

VIETNAM SELECT EQUITIES INVESTMENT FUND

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



VIETNAM SELECT EQUITIES INVESTMENT FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

TABLE OF CONTENTS	PAGE
General information of the Fund	1
Statement of responsibility of the Fund Management Company in respect of the financial statements	2
Approval of the financial statements by the Board of Representatives	3
Independent auditor's report	4
Report of the Fund Management Company	6
Report of the Supervising Bank	13
Statement of income (Form B 01 – QM)	16
Statement of financial position (Form B 02 – QM)	18
Statement of changes in net asset value, subscriptions and redemptions of fund certificates (Form B 03 – QM)	20
Statement of investment portfolio (Form B 04 – QM)	21
Statement of cash flows (Form B 05 – QM)	23
Notes to the financial statements (Form B 06 – QM)	25

VIETNAM SELECT EQUITIES INVESTMENT FUND

GENERAL INFORMATION OF THE FUND

Initial public offering certificate	No. 91/GCN-UBCK issued by the State Securities Commission (“the SSC”) on 29 December 2017
Establishment registration certificate of open-ended fund	No. 31/GCN-UBCK dated 2 March 2018 No. 05/ GCN-UBCK dated 2 December 2019 issued by the SSC
Board of Representatives	Mr. Tran Dac Sinh Chairman Ms. Vuong Thi Hoang Yen Member Mr. Nguyen Hoang Khanh Member
Fund Management Company	Dragon Capital VietFund Management Joint Stock Company (formerly known as Vietnam Investment Fund Management Joint Stock Company)
Supervising Bank	Standard Chartered Bank (Vietnam) Limited
Registered Office	Unit 1701 – 04, 17th Floor, Me Linh Point Tower, 02 Ngo Duc Ke Street, District 1, Ho Chi Minh City, Vietnam
Auditor	PwC (Vietnam) Limited

VIETNAM SELECT EQUITIES INVESTMENT FUND

STATEMENT OF THE RESPONSIBILITY OF THE FUND MANAGEMENT COMPANY IN RESPECT OF THE FINANCIAL STATEMENTS

Management of Dragon Capital VietFund Management Joint Stock Company (formerly known as Vietnam Investment Fund Management Joint Stock Company) (“the Fund Management Company”) is responsible for preparing the financial statements which give a true and fair view of the financial position and investment portfolio of Vietnam Select Equities Investment Fund (“the Fund”) as at 31 December 2020 and the results of its operations, changes in net asset value, subscriptions and redemptions of fund certificates and cash flows for the year then ended. In preparing these financial statements, management of the Fund Management Company is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Fund will continue in business.

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 and the investment portfolio of the Fund and which enable the financial statements to be prepared which comply with the basis of accounting set out in Note 4 to the financial statements. Management of the Fund Management Company is also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud or errors.

VIETNAM SELECT EQUITIES INVESTMENT FUND

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements which give a true and fair view of the financial position and the investment portfolio of the Fund as at 31 December 2020 and of the results of its operations, changes in net asset value, subscriptions and redemptions of fund certificates and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese accounting system applicable to open-ended investment funds including Circular 198/2012/TT-BTC issued by the Ministry of Finance on 15 November 2012 on the promulgation of accounting system for open-ended investment funds, Circular 181/2015/TT-BTC issued by the Ministry of Finance on 13 November 2015 on the promulgation of accounting system for exchange-traded funds and open-ended investment funds, Circular 183/2011/TT-BTC issued by the Ministry of Finance on 16 December 2011 on the establishment and management of open-ended investment funds, Circular 15/2016/TT-BTC issued by the Ministry of Finance on 20 January 2016 amending and supplementing Circular 183/2011/TT-BTC and prevailing regulations on preparation and presentation of financial statements applicable to open-ended investment funds.

On behalf of the Board of Representatives




Tran Dac Sinh
Chairman
Ho Chi Minh City, Vietnam
12 March 2021



INDEPENDENT AUDITOR'S REPORT TO THE FUND CERTIFICATE HOLDERS OF VIETNAM SELECT EQUITIES INVESTMENT FUND

We have audited the accompanying financial statements of Vietnam Select Equities Investment Fund ("the Fund") which were prepared on 31 December 2020 and approved by the Board of Representatives on 12 March 2021. The financial statements comprise the statement of income, the statement of changes in net asset value, subscriptions and redemptions of fund certificates, and the statement of cash flows for the year ended 31 December 2020, the statement of financial position and the statement of investment portfolio as at 31 December 2020, and explanatory notes to the financial statements including significant accounting policies, as set out on pages 16 to 57.

Responsibility of management of Dragon Capital VietFund Management Joint Stock Company (formerly known as Vietnam Investment Fund Management Joint Stock Company) ("the Fund Management Company")

Management of the Fund Management Company is responsible for the preparation and the true and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, Vietnamese accounting system applicable to open-ended investment funds including Circular 198/2012/TT-BTC issued by the Ministry of Finance on 15 November 2012 on the promulgation of accounting system for open-ended investment funds ("Circular 198/2012/TT-BTC"), Circular 181/2015/TT-BTC issued by the Ministry of Finance on 13 November 2015 on the promulgation of accounting system for exchange-traded funds and open-ended investment funds ("Circular 181/2015/TT-BTC"), Circular 183/2011/TT-BTC issued by the Ministry of Finance on 16 December 2011 on the establishment and management of open-ended investment funds ("Circular 183/2011/TT-BTC"), Circular 15/2016/TT-BTC issued by the Ministry of Finance on 20 January 2016 amending and supplementing Circular 183/2011/TT-BTC ("Circular 15/2016/TT-BTC") and prevailing regulations on preparation and presentation of financial statements applicable to open-ended investment funds and for such internal control which management determines as necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to 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 auditor's judgment, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the Fund Management Company, as well as evaluating the overall presentation of the financial statements.

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

Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position and investment portfolio of the Fund as at 31 December 2020, and the results of its operations, changes in net asset value, subscriptions and redemptions of fund certificates and cash flows of the Fund for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese accounting system applicable to open-ended investment funds including Circular 198/2012/TT-BTC, Circular 181/2015/TT-BTC, Circular 183/2011/TT-BTC, Circular 15/2016/TT-BTC and prevailing regulations on preparation and presentation of financial statements applicable to open-ended investment funds.

Other matter

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English copies, the Vietnamese copy shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Nguyen Hoang Nam
Audit Practising Licence No.
0849-2018-006-1
Authorised signatory



Mai Tran Bao Anh
Audit Practising Licence No.
4166-2017-006-1

Report reference number: HCM10087
Ho Chi Minh City, 12 March 2021

VIETNAM SELECT EQUITIES INVESTMENT FUND

REPORT OF THE FUND MANAGEMENT COMPANY

1 GENERAL INFORMATION OF THE FUND

1.1 Objectives of the Fund

Objectives of the Fund are set in accordance with the Establishment registration certificate issued by the State Securities Commission ("the SSC"), the Fund Charter and the Fund's prospectus.

1.2 Performance result of the Fund

According to the audited financial statements of the Fund, its net asset value ("NAV") as at 31 December 2020 increased by 5,018.22% whilst its NAV per fund certificate increased by 18.13% as compared with those as at 31 December 2019.

1.3 The Fund's investment strategy and policy

The Fund's investment strategy is to combine flexibly investment value and investment growth. The Fund pursues a long-term investment strategy, based on the fundamental stock analysis and enterprise values.

The Fund will invest mainly in shares of companies currently listed and registered for trading on the Vietnam stock market with medium and large capitalisation in all sectors. The Fund will utilise investment opportunities from long-term growth trend of population structure, transformation of the economic model into private and equitisation, and improvements in corporate governance and transparent legal regulations in line with international standards. The Fund's portfolio of securities may be subject to concentration in certain companies in certain industries.

The Fund is allowed to invest in the following assets: deposits at commercial banks, foreign currencies, money market instruments, government bonds, listed shares, listed corporate bonds, rights and assets attached to securities being held, listed derivative securities and other types of financial assets in accordance with laws.

1.4 Classification of the Fund

The Fund is an open-ended public investment fund.

1.5 Life of the Fund

The Fund has an indefinite life.

1.6 Short-term risk

The Fund is exposed to high risk in the short term.

1.7 Inception of the Fund

The Fund has been operating since 2 March 2018.

1.8 Size of the Fund at reporting date

As at 31 December 2020, the Fund's net asset value was VND2,636,232,386,421 equivalent to 276,079,186.53 fund certificates.

1.9 Benchmark index of the Fund

The Fund has no benchmark index.

VIETNAM SELECT EQUITIES INVESTMENT FUND

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

1 GENERAL INFORMATION OF THE FUND (continued)

1.10 Profit distribution policy of the Fund

The Fund does not distribute its profit. Entire profits generated from operations are accumulated to increase the net asset value of the Fund.

1.11 Net profits attributed per fund certificate as of reporting date

The Fund has not distributed its profits to fund certificate holders since its establishment until 31 December 2020.

2 PERFORMANCE RESULTS

2.1. Asset allocation

	As at		
	31/12/2020	31/12/2019	31/12/2018
	%	%	%
1. Securities	92.89	96.22	96.89
2. Other assets	7.11	3.78	3.11
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

2.2 Performance indicators

	As at/ Reporting period ended		
	31/12/2020	31/12/2019	31/12/2018
1. NAV of the Fund (VND)	2,636,232,386,421	51,506,838,771	51,164,072,364
2. Number of fund certificates outstanding (units)	276,079,186.53	6,372,222.18	6,716,696.18
3. NAV per fund certificate (VND)	9,548.82	8,083.02	7,617.44
4. NAV per fund certificate – highest during the period (VND)	9,548.82	8,702.37	10,512.67
5. NAV per fund certificate – lowest during the period (VND)	5,186.22	7,442.44	7,467.09
6. Closing price of fund certificate at reporting date (VND)	-	-	-
7. Closing price of fund certificate at reporting date – highest during the period (VND)	-	-	-
8. Closing price of fund certificate at reporting date – lowest during the period (VND)	-	-	-
9. Yield per fund certificate (%) (*) (**)	18.13%	6.11%	(23.83)%
9.1. Capital yield per fund certificate (due to price change) (%)	11.67%	13.63%	(13.53)%
9.2. Income yield per fund certificate (calculated using realised income) (%)	6.46%	(7.52)%	(10.29)%
10. Gross distributed earning per fund certificate (VND)	-	-	-
11. Net distributed earning per fund certificate (VND)	-	-	-
12. Ex-date of distribution	-	-	-
13. Operation expenses/Average NAV (%)	1.64%	3.68%	4.33%
14. Turnover of investment portfolio (%) (***)	224.08%	31.69%	139.41%

VIETNAM SELECT EQUITIES INVESTMENT FUND

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

2 PERFORMANCE RESULTS (continued)

2.2 Performance indicators (continued)

(*) This yield is calculated using the following formulae:

$$\text{Yield per fund certificate} = \frac{\text{NAV per fund certificate at the end of period}}{\text{NAV per fund certificate at the beginning of period}} - 1$$

$$\text{Income yield per fund certificate} = \frac{\text{Realised operation result/ Quantity of fund certificates at the end of period}}{\text{NAV per fund certificate at the beginning of period}}$$

$$\text{Capital yield per fund certificate} = \text{Yield per fund certificate} - \text{Income yield per fund certificate}$$

The corresponding figure of the previous years have been re-calculated for comparability.

