

Vietnam Bond Fund

Financial statements

For the year ended 31 December 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 issued by the State Securities Commission ("SSC") on 27 February 2013; Registration certificate for open-ended fund No. 04/GCN-UBCK issued by SSC on 10 June 2013 and Decision No. 398/QD-UBCK issued by SSC on 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.

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 2018, the Fund issued additional 73,842,160.94 fund units, amounting to VND738,421,609,400 and redeemed 58,581,117.67 fund units, amounting to VND585,811,176,700 at par value. The capital of the Fund at par value contributed by investors as at 31 December 2018 amounted to VND376,899,999,800.

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, Melinh 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 on every Friday.
- ▶ Monthly basis: NAV is monthly valued on the first day of the next month regardless of the valuation date falling in a weekend or holiday.

Frequency of VFMVFB 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 Government bonds, Government guaranteed bonds, municipal bonds, bonds issued by entities 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 SSC.

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

Under Decision No. 398/QD-UBCK issued by the SSC on 7 May 2015, it was approved that Custodian and Supervisory Bank of the Fund is Standard Chartered Bank (Vietnam) Limited ("Standard Chartered Bank").

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 Custodian 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 year and at the date of this report are:

<u>Name</u>	<u>Position</u>
Ms. Nguyen Boi Hong Le	Chairwoman
Ms. Le Thi Thu Huong	Member
Ms. Pham Thi Thanh Thuy	Member

LEGAL REPRESENTATIVE

The legal representative of the Fund Management Company during the year and at the date of this report is Mr. Tran Thanh Tan - Chief Executive Officer of 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 BOARD OF REPRESENTATIVES

The Board of Representatives of Vietnam Bond Fund ("the Fund") is pleased to present this report and the financial statements of the Fund for the year ended 31 December 2018.

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

The Board of Management of Vietnam Investment Fund Management Joint Stock Company ("the Fund Management Company") is responsible for the financial statements of each financial year which give a true and fair view of the financial position of the Fund and of the results of its operations, changes in its net assets, transactions of fund units and its cash flows for the year. In preparing those 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 financial statements; and
- ▶ prepare the 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 financial statements.

Vietnam Investment Fund Management Joint Stock Company
Vietnam Bond Fund

REPORT OF BOARD OF REPRESENTATIVES (continued)

STATEMENTS BY THE BOARD OF REPRESENTATIVES

The Board of Representatives does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2018 and of the results of its operations, changes in its net assets, transactions of Fund units and its cash flows for the year 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' financial statements.

On behalf of the Board of Representatives: 



Ms. Nguyen Boi Hong Le
Chairwoman

Ho Chi Minh City, Vietnam

12 March 2019

Vietnam Investment Fund Management Joint Stock Company

Vietnam Bond Fund

REPORT OF FUND MANAGEMENT COMPANY

I. GENERAL INFORMATION OF THE FUND

1. Objectives of the Fund:

Consistent with the Registration certificate for open-ended fund issued by the SSC, the Charter and the Prospectus of the Fund;

2. Operation effectiveness of the Fund:

According to the Fund's financial statements which have been reviewed or audited, as of the reporting period, changes in net assets value (NAV) of the Fund is 86.94 (%) compared with the NAV of the Fund in previous period; the Fund does not have exchange-traded portfolio and reference index.

3. Policies and investment strategies of the Fund:

The Fund's strategy is active management based on fundamental analysis of macro-economic conditions, 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.

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 of the Fund (as at 31 December 2018):

Net assets value: VND671,778,178,931
Number of units: 37,689,999.98 units

9. Reference index of the Fund: None

10. Dividend policy of the Fund: None

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. Asset portfolio

<i>Asset portfolio</i>	31/12/2018 (%)	31/12/2017 (%)	31/12/2016 (%)
Investment securities	22.22	59.06	0.00
Other assets	77.78	40.94	100.00
Total	100.00	100.00	100.00

2. Key performance indicators:

<i>Indicators</i>	31/12/2018	31/12/2017	31/12/2016
NAV for the period	671,778,178,931	359,357,225,052	102,184,671,330
Total number of Fund units	37,689,999.98	22,428,956.71	7,394,447.29
NAV per fund unit	17,823.77	16,022.02	13,819.10
Maximum NAV per fund unit in the period	17,823.77	16,033.44	13,819.10
Minimum NAV per fund unit in the period	16,013.64	13,822.49	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	-127.23	15,365.64	-173.07
Capital growth rate (%)/fund unit (movement of market price)	-156.21	15,359.57	-235.37
Net profit growth rate (%)/fund unit (distributed profit)	28.98	6.07	62.30
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 (%)	1.10	1.26	2.31
Investment turnover ratio (%)	129.96	196.06	253.50

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:

Period	Total increase in NAV/fund unit (%)	Annual growth rate of NAV/fund unit (%)
- 1 year	11.25	11.25
- 3 years	36.72	12.21
- Since establishment	78.23	10.95
- Growth rate of reference indicators	N/A	N/A

4. Annual growth rate:

Year	31/12/2018 (%)	31/12/2017 (%)	31/12/2016 (%)
Growth rate (%) / 1 fund unit	11.25	15.94	9.53

Note: Annual growth rate needs to reflect on the moment of comparative. For example, as at 31 December, the figures included in the expression is also as at 31 December each year.

III. MARKET ASSESSMENT DURING THE YEAR

1. Primary market

The primary market in 2018 recorded a clear divergence in the first and second half of the year. Bond yields fell sharply to the lowest level since the establishment of the special government bond market in 2009 and then increased slightly and continued to remain low. Liquidity reached a peak in the first 6 months of 2018. However, there was reversal of the market yields rising significantly by around 100bps and maintaining this level in the second half of the year. The total value of issued government bonds reached VND165,797 billion, accomplished 82.9% of the adjusted plan (VND200,000 billion) in 2018. In Quarter IV/2018, the State Treasury adjusted the issuance plan to VND175,000 billion. The total issued value of VDB and VBS bonds was VND16,545 billion and VND9,670 billion, respectively. In the first three months of the year, the issuance interest rate continued the decrease from 2017, which reached the bottom in the middle of March, then nearly maintained a growth trend during the remaining 9 months of 2018. The average issuance interest rate was 4.67% in 2018 (a sharp decrease from 6.07% in 2017).

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

The secondary bond market was quite active, but the liquidity decreased compared to 2017. The secondary market value (outright transactions only) reached VND1,011,027 billion in 2018, equivalent to a decrease of 11.47% compared to 2017. The average value was VND4,044 billion for a stock exchange session. Total value of repo transactions reached VND1,168,842 billion in 2018, increased by 5.47% compared to 2017. Movement of the yields on the secondary market were similar to the primary market in around 6-8 first months of the year, then the gap increased gradually, with the difference sometimes reaching 50-100 bps in the second half of the year. The yields increased by approximately 50-150bps at all terms while many consecutive terms were not successfully issued in the primary market, as result of this gap. Average listed term: reduced to 6.91 years as at 31 December 2018, compared to 8.28 years in 2017. In which, government bonds issued by the State Treasury reduced to 7 years (reduced by 23% compared to 2017). The total value of matured bonds was VND133,295 billion, which was approximated the value in 2017 (VND134,490 billion), while the reinvestment value was VND192,012 billion. Listed value reached 10,865 billion as at 31 December 2018, increased by 6.63% compared to the end of 2017 (equivalent to ~ 25% of GDP).

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	28.98	122.04	N/A
Capital growth/fund unit	-156.21	11,663.14	N/A
Total growth value/fund unit	-127.23	11,785.18	N/A
Annual growth rate (%) / fund unit	11.25	12.21	10.95
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.

