

DC BOND FUND
(formerly known as Vietnam Bond Fund)

INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021



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GENERAL INFORMATION OF THE FUND

**Establishment registration
certificate of Open-ended fund**

No. 04/GCN-UBCK dated 27 February 2013 and its amendment No. 16/GCN-UBCK dated 24 May 2021, both issued by the State Securities Commission (“SSC”)

Board of Representatives

Ms. Nguyen Boi Hong Le	Chairperson
Ms. Le Thi Thu Huong	Member
Ms. Pham Thi Thanh Thuy	Member

Fund Management Company

Dragon Capital VietFund Management Joint Stock Company

Supervising Bank

Standard Chartered Bank (Vietnam) Limited

Registered Office

15th Floor, Me Linh Point Tower,
02 Ngo Duc Ke Street, District 1, Ho Chi Minh City,
Vietnam

Auditor

PwC (Vietnam) Limited

DC BOND FUND
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**STATEMENT OF THE RESPONSIBILITY OF THE FUND MANAGEMENT COMPANY
IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS**

Management of Dragon Capital VietFund Management Joint Stock Company (“the Fund Management Company”) is responsible for preparing the interim financial statements which give a true and fair view of the financial position and investment portfolio of DC Bond Fund (formerly known as Vietnam Bond Fund) (“the Fund”) as at 30 June 2021 and the results of its operations, changes in net asset value, subscriptions and redemptions of fund certificates and cash flows for the six-month period then ended. In preparing these interim 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 interim 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 interim financial statements to be prepared which comply with the basis of accounting set out in Note 4 to the interim 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.

DC BOND FUND
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APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

We hereby approve the accompanying interim financial statements which give a true and fair view of the financial position and the investment portfolio of the Fund as at 30 June 2021 and of the results of its operations, changes in net asset value, subscriptions and redemptions of fund certificates and cash flows for the six-month period 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 98/2020/TT-BTC issued by the Ministry of Finance on 16 November 2020 providing guidance on operation and management of securities investment funds and prevailing regulations on preparation and presentation of financial statements applicable to open-ended investment funds.

On behalf of the Board of Representatives

Nguyen Boi Hong Le
Chairperson
Ho Chi Minh City, Vietnam
10 August 2021



**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
TO THE FUND CERTIFICATE HOLDERS OF DC BOND FUND
(formerly known as Vietnam Bond Fund)**

We have reviewed the accompanying interim financial statements of DC Bond Fund (formerly known as Vietnam Bond Fund) ("the Fund") which were prepared on 30 June 2021 and approved by the Board of Representatives on 10 August 2021. The interim financial statements comprise the interim statement of income, the interim statement of changes in net asset value, subscriptions and redemptions of fund certificates, and the interim statement of cash flows for the six-month period ended 30 June 2021, the interim statement of financial position and the statement of investment portfolio as at 30 June 2021, and explanatory notes to the interim financial statements including significant accounting policies, as set out on pages 15 to 54.

**Responsibility of management of Dragon Capital VietFund 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 interim 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 98/2020/TT-BTC issued by the Ministry of Finance on 16 November 2020 providing guidance on operation and management of securities investment funds ("Circular 98/2020/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 interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on this interim financial information based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410 – *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position and the investment portfolio of the Fund as at 30 June 2021, and the results of its operations, changes in net asset value, subscriptions and redemptions of fund certificates and cash flows for the six-month period 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 98/2020/TT-BTC and prevailing regulations on preparation and presentation of financial statements applicable to open-ended investment funds.

Other Matters

The financial statements of the Fund for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on 4 March 2021. In addition, the interim financial statements of the Fund for the for the six-month period ended 30 June 2020 were reviewed by this auditor who expressed an unmodified conclusion on 10 August 2020.

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

For and on behalf of PwC (Vietnam) Limited



The stamp is circular and red, containing the text: "CÔNG TY TNHH PWC (VIỆT NAM)", "M.S.D. N: 010015706", "QUẬN 1 - T.P. HỒ CHÍ MINH". A blue ink signature is written over the stamp.