(**) The figures for 2018 are calculated for the period from the date of establishment (2 March 2018) to 31 December 2018.

(***) The contract value of index futures was not included in calculation of this ratio.

2.3 Growth by years

Period	Growth of NAV per fund certificate (%)	Annual growth of NAV per fund certificate (%)
1 year	18.13%	18.13%
3 years	Not applicable (*)	Not applicable (*)
Since inception	(4.51%)	(1.61%)

(*) The Fund has been operating since establishment for less than 3 years.

2.4. Annual growth

Period	31/12/2020	31/12/2019	31/12/2018
Growth per fund certificate (%)	18.13%	6.11%	Not applicable (*)

(*) Up to 31 December 2018, the Fund had been operating since establishment for less than 1 year.

VIETNAM SELECT EQUITIES INVESTMENT FUND

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

3 MARKET UPDATES

At the end of 2020, the VN-Index closed at 1,104 points - the highest level since April 2018 and increased 14.9% as compared to prior year. Market highlights during the year were as follows:

- i) Liquidity reached the all-time high, thanks to massive domestic inflows, with an average daily trading value of USD 267 million, representing a 79.2% increase from prior year and an 18.7% increase as compared to daily average of 2018;
- ii) Retails continued to be the key driver for growth of the securities market during the year;
- iii) Foreign investors have net sold over USD813 million in 2020, while only Vietnam ETFs attracted a net inflow of USD193 million;
- iv) Cashflows from domestic investors underpins the sustainable growth of the market.

4 DETAILS OF THE FUND'S PERFORMANCE RESULTS

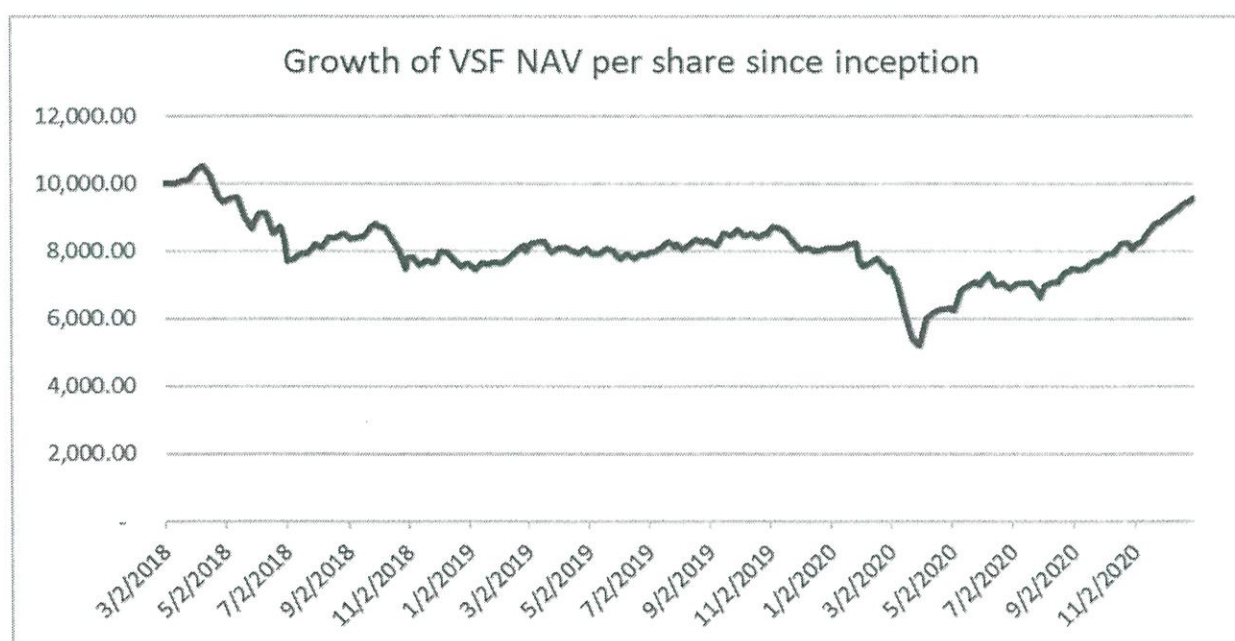
4.1. Details of the Fund's performance indicators

Item	1 year up to reporting date (%)	3 years up to reporting date (%)	From inception to reporting date (%)
Income yield per fund certificate	6.46%	Not applicable (***)	4.84%
Capital yield per fund certificate	11.67%	Not applicable (***)	(9.35)%
Yield per fund certificate	18.13%	Not applicable (***)	(4.51)%
Annual growth per fund certificate	18.13%	Not applicable (***)	(1.61)%
Growth of component portfolio (*)	Not applicable	Not applicable	Not applicable
Price change per fund certificate (**)	Not applicable	Not applicable	Not applicable

(*) The Fund does not have any component portfolio.

(**) The Fund does not have any market price.

(***) The Fund has been operating since establishment for less than 3 years.



VIETNAM SELECT EQUITIES INVESTMENT FUND

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

4 DETAILS OF THE FUND'S PERFORMANCE RESULTS (continued)

4.1. Details of the Fund's performance indicators (continued)

Changes in NAV:

Item	31/12/2020 VND	31/12/2019 VND	Change %
NAV of the Fund	2,636,232,386,421	51,506,838,771	5,018.22%
NAV per fund certificate	9,548.82	8,083.02	18.13%

As compared to figure as at 31 December 2019, NAV of the Fund as at 31 December 2020 increased by 5,018.22% mainly due to subscriptions of a large quantity of fund certificates during the year, whilst NAV per fund certificate decreased by 18.13% mainly due to rise in market price of securities.

4.2. Fund certificate holders analysis as at reporting date

Number of fund certificates	Number of fund certificate holders	Number of fund certificates	Holding rate
Fewer than 5,000	15	40,000.00	0.01%
5,000 to fewer than 10,000	4	33,500.00	0.01%
10,000 to fewer than 50,000	5	119,000.00	0.04%
50,000 to 500,000	2	430,000.00	0.16%
More than 500,000	3	275,456,686.53	99.77%
Total	29	276,079,186.53	100.00%

4.3 Soft commissions and discounts

To minimise conflicts of interests and ensure the accuracy of the Fund's expenses, the Fund Management Company prohibits all of its employees from accepting cash discounts and soft commissions in dealing with the Fund's transactions with its service providers.

During the reporting period, the Fund has neither cash discounts nor soft commissions attached to its transactions with its service providers.

VIETNAM SELECT EQUITIES INVESTMENT FUND

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

5 MARKET PROSPECTS

In 2020, Vietnam overcame the Covid-19 pandemic and posted the worldwide highest GDP growth rate at 2.9%. Exports and imports were the spotlight of the economy in 2020. Supply-chain shifts have been continuing, and FDI remained stable with a small decline by 2% despite the context of global recession. Exports rose by 6.5% to USD281 billion in 2020. This growth rate was humble as compared to prior year's achievement, however a positive result in such a hard year. Meanwhile, imports dropped by 3.7% to VND262 billion. Accordingly, the trade balance reached its highest record with a surplus of USD19.1 billion, equivalent to 5.6% of GDP. Vietnam's success on exports was remarked by the trade surplus with the United States of USD63 billion in 2020, rising by 7.7% from prior year. In addition, Vietnam has secured 30 million doses of Covid-19 vaccines from AstraZeneca as they are launched out, and the Government has planned to reopen the internationally commercial flights in the second quarter of 2021, both actions aim to stimulate the economic recovery. Considering these facts, we project GDP to grow by 7% in 2021.

6 OTHER INFORMATION

The fund controllers comprise of:

- Ms. Luong Thi My Hanh, Master of Economics. She has been the Deputy CEO in charge of Investment and Research of Dragon Capital VietFund Management Joint Stock Company (formerly known as Vietnam Investment Fund Management Joint Stock Company) since 2010.
- Mr. Tran Le Minh, Deputy CEO – Head of Hanoi Branch, Master of Financial Management – Economics. He has been in the role of Deputy CEO of Dragon Capital VietFund Management Joint Stock Company (formerly known as Vietnam Investment Fund Management Joint Stock Company) since 2011.

The Board of Representatives comprises of:

- Mr. Tran Dac Sinh, Chairman, Doctor of Economics. He used to be State Securities Commission's Department Head from 1997 to 1999, General Director/ Chairman of Ho Chi Minh City Stock Exchange from 1999 to 2016 and has been Chairman of the Fund's Board of Representatives since 2016.
- Ms. Vuong Thi Hoang Yen, Member, Bachelor in Accounting – Auditing. She used to be Chief Accountant of Minh Thang Co., Ltd from 2004 to 2007, Audit Manager of AS Auditing Company from 2007 to 2012, Audit Director of FA Auditing Partnership Company from 2012 to 2013 and has been Audit Director of Dai Tin Auditing Company Ltd. since 2013.
- Mr. Nguyen Hoang Khanh, Member, Bachelor in Law, Lawyer. He used to be a lawyer at the branch of Allens in Ho Chi Minh City from 2015 to 2018 and is currently a lawyer at the representative office of Dragon Capital Management (HK).

VIETNAM SELECT EQUITIES INVESTMENT FUND

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

6 OTHER INFORMATION (continued)

The executive officers of the Fund Management Company comprise of:

- Mr. Beat Schurch, Chief Executive Officer (“CEO”), Master of Economics. He has been the CEO since 30 December 2020.
- Mr. Tran Thanh Tan, Vice Chairman, Master of Business Administration. He was in the role of CEO from 2003 to 29 December 2020.
- Ms. Luong Thi My Hanh, Deputy CEO in charge of Investment and Research, Master of Economics. She has been in the role of Deputy CEO since 2010.
- Mr. Nguyen Minh Dang Khanh, Deputy CEO – Financial Director, Master of Finance – Economics. He has been in the role of Deputy CEO since 2011.
- Mr. Tran Le Minh, Deputy CEO – Head of Hanoi Branch, Master of Financial Management – Economics. He has been in the role of Deputy CEO since 2011.

Ho Chi Minh City, 12 March 2021

CHIEF EXECUTIVE OFFICER



Beat Schurch

SUPERVISORY BANK'S REPORT

We, appointed as the Supervisory Bank of Vietnam Select Equities Investment Fund, formerly known as Vietnam Equities Investment Fund ("the Fund") for the period from 01st January 2020 to 31st December 2020, 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 2020 to 31st December 2020, the Fund's investment portfolio deviated from investment restrictions under the prevailing regulations for open-ended fund, Fund Prospectus and other relevant regulations, details as below:
- Item f, Clause 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 ("Circular 183") dated 16th December 2011 and Article 11, Fund Charter regulate that investment portfolio of open-ended fund must adhere to the following rule: "The total value of major investments in the fund's investment portfolio must not exceed forty percent (40%) of the fund's total asset value, except in the case of the bond fund." In case of deviation, the Fund Management Company has to adjust the Fund's investment portfolio to comply with the prevailing regulations within the regulated recovery timeframe.

At valuation date 05th February 2020, from valuation date 11th March 2020 to valuation date 20th May 2020, the Fund's investment in major investments deviated from the limit of 40% 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 May 2020 and 11th June 2020 for the above mentioned deviations, respectively.