Vietnam Investment Fund Management Joint Stock Company

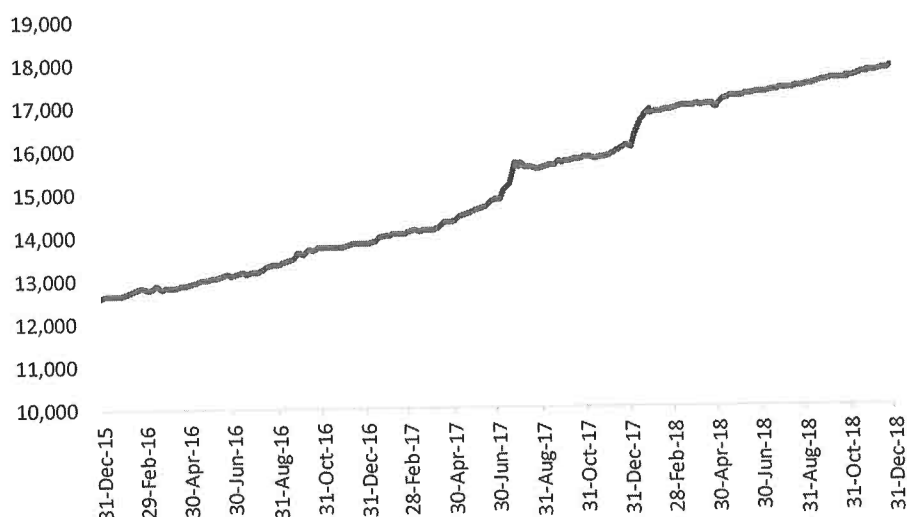
Vietnam Bond Fund

REPORT OF FUND MANAGEMENT COMPANY (continued)

IV. DETAIL OF KEY PERFORMANCE INDICATORS (continued)

1. Detail of key performance indicators (continued)

▶ Monthly growth rate chart of the Fund during the nearest 3 years:



▶ Change in NAV:

Indicators	31/12/2018	31/12/2017	Changes in %
A	(1)	(2)	(3)=((1)-(2))/(2)
Net asset value (NAV) of the Fund	671,778,178,931	359,357,225,052	86.94
Net asset value (NAV) per fund unit	17,823.77	16,022.02	11.25

Net asset value per fund unit (NAV/fund unit) of the Fund reached VND17,823.77 as at 31 December 2018, increased by 11.25% compared to 31 December 2017. The Fund's scale has grown substantially, evidenced by the fact that total assets as at 31 December 2018 was VND674.6 billion, increased by 79.4% compared to the beginning of the year. The Fund has also successfully fulfilled the liquidity requirements for investors when subscribed capital and redeemed capital was VND1,272.8 billion and VND1,009.2 billion, respectively (corresponding to 73.8 billion fund units and 58.6 billion fund units respectively). The Fund's net profit reached VND48.9 billion, which came from 75.7% of the Fund's operation and 24.3% of fluctuation in investment assets' price.

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 nearest date):**

<i>Criteria (units)</i>	<i>Number of investors</i>	<i>Number of fund units held</i>	<i>% of holding</i>
A	1	2	3
Under 5,000	198	222,712.90	0.59
From 5,000 to 10,000	56	367,858.74	0.97
From 10,000 to 50,000	154	3,839,964.42	10.19
From 50,000 to 500,000	140	17,867,988.68	47.41
Over 500,000	11	15,391,475.24	40.84
Total	559	37,689,999.98	100.00

Note: Presentation of fund units held by Investors from the least to the most.

3. **Implicit expenses and discounting:** None

V. **PROSPECT OF THE MARKET**

The government bond market in 2018 was closed with a volatile year. Bond yields fell sharply in the Quarter I/2018 and returned to increase in the last 9 months. The year 2019 is forecasted another volatile year in government bonds when the global interest rate is in growing trend which still is a challenge for Vietnam's management agencies. However, because the current market is more than 95% domestic investors, Vietnam is still having its own stories and the State Bank also is operating well the monetary policy. It is expected that bond yields may decline in the Quarter I/2019 due to the seasonal nature of cash flow, moreover the maturity schedule of bond amounting over VND63,000 billion will put pressure on downward yields. In addition, the matter for State Bank to redeem foreign currency sold in 2018 and the disbursement of public investment will also impact market bond yields.

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>Working Process</i>
Funds operating personnel	Luong Thi My Hanh	Deputy General Director - Investment Research Division	Master of Economics	- From 2010 to present: 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 present: Deputy General Director - Director of Hanoi branch - Vietnam Investment Fund Management Joint Stock Company
Board of Representative	Nguyen Bui 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	Bachelor 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 present: 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	Working Process
Board of Management of Fund Management Company	Tran Thanh Tan	General Director	Master of Business Administration	- From 2003 to present: 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 present: Deputy General Director - Investment Research Division of Vietnam Investment Fund Management Joint Stock Company
	Nguyen Minh Dang Khanh	Deputy General Director - Chief Financial Officer	Master of Finance - Economics	- From 2011 to present: 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 present: Deputy General Director - Director of the Hanoi branch - Vietnam Investment Fund Management Joint Stock Company
	Tran Van Hieu	Acting 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: Acting Deputy General Director of Vietnam Investment Fund Management Joint Stock Company



Mr. Tran Thanh Tan
Chief Executive Officer

Ho Chi Minh City, Vietnam

12 March 2019

SUPERVISORY BANK'S REPORT

We, appointed as the Supervisory Bank of the Vietnam Bond Fund ("the Fund") for the financial period from 01st January 2018 to 31th December 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 01st January 2018 to 31th December 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 Fund Charter regulate that: "Bond funds are 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 1st February 2018, the Fund adjusted its portfolio causing its investment into bonds and valuable papers on valuation date 2nd February 2018 accounting for 69.37% the Fund's net assets value. On 6th February 2018, the Fund invested in term deposits at commercial banks which are approved by its Board of Representatives on 3rd February 2018 to meet the investment restriction for valuation date 9th February 2018.

From valuation date 23rd February 2018 to 31th December 2018, the Fund's investment portfolio complied with prevailing regulations for open-ended funds, Fund Prospectus and other relevant regulations.

- Item 10, Article 1, Circular 15/2016/TT-BTC ("Circular 15") dated 20th January 2016 amending and supplementing several articles in Circular 183/2011/TT-BTC dated 16th December 2011 and Article 11, Fund Charter regulate that: "The Fund does not invest more than 20% of total asset value of the Fund in outstanding securities of an issuing organization, including valuable papers, negotiable instruments, bonds (except government bonds), voting shares, non-voting shares and convertible bonds." In case of deviation, the Fund Management Company has to adjust the Fund's portfolio to comply with prevailing regulations within the recovery timeframe.

On valuation date 5th October 2018, the Fund's investment portfolio deviated from the limit of 20% of the Fund's total asset value. The Fund Management Company had to adjust the Fund's investment portfolio to comply with the prevailing regulations no later than 05th January 2019.

On valuation date 12th October 2018, the Fund Management Company adjusted the Fund's investment portfolio to comply with the prevailing regulations.

Standard Chartered Bank (Vietnam) Limited

Head Office

P1810-1815, Keangnam Hanoi Landmark,
E6 Pham Hung, Me Tri Ward,
South Tu Liem District, Hanoi

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From valuation date 19th October 2018 to 31st December 2018, The Fund's investment portfolio complied with prevailing regulations for open-ended funds, Fund Prospectus and other relevant laws.

- 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 01st January 2018 to 31th December 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 Hung Giang

Senior Manager, Securities Services Operations



Standard Chartered Bank (Vietnam) Limited

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ey.com

Reference: 61070172/20392133

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Vietnam Bond Fund ("the Fund") as prepared on 12 March 2019 as set out on pages 17 to 58, which comprise the statement of financial position and the statement of investment portfolio as at 31 December 2018, the income statement, statement of changes net asset value, transactions of fund units and the cash flow statement for the year then ended and the notes thereto.