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

Report reference number: HCM11097
Ho Chi Minh City, 10 August 2021

DC BOND FUND
(formerly known as Vietnam Bond Fund)

REPORT OF THE FUND MANAGEMENT COMPANY

1 GENERAL INFORMATION OF DC BOND FUND (“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 reviewed interim financial statements of the Fund, its net asset value (“NAV”) as at 30 June 2021 increased by 17.78% whilst its NAV per fund certificate increased by 7.03% as compared with those as at 30 June 2020.

1.3 The Fund’s investment strategy and policy

The Fund’s strategy is active management based on fundamental analysis of macro conditions, analysis of the movement of the fixed-income market, as well as quantitative models, statistic or corporate analysis of issuers in making decision, in order to optimise profit of the portfolio. Particularly for corporate bonds, the analysis needs to be based on at least one credit rating model developed by the Fund Management Company and its technical support partner.

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 low risk in short term.

1.7 Inception of the Fund

The Fund has been operating since 10 June 2013.

1.8 Size of the Fund at reporting date

As at 30 June 2021, the Fund’s NAV was VND815,644,329,563 equivalent to 37,955,210.73 fund certificates.

1.9 Benchmark index of the Fund

The Fund has no benchmark index.

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.

DC BOND FUND
(formerly known as Vietnam Bond Fund)

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

1 GENERAL INFORMATION OF DC BOND FUND (continued)

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 30 June 2021.

2 PERFORMANCE RESULTS

2.1. Asset allocation

	As at		
	30/06/2021	30/06/2020	30/06/2019
	%	%	%
1. Securities	37.39	33.45	36.62
2. Other assets	62.61	66.55	63.38
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

2.2 Performance indicators

	As at/ Six-month period ended		
	30/06/2021	30/06/2020	30/06/2019
1. NAV of the Fund (VND)	815,644,329,563	692,517,768,459	539,903,470,854
2. Number of fund certificates outstanding (units)	37,955,210.73	34,489,488.68	29,015,451.04
3. NAV per fund certificate (VND)	21,489.65	20,079.09	18,607.44
4. NAV per fund certificate – highest during the period (VND)	21,489.65	20,079.09	18,607.44
5. NAV per fund certificate – lowest during the period (VND)	20,779.53	19,460.99	17,819.18
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 (%) (*)	3.53%	3.21%	4.40%
9.1. <i>Capital yield per fund certificate (due to price change) (%)</i>	(0.62%)	0.16%	(0.66%)
9.2. <i>Income yield per fund certificate (calculated using realised income) (%)</i>	4.16%	3.05%	5.05%
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 (%)	1.26%	1.20%	1.08%
14. Turnover of investment portfolio (%) (**)	85.78%	94.27%	94.62%

DC BOND FUND
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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 periods have been re-calculated for comparability.

(**) 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	7.03%	7.03%
3 years	24.56%	7.60%
Since inception	114.90%	9.96%

2.4. Annual growth

Period	30/06/2021	30/06/2020	30/06/2019	30/06/2018
Growth per fund certificate (%)	7.03%	7.91%	7.85%	16.40%

3 MARKET UPDATES

In June, the State Treasury held 18 auctions of Vietnamese Government Bond (VGB) with a total called value of VND46,000 billion, total bidding value of VND102,691 billion and issued VND31,803 billion, corresponding to a winning rate of 69%. In Q2/2021, the State Treasury plans to issue VND100,000 billion value of VGB and the total issued amount reached VND102,288 billion, equivalent to 102.2% of the quarter plan. In 1H2021, the Government bond issuance value equals to 40.4% of the whole year plan with issued value of VND141,493 billion. Liquidity in secondary market in 1H2021 was good with average daily trading value of over VND13.5 trillion per day, higher than the corresponding figure of 2020 (VND6.7 trillion per day). VGB yields in secondary market on 30 June 2021 decreased between 2bp (20 years tenor) to 19bp (7 years) in comparison to those at 1 Jan 2021.