At valuation date 12th February 2020 and valuation date 27th May 2020, the Fund Management Company adjusted the Fund's investment portfolio to comply with the prevailing regulations.

From valuation date 27th May 2020 to as at 31st December 2020, the Fund's investment portfolio complied with Item f, Clause 10, Article 1, Circular 15 and Article 11, Fund Charter.

- Item g, Clause 10, Article 1, Circular 15 and Article 11, Fund Charter regulate that investment portfolio of open-ended fund must adhere to the following rule: "At any time, the total value agreed upon in derivatives trades, outstanding loans and other payables of the fund must not exceed the net asset value of the fund." In case of deviation, the Fund Management Company has to adjust the Fund's investment portfolio to comply with the prevailing regulations at the soonest.

As at 16th June 2020 and as at 04th August 2020, the Fund received cash subscription from investors with the total value of VND 387,000,000,000 and VND 1,050,000,000,000 respectively for the trading date 17th June 2020 and 05th August 2020, which led to total payables including payables to the above investors exceeded the net asset value of the Fund at valuation date 17th June 2020 and valuation date 05th August 2020.

Standard Chartered Bank (Vietnam) Limited

Head Office

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On 22nd June 2020 and 05th August 2020, the Transfer Agency allocated fund certificates for the trading date 17th June 2020 and trading date 05th August 2020, respectively. Thus, the Fund's investment portfolio complied with Item g, Clause 10, Article 1, Circular 15 and Article 11, Fund Charter at valuation date 24th June 2020 and valuation date 12th August 2020.

From valuation date 12th August 2020 to as at 31st December 2020, the Fund's investment portfolio complied with Item g, Clause 10, Article 1, Circular 15 and Article 11, Fund Charter.

- 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 2020 to 31st December 2020, the Fund did not pay dividend to Fund Unit Holders.
- e) Other information
 - Clause 8, Article 18, Circular 183 regulates that: "Within three (03) days from the date on which net asset value of the fund reduces by fifty percent (50%) compared to the initially mobilized capital, or falls below thirty (30) billion VND, the fund management company must send reports to the State Securities Commission and propose a plan for remedial measures. If the net asset value of the fund falls below ten (10) billion VND in six (06) consecutive months, the fund management company must liquidate assets in order to dissolve the fund in accordance with prevailing regulations."

According to the Certificate for the Public Fund establishment registration No. 31/GCN-UBCK dated 02nd March 2018 and the Certificate No. 05/GCN-UBCK dated 02nd December 2019 on the amendment of the certificate for public fund establishment registration, the initial charter capital of the Fund is VND 70,798,450,000.

From valuation date 25th March 2020 to valuation date 15th April 2020, at valuation date 06th May 2020, the Fund's net asset value reduced by 50% compared to the initial charter capital. On 25th March 2020 and 01st April 2020, the Fund Management Company reported to the State Securities Commission and proposed a plan for remedial measures.

From valuation date 22nd April 2020 to as at 30th April 2020 and from valuation date 13th May 2020 to as at 31st December 2020, the Fund's net asset value was over 50% of the initial charter capital.

- Clause 17, Article 24, Circular 212/2012/TT-BTC ("Circular 212") dated 05th December 2012 guiding the establishment, organization and operation of fund management company and Point p, Clause 1, Article 35, Fund Charter regulate that when performing asset transactions for the Fund, the Fund Management Company ensures: "The volume or value of the transactions during the year through a securities company shall not exceed 50% of the total volume or value of transactions in the year of the Fund".

Standard Chartered Bank (Vietnam) Limited
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During the year 2020, the percentage of transactions of the Fund through Tan Viet Securities Joint Stock Company corresponding to the total trading volume of the Fund is 50.275% and to the total transaction value of the Fund is 49.860%.

Supervisory Bank Representative



Vu Huong Giang
Head, Fiduciary and Fund Services
Operations Vietnam

Supervisory Bank Officer



Truong Thi Hoang Yen
Manager, Fiduciary and Fund Services
Operations Vietnam



Standard Chartered Bank (Vietnam) Limited

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STATEMENT OF INCOME

Code	Item	Note	For the year ended 31 December	
			2020 VND	2019 VND
01	I. INVESTMENT PROFIT AND OPERATING INCOME		660,465,211,915	5,034,162,945
02	1.1. Dividend income	5.1	14,309,732,534	972,609,750
03	1.2. Interest income	5.2	273,416,431	-
04	1.3. Realised gain/(loss) from disposal of investments	5.3	144,403,276,540	(2,684,662,098)
05	1.4. Unrealised gain from revaluation of investments	5.4	501,478,786,410	6,746,215,293
10	II. INVESTMENT EXPENSES		(5,821,312,713)	(49,763,179)
11	2.1. Transaction costs from purchases and sales of investments	5.5	(5,811,505,250)	(49,763,179)
15	2.2. Other investment expenses		(9,807,463)	-
20	III. OPEN ENDED FUND'S OPERATING EXPENSES		(8,983,928,736)	(1,888,179,011)
20.1	3.1. Fund management fee	8(a)(i)	(6,792,246,698)	(535,636,966)
20.2	3.2. Custodian fees	5.6	(643,397,349)	(294,225,923)
20.3	3.3. Supervising fee	8(a)(ii)	(315,547,349)	(224,400,000)
20.4	3.4. Fund administration fee	8(a)(ii)	(706,738,698)	(264,000,000)
20.5	3.5. Transfer agency fee		(132,000,000)	(132,000,000)
20.8	3.8. Audit fee		(102,487,000)	(100,650,000)
20.10	3.10. Other operating expenses	5.7	(291,511,642)	(337,266,122)
23	IV. PROFIT FROM INVESTMENT ACTIVITIES		645,659,970,466	3,096,220,755

The notes on pages 25 to 57 are an integral part of these financial statements.

STATEMENT OF INCOME
(continued)

Code	Item	Note	For the year ended 31 December	
			2020 VND	2019 VND
30	VI. PROFIT BEFORE INCOME TAX		645,659,970,466	3,096,220,755
31	6.1. Realised profit/(loss)	6.7	144,181,184,056	(3,649,994,538)
32	6.2. Unrealised profit	6.7	501,478,786,410	6,746,215,293
40	VII. BUSINESS INCOME TAX		-	-
41	VIII. PROFIT AFTER TAX		645,659,970,466	3,096,220,755



Dragon Capital VietFund
Management Joint Stock Company
Beat Schurch
Chief Executive Officer
12 March 2021

Dragon Capital VietFund
Management Joint Stock Company
Lam Thi Loan
Fund Accounting Manager
12 March 2021

Dragon Capital VietFund
Management Joint Stock Company
Nguyen Minh Dang Khanh
Deputy CEO cum Financial Director
12 March 2021

The notes on pages 25 to 57 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

Code	Item	Note	As at 31 December	
			2020 VND	2019 VND
100	I. ASSETS			
110	1. Cash at bank and cash equivalents	6.1	186,862,518,769	1,829,904,462
	In which:			
111	1.1. Cash at bank for Fund's operations		186,862,518,769	1,829,904,462
120	2. Net investments		2,450,750,194,400	49,746,440,000
121	2.1. Investments	6.2	2,450,750,194,400	49,746,440,000
130	3. Receivables		780,960,000	122,306,000
133	3.2. Dividend and interest receivables		780,960,000	122,306,000
136	3.2.2 Dividend and interest receivables not yet due	6.3	780,960,000	122,306,000
100	TOTAL ASSETS		2,638,393,673,169	51,698,650,462
300	II. LIABILITIES			
313	3. Payables to distributors and Fund Management Company		150,000,000	-
314	4. Tax payables and obligations to the State		181,142	-
316	6. Accrued expenses	6.4	85,100,000	82,700,000
319	9. Fees payable to fund service providers	6.5	1,926,005,606	109,111,691
300	TOTAL LIABILITIES		2,161,286,748	191,811,691

The notes on pages 25 to 57 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
(continued)

Code	Item	Note	As at 31 December	
			2020 VND	2019 VND
400	III. NET ASSET VALUE DISTRIBUTABLE TO FUND CERTIFICATE HOLDERS	6.6	2,636,232,386,421	51,506,838,771
411	1. Share capital		2,760,791,865,300	63,722,221,800
412	1.1. Issued capital	6.6	2,802,345,466,300	97,804,051,800
413	1.2. Redeemed capital	6.6	(41,553,601,000)	(34,081,830,000)
414	2. Share (discount)/premium		(756,882,212,716)	1,121,853,600
420	3. Accumulated profit/(losses)	6.7	632,322,733,837	(13,337,236,629)
430	IV. NET ASSET VALUE PER FUND CERTIFICATE		9,548.82	8,083.02
440	V. DISTRIBUTED EARNINGS TO FUND CERTIFICATE HOLDERS		-	-
	VI. OFF STATEMENT OF FINANCIAL POSITION ITEM			
004	4. Number of outstanding fund certificates (units)		276,079,186.53	6,372,222.18



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**STATEMENT OF CHANGES IN NET ASSET VALUE,
SUBSCRIPTIONS AND REDEMPTIONS OF FUND CERTIFICATES
FOR THE YEAR ENDED 31 DECEMBER 2020**

No.	Item	Year ended 31 December	
		2020 VND	2019 VND
I	Net asset value (“NAV”) at the beginning of the year	51,506,838,771	51,164,072,364
II	Changes in NAV for the year	645,659,970,466	3,096,220,755
	<i>In which:</i>		
II.1	Changes in NAV due to market fluctuation and the Fund’s operations	645,659,970,466	3,096,220,755
III	Changes in NAV due to subscriptions and redemptions of fund certificates	1,939,065,577,184	(2,753,454,348)
	<i>In which:</i>		
III.1	Receipts from subscriptions	1,943,744,000,000	-
III.2	Payments for redemptions	(4,678,422,816)	(2,753,454,348)
IV	NAV at the end of the year	2,636,232,386,421	51,506,838,771
V	NAV per fund certificate at the end of the year	9,548.82	8,083.02



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STATEMENT OF INVESTMENT PORTFOLIO
AS AT 31 DECEMBER 2020

No.	Item	Quantity	Market price as at 31/12/2020 VND	Total value VND	Percentage of total assets %
I	Listed shares and shares traded on the Unlisted Public Company Market (“UPCoM”)				
1	ACB	3,387,123	28,100	95,178,156,300	3.61%
2	ACV	967,600	81,000	78,375,600,000	2.97%
3	BCM	1,509,040	41,200	62,172,448,000	2.36%
4	BVH	829,680	66,000	54,758,880,000	2.08%
5	CTG	1,963,080	34,550	67,824,414,000	2.57%
6	DXG	4,866,610	15,950	77,622,429,500	2.94%
7	FPT	3,821,163	59,100	225,830,733,300	8.56%
8	HPG	8,233,002	41,450	341,257,932,900	12.93%
9	MBB	4,674,259	23,000	107,507,957,000	4.07%
10	MWG	2,125,290	118,900	252,696,981,000	9.58%
11	NLG	1,317,478	29,500	38,865,601,000	1.47%
12	PNJ	2,041,070	81,000	165,326,670,000	6.27%
13	REE	1,204,190	48,950	58,945,100,500	2.23%
14	SAB	270,490	195,000	52,745,550,000	2.00%
15	TCB	3,899,970	31,500	122,849,055,000	4.66%
16	VCB	1,045,460	97,900	102,350,534,000	3.88%
17	VHC	1,351,810	41,400	55,964,934,000	2.12%
18	VHM	655,500	89,500	58,667,250,000	2.22%
19	VIC	692,990	108,200	74,981,518,000	2.84%
20	VJC	430,000	125,000	53,750,000,000	2.04%
21	VNM	543,458	108,800	59,128,230,400	2.24%
22	VPB	3,521,000	32,500	114,432,500,000	4.34%
23	VRE	2,107,570	31,400	66,177,698,000	2.51%
24	VTP	583,779	108,500	63,340,021,500	2.40%
				2,450,750,194,400	92.89%

The notes on pages 25 to 57 are an integral part of these financial statements.