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 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 the financial statements and for such internal control as the Board of Management determines is necessary to enable the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Fund as at 31 December 2018, and of the results of its operations, changes in its net asset value, trading of fund units and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds and the statutory requirements relevant to preparation and presentation of open-ended funds' financial statements.

Ernst & Young Vietnam Limited



Nguyễn Thị Dương
Deputy General Director
Audit Practicing Registration
Certificate No. 0893-2018-004-1

Vu Tien Dung
Auditor
Audit Practicing Registration
Certificate No. 3221-2015-004-1

Ho Chi Minh City, Vietnam

12 March 2019

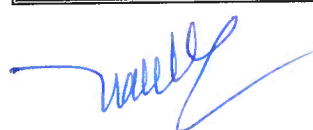
Vietnam Investment Fund Management Joint Stock Company
Vietnam Bond Fund

INCOME STATEMENT
for the year ended 31 December 2018

B01-QM

Currency: VND

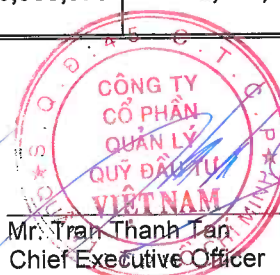
Code	ITEMS	Notes	Current year	Previous year
01	I. Income from investing activities		55,191,589,091	47,003,200,450
03	1. Interest income	11	43,308,215,398	19,498,994,752
04	2. Gain from trading securities	12	25,306,990,131	13,292,010,607
05	3. Unrealized (loss)/gain on revaluation of securities investments	13	(13,423,616,438)	14,212,195,091
10	II. Expenses from investing activities	14	185,422,994	941,812,001
11	1. Transaction costs for trading securities		180,422,994	492,380,645
13	2. Interest expense		-	449,431,356
15	3. Other investment expense		5,000,000	-
20	III. Operating expenses of open-ended Fund		6,145,180,124	3,113,239,947
20.1	1. Fund management fee	21.1	5,037,439,015	2,216,514,829
20.2	2. Fund custody fee		252,557,173	188,049,747
20.3	3. Supervising fee	21.2	271,449,934	199,121,719
20.4	4. Fund administration fee	21.2	196,712,450	134,022,776
20.5	5. Transfer agent fee		105,600,000	105,600,000
20.7	6. General Meeting expenses/(Reversal)		13,264,658	(2,565,000)
20.8	7. Audit fee		97,900,000	97,900,000
20.10	8. Other operating expenses	15	170,256,894	174,595,876
23	IV. Net income from investing activities		48,860,985,973	42,948,148,502
30	VI. Profit before tax		48,860,985,973	42,948,148,502
31	1. Realized gain	10	62,284,602,411	28,735,953,411
32	2. Unrealized (loss)/gain	10	(13,423,616,438)	14,212,195,091
41	VIII. Profit after tax		48,860,985,973	42,948,148,502



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

12 March 2019

Vietnam Investment Fund Management Joint Stock Company
Vietnam Bond Fund

STATEMENT OF FINANCIAL POSITION
as at 31 December 2018

B02-QM

Currency: VND

Code	ITEMS	Notes	Ending balance	Beginning balance
100	A. ASSETS			
110	I. Cash at bank and cash equivalents	4	107,897,207,304	19,219,316,500
111	1. Cash at bank for the Fund's operations		1,897,207,304	1,219,316,500
112	2. Deposits with terms less than three (3) months		106,000,000,000	18,000,000,000
120	II. Investments		454,707,059,722	341,541,071,258
121	1. Investments	5	454,707,059,722	341,541,071,258
130	III. Receivables	6	111,972,222,470	15,277,693,492
133	1. Receivables and dividends, accrued interest receivables from investments		20,288,522,470	15,277,693,492
134	1.1. Dividends and interest entitled to be received		5,483,067,275	-
136	1.2. Dividends and interest not yet entitled to be received		14,805,455,195	15,277,693,492
137	2. Other receivables		91,683,700,000	-
100	TOTAL ASSETS		674,576,489,496	376,038,081,250
300	B. LIABILITIES			
313	1. Payables to Distributors and Fund Management Companies		239,252,556	855,889,314
314	2. Tax and payables to the State		12,413,450	219,254,357
316	3. Accrued expenses	7	293,657,979	275,892,125
317	4. Payables to investors related to subscription of fund units		40,987,900	38,450,000
318	5. Payables to investors related to redemption of fund units		1,627,234,156	14,807,485,993
319	6. Fund management fee payables	8	584,764,524	455,082,846
320	7. Other payables		-	28,801,563
300	TOTAL LIABILITIES		2,798,310,565	16,680,856,198
400	C. NET ASSET VALUE ATTRIBUTABLE TO HOLDERS OF FUND UNITS (C=A-B)		671,778,178,931	359,357,225,052
411	1. Share capital	9	376,899,999,800	224,289,567,100
412	1.1 Capital issued		1,374,086,585,800	635,664,976,400
413	1.2 Capital redeemed		(997,186,586,000)	(411,375,409,300)
414	2. Share premium	9	175,062,468,013	64,112,932,807
420	3. Retained earnings	10	119,815,711,118	70,954,725,145
430	D. NET ASSET VALUE PER FUND UNIT	9	17,823.77	16,022.02

Vietnam Investment Fund Management Joint Stock Company
Vietnam Bond Fund

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2018

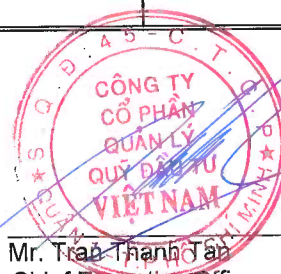
B02-QM

OFF BALANCE SHEET ITEM

Code	ITEMS	Notes	Ending balance	Beginning balance
004	1. Number of outstanding fund units	9, 17	37,689,999.98	22,428,956.71

Ms. Vuong Thi Tram Anh
Fund Accountant

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



Mr. Trần Thanh Tân
Chief Executive Officer

Ho Chi Minh City, Vietnam

12 March 2019

Vietnam Investment Fund Management Joint Stock Company
Vietnam Bond Fund

STATEMENT OF CHANGES IN NET ASSETS, TRANSACTIONS OF FUND UNITS
for the year ended 31 December 2018

B03-QM

Currency: VND

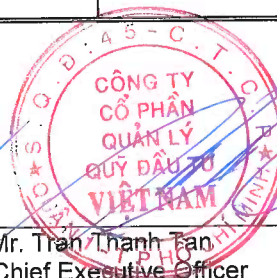
No.	ITEMS	Current year	Previous year
I	The Fund's NAV, beginning balance	359,357,225,052	102,184,671,330
II	Changes in NAV during the year	48,860,985,973	42,948,148,502
II.1	<i>In which:</i> - <i>Changes in NAV arising from market fluctuation and the Fund's investment activities during the year</i>	48,860,985,973	42,948,148,502
III	Changes in NAV due to subscription, redemption of fund units	263,559,967,906	214,224,405,220
III.1	<i>In which:</i> - <i>Proceeds from additional subscription of fund units</i>	1,272,766,866,600	734,843,692,338
III.2	- <i>Payment for redemption of fund units</i>	(1,009,206,898,694)	(520,619,287,118)
IV	The Fund's NAV, ending balance	671,778,178,931	359,357,225,052



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

12 March 2019

Vietnam Investment Fund Management Joint Stock Company
Vietnam Bond Fund

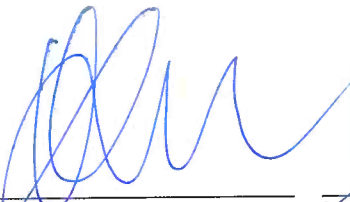
STATEMENT OF INVESTMENT PORTFOLIO
as at 31 December 2018