DC BOND FUND
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REPORT OF THE FUND MANAGEMENT COMPANY (continued)

4 MARKET UPDATES (continued)

Tenor	Issued 1Q	Issues plan	Issued Jun	Accumulated	% complete 2Q 2021 plan	2021 Plan (VND	% complete 2021 plan
	2021 (VND Bil)	2Q 2021 (VND Bil)	2021 (VND Bil)	2Q 2021 (VND Bil)		Bil)	
5 Y	4350	10000	1000	9419	94.2%	20000	68.8%
7 Y	1781	4,000	500	750	18.8%	15000	16.9%
10 Y	14900	35,000	20656	60242	172.1%	120000	62.6%
15 Y	12581	35,000	8482	26072	74.5%	135000	28.6%
20 Y	2140	8,000	370	1300	16.3%	30000	11.5%
30 Y	3453	8,000	795	4505	56.3%	30000	26.5%
	39205	100,000	31803	102288	102.3%	350000	40.4%

In June there are 92 issuance of corporate bonds (CB) with issued amount of VND53,773 billion, among those VND1,500 billion was publicly offered. In the first 6 months of the year, a total of 304 domestic corporate bonds issued with a total value of VND186,683 billion, of which there were 291 private placements and 13 issuances to public, 2 bonds to international market with a total value of USD700 million. Private issuance of CB accounted for 94.8% of total issued value in 1H20201, and 13 issuances to the public worth VND9,584 billion. In the first 6 months of the year, commercial banks was the group with biggest issuance value totalling VND68,113 billion. Real estate ranked second with a total issuance of VND61,988 billion. In the first 6 months of the year, there were 2 issuances of bonds to the international market, the issuers are Vingroup (USD 500 million) and green bonds of BIM Real Estate Joint Stock Company (USD 200 million). CB interest rate for credit institutions (including financial companies) ranges from 3.0% - 7.5%/year for a term of 2 to 3 years, from 6.2% - 7.8%/year for bonds with terms of 7 to 15 years. Issuing interest rates for other types of businesses range from 6.0% - 13%/year for terms from 1 year to 15 years.

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	7.55%	22.79%	64.65%
Capital yield per fund certificate	(0.52)%	1.77%	50.24%
Yield per fund certificate	7.03%	24.56%	114.90%
Annual growth per fund certificate	7.03%	7.60%	9.96%
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.

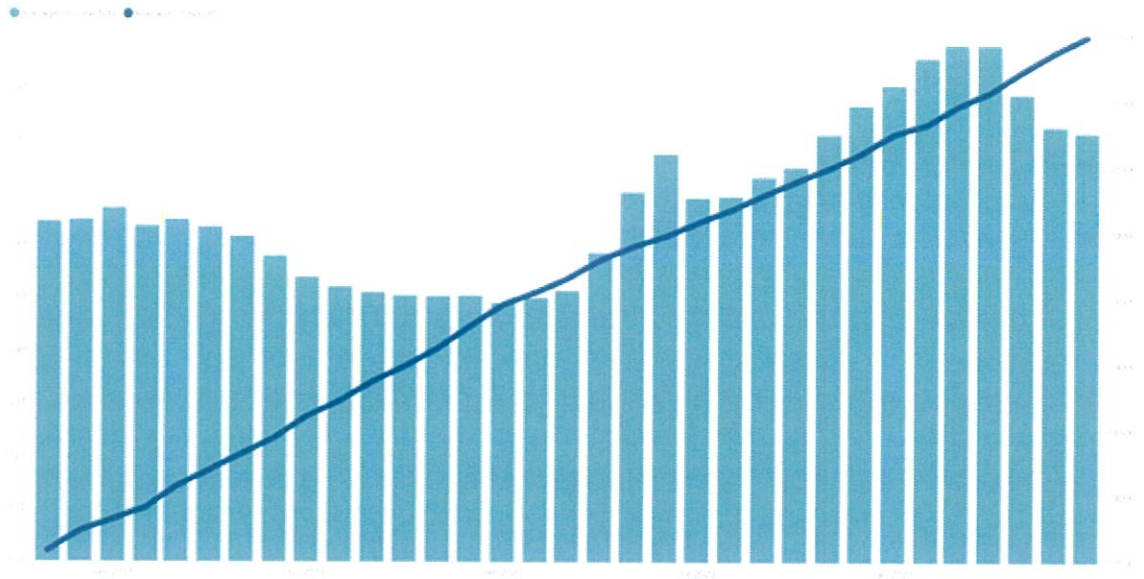
DC BOND FUND
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REPORT OF THE FUND MANAGEMENT COMPANY (continued)