VIETNAM SELECT EQUITIES INVESTMENT FUND

Form B 04 – QM

STATEMENT OF INVESTMENT PORTFOLIO
AS AT 31 DECEMBER 2020
(continued)

No.	Item	Total value VND	Percentage of total assets %
II Other assets			
1	Net dividend and interest receivables	780,960,000	0.03%
		780,960,000	0.03%
III Cash			
1	Cash at banks	186,862,518,769	7.08%
		186,862,518,769	7.08%
IV	Total value of portfolio	2,638,393,673,169	100.00%



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STATEMENT OF CASH FLOWS
(Indirect method)

Code	Item	Note	Year ended 31 December	
			2020 VND	2019 VND
	I. Cash flows from investing activities			
01	1. Profit before income tax		645,659,970,466	3,096,220,755
02	2. Adjustments for:		(501,478,786,410)	(6,796,890,493)
03	Unrealised gain from revaluation of investments	5.4	(501,478,786,410)	(6,746,215,293)
04	Decrease in accrued expenses		-	(50,675,200)
05	3. Gain/(loss) from investing activities before changes in working capital		144,181,184,056	(3,700,669,738)
20	(Increase)/decrease in investments		(1,899,524,967,990)	6,888,810,243
06	Decrease in receivables from investments sold but not yet settled		-	386,420,000
07	Increase in dividend and interest receivables		(658,654,000)	(76,926,000)
11	Increase in subscription and redemption fees payable to distributors and Fund Management Company		150,000,000	-
13	Increase/(decrease) in tax payables and obligations to the State		181,142	(60,324)
14	Decrease in subscriptions payable to fund certificate holders		-	(2,000,000)
15	Decrease in redemptions payable to fund certificate holders		-	(45,132,842)
16	Increase/(decrease) in other payables		2,400,000	(12,541,274)
17	Increase/(decrease) in fees payable to fund service providers		1,816,893,915	(21,847,701)
19	Net cash (outflows for)/inflows from investing activities		(1,754,032,962,877)	3,416,052,364
	II. Cash flows from financing activities			
31	1. Receipts from subscriptions	6.7	1,943,744,000,000	-
32	2. Payments for redemptions	6.7	(4,678,422,816)	(2,753,454,348)
30	Net cash inflows from/(outflows for) financing activities		1,939,065,577,184	(2,753,454,348)
40	III. Net increase in cash and cash equivalents in the year		185,032,614,307	662,598,016

The notes on pages 25 to 57 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS (continued)
(Indirect method)

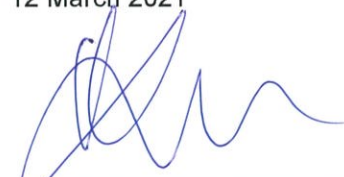
Code	Item	Note	Year ended 31 December	
			2020 VND	2019 VND
50	IV. Cash and cash equivalents at the beginning of the year	6.1	1,829,904,462	1,167,306,446
52	Cash at bank and cash equivalents for the Fund's operations		1,829,904,462	1,165,306,446
53	Cash at bank for subscriptions and redemptions		-	2,000,000
55	V. Cash and cash equivalents at the end of the year	6.1	186,862,518,769	1,829,904,462
57	Cash at bank and cash equivalents for the Fund's operations		186,862,518,769	1,829,904,462
60	VI. Changes in cash and cash equivalents in the year		185,032,614,307	662,598,016



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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****1 GENERAL INFORMATION OF THE FUND****1.1 Licence for fund certificate public offering and Registration certificate for open-ended fund establishment**

Vietnam Select Equities Investment Fund (“the Fund”) was established as a public open-ended fund under Establishment Registration Certificate No. 31/GCN-UBCK (“the ERC”) issued by the State Securities Commission (“SSC”) on 2 March 2018. The charter capital of the Fund as stipulated in the ERC is VND70,798,450,000, equivalent to 7,079,845 fund certificates. The Fund operates in compliance with the Fund Charter issued on 8 August 2019. The Fund has unlimited years of operation.

The fund certificates were issued to the public for the first time under Initial Public Offering Certificate No. 91/GCN-UBCK issued by SSC on 29 December 2017. According to this certificate, the Fund is authorised to issue minimum 5,000,000 fund certificates to the public with par value of VND10,000 per fund certificate.

The Fund’s name was changed as “Vietnam Select Equities Investment Fund” pursuant to the resolution of the fund certificate holders’ extra-ordinary meeting on 19 September 2019 and the Establishment Registration Certificate No. 05/GCN-UBCK issued by the SSC on 2 December 2019.

The Fund has no employees and is managed by Dragon Capital VietFund Management Joint Stock Company (formerly known as Vietnam Investment Fund Management Joint Stock Company) (the “Fund Management Company”). Standard Chartered Bank (Vietnam) Limited has been appointed as the supervising bank and custodian bank of the Fund since 2 March 2018.

1.2 General information of the Fund’s operations***Size of the Fund***

According to the Establishment registration certificate, the Fund’s charter capital is VND70,798,450,000.

The Fund’s capital is based on the actual contribution of the fund certificate holders presented in Note 6.6.

Investment objective and investment restrictions

The investment objective of the Fund is to seek long-term capital appreciation and income from dividends. The Fund will invest mainly in stocks listed and registered for trading on Vietnam stock market, which have good fundamentals and expectations for sustainable growth. The Fund’s investment portfolio and its restrictions shall follow the investment objectives and investment strategy as stipulated in the Fund’s Charter and Prospectus.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****1 GENERAL INFORMATION OF THE FUND (continued)****1.2 General information of the Fund's operations (continued)*****Frequency of net asset value ("NAV") valuation***

The Fund's NAV is determined on a weekly and a monthly basis.

The daily valuation date is every Wednesday that is a working day. Should the daily valuation date fall on a holiday, it will be carried to the working day preceding that holiday.

The monthly valuation date is the first day of the following month regardless of whether it falls on weekends or holidays.

Should the Fund Management Company increase the frequency of the dealing date, the frequency of NAV valuation will increase accordingly.

Method of NAV valuation

The Fund's NAV is calculated at total assets less liabilities as at the date prior to the valuation date. Total value of Fund's assets is measured at their market value or fair value.

NAV per fund certificate is calculated by dividing the total NAV of the Fund by the number of outstanding fund certificates at the nearest trading date prior to the valuation date.

NAV per fund certificate shall be rounded down to two (02) decimal places.

Frequency of subscriptions and redemptions of fund certificates

The fund certificates are subscribed and redeemed on valuation dates. The increasing of trading frequency shall be announced on the Fund's website and updated at the nearest fund certificate holders' General Meeting. The reducing of trading frequency shall be approved by the fund certificate holders' General Meeting and not less than the minimum trading frequency required by laws.

Distribution of earnings

The Fund does not distribute its profit (including but not limited to cash, stock or property dividends). Entire profits generated from operations are accumulated to increase the NAV of the Fund.

2 FISCAL YEAR AND CURRENCY**2.1 Fiscal year**

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 FISCAL YEAR AND CURRENCY (continued)****2.2 Currency**

The financial statements are presented in Vietnamese Dong (“VND”) which is also the Fund’s accounting currency.

The Fund’s accounting currency is determined as the currency primarily used in securities trading which significant influences transacted prices and settled amounts. In addition, the Fund’s financing activities such as subscriptions and redemptions of fund certificates are also denominated in its accounting currency.

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the statement of income.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are respectively translated at the buying and selling exchange rates at the date before the valuation date (i.e., the reporting date) quoted by the commercial bank where the Fund regularly trades. Foreign exchange differences arising from these translations are recognised in the statement of income.

3 ACCOUNTING STANDARDS AND REPORTING FRAMEWORK APPLIED**3.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, Vietnamese accounting system applicable to open-ended investment funds including Circular 198/2012/TT-BTC issued by the Ministry of Finance on 15 November 2012 on the promulgation of accounting system for open-ended investment funds (“Circular 198/2012/TT-BTC”), Circular 181/2015/TT-BTC issued by the Ministry of Finance on 13 November 2015 on the promulgation of accounting system for exchange-traded funds and open-ended investment funds (“Circular 181/2015/TT-BTC”), Circular 183/2011/TT-BTC issued by the Ministry of Finance on 16 December 2011 on the establishment and management of open-ended investment funds (“Circular 183/2011/TT-BTC”), Circular 15/2016/TT-BTC issued by the Ministry of Finance on 20 January 2016 amending and supplementing Circular 183/2011/TT-BTC (“Circular 15/2016/TT-BTC”) and prevailing regulations on preparation and presentation of financial statements applicable to open-ended investment funds.

The accompanying financial statements are not intended to present financial position and investment portfolio, results of operations, changes in NAV, subscriptions and redemptions of fund certificates and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

The financial statements in Vietnamese language are the official statutory financial statements of the Fund. The financial statements in the English language have been translated from the Vietnamese language financial statements.

In accordance with Circular 198/2012/TT-BTC, the Fund’s financial statements include the following reports:

1. Statement of income
2. Statement of financial position
3. Statement of changes in net asset value, subscriptions and redemptions of fund certificates
4. Statement of investment portfolio
5. Statement of cash flows
6. Notes to the financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****3 ACCOUNTING STANDARDS AND REPORTING FRAMEWORK APPLIED (continued)****3.2 Registered accounting documentation system**

The registered accounting documentation system is the general journal system.

4 SIGNIFICANT ACCOUNTING POLICIES**4.1 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank in current accounts used for the Fund's operations and payment to fund certificate holders for redemption of fund certificates, cash of fund certificate holders deposited for subscription of fund certificates, cash at bank in escrow account for the initial subscription of the fund certificates, and other short-term investments with a maturity of less than three (03) months, which are readily convertible to cash and subject to an insignificant risk of conversion.

4.2 Investments***Classification***

The Fund classifies its investments in securities as held for trading.

Recognition/de-recognition

Purchases and sales of investments are recognised at trade date – the day on which the Fund commits to purchase or sell the investment. Investments are derecognised when the right to receive cash flows from the investments has expired or the Fund has transferred substantially all risks and rewards of ownership of the investments.

The cost of securities classified as held for trading is determined using the weighted average method.

Initial recognition

Investments are initially recognised at the cost of acquisition and revalued as at the reporting date in accordance with Circular 198/2012/TT-BTC. Valuation is determined in accordance with prevailing regulations on securities and the Fund's Charter.