B04-QM

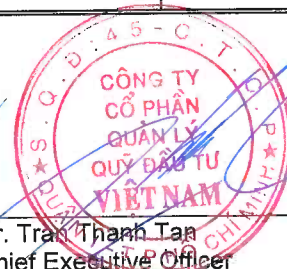
No.	Items	Quantity	Market price as at 31 December 2018 VND	Total value VND	Percentage of the Fund's total assets as at 31 December 2018
I	Bond	1,490,000	149,919,500,000	149,919,500,000	22.22%
1	CII11713	500,000	50,000,000,000	50,000,000,000	
2	KBC11806	490,000	49,000,000,000	49,000,000,000	
3	VHM11801	500,000	50,919,500,000	50,919,500,000	
II	Certificates of deposits		304,787,559,722	304,787,559,722	45.19%
1	Issued by HD Saison Finance Co., Ltd.		100,000,000,000	100,000,000,000	
2	Issued by Home Credit Co., Ltd.		100,000,000,000	100,000,000,000	
3	Issued by VP Bank Finance Co., Ltd.		104,787,559,722	104,787,559,722	
III	Other assets		111,972,222,470	111,972,222,470	16.60%
1	Interest receivable from bond investment		10,268,945,129	10,268,945,129	
2	Interest receivable from certificates of deposits		9,777,878,710	9,777,878,710	
3	Interest receivable from term deposits		241,698,631	241,698,631	
4	Other receivables		91,683,700,000	91,683,700,000	
IV	Cash and cash equivalents		107,897,207,304	107,897,207,304	15.99%
1	Cash at bank		106,000,000,000	106,000,000,000	
2	Cash at Standard Charter bank		1,897,207,304	1,897,207,304	
V	Total investment portfolio		674,576,489,496	674,576,489,496	100.00%



Ms. Vuong Thi Tram Anh
Fund Accountant



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Deputy Chief Executive Officer
cum Chief Financial Officer



Mr. Tran Thanh Tan
Chief Executive Officer

Ho Chi Minh City, Vietnam

12 March 2019

Vietnam Investment Fund Management Joint Stock Company
Vietnam Bond Fund

CASH FLOW STATEMENT
for the year ended 31 December 2018

B05-QM

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	I. INVESTING ACTIVITIES			
01	1. Profit before tax		48,860,985,973	42,948,148,502
	<i>Adjustment for increase/(decrease) in NAV from investing activities:</i>			
03	1.1 Unrealized loss/(gain) from investing activities	13	13,423,616,438	(14,212,195,091)
04	1.2 Accrued expenses		(11,035,709)	(8,623,537)
05	2. Profit from investing activities before changes in working capital		62,273,566,702	28,727,329,874
20	(Increase) in investments		(126,589,604,902)	(301,328,876,167)
07	(Increase) in interest receivable from investments		(5,010,828,978)	(14,305,746,271)
08	(Increase) in other receivables		(91,683,700,000)	-
11	(Decrease)/increase in payable to distribution agent		(616,636,758)	852,373,314
13	(Decrease)/increase in tax and statutory obligations		(206,840,907)	218,639,402
14	Increase in payable to investors of subscription		2,537,900	38,450,000
15	(Decrease)/increase in payable to investors of redemption		(13,180,251,837)	14,807,485,993
16	Increase other payable		-	192,537,125
17	Increase in fund management fee payable		129,681,678	268,884,566
19	Net cash flows used in investing activities		(174,882,077,102)	(270,528,922,164)
	II. FINANCING ACTIVITIES		263,559,967,906	214,224,405,220
31	1. Capital contribution	9	1,272,766,866,600	734,843,692,338
32	2. Capital from redemption	9	(1,009,206,898,694)	(520,619,287,118)
33	3. Capital from borrowings		-	56,469,000,000
34	4. Payment for capital from borrowings		-	(56,469,000,000)
30	Net cash flows from financing activities	9	263,559,967,906	214,224,405,220
40	III. Net increase/(decrease) in cash and cash equivalents during the year		88,677,890,804	(56,304,516,944)
50	IV. Cash and cash equivalents at the beginning of the year	4	19,219,316,500	75,523,833,444

Vietnam Investment Fund Management Joint Stock Company
Vietnam Bond Fund

CASH FLOW STATEMENT (continued)
for the year ended 31 December 2018

B05-QM

Currency: VND

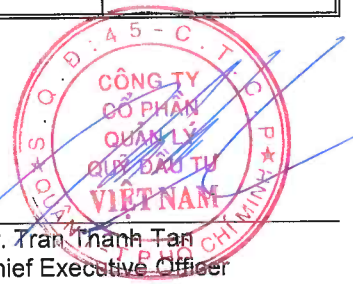
Code	ITEMS	Notes	Current year	Previous year
55	V. Cash and cash equivalents at the end of the year	4	107,897,207,304	19,219,316,500
56	Deposits at banks at the end of the year:		107,897,207,304	19,219,316,500
57	- Cash at bank for the Fund's operation		107,885,219,404	19,180,866,500
	+ Demand deposits for the Fund's operation		1,885,219,404	1,180,866,500
	+ Deposits with terms less than three (03) months		106,000,000,000	18,000,000,000
58	- Cash of investors related to subscription/redemption of fund units		11,987,900	38,450,000
60	VI. Net increase/(decrease) in cash and cash equivalents during the year		88,677,890,804	(56,304,516,944)



Ms. Vuong Thi Tram Anh
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cum Chief Financial Officer



Mr. Tran Thanh Tan
Chief Executive Officer

Ho Chi Minh City, Vietnam

12 March 2019

Vietnam Investment Fund Management Joint Stock Company

Vietnam Bond Fund

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2018 and for the year then ended

B06-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 issued by the State Securities Commission ("SSC") on 27 February 2013; Registration certificate for open-ended fund No. 04/GCN-UBCK issued by 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*

Capital

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 2018, the Fund issued additional 73,842,160.94 fund units, amounting to VND738,421,609,400 and redeemed 58,581,117.67 fund units, amounting to VND585,811,176,700 at par value. The capital of the Fund at par value contributed by investors as at 31 December 2018 amounted to VND376,899,999,800.

Vietnam Investment Fund Management Joint Stock Company

Vietnam Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

B06-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 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.
- ▶ 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. It is not allowed to 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. It is not allowed to 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. It is not allowed to 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; there are some requirements investing in these assets (approved in writing by the Board of Fund Representatives on the type, stock code, quantity, value, transaction date, sufficient documents proving that the issuer will complete the application for registration or be listed at the Stock Exchange within twelve (12) months from transaction date); 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 in Clause 3 Article 56 of the Fund Charter;

Vietnam Investment Fund Management Joint Stock Company

Vietnam Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

B06-QM

1. THE FUND CHARACTERISTICS (continued)

1.2 *The Fund characteristics* (continued)

Investment restrictions (continued)

- d. It is not allowed to 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; there are some requirements investing in these assets (approved in writing by the Board of Fund Representatives on the type, stock code, quantity, value, transaction date, sufficient documents proving that the issuer will complete the application for registration or be listed at the Stock Exchange within twelve (12) months from transaction date); .
- 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. It is not allowed to invest in securities investment funds, shares of securities investment companies that are established and operate in Vietnam;
- g. It is not allowed to 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 or 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.

Vietnam Investment Fund Management Joint Stock Company

Vietnam Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

B06-QM

2. BASIS OF PREPARATION

2.1. *Accounting standards and system*

The financial statements of the Fund are prepared in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds stipulated in 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 183 and 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.