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

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

The Fund's chart of monthly NAV in recent 3 years is as below:



Changes in NAV:

Item	30/6/2021 VND	30/06/2020 VND	Change %
NAV of the Fund	815,644,329,563	692,517,768,459	17.78%
NAV per fund certificate	21,489.65	20,079.09	7.03%

30 June 2021 is a remarkable closing day for the first half of 2021, noting the historical moves on securities market. Dragon Capital Bond Fund (DCBF, formerly was Vietnam Bond Fund-VFB) reported net asset value per fund unit (NAV/unit) at VND21,498.65 as of 30 June 2021, monthly increase of 0.55% in June (May: +0.68%) and +3.53% YTD. The growth in June and year to 30 June 21 of DCBF is better than the growth of the internal reference index (the 3-year VGB Total Income Index announced by Hanoi Stock Exchange - HNX 3Y TRI increased 0.4% YTD and 0.35% in the month). On 30 June 2021, NAV/Unit 12-months growth of DCBF is 7.03%, a continuous growth. In June 2021, 1.8 million new fund certificates were subscribed and 2,55 million units were redeemed, resulting a net redemption value of VND15.96 billion (in May: a net redemption of VND67.5 billion). As of 30 June 2021, cumulative redemption value of DCBF is VND121.8 billion. Total NAV of the Fund as of 30 June 2021 is VND815.6 billion (as of 31 May 2021: VND 827.1 billion).

DC BOND FUND
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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)

In the last month of 1H2021, DCBF maintain its exposes to corporate bonds (CB) and certificate of deposit. At 30/6/2021, DCBF invests 37.39% of its total assets in corporate bonds and 48.85% in certificates of deposit. DCBF does not expose to VGB. As a result of net redemption during the month, the proportion of cash and bank deposits at the end of June is 10.9%, lower than the weights at the end of May (12.8%) and April of 15.1%. DCBF did not have any transaction during June 2021. The Fund's total expense ratio (TER) in the first half of 2021 ranges within 1.31% to 1.33%. The average yield of DCBF's portfolio improved significantly in period from January to June 2021 with an increase of 1.54% compared between the end and beginning of period.

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	1,012	755,514.89	1.99%
5,000 to fewer than 10,000	77	572,720.54	1.51%
10,000 to fewer than 50,000	283	7,864,474.83	20.72%
50,000 to 500,000	205	23,925,154.59	63.04%
More than 500,000	5	4,837,345.88	12.74%
Total	1,582	37,955,210.73	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.

5 MARKET OUTLOOK

As at the reporting date, the Fund Management Company did not comment on market outlook.

DC BOND FUND
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REPORT OF THE FUND MANAGEMENT COMPANY (continued)

6 OTHER INFORMATION

The fund controllers comprise of:

- Ms. Luong Thi My Hanh, Master of Economics. She is currently the Head of Asset management – onshore from 12 March 2021. Previously she used to be the Deputy CEO in charge of Investment and Research from 2010 to 11 March 2021.
- Mr. Tran Le Minh, Master of Financial Management – Economics. He is currently the Head of Hanoi Branch.

The Board of Representatives comprises of:

- Ms. Nguyen Boi Hong Le, Chairperson, Master of Business Administration. She is currently the Economics and Petroleum Management Specialist of Vietnam Petroleum Institute since 2012.
- Ms. Le Thi Thu Huong, Member, Bachelor of Accounting – Auditing. She is the Founder and Director of Golden Standards Auditing Company Limited since 2020. She used to be the Deputy CEO of Dai Tin Auditing Limited from 2012 to 2020.
- Ms. Pham Thi Thanh Thuy, