BALANCE SHEET DATE**

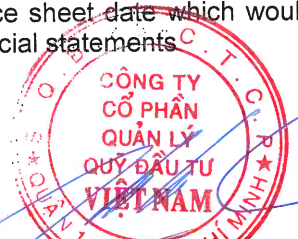
There have been no significant events occurred after the balance sheet date which would require adjustments or disclosures to be made in the interim financial statements.



Ms Vuong Thi Tram Anh  
Accountant



Mr Nguyen Minh Dang Khanh  
Deputy Chief Executive Officer  
cum Chief Financial Officer



Mr Tran Thanh Tan  
Chief Executive Officer

Ho Chi Minh City, Vietnam

10 August 2018



C. P. ★ H.N. M.



C. P. ★ H.N. M.