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

The accompanied financial statements have been prepared using accounting principles, procedures and reporting practices generally accepted in Vietnam. Accordingly, the accompanying 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 financial position, result of operations, the changes in net assets, transactions of fund units and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

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

1. Income statement
2. Statement of financial position
3. Statement of changes in net assets, transactions of fund units
4. Statement of investment portfolio
5. Cash flow statement
6. Notes to the 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.

2.4 *Accounting currency*

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise current accounts and term deposits with terms of equal or less than three (03) months, 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.

Vietnam Investment Fund Management Joint Stock Company
Vietnam Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

B06-QM

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. 183/2011/TT-BTC dated 16 December 2011, 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
Cash and cash equivalent, money market instrument		
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 FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

B06-QM

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Investments (continued)

No.	Type of asset	Principles for valuation of transactions on the market
Bonds		
5.	Listed bonds	<ul style="list-style-type: none"> - 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 (outright) on the latest transaction date prior to the valuation date plus accrued interest receivables (if listed price excluded accrued interest); - 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"> + Price determined by the method approved by the Board of Representatives (detailed in Valuation manual); + Purchase price plus accrued interest receivables; + Face value plus accrued interest receivables. - In case when the Fund succeeds in bond auction, during the period of additional listing, these bonds will be valued based on the latest bidding yields.
6.	Unlisted bonds	<p>Bonds are measured in priority order as follows:</p> <ul style="list-style-type: none"> - 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; - 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; - Price determined by the method approved by the Board of Representatives (detailed in Valuation manual); - Purchase price plus accrued interest receivables; - Face value plus accrued interest receivables.
7.	Warrant on convertible bonds	<ul style="list-style-type: none"> - Average prices obtained from three (3) securities companies which are not related parties and are approved by the Board of Representatives; - In case of no transactions, the reference price is determined by the method approved by the Board of Representatives.

Vietnam Investment Fund Management Joint Stock Company
Vietnam Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

B06-QM

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Investments (continued)

No.	Type of asset	Principle for valuation of the transactions on the market
Derivative securities		
8.	Listed derivative securities	Closing price on latest transaction date prior to valuation date.
9.	Listed derivative securities with no transaction within two (02) weeks or more	Price determined by the method approved by the Board of Representatives.
10.	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"> + Net offset principle of derivative position (reverse) for the same underlying security; + Net offset principle of derivative position and spot delivery position of the same security; <p>Other principles are in accordance with the international practice to ensure the risk management.</p>
Other assets		
11.	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 FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

B06-QM

3. SUMMARY OF 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 units 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.

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 selected at face value.

Vietnam Investment Fund Management Joint Stock Company
Vietnam Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

B06-QM

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Contributed capital and surplus (continued)

3.4.1 Contributed capital (continued)

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 year.

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

At the end of the fiscal year, the Fund calculates realized and unrealized profit during the year 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 year and the transfer of distributed profit to "Retained earnings" at the year-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 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 year.

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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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Payables

Payables presented in the 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. The fee rate is fixed during the period of service provided.

Management fee is calculated in formula as:

Fund management fee for the period of valuation = 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 are 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)

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3. SUMMARY OF 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 fee of exercise rights is VND1,000,000 once providing a list of options.

The fee rate, method and payment term are regulated specifically in the service contract between the Fund Management Company and the Suppliers.

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 ("VSD"), 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:

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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3. SUMMARY OF 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 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 22 June 2015 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 Ministry of Finance, 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 unit redemption

The Fund Management Company is required to withhold, declare and pay income tax of transactions relating to fund unit 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, Circular No. 103/2014/TT-BTC dated 6 August 2014 and Circular No. 25/2018/TT-BTC dated 16 March 2018 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 financial statements.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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3. SUMMARY OF 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 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 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 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 financial statements, are considered nil balance.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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4. CASH AT BANK AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<u>Ending balance</u>	<u>Beginning balance</u>
Deposits in VND with term less than three (03) months	106,000,000,000	18,000,000,000
<i>Including:</i>		
- <i>Asia Commercial Joint Stock Bank</i>	45,000,000,000	18,000,000,000
- <i>Joint Stock Commercial Bank for Investment and Development of Vietnam</i>	61,000,000,000	-
Demand deposit at the Custodian and Supervisory Bank for the Fund's operation	1,897,207,304	1,219,316,500
	<u>107,897,207,304</u>	<u>19,219,316,500</u>

Vietnam Investment Fund Management Joint Stock Company
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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

5. INVESTMENTS

Currency: VND

	Cost [1]	Market value or fair value [2]	Revaluation difference		Revaluation [5]=[1]+[3]+[4]
			Increase [3]	Decrease [4]	
31 December 2018					
Corporate bonds	149,130,921,347	149,919,500,000	788,636,986	(58,333)	149,919,500,000
Certificates of deposits	304,787,559,722	304,787,559,722	-	-	304,787,559,722
	453,918,481,069	454,707,059,722	788,636,986	(58,333)	454,707,059,722
31 December 2017					
Government bonds	157,865,246,576	172,077,500,000	14,212,253,424	-	172,077,500,000
Corporate bonds	50,000,058,333	50,000,000,000	-	(58,333)	50,000,000,000
Certificates of deposits	119,463,571,258	119,463,571,258	-	-	119,463,571,258
	327,328,876,167	341,541,071,258	14,212,253,424	(58,333)	341,541,071,258

Vietnam Investment Fund Management Joint Stock Company
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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

5. INVESTMENTS (continued)

Details of investments as at 31 December 2018 are as follows:

	Quantity	Cost VND	Market price or fair value VND	Interest rate	Issue date	Maturity date
Corporate Bond CII11713	500,000	50,000,058,333	50,000,000,000	10.50%	15/08/2017	15/08/2019
Corporate Bond VHM11801	500,000	50,130,863,014	50,919,500,000	10.00%	02/08/2018	02/08/2021
Corporate Bond KBC11806	490,000	49,000,000,000	49,000,000,000	10.50%	14/11/2018	14/05/2020
Certificates of Deposits - Home Credit Vietnam Co., Ltd.	50,000,000,000	50,000,000,000	50,000,000,000	7.90%	17/09/2018	17/06/2019
Certificates of Deposits - Home Credit Vietnam Co., Ltd.	40,000,000,000	40,000,000,000	40,000,000,000	10.275%	20/11/2017	20/11/2020
Certificates of Deposits - Home Credit Vietnam Co., Ltd.	10,000,000,000	10,000,000,000	10,000,000,000	11.275%	19/09/2016	19/09/2019
Certificates of Deposits - HD Saison Finance Co., Ltd.	50,000,000,000	50,000,000,000	50,000,000,000	8.75%	07/06/2018	07/06/2020
Certificates of Deposits - HD Saison Finance Co., Ltd.	50,000,000,000	50,000,000,000	50,000,000,000	8.13%	13/08/2018	13/05/2019
Certificates of Deposits - VP Bank Finance Co., Ltd.	50,000,000,000	50,000,000,000	50,000,000,000	9.00%	27/12/2018	03/02/2020
Certificates of Deposits - VP Bank Finance Co., Ltd.	30,000,000,000	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	24,787,559,722	10.75%	30/08/2017	30/08/2019
		453,918,481,069	454,707,059,722			

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6. RECEIVABLES

	<i>Currency: VND</i>	
	<u>Ending balance</u>	<u>Beginning balance</u>
Dividends and interest entitled to be received	5,483,067,275	-
Interest receivable from bond investment	5,483,067,275	-
Dividends and interest not entitled to be received	14,805,455,195	15,277,693,492
Interest receivable from bond investment	4,785,877,854	10,602,151,826
Interest receivable from certificates of deposits	9,777,878,710	4,641,625,000
Interest receivable from term deposits	241,698,631	33,916,666
Other receivable	91,683,700,000	-
	<u>111,972,222,470</u>	<u>15,277,693,492</u>

Other receivable is a receivable from a corporate bond matured on 29 December 2018. This receivable was collected on 2 January 2019.