Bonus issues and share dividends are initially recorded as investments at nil cost and then are revalued at the market value of the relevant securities as at the reporting date.

Subsequent measurement***(a) Shares listed on stock exchanges; shares of public companies registered for trading on UPCoM***

These shares are revalued at the closing prices (or similar terms according to stock exchanges' rules) of the latest trading date with transactions preceding the valuation date.

Where shares are not traded for more than two (02) weeks prior to the valuation date, they are revalued at one of the following prices in the following order of priority:

- The closing price (or similar terms according to stock exchanges' rules) of the latest trading date with transactions within twelve (12) months prior to the valuation date
- Purchase price
- Book value
- The price determined based on the valuation techniques approved by the Board of Representatives

The value of listed shares in the process of changing listing venues is their closing prices of the latest trading date with transactions preceding the valuation date.

Shares approved for listing but not yet traded are revalued as if they were unlisted shares.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****4 SIGNIFICANT ACCOUNTING POLICIES (continued)****4.2 Investments in securities (continued)***(b) Shares unlisted and unregistered for trading*

These shares are revalued at one of the following prices in the following order of priority:

- (i) The average of transacted prices at the latest trading date with transactions preceding the valuation date based on quotes from the three (03) independent securities companies and approved by the Board of Representatives
- (ii) Where the prices as determined in clause (i) is not available, these shares are revalued at one of the following prices in the following order of priority:
 - The average of bid prices quoted by the two (02) independent securities companies and approved by the Board of Representatives
 - Prices of latest reporting date but not older than three (03) months to the valuation date
 - Purchase price
 - Book value
 - The price determined based on the valuation models approved by the Board of Representatives

(c) Shares suspended, shares delisted or deregistered for trading

These shares are revalued at one of the following prices in the following order of priority:

- Book value
- Par value
- The price determined based on the valuation techniques approved by the Board of Representatives

(d) Shares of entities in the process of dissolution or bankruptcy

These shares are revalued at one of the following prices in the following order of priority:

- 80% of the liquidation value of these shares as at their latest balance date prior to the Fund's valuation date
- The price determined based on the valuation techniques approved by the Board of Representatives on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Investments (continued)

*Subsequent measurement (continued)**(e) Bonds listed on securities exchanges*

These bonds are revalued based on the quoted prices (also called “clean price”) or similar terms according to the securities exchanges’ rules on the platform for outright transactions at the latest trading date with transactions preceding the valuation date plus accumulated accrued interest. Where there are more than one bond transaction at the latest trading date with transactions preceding the valuation date (resulting multiple quoted prices), the adopted valuation is the weighted average of the quoted prices on that date (weighted average quoted price);

In either case below:

- (i) These bonds are not traded on stock exchange within two (02) weeks prior to the valuation date; or
- (ii) Quoted price of these bonds on stock exchange are significantly fluctuated according to the Fund’s valuation manual and approved by the Board of Representative in written form.

Bonds in case (i) and (ii) revalued at one of the following prices in the following order of priority:

- Purchase price plus accumulated accrued interest
- Par value plus accumulated accrued interest

(f) Unlisted bonds

Unlisted bonds are revalued at the average of transacted prices at the latest trading date with transactions preceding the valuation date based on quotes from at least three (03) independent quoting entities and approved by the Board of Representatives.

If there are not enough quotes by at least three (3) independent quoting entities, unlisted bonds are revalued at one of the following prices in the following order of priority:

- The average of transacted prices quoted by two (2) independent quoting entities; or
- Purchase price plus accumulated accrued interest

(g) Warrants attached to convertible bonds

Warrants attached to convertible bonds are revalued based on the valuation techniques approved by the Board of Representatives on a case-by-case basis.

(h) Bonds issued by entities in the process of dissolution or bankruptcy

Bonds issued by entities in the process of dissolution or bankruptcy are revalued based on the valuation techniques approved by the Board of Representatives on a case-by-case basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****4 SIGNIFICANT ACCOUNTING POLICIES (continued)****4.2 Investments (continued)*****Subsequent measurement (continued)****(i) Listed derivative securities*

Listed derivative securities are revalued at the closing settlement prices or similar terms quoted on the trading system at the stock exchanges.

Where there is no closing settlement price nor quoted price on the trading system at the stock exchanges on the latest date preceding the valuation date, listed derivative securities will be revalued based on the valuation techniques approved by the Board of Representatives.

(j) Term deposits

Term deposits are measured at principal amounts plus accrued interest as of the date prior to the valuation date.

(k) Transferable certificates of deposit

Transferable certificates of deposit are measured at purchase cost plus accrued interest as of the date prior to the valuation date.

(l) Rights

The value of rights issues is determined as the difference between the market price of the underlying shares at the reporting date and the amount payable to exercise the rights at the exercise date, multiplied by the rights exercise ratio. The value of right issues is nil when the market price of the underlying shares at the reporting date is lower than the amount payable to exercise the rights at the exercise date.

Gains or losses from revaluation of investments

Gains or losses from revaluation of investments are recognised in the statement of income in accordance with Circular 198/2012/TT-BTC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****4 SIGNIFICANT ACCOUNTING POLICIES (continued)****4.3 Receivables**

Receivables represent amounts receivable from securities trading, dividend receivables, accrued interest from bonds, accrued interest from bank deposits, accrued interest from transferable certificates of deposit and other receivables, and are stated at cost.

Provision for doubtful debts is made for each outstanding amount based on number of days past due according to initial payment commitment (ignoring any mutually agreed extension) or based on the estimated loss that may arise. Bad debts are written off when identified and approved in the General Meeting of fund certificate holders.

Increase in provision for overdue receivables from investments sold but not yet settled is recorded as an expense in the statement of income.

Increase in provision for overdue dividend, bond interest, term deposit interest and other receivables are recorded as a reduction of income in the statement of income.

4.4 Payables

Payables presented in the statement of financial position are carried at cost of the redemption payables, payables for securities trading, remuneration payable to the Board of Representatives, payables to the Fund Management Company and the Supervising Bank, and other payables.

4.5 Taxation

Under the applicable Vietnamese tax regulations, the Fund is not subject to corporate income tax ("CIT"). However, the Fund Management Company is responsible for withholding and paying tax on behalf of individual and corporate investors in the following cases:

Distribution of dividends to fund certificate holders

When the Fund distributes dividends to fund certificate holders, the Fund Management Company is required to comply with Circular 78/2014/TT-BTC dated 18 June 2014 ("Circular 78/2014/TT-BTC") amended by Circular 96/2015/TT-BTC dated 22 June 2015 and Circular 111/2013/TT-BTC dated 15 August 2013 ("Circular 111/2013/TT-BTC") amended by Circular 92/2015/TT-BTC dated 15 June 2015 ("Circular 92/2015/TT-BTC") issued by the Ministry of Finance and Official Letter No. 10945/BTC-TCT dated 19 August 2010 issued by the Ministry of Finance regarding tax policy on profits distributions to corporate fund certificate holders.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****4 SIGNIFICANT ACCOUNTING POLICIES (continued)****4.5 Taxation (continued)****Distribution of dividends to fund certificate holders (continued)**

Accordingly, when the Fund distributes dividends to local corporate fund certificate holders, such local corporate fund certificate holders are responsible for tax declaration and payment obligations arising thereon as regulated. When the Fund distributes dividends to foreign corporate fund certificate holders, the Fund Management Company is required to withhold and pay 20% CIT on the distributed dividends (excluding the Fund's distribution of after-tax profits and bond interest earned from tax-free bonds in accordance with the applicable regulations) on their behalf.

When the Fund distributes dividends to individual fund certificate holders (both residents and non-residents), the Fund Management Company is required to withhold and pay 5% personal income tax on the distributed dividends on their behalf.

Redemption of fund certificates

The Fund Management Company is required to withhold and pay tax when it redeems its certificates from individual fund certificate holders (both residents and non-residents) and foreign corporate fund certificate holders on their behalf according to Circular 111/2013/TT-BTC amended by Circular 92/2015/TT-BTC, Circular 25/2018/TT-BTC dated 16 March 2018 and Circular 103/2014/TT-BTC dated 6 August 2014 issued by the Ministry of Finance. The tax rate is 0.1% on the redemption proceeds. The Fund Management Company is not responsible for withholding and paying CIT on redemption proceeds paid to local corporate fund certificate holders. These local corporate fund certificate holders are responsible for their own CIT declaration and payment obligations according to Circular 78/2014/TT-BTC amended by Circular 96/2015/TT-BTC dated 22 June 2015.

4.6 Provisions

Provisions are recognised when:

- The Fund has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation; and
- The amount has been reliably estimated.

Provision is not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****4 SIGNIFICANT ACCOUNTING POLICIES (continued)****4.7 Share capital**

The fund certificates are classified as equity. Each certificate has a par value of VND10,000.

Numbers of allotted fund certificates are rounded down to two (02) decimal places.

Issued capital

Issued capital represents the fund certificate holders' contributed capital in initial public offer and in subsequent subscription cycles after the conversion date or in switches of fund certificates between open-ended investment funds under common management of the Fund Management Company. Issued capital is recorded as par value.

Redeemed capital

Redeemed capital represents the gross redemption amount paid to fund certificate holders in subsequent redemption cycles after establishment date or in switches of fund certificates between open-ended investment funds under common management of the Fund Management Company. Redeemed capital is recorded at par value.

Share premium

Share premium represents the difference between the NAV per fund certificate and par value per fund certificate in a subscription or redemption.

Undistributed profits/(losses)

Undistributed profits/(losses) represents cumulative undistributed profits/(losses) as at the reporting date including cumulative realised profits/(losses) and cumulative unrealised profits/(losses).

Realised profits/(losses) earned/(incurred) during the period are the difference of total income and revenue after deducted unrealised gains/(losses) from revaluation of investments and total expenses.

Unrealised profits/(losses) earned/(incurred) during the period are unrealised gains/(losses) from revaluation of investments.

The Fund determines realised profits/(losses) and unrealised profits/(losses) and posts into "Undistributed profits/(losses)" at the end of each reporting year.

Profits/assets distributed to fund certificate holders

These are profits/assets distributed to fund certificate holders during the period and their amounts are deducted against undistributed profits.

The Fund recognises profits/assets distributed to fund certificate holders based on resolutions of the fund certificate holders' General Meetings, in accordance with the Fund Charter and prevailing securities regulations.

Profits is distributed to fund certificate holders by the Fund Management Company after deductions of all taxes and fees in accordance with prevailing laws and regulations.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****4 SIGNIFICANT ACCOUNTING POLICIES (continued)****4.8 Revenue**

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

Interest income

Interest income from deposits at banks, interest income from transferable certificates of deposit and interest income from bonds are recognised in the statement of income on an accrual basis unless collectability is in doubt.

Dividend income

Dividend income is recognised in the statement of income when the Fund's entitlement as an investor to receive the dividends is established.

Income from securities trading

Income from securities trading is recognised in the statement of income upon receipt of the trading report from the Vietnam Securities Depository Center which is verified by the Supervising Bank (for listed securities) and completion of the sale agreement (for unlisted securities).

4.9 Expenses

Expenses are recognised on an accrual basis and on prudent basis.

4.10 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Fund are related parties of the Fund. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Fund that gives them significant influence over the enterprise, key management personnel and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering of related party relationship, the Fund considers the substance of the relationship but not merely the legal form.

4.11 Nil items

Items required by Circular 198/2012/TT-BTC that are not presented in these financial statements indicate nil items.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5 ADDITIONAL INFORMATION TO THE STATEMENT OF INCOME

5.1 Dividend income

	Year ended 31 December	
	2020 VND	2019 VND
Received dividend income	13,528,772,534	850,303,750
Accrued dividend income	780,960,000	122,306,000
	<u>14,309,732,534</u>	<u>972,609,750</u>

5.2 Interest income

	Year ended 31 December	
	2020 VND	2019 VND
Received interest income	<u>273,416,431</u>	<u>-</u>

VIETNAM SELECT EQUITIES INVESTMENT FUND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5 ADDITIONAL INFORMATION TO THE STATEMENT OF INCOME (continued)

5.3	Realised gain on disposal of investments	Total proceeds of disposals VND	Weighted average cost of investments up to the latest trading date VND	Realised gain for the year then ended 31/12/2020 VND	Cumulative realised gain as at 31/12/2020 VND	Realised loss for the year then ended 31/12/2019 VND	Cumulative realised loss as at 31/12/2020 VND
	Underlying securities						
	Listed shares and shares traded on UPCoM	1,151,408,523,250	1,007,005,246,710	144,403,276,540	136,378,152,338	(2,684,662,098)	(8,025,124,202)
5.4	Unrealised gain from revaluation of investments						
	Listed shares and shares traded on UPCoM	1,952,045,656,643	2,450,750,194,400	498,704,537,757	498,704,537,757	(2,774,248,653)	501,478,786,410

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5 ADDITIONAL INFORMATION TO THE STATEMENT OF INCOME (continued)

5.5 Transaction costs from purchases and sales of investments

	Year ended 30 December	
	2020 VND	2019 VND
Brokerage fees from purchases	4,133,294,862	21,297,201
Brokerage fees from sales	1,673,398,013	28,187,403
Settlement charges at Vietnam Securities Depository ("VSD")	4,812,375	278,575
	<u>5,811,505,250</u>	<u>49,763,179</u>

VIETNAM SELECT EQUITIES INVESTMENT FUND

Form B 06 – QM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5 ADDITIONAL INFORMATION TO THE STATEMENT OF INCOME (continued)

5.5 Transaction costs from purchases and sales of investments (continued)

Details of transaction costs by prime broker during the period are as follows:

No.	Broker	Relationship with Fund Management Company	Percentage of transaction value at brokers				Market average transaction fee rate
			Fund's transaction value through broker for the period VND	Fund's total transaction value for the period (*) VND	Percentage of transaction value at broker	Average transaction fee rate	
1	Tan Viet Securities Joint Stock Company	Non-related	2,023,304,249,000	4,057,938,737,950	49.86%	0.15%	0.00% - 0.50%
2	Bao Viet Securities Joint Stock Company	Non-related	1,297,269,760,700	4,057,938,737,950	31.96%	0.15%	0.00% - 0.50%
3	KIS Vietnam Securities Corporation	Non-related	288,972,205,490	4,057,938,737,950	7.12%	0.07%	0.00% - 0.50%
4	Viet Capital Securities Joint Stock Company	Non-related	283,477,036,110	4,057,938,737,950	6.99%	0.15%	0.00% - 0.50%
5	Ho Chi Minh City Securities Corporation	Non-related	132,223,798,500	4,057,938,737,950	3.26%	0.15%	0.00% - 0.50%
Total			4,025,247,049,800		99.19%		

(*) The total transactions for the year includes all transactions of listed securities and odd-lots.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5 ADDITIONAL INFORMATION TO THE STATEMENT OF INCOME (continued)

5.6 Custodian fees

	Year ended 31 December	
	2020 VND	2019 VND
Safe keeping fee (Note 8(a)(ii))	495,303,105	276,000,000
Transaction fee (Note 8(a)(ii))	107,700,000	13,280,000
Custodian service fee paid to VSD	40,394,244	4,945,923
	<u>643,397,349</u>	<u>294,225,923</u>

5.7 Other operating expenses

	Year ended 31 December	
	2020 VND	2019 VND
Remunerations to the Board of Representatives (Note 8(a)(iii))	260,000,000	308,119,001
Annual fee paid to the State Securities Commission	16,739,726	-
Bank charges	11,471,916	9,506,960
Information retrieving fee paid to VSD	3,300,000	3,300,000
Travelling and meeting fees of the Board of Representatives (*)	-	(7,703,839)
Annual report expense	-	22,044,000
Others	-	2,000,000
	<u>291,511,642</u>	<u>337,266,122</u>

(*) These expenses were accrued in accordance with the budget approved in the General Meeting of fund certificate holders but not used up and reversed.

6 ADDITIONAL INFORMATION TO THE STATEMENT OF FINANCIAL POSITION

6.1 Cash at bank and cash equivalents

Cash at bank and cash equivalents represent cash in Vietnamese Dong placed with Standard Chartered Bank (Vietnam) Limited (Note 8(b)), details are as follows:

	As at	
	31/12/2020 VND	31/12/2019 VND
Cash at bank for the Fund's operations	<u>186,862,518,769</u>	<u>1,829,904,462</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6 ADDITIONAL INFORMATION TO THE STATEMENT OF FINANCIAL POSITION (continued)

6.2 Investments

All investee companies presented in the statement of investment portfolio are incorporated in Vietnam.

The Fund does not participate in the day-to-day financial and operating policy decisions of these investee companies. Accordingly, the Fund does not intend to exert control or significant influence over the investee companies. Therefore, the investments of the Fund are recognised based on the accounting policy as presented in Note 4.2 instead of equity accounting or consolidation.

The details of the Fund's investments as at 31 December 2020 are as follows:

	Carrying value VND	Gain/(loss) from revaluation of investments		Market value VND
		Gain VND	Loss VND	
Listed shares and shares traded on UPCoM	1,952,045,656,643	498,704,537,757	-	2,450,750,194,400

The details of the Fund's investments as at 31 December 2019 are as follows:

	Carrying value VND	Gain/(loss) from revaluation of investments		Market value VND
		Gain VND	Loss VND	
Listed shares and shares traded on UPCoM	52,520,688,653	4,526,399,513	(7,300,648,166)	49,746,440,000

6.3 Dividend and interest receivables not yet due

	As at	
	31/12/2020 VND	31/12/2019 VND
Dividend receivables not yet due	780,960,000	122,306,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6 ADDITIONAL INFORMATION TO THE STATEMENT OF FINANCIAL POSITION (continued)

6.4 Accrued expenses

	As at	
	31/12/2020 VND	31/12/2019 VND
Audit fee	45,100,000	45,100,000
Board of Representatives' remunerations (*) (Note 8(b))	40,000,000	37,600,000
	<u>85,100,000</u>	<u>82,700,000</u>

(*) Remunerations for Board of Representatives were accrued in accordance with budget approved in the Annual Meeting of fund certificate holders.

6.5 Fees payable to fund service providers

	As at	
	31/12/2020 VND	31/12/2019 VND
Fund management fee (Note 8(b))	1,624,754,218	32,651,691
Fund administration fee (Note 8(b))	142,978,373	22,000,000
Custody fee (Note 8(b))	86,653,559	23,000,000
Supervising fee (Note 8(b))	47,659,456	18,700,000
Transaction fee (Note 8(b))	12,960,000	1,760,000
Transfer agent fee	11,000,000	11,000,000
	<u>1,926,005,606</u>	<u>109,111,691</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6 ADDITIONAL INFORMATION TO THE STATEMENT OF FINANCIAL POSITION (continued)

6.6 Movements in owners' equity

	Unit	As at 31/12/2019	Incurred for the year	As at 31/12/2020
Issued capital				
Number of fund certificates	Unit	9,780,405.18	270,454,141.45	280,234,546.63
Issued capital at par value	VND	97,804,051,800	2,704,541,414,500	2,802,345,466,300
Share discount of issued capital	VND	(65,601,800)	(760,797,414,500)	(760,863,016,300)
Total issued capital	VND	97,738,450,000	1,943,744,000,000	2,041,482,450,000
Redeemed capital				
Number of fund certificates	Unit	(3,408,183.00)	(747,177.10)	(4,155,360.10)
Redeemed capital at par value	VND	(34,081,830,000)	(7,471,771,000)	(41,553,601,000)
Share discount of redeemed capital	VND	1,187,455,400	2,793,348,184	3,980,803,584
Total redeemed capital	VND	(32,894,374,600)	(4,678,422,816)	(37,572,797,416)
Total contribution capital	VND	64,844,075,400	1,939,065,577,184	2,003,909,652,584
Accumulated (losses)/profits	VND	(13,337,236,629)	645,659,970,466	632,322,733,837
Net asset value	VND	51,506,838,771		2,636,232,386,421
Number of outstanding fund certificates	Unit	6,372,222.18		276,079,186.53
NAV per fund certificate	VND/Unit	8,083.02		9,548.82

6.7 Accumulated profit

	As at 31/12/2019 VND	Incurred in the year VND	As at 31/12/2020 VND
Realised (loss)/profit	(10,562,987,976)	144,181,184,056	133,618,196,080
Unrealised (loss)/profit	(2,774,248,653)	501,478,786,410	498,704,537,757
Accumulated (loss)/profit	(13,337,236,629)	645,659,970,466	632,322,733,837

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7 NET ASSET VALUE (NAV)

Year ended 31 December 2020					
No.	NAV calculation date	NAV VND	Quantity of fund certificates	NAV per fund certificate at calculation date VND	Increase/ (Decrease) of NAV per fund certificate VND
1	31/12/2019	51,506,838,771	6,372,222.18	8,083.02	
2	07/01/2020	51,424,901,010	6,372,222.18	8,070.16	(12.86)
3	14/01/2020	51,527,770,457	6,372,222.18	8,086.31	16.15
4	21/01/2020	52,208,163,477	6,372,222.18	8,193.08	106.77
5	28/01/2020	52,378,396,175	6,372,222.18	8,219.80	26.72
6	31/01/2020	49,099,614,250	6,372,222.18	7,705.25	(514.55)
7	04/02/2020	48,033,507,647	6,372,222.18	7,537.95	(167.30)
8	11/02/2020	48,680,369,240	6,372,222.18	7,639.46	101.51
9	18/02/2020	49,384,001,112	6,355,222.18	7,770.61	131.15
10	25/02/2020	47,972,594,739	6,355,222.18	7,548.53	(222.08)
11	29/02/2020	46,111,919,458	6,245,222.18	7,383.55	(164.98)
12	03/03/2020	46,666,625,362	6,245,222.18	7,472.37	88.82
13	10/03/2020	43,540,938,926	6,245,222.18	6,971.87	(500.50)
14	17/03/2020	37,405,280,060	6,115,222.18	6,116.74	(855.13)
15	24/03/2020	33,028,996,685	6,115,222.18	5,401.11	(715.63)
16	31/03/2020	29,463,157,849	5,681,045.08	5,186.22	(214.89)
17	07/04/2020	33,929,119,025	5,681,045.08	5,972.33	786.11
18	14/04/2020	34,936,397,503	5,678,045.08	6,152.89	180.56
19	21/04/2020	35,534,696,800	5,678,045.08	6,258.26	105.37
20	28/04/2020	35,669,401,559	5,678,045.08	6,281.98	23.72
21	30/04/2020	35,759,145,969	5,678,045.08	6,297.79	15.81
22	05/05/2020	35,385,690,409	5,678,045.08	6,232.01	(65.78)
23	12/05/2020	38,661,417,184	5,678,045.08	6,808.93	576.92
24	19/05/2020	39,533,706,234	5,678,045.08	6,962.55	153.62
25	26/05/2020	40,137,315,424	5,678,045.08	7,068.86	106.31
26	31/05/2020	39,678,982,086	5,678,045.08	6,988.14	(80.72)
27	02/06/2020	40,290,787,414	5,678,045.08	7,095.89	107.75
28	09/06/2020	41,483,572,154	5,678,045.08	7,305.96	210.07
29	16/06/2020	39,536,192,612	5,676,045.08	6,965.44	(340.52)
30	23/06/2020	430,472,891,858	61,236,067.12	7,029.72	64.28
31	30/06/2020	430,568,661,023	62,643,520.04	6,873.31	(156.41)
32	07/07/2020	439,330,374,804	62,643,520.04	7,013.18	139.87
33	14/07/2020	440,822,219,270	62,643,520.04	7,036.99	23.81
34	21/07/2020	441,244,090,676	62,643,520.04	7,043.73	6.74
35	28/07/2020	425,313,487,990	62,643,520.04	6,789.42	(254.31)
36	31/07/2020	414,792,708,089	62,643,520.04	6,621.47	(167.95)
37	04/08/2020	434,512,489,574	62,643,520.04	6,936.27	314.80
38	11/08/2020	1,508,557,258,133	214,021,710.33	7,048.61	112.34
39	18/08/2020	1,510,482,315,671	214,021,710.33	7,057.61	9.00

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

7 NET ASSET VALUE (NAV) (continued)

Year ended 31 December 2020					
No.	NAV calculation date	NAV VND	Quantity of fund certificates	NAV per fund certificate at calculation date VND	Increase/ (Decrease) of NAV per fund certificate VND
40	25/08/2020	1,573,860,489,852	214,021,710.33	7,353.74	296.13
41	31/08/2020	1,702,377,034,547	229,660,011.38	7,412.59	58.85
42	01/09/2020	1,717,023,010,636	229,660,011.38	7,476.36	63.77
43	08/09/2020	1,704,660,882,227	229,660,011.38	7,422.54	(53.82)
44	15/09/2020	1,832,706,414,710	245,153,360.01	7,475.75	53.21
45	22/09/2020	1,880,673,876,603	245,153,360.01	7,671.41	195.66
46	29/09/2020	1,886,938,391,651	245,153,360.01	7,696.97	25.56
47	30/09/2020	1,889,181,636,469	245,153,360.01	7,706.12	9.15
48	06/10/2020	1,933,777,054,292	245,153,360.01	7,888.02	181.90
49	13/10/2020	1,940,128,636,263	245,153,360.01	7,913.93	25.91
50	20/10/2020	2,011,171,832,800	245,153,360.01	8,203.72	289.79
51	27/10/2020	2,015,956,576,920	245,153,360.01	8,223.24	19.52
52	31/10/2020	1,970,926,205,271	245,153,360.01	8,039.56	(183.68)
53	03/11/2020	2,002,048,869,648	245,153,360.01	8,166.51	126.95
54	10/11/2020	2,025,038,619,513	245,122,360.01	8,261.33	94.82
55	17/11/2020	2,220,317,806,205	259,284,728.53	8,563.24	301.91
56	24/11/2020	2,283,493,434,523	259,284,728.53	8,806.89	243.65
57	30/11/2020	2,296,313,875,483	259,284,728.53	8,856.34	49.45
58	01/12/2020	2,309,501,516,966	259,284,728.53	8,907.20	50.86
59	08/12/2020	2,495,803,774,094	275,563,693.86	9,057.08	149.88
60	15/12/2020	2,538,764,024,964	276,079,186.53	9,195.78	138.70
61	22/12/2020	2,592,492,603,727	276,079,186.53	9,390.39	194.61
62	29/12/2020	2,614,895,326,092	276,079,186.53	9,471.54	81.15
63	31/12/2020	2,636,232,386,421	276,079,186.53	9,548.82	77.28
Average NAV of the year		905,484,903,105			
Changes in NAV per fund certificate during the year – highest level					(855.13)
Changes in NAV per fund certificate during the year – lowest level					6.74

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7 NET ASSET VALUE (NAV) (continued)

Year ended 31 December 2019					
No.	NAV calculation date	NAV VND	Quantity of fund certificates	NAV per fund certificate at calculation date VND	Increase/ (Decrease) of NAV per fund certificate VND
1	31/12/2018	51,164,072,364	6,716,696.18	7,617.44	
2	01/01/2019	51,158,764,458	6,716,696.18	7,616.65	(0.79)
3	08/01/2019	49,988,643,759	6,716,696.18	7,442.44	(174.21)
4	15/01/2019	50,633,469,006	6,634,696.18	7,631.61	189.17
5	22/01/2019	50,474,258,067	6,634,696.18	7,607.62	(23.99)
6	29/01/2019	50,853,403,866	6,634,696.18	7,664.76	57.14
7	31/01/2019	50,625,525,073	6,634,696.18	7,630.42	(34.34)
8	05/02/2019	50,617,925,438	6,634,696.18	7,629.27	(1.15)
9	12/02/2019	51,820,422,993	6,634,696.18	7,810.51	181.24
10	19/02/2019	52,832,064,830	6,614,696.18	7,987.07	176.56
11	26/02/2019	53,939,507,268	6,614,696.18	8,154.49	167.42
12	28/02/2019	52,712,821,333	6,594,696.18	7,993.21	(161.28)
13	05/03/2019	54,121,075,263	6,594,696.18	8,206.75	213.54
14	12/03/2019	54,424,900,775	6,594,696.18	8,252.82	46.07
15	19/03/2019	54,512,007,860	6,594,696.18	8,266.03	13.21
16	26/03/2019	52,411,525,248	6,594,696.18	7,947.52	(318.51)
17	31/03/2019	52,833,835,162	6,574,696.18	8,035.93	88.41
18	02/04/2019	53,023,191,236	6,574,696.18	8,064.73	28.80
19	09/04/2019	53,218,518,436	6,574,696.18	8,094.44	29.71
20	16/04/2019	52,306,060,042	6,545,567.18	7,991.06	(103.38)
21	23/04/2019	51,837,564,885	6,545,567.18	7,919.49	(71.57)
22	30/04/2019	52,792,359,929	6,545,567.18	8,065.36	145.87
23	07/05/2019	51,721,591,598	6,545,567.18	7,901.77	(163.59)
24	14/05/2019	51,666,375,669	6,540,567.18	7,899.37	(2.40)
25	21/05/2019	52,737,507,884	6,540,567.18	8,063.13	163.76
26	28/05/2019	52,272,816,641	6,540,567.18	7,992.09	(71.04)
27	31/05/2019	51,409,704,419	6,540,567.18	7,860.12	(131.97)
28	04/06/2019	50,773,076,165	6,540,567.18	7,762.79	(97.33)
29	11/06/2019	51,692,660,002	6,540,567.18	7,903.39	140.60
30	18/06/2019	50,812,648,281	6,540,567.18	7,768.84	(134.55)
31	25/06/2019	51,673,209,827	6,540,567.18	7,900.41	131.57
32	30/06/2019	51,471,366,168	6,538,567.18	7,871.96	(28.45)
33	02/07/2019	51,829,460,708	6,538,567.18	7,926.73	54.77
34	09/07/2019	52,134,187,926	6,538,567.18	7,973.33	46.60
35	16/07/2019	52,985,977,406	6,538,567.18	8,103.60	130.27
36	23/07/2019	54,018,072,327	6,538,567.18	8,261.45	157.85
37	30/07/2019	52,923,892,117	6,538,567.18	8,094.11	(167.34)
38	31/07/2019	53,568,110,932	6,538,567.18	8,192.63	98.52
39	06/08/2019	52,553,787,444	6,538,567.18	8,037.50	(155.13)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

7 NET ASSET VALUE (NAV) (continued)

Year ended 31 December 2019					
No.	NAV calculation date	NAV VND	Quantity of fund certificates	NAV per fund certificate at calculation date VND	Increase/ (Decrease) of NAV per fund certificate VND
40	13/08/2019	53,464,143,805	6,538,567.18	8,176.73	139.23
41	20/08/2019	54,459,112,478	6,538,567.18	8,328.90	152.17
42	27/08/2019	53,893,226,199	6,538,567.18	8,242.36	(86.54)
43	31/08/2019	53,054,719,517	6,388,602.18	8,304.58	62.22
44	03/09/2019	52,719,393,174	6,388,602.18	8,252.10	(52.48)
45	10/09/2019	52,068,957,667	6,388,602.18	8,150.28	(101.82)
46	17/09/2019	54,399,902,447	6,386,602.18	8,517.81	367.53
47	24/09/2019	53,958,207,727	6,386,602.18	8,448.65	(69.16)
48	30/09/2019	54,700,981,053	6,384,602.18	8,567.64	118.99
49	01/10/2019	55,006,977,027	6,384,602.18	8,615.56	47.92
50	08/10/2019	53,870,251,273	6,384,602.18	8,437.52	(178.04)
51	15/10/2019	54,218,477,762	6,376,222.18	8,503.22	65.70
52	22/10/2019	53,541,712,321	6,376,222.18	8,397.09	(106.13)
53	29/10/2019	54,224,879,420	6,376,222.18	8,504.23	107.14
54	31/10/2019	54,125,246,807	6,376,222.18	8,488.60	(15.63)
55	05/11/2019	55,488,247,394	6,376,222.18	8,702.37	213.77
56	12/11/2019	55,257,118,857	6,376,222.18	8,666.12	(36.25)
57	19/11/2019	54,501,294,869	6,374,222.18	8,550.26	(115.86)
58	26/11/2019	52,680,481,206	6,374,222.18	8,264.61	(285.65)
59	30/11/2019	51,848,698,746	6,372,222.18	8,136.67	(127.94)
60	03/12/2019	51,107,271,934	6,372,222.18	8,020.32	(116.35)
61	10/12/2019	51,481,881,189	6,372,222.18	8,079.10	58.78
62	17/12/2019	50,991,591,149	6,372,222.18	8,002.16	(76.94)
63	24/12/2019	51,032,535,970	6,372,222.18	8,008.59	6.43
64	31/12/2019	51,506,838,771	6,372,222.18	8,083.02	74.43
Average NAV of the year		52,670,170,152			
Changes in NAV per fund certificate during the year – highest level					367.53
Changes in NAV per fund certificate during the year – lowest level					(0.79)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8 RELATED PARTIES DISCLOSURES

(a) Transactions with related parties

The following transactions were carried out with related parties in the year:

- (i) *Dragon Capital VietFund Management Joint Stock Company (formerly known as Vietnam Investment Fund Management Joint Stock Company), the Fund Management Company*

	<u>For the year ended 31 December</u>	
	2020 VND	2019 VND
Fund management fee	6,792,246,698	535,636,966

In accordance with the Fund's Charter, the Fund Management Company is entitled to receive management fee of 1.2% per annum of the Fund's NAV. From 8 August 2019, the management fee rate is 0.75% per annum according the Resolution of the first Extra-ordinary General Meeting of fund certificate holders No. 04.19/NQĐH-VFMVEI-2019. The fee is calculated on each valuation period based on NAV at the date before the valuation date and the number of days in the valuation cycle. Management fee paid to the Fund Management Company equals to sum of fees calculated (accrued) on each valuation date during the reporting period minus true up adjustment (if any) at the end of the accounting period to ensure total management and other fees paid by the Fund is compliant with relevant regulations.