7. ACCRUED EXPENSES

	<i>Currency: VND</i>	
	<u>Ending balance</u>	<u>Beginning balance</u>
Broker fee	192,537,125	192,537,125
Audit fee	46,502,500	48,950,000
Annual reporting fee	20,207,000	12,920,000
Remuneration payables to the Board of Representatives	18,000,000	18,000,000
Annual general meeting expenses	16,411,354	3,485,000
	<u>293,657,979</u>	<u>275,892,125</u>

8. FUND MANAGEMENT SERVICE PAYABLES

	<i>Currency: VND</i>	
	<u>Ending balance</u>	<u>Beginning balance</u>
Fund management fee	507,667,721	342,087,963
Supervising fee	24,819,311	17,621,719
Custody fee	22,563,009	16,019,747
Fund administration fee	18,614,483	12,753,417
Transfer agent fee	11,000,000	66,000,000
Transaction fee	100,000	600,000
	<u>584,764,524</u>	<u>455,082,846</u>

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

	<i>Beginning balance</i>	<i>Movement during the year</i>	<i>Ending balance</i>
Capital issued			
Number of fund units (unit)	63,566,497.64	73,842,160.94	137,408,658.58
Subscribed capital at face value (VND)	635,664,976,400	738,421,609,400	1,374,086,585,800
Share premium (VND)	258,389,631,952	534,345,257,200	792,734,889,152
Total capital issued (VND)	894,054,608,352	1,272,766,866,600	2,166,821,474,952
Capital redeemed			
Number of fund units (unit)	(41,137,540.93)	(58,581,117.67)	(99,718,658.60)
Redeemed capital at face value (VND)	(411,375,409,300)	(585,811,176,700)	(997,186,586,000)
Share premium (VND)	(194,276,699,145)	(423,395,721,994)	(617,672,421,139)
Total capital redeemed (VND)	(605,652,108,445)	(1,009,206,898,694)	(1,614,859,007,139)
Number of outstanding fund units (unit)	22,428,956.71	15,261,043.27	37,689,999.98
Contributed capital (VND)	288,402,499,907	263,559,967,906	551,962,467,813
Retained earnings (VND)	70,954,725,145	48,860,985,973	119,815,711,118
NAV (VND)	359,357,225,052		671,778,178,931
NAV per fund unit	16,022.02		17,823.77

10. RETAINED EARNINGS

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	70,954,725,145	28,006,576,643
Realized gain in the year	62,284,602,411	28,735,953,411
Unrealized (loss)/gain in the year	(13,423,616,438)	14,212,195,091
	119,815,711,118	70,954,725,145

Vietnam Investment Fund Management Joint Stock Company
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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

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11. INTEREST INCOME

	<i>Currency: VND</i>	
	<u>Current year</u>	<u>Previous year</u>
Interest from bonds	12,682,104,032	8,132,514,269
Interest from certificates of deposits	20,619,932,648	8,817,194,445
Interest from term deposits	10,006,178,718	2,549,286,038
	<u>43,308,215,398</u>	<u>19,498,994,752</u>

12. GAIN FROM TRADING SECURITIES

	<i>Currency: VND</i>			
	<u>For the year ended 31 December 2018</u>			
	<u>Total value of investments sold</u>	<u>Weighted average cost at the end of transaction date</u>	<u>Gain/(loss) from selling investments in 2018</u>	<u>Gain/(loss) from selling investments in 2017</u>
Listed bonds	578,449,509,550	553,109,607,923	25,339,901,627	13,413,842,466
Certificate of Deposits	149,549,993,324	149,582,904,820	(32,911,496)	(121,831,859)
	<u>727,999,502,874</u>	<u>702,692,512,743</u>	<u>25,306,990,131</u>	<u>13,292,010,607</u>

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

	<i>Currency: VND</i>				
	<u>Purchase price per book value</u>	<u>Market value or fair value</u>	<u>Revaluation difference as at 31 December 2018</u>	<u>Revaluation difference as at 31 December 2017</u>	<u>Revaluation difference recognized in current year</u>
Listed bonds	149,130,921,347	149,919,500,000	788,578,653	14,212,195,091	(13,423,616,438)
Certificates of deposits	304,787,559,722	304,787,559,722	-	-	-
	<u>453,918,481,069</u>	<u>454,707,059,722</u>	<u>788,578,653</u>	<u>14,212,195,091</u>	<u>(13,423,616,438)</u>

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

	<i>Currency: VND</i>	
	<u>Current year</u>	<u>Previous year</u>
Transaction costs on buying investments	77,841,494	422,729,345
Transaction costs on selling investments	100,331,500	68,151,300
Off-setting fee payable to VSD	2,250,000	1,500,000
Interest expense	-	449,431,356
Other expense	5,000,000	-
	<u>185,422,994</u>	<u>941,812,001</u>

14.1 Transaction costs for buying investments

	<i>Currency: VND</i>	
	<u>Current year</u>	<u>Previous year</u>
Bonds	<u>77,841,494</u>	<u>422,729,345</u>

14.2 Transaction costs for selling investments

	<i>Currency: VND</i>	
	<u>Current year</u>	<u>Previous year</u>
Bonds	100,331,500	56,857,500
Repurchase agreements	-	11,293,800
	<u>100,331,500</u>	<u>68,151,300</u>

Vietnam Investment Fund Management Joint Stock Company
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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

14. EXPENSES FROM INVESTING ACTIVITIES (continued)

The fund's transactions for the year ended 31 December 2018 were mainly made through the following securities companies:

No.	Name (code) of securities companies through which the Fund's transactions exceed 5% total the Fund's transaction value for the year	Relationship with the Fund Management Company	Ratio of the fund's transactions through each Securities Company			Average brokerage fee in the market
			Transacted amount of the Fund for the year VND	Total transacted value of the Fund for the year (*) VND	Ratio of the Fund's transactions through each Securities Company for the year	
(1)	(2)	(3)	(4)	(5)	(6)=(4)/(5)	(8)
1	Bao Viet Securities Joint Stock Company	Not related	332,537,000,000	1,005,236,583,534	33.08%	0.02%
2	Bank for Investment and Development of Vietnam Securities Joint Stock Company	Not related	346,969,843,808	1,005,236,583,534	34.52%	0.02%
3	Vietcombank Securities Company Limited	Not related	98,058,000,000	1,005,236,583,534	9.75%	0.02%
4	Ho Chi Minh City Securities Corporation	Related	125,907,000,000	1,005,236,583,534	12.53%	0.02%
Total			903,471,843,808		89.88%	

(*) Total transacted value of the Fund included listed bonds' transaction and unlisted bonds' transaction

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15. OTHER OPERATING EXPENSES

	<i>Currency: VND</i>	
	<u>Current year</u>	<u>Previous year</u>
Remunerations of the Board of Representatives (Note 21.1)	117,000,000	116,500,000
Bank charges	43,464,457	34,662,413
(Reversal)/expense for business travelling, general meeting for the Board of Representatives	(28,801,563)	14,200,763
Annual management fee	10,000,000	10,000,000
Expenses/(reversal) for annual reporting fee	27,494,000	(1,867,300)
Others	1,100,000	1,100,000
	<u>170,256,894</u>	<u>174,595,876</u>

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16. NET ASSET VALUE

Net asset value for the year ended 31 December 2018

Period of NAV	For the year ended 31 December 2018			Increase/(decrease) of NAV per fund unit VND
	NAV VND	Number of fund units	NAV per fund unit VND	
Last period/December 2017	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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16. NET ASSET VALUE (continued)

Net asset value for the year ended 31 December 2018 (continued)

Period of NAV	For the year ended 31 December 2018			Increase/(decrease) of NAV per fund unit
	NAV	Number of fund units	NAV per fund unit	
	VND		VND	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
First period/July	685,368,420,059	39,693,666.09	17,266.44	14.12
Second period/July	670,130,427,827	38,791,153.70	17,275.34	8.90
Third period/July	703,363,741,917	40,669,298.40	17,294.71	19.37
Fourth period/July	695,829,897,954	40,188,489.56	17,314.15	19.44
Last period/July	688,945,498,877	39,758,140.26	17,328.41	14.26
First period/August	689,170,542,961	39,758,140.26	17,334.07	5.66
Second period/August	788,997,202,333	45,471,458.92	17,351.48	17.41
Third period/August	872,127,936,632	50,209,111.89	17,369.91	18.43
Fourth period/August	903,852,040,452	51,979,277.28	17,388.69	18.78
Fifth period/August	918,518,663,958	52,767,697.48	17,406.83	18.14
Last period/August	912,721,386,379	52,425,918.99	17,409.73	2.90
First period/September	913,540,785,883	52,425,918.99	17,425.36	15.63
Second period/September	915,839,721,783	52,502,698.61	17,443.66	18.30
Third period/September	916,145,762,171	52,418,364.26	17,477.57	33.91
Fourth period/September	797,842,771,289	45,567,901.22	17,477.57	31.30
Last period/September	709,699,670,129	40,519,717.87	17,508.87	6.05
First period/October	710,182,550,961	40,519,717.87	17,514.92	11.91
Second period/October	615,848,517,106	35,079,771.68	17,526.83	28.82
Third period/October	634,657,654,837	36,137,513.12	17,555.65	6.64
Fourth period/October	643,352,368,217	36,617,441.40	17,562.29	7.27
Last period/October	646,670,641,602	36,779,695.59	17,569.56	12.71

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16. NET ASSET VALUE (continued)

Net asset value for the year ended 31 December 2018 (continued)

Period of NAV	For the year ended 31 December 2018			Increase/(decrease) of NAV per fund unit VND
	NAV VND	Number of fund units	NAV per fund unit VND	
First period/November	646,929,953,406	36,779,695.59	17,589.32	7.05
Second period/November	653,713,917,670	37,116,552.37	17,612.46	23.14
Third period/November	630,960,423,564	35,772,765.41	17,638.01	25.55
Fourth period/November	638,819,946,143	36,126,489.34	17,682.86	44.85
Fifth period/November	647,454,320,388	36,570,148.92	17,704.44	21.58
Last period/November	649,931,037,543	36,649,890.27	17,733.50	29.06
First period/December	649,912,414,951	36,649,890.27	17,732.99	(0.51)
Second period/December	656,894,932,869	36,994,126.40	17,756.73	23.74
Third period/December	670,944,681,624	37,714,973.97	17,789.87	33.14
Fourth period/December	671,942,796,438	37,737,705.74	17,805.60	15.73
Last period/December 2018	671,778,178,931	37,689,999.98	17,823.77	18.17
Average NAV for the period	559,613,236,684			293.39
Maximum variance of NAV per fund unit in the year				(0.51)
Minimum variance of NAV per fund unit in the year				

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16. NET ASSET VALUE (continued)

Net asset value for the year ended 31 December 2017

Period of NAV	For the year ended 31 December 2017			Increase/(decrease) of NAV per fund unit VND
	NAV VND	Number of fund units	NAV per fund unit VND	
Last period/December 2016	102,184,671,330	7,394,447.29	13,819.10	3.39
First period/January	102,209,730,045	7,394,447.29	13,822.49	60.30
Second period/January	102,655,578,075	7,394,447.29	13,882.79	59.09
Third period/January	103,162,710,970	7,399,480.72	13,941.88	24.11
Fourth period/January	103,311,767,924	7,397,380.72	13,965.99	9.90
Last period/January	103,385,012,001	7,397,380.72	13,975.89	4.06
First period/February	103,415,085,439	7,397,380.72	13,979.95	53.29
Second period/February	103,767,184,694	7,394,380.72	14,033.24	16.96
Third period/February	104,389,416,189	7,429,743.18	14,050.20	4.43
Fourth period/February	104,423,466,282	7,429,822.64	14,054.63	38.61
Last period/February	104,950,383,759	7,446,855.90	14,093.24	(5.82)
First period/March	104,907,051,769	7,446,855.90	14,087.42	17.27
Second period/March	105,064,508,145	7,448,901.19	14,104.69	(8.23)
Third period/March	105,010,151,055	7,449,393.71	14,096.46	16.25
Fourth period/March	118,214,115,940	8,376,426.79	14,112.71	4.44
Fifth period/March	232,999,510,343	16,504,703.28	14,117.15	(6.17)
Last period/March	231,951,624,700	16,437,666.22	14,110.98	25.82
First period/April	232,376,022,529	16,437,666.22	14,136.80	63.40
Second period/April	243,344,253,916	17,136,666.58	14,200.20	83.94
Third period/April	244,805,206,250	17,138,249.38	14,284.14	17.86
Fourth period/April	214,039,883,060	14,965,725.33	14,302.00	7.51
Last period/April	214,042,708,502	14,958,073.33	14,309.51	19.75
First period/May	214,338,199,505	14,958,073.33	14,329.26	109.70
Second period/May	212,895,445,124	14,744,512.53	14,438.96	46.63
Third period/May	213,607,366,138	14,746,192.67	14,485.59	44.34
Fourth period/May	214,755,909,502	14,780,239.00	14,529.93	

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16. NET ASSET VALUE (continued)

Net asset value for the year ended 31 December 2017 (continued)

Period of NAV	For the year ended 31 December 2017			
	NAV VND	Number of fund units	NAV per fund unit VND	Increase/(decrease) of NAV per fund unit VND
Last period/May	216,881,663,759	14,884,415.32	14,571.05	41.12
First period/June	216,704,129,828	14,884,415.32	14,559.12	(11.93)
Second period/June	220,597,822,282	15,111,089.48	14,598.40	39.28
Third period/June	259,635,566,263	17,748,949.85	14,628.22	29.82
Fourth period/June	289,953,828,438	19,690,991.07	14,725.20	96.98
Fifth period/June	297,776,032,971	20,109,653.59	14,807.61	82.41
Last period/June	320,588,862,096	21,629,596.13	14,821.76	14.15
First period/July	320,936,171,137	21,629,596.13	14,837.82	16.06
Second period/July	331,505,919,783	22,037,713.28	15,042.66	204.84
Third period/July	391,288,599,637	25,802,919.16	15,164.50	121.84
Fourth period/July	405,887,614,826	25,938,946.74	15,647.80	483.30
Last period/July	421,689,182,686	26,943,626.87	15,650.79	2.99
First period/August	421,242,406,693	26,943,626.87	15,634.21	(16.58)
Second period/August	363,795,162,950	23,404,356.72	15,543.90	(90.31)
Third period/August	345,956,370,982	22,237,731.36	15,557.17	13.27
Fourth period/August	348,645,337,462	22,487,581.84	15,503.90	(53.27)
Last period/August	347,993,423,956	22,451,220.96	15,499.97	(3.93)
First period/September	350,473,992,426	22,524,810.90	15,559.46	59.49
Second period/September	268,314,480,128	17,179,329.36	15,618.44	58.98
Third period/September	223,941,480,011	14,335,128.52	15,621.86	3.42
Fourth period/September	224,934,554,951	14,353,627.93	15,670.91	49.05
Last period/September	209,300,081,825	13,365,682.99	15,659.51	(11.40)
First period/October	209,531,577,194	13,365,682.99	15,676.83	17.32
Second period/October	198,228,763,474	12,631,276.03	15,693.48	16.65