- (ii) *Standard Chartered Bank (Vietnam) Limited ("Standard Chartered"), the Supervising and Custodian Bank*

	<u>For the year ended 31 December</u>	
	2020 VND	2019 VND
Safe keeping fee (*)	495,303,105	276,000,000
Supervising fee (*)	315,547,349	224,400,000
Fund administration fee (*)	706,738,698	264,000,000
Transaction fee (**)	107,700,000	13,280,000
Bank charges	11,238,536	9,496,300
Interest income	273,416,431	-

- (*) The above fees are calculated at each valuation period using NAV at the date before valuation date and are paid on a monthly basis. Monthly fees are total fees of valuation periods within each month. The supervising fee and fund administration fee are subject to 10% Value Added Tax.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8 RELATED PARTIES DISCLOSURES (continued)

(a) Transactions with related parties (continued)

(ii) *Standard Chartered Bank (Vietnam) Limited ("Standard Chartered"), the Supervising and Custodian Bank (continued)*

The rates of safe keep fee, supervising fee and fund administration fee applied during the year are as follows:

	Safe keeping fee	Supervising fee	Fund administration fee
Annual rate	0.04% of NAV per annum Minimum VND23 million/month	0.02% of NAV per annum Minimum VND17 million/month	0.06% of NAV per annum Minimum VND20 million/month

(**) Transaction fee is charged at VND160,000 per transaction .

(iii) *Board of Representatives' remunerations*

	For the year ended 31 December	
	2020	2019
	VND	VND
Board of Representatives' remunerations (Note 5.7)	260,000,000	308,119,001

Other than the above-mentioned remunerations, there is no other contract to which the Fund and any member of the Board of Representatives are parties to where a member of the Board of Representatives has a material interest. Remuneration and related expenses to members of the Board of Representatives are recognised as expenses of the Fund in the statement of income.

(b) Balances with related parties

As at the reporting dates, the Fund had the following balances with related parties:

	As at	
	31/12/2020	31/12/2019
	VND	VND
Dragon Capital VietFund Management Joint Stock Company		
Fund management fee payable (Note 6.5)	1,624,754,218	32,651,691

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9 THE FUND'S PERFORMANCE INDICATORS

	<u>Year ended 31 December</u>	
	2020	2019
I Investment performance		
1 Management fee paid to Fund Management Company/Average NAV during the year (%)	0.75%	1.02%
2 Custody, supervising fee paid to Supervising Bank/Average NAV during the year (%)	0.10%	0.98%
3 Fund administration fee, transfer agency fee and other expenses paid to related service suppliers/Average NAV during the year (%)	0.10%	0.76%
4 Audit fee/Average NAV during the year (%)	0.01%	0.19%
5 Legal advisory fee, quotation fee and other fees, remuneration paid to the Fund Board of Representatives/Average NAV during the year (%)	0.03%	0.58%
6 Operation expenses/Average NAV during the year (%)	1.64%	3.68%
7 Turnover of investment portfolio during the year = (Total value of purchase transactions + total value of sales transactions)/2/Average NAV during the year (%) (*)	224.08%	31.69%
(*) The contract value of index futures was not included in calculation of this ratio.		

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9 THE FUND'S PERFORMANCE INDICATORS (continued)

		<u>Year ended 31 December</u>	
		2020	2019
II	Others		
1	Fund scale at the beginning of the year (calculated on par value of fund certificates)		
	Total value of fund certificates at the beginning of the year (VND)	63,722,221,800	67,166,961,800
	Total number of fund certificates at the beginning of the year	6,372,222.18	6,716,696.18
2	Change in Fund scale during the year (calculated on par value of fund certificates)		
	Number of issued fund certificates during the year	270,454,141.45	-
	Value of issued capital during the year (at par value) (VND)	2,704,541,414,500	-
	Number of redeemed fund certificates during the year	(747,177.10)	(344,474.00)
	Value of redeemed capital during the year (at par value) (VND)	(7,471,771,000)	(3,444,740,000)
3	Fund size at the end of the year (calculated on par value of fund certificates)		
	Total value of fund certificates at the end of the year (VND)	2,760,791,865,300	63,722,221,800
	Total number of fund certificates at the end of the year	276,079,186.53	6,372,222.18
4	Percentage of fund certificates held by the Fund Management Company and related parties at the end of the year (%)	0.01%	2.29%
5	Proportion of fund certificates held by 10 largest fund certificate holders at the end of the year (%)	99.97%	97.09%
6	Percentage of fund certificates held by foreign fund certificate holders at the end of the year (%)	99.77%	78.51%
7	Number of fund certificate holders at the end of the year	29	42
8	NAV/fund certificate at the end of the year (VND)	9,548.82	8,083.02

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****10 FINANCIAL RISK MANAGEMENT AND FAIR VALUE**

On 6 November 2009, the Vietnamese Ministry of Finance issued Circular 210/2009/TT-BTC providing guidance on the application of International Accounting Standards regarding the presentation and disclosure of financial instruments (“Circular 210/2009/TT-BTC”), which is applicable for financial statements whose year ends at or after 1 January 2011. Circular 210/2009/TT-BTC provides definitions of financial instruments, classification, presentation and disclosure including financial risk management policies and fair value of financial instruments.

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

Credit risk
Liquidity risk
Market risk

The Fund’s investment portfolio comprises listed securities, securities traded on UPCoM and cash at bank. Management of the Fund Management Company has been given a discretionary authority to manage the Fund’s assets in compliance with the Fund’s investment objectives. Compliance with the investment restrictions is monitored by the Supervising Bank on a weekly basis and monthly basis. If any breach to the investment restrictions is found, the investment portfolio shall be adjusted by the Fund Management Company to comply with the established restrictions.

(a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered with the Fund, resulting in a financial loss to the Fund. It arises principally from cash at banks and receivables from investment activities.

All current cash at bank was placed with financial institutions where the Fund did not expect any losses arising from their operations.

The Fund’s securities will only be traded on the Ho Chi Minh City Stock Exchange and the Hanoi Stock Exchange or with counterparties which have a specified credit rating. All securities transactions are settled or paid for upon receipt/ delivery of securities via approved brokers. The risk of default is considered minimal since the delivery of securities for sales transaction is only made once payment has been received and delivery of funds for purchase transaction is only made once the securities have been received. If either party fails to meet their obligations, the trade will fail.

Receivables from investment activities include dividend receivables.

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

As at 31 December 2020, there was no doubtful debts.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****10 FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)****(b) Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Open-ended funds face high risk of liquidity due to obligation to redeem its fund certificates from fund certificate holders.

The Fund's approach to managing liquidity risk is to maintain a highly liquid investment portfolio which comprises listed securities and bank deposits to meet its liquidity requirements in the short and long term.

As at 31 December 2020, all the Fund's liabilities were due within 1 year.

As at 31 December 2020, there was no obligation relating to derivative financial instruments.

(c) Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Fund's financial instruments will fluctuate as a result of changes in market interest rates. This risk arises when the market interest rate increases, the value of fixed income instruments decreases, especially for long-term investments.

As at 31 December 2020, the Fund's exposure to market risk due to change in interest rates is minimal since the Fund had no fixed income instruments while interest income from current bank accounts is immaterial.

Currency risk

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

Market price risk

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

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

As at 31 December 2020, if market price of securities had increased/decreased by 10% with all other variables (including tax rate) being held constant, the net asset value of the Fund would have been higher/lower by VND245,075,019,440 (as at 31 December 2019: VND4,974,644,000).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****10 FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)****(d) Fair value of financial assets and liabilities**

Financial assets of the Fund comprise:

- Cash;
- Equities of other entities;
- A contractual right:
 - To receive cash or other financial assets from other entities; or
 - To exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the Fund;
- A contract that will or may be settled in the Fund's own equity instruments.

Financial liabilities are contractual obligations to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Fund or contracts that will or may be settled in the Fund's own equity instruments.

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

Fair value measurement approach has not been stipulated in neither Circular 210/2009/TT-BTC nor Vietnamese Accounting Standards, Circular 198/2012/TT-BTC, Circular 181/2015/TT-BTC, Circular 183/2011/TT-BTC and Circular 15/2016/TT-BTC and prevailing regulations on the preparation and presentation of financial statements applicable to open-ended investment funds.

Therefore, the Fund applies method of NAV valuation in accordance with Circular 183/2011/TT-BTC, Circular 15/2016/TT-BTC, the Fund's Charter and valuation manual approved by the Board of Representative to determine fair value of the Fund's financial assets including cash and cash equivalents and investments. Fair value of the Fund's other financial assets and financial liabilities approximate their carrying value due to short-term maturity of these financial instruments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10 FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

(d) Fair value of financial assets and liabilities (continued)

Fair values of the Fund's financial assets and financial liabilities as at 31 December 2020 and 31 December 2019 are as follows:

	Carrying value		Fair value	
	31/12/2020 VND	31/12/2019 VND	31/12/2020 VND	31/12/2019 VND
Financial assets				
Cash at bank and cash equivalents	186,862,518,769	1,829,904,462	186,862,518,769	1,829,904,462
- <i>For operations</i>	186,862,518,769	1,829,904,462	186,862,518,769	1,829,904,462
Investments	2,450,750,194,400	49,746,440,000	2,450,750,194,400	49,746,440,000
- <i>Underlying securities</i>	2,450,750,194,400	49,746,440,000	2,450,750,194,400	49,746,440,000
Net dividend and interest receivables	780,960,000	122,306,000	780,960,000	122,306,000
- <i>Net dividend receivables</i>	780,960,000	122,306,000	780,960,000	122,306,000
Total	2,638,393,673,169	51,698,650,462	2,638,393,673,169	51,698,650,462
Financial liabilities				
Subscription and redemption fee payable to distributors and Fund Management Company	150,000,000	-	150,000,000	-
Accrued expenses	85,100,000	82,700,000	85,100,000	82,700,000
Fees payable to fund service providers	1,926,005,606	109,111,691	1,926,005,606	109,111,691
Total	2,161,105,606	191,811,691	2,161,105,606	191,811,691

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11 SUBSEQUENT EVENTS

There have been no significant subsequent events occurring after the reporting date which would require adjustments or disclosures to be made in the financial statements.

12 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2020 were approved by the Board of Representatives on 12 March 2021.



Dragon Capital VietFund
Management Joint Stock Company
Beat Schurch
Chief Executive Officer
12 March 2021

Dragon Capital VietFund
Management Joint Stock Company
Lam Thi Loan
Fund Accounting Manager
12 March 2021

Dragon Capital VietFund
Management Joint Stock Company
Nguyen Minh Dang Khanh
Deputy CEO cum Financial Director
12 March 2021