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16. NET ASSET VALUE (continued)

Net asset value for the year ended 31 December 2017 (continued)

Period of NAV	For the year ended 31 December 2017			Increase/(decrease) of NAV per fund unit
	NAV	Number of fund units	NAV per fund unit	
	VND		VND	VND
Third period/October	187,430,574,750	11,919,535.71	15,724.65	31.17
Fourth period/October	186,074,462,624	11,816,722.84	15,746.70	22.05
Last period/October	186,258,432,521	11,816,722.84	15,762.27	15.57
First period/November	186,339,491,097	11,816,722.84	15,769.13	6.86
Second period/November	182,833,484,250	11,601,466.32	15,759.51	(9.62)
Third period/November	182,793,662,033	11,601,466.32	15,756.08	(3.43)
Fourth period/November	237,955,550,771	15,087,300.39	15,771.91	15.83
Last period/November	402,283,599,675	25,471,714.47	15,793.34	21.43
First period/December	438,393,207,266	27,714,302.32	15,818.30	24.96
Second period/December	526,495,270,555	33,132,439.80	15,890.62	72.32
Third period/December	489,302,277,903	30,630,145.44	15,974.53	83.91
Fourth period/December	373,366,266,590	23,286,717.35	16,033.44	58.91
Last period/December	359,357,225,052	22,428,956.71	16,022.02	(11.42)
Average NAV for the period	246,230,602,390			483.30
Maximum variance of NAV per fund unit in the year				2.99
Minimum variance of NAV per fund unit in the year				

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17. OFF BALANCE SHEET ITEM

	<i>Book value</i>	
	<u>Ending balance</u>	<u>Beginning balance</u>
Number of outstanding fund units by redemption time	<u>37,689,999.98</u>	<u>22,428,956.71</u>

18. SOME INDICES

No.	Indices	Current year	Previous year
I	Performance indicators		
1	Fund management fee paid to the Fund Management Company/Average NAV in the year (%)	0.90	0.90
2	Depository fee, supervising fee paid to the Supervisory Bank/Average NAV in the year (%)	0.09	0.16
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 year (%)	0.05	0.10
4	Audit fee paid to audit firm (if any)/Average NAV in the year (%)	0.02	0.04
5	Expenses of legal consulting service, quotation service and other services, remunerations of the Board of Representatives/Average NAV in the year (%)	0.02	0.05
6	Total operating expense/Average NAV in the year (%) (*)	1.10	1.26
7	Turnover ratio of investment portfolio in the period = (Total purchase value+ Total sales value)/ (2 * Average NAV in the year) (%)	129.96	196.06

(*) Operating expenses do not include broker fee.

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18. SOME INDICES (continued)

No	Indices	Current year	Previous year
II	Other indices		
1	The Fund's scale, beginning balance		
	Total value of outstanding fund units, beginning balance (face value) (VND)	224,289,567,100	73,944,472,900
	Total number of outstanding fund units, beginning balance (unit)	22,428,956.71	7,394,447.29
2	Change in scale during the year		
	Number of fund units additionally offered (unit)	73,842,160.94	48,323,198.67
	Value of fund units additionally offered in the year (face value) (VND)	738,421,609,400	483,231,986,700
	Number of fund units redeemed in the year	(58,581,117.67)	(33,288,689.25)
	Value of fund units paid to investors upon their orders in the period (face value) (VND)	(585,811,176,700)	(332,886,892,500)
3	The Fund's scale, ending balance		
	Total value of outstanding fund units, ending balance (face value) (VND)	376,899,999,800	224,289,567,100
	Total number of outstanding fund units, ending balance (unit)	37,689,999.98	22,428,956.71
4	Number of fund units held by the Fund Management Company and related parties/Total fund units (%)	5.58	59.89
5	Number of fund units held by the 10 biggest investors/Total fund units (%)	39.32	83.48
6	Number of fund units held by foreign investors/Total fund units (%)	19.06	60.04
7	Number of investors participating in the Fund, included custodian transactions (investor)	550	150
8	NAV of the fund units at year-end (VND)	17,823.77	16,022.02

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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 on hand and 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 within its risk management limits.

The Fund Management Company believes that interest rate risk does not have any impact on the Fund's operations, 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 including Government bonds and certificates of deposits has the fixed rates at 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.

As at reporting date, the Fund's fair value of listed bonds is VND149,919,500,000. If the bond's price decreased by 10%, the Fund's performance would reduce VND14,991,950,000 depended on significance and duration of the reduction. If the bond's price rose 10%, the Fund's performance would increase VND14,991,950,000.

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19. FINANCIAL RISK MANAGEMENT POLICIES (continued)

19.2 *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 31 December 2018.

19.3 *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.

19.4 *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 31 December 2018 and 31 December 2017 are presented as follows:

	31 December 2018		31 December 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents				
- Cash at banks	1,897,207,304	1,897,207,304	1,219,316,500	1,219,316,500
- Deposits with terms less than three (03) months	106,000,000,000	106,000,000,000	18,000,000,000	18,000,000,000
Investments				
- Government bonds	-	-	157,865,246,576	172,077,500,000
- Corporate bonds	149,130,921,347	149,919,500,000	50,000,058,333	50,000,000,000
- Certificates of deposits	304,787,559,722	304,787,559,722	119,463,571,258	119,463,571,258
Receivables	111,972,222,470	111,972,222,470	15,277,693,492	15,277,693,492
Total	673,787,910,843	674,576,489,496	361,825,886,159	376,038,081,250
Financial liabilities				
Payables to Distributors and Management Fund Companies	239,252,556	239,252,556	855,889,314	855,889,314
Fund management services payables	584,764,524	584,764,524	455,082,846	455,082,846
Payable to investors relating to subscription of fund units	40,987,900	40,987,900	38,450,000	38,450,000
Payables to investors relating to redemption of fund units	1,627,234,156	1,627,234,156	14,807,485,993	14,807,485,993
Other payables	275,657,979	275,657,979	286,693,688	286,693,688
Total	2,767,897,115	2,767,897,115	16,443,601,841	16,443,601,841

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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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 financial year.

	<i>Currency: VND</i>	
	<u>Current year</u>	<u>Previous year</u>
Fund management fee	5,037,439,015	2,216,514,829

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>Currency: VND</i>	
	<u>Current year</u>	<u>Previous year</u>
Remunerations of the Board of Representatives	117,000,000	116,500,000

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 for the financial year (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% of the Fund's NAV of the financial year (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 year are as follows:

	<i>Currency: VND</i>	
	<u>Current year</u>	<u>Previous year</u>
	<u>Standard</u>	<u>Standard</u>
	<u>Chartered Bank</u>	<u>Chartered Bank</u>
Supervising fee	271,449,934	199,121,719
Open-ended fund depository fee	246,772,667	181,019,747
Open-ended fund administration fee	196,712,450	134,022,776
Bank charges	42,204,957	34,662,413
Transaction fee	3,300,000	5,300,000

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Vietnam Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

B06-QM

22. EVENTS AFTER THE BALANCE SHEET DATE

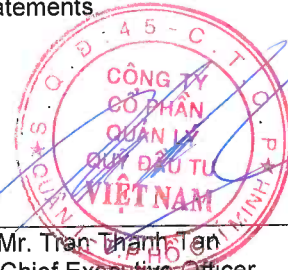
There have been no significant events occurred after the balance sheet date which would require adjustments or disclosures to be made in the financial statements



Ms. Vuong Thi Tram Anh
Fund Accountant



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



Mr. Tran Thanh Ten
Chief Executive Officer

Ho Chi Minh City, Vietnam

12 March 2019

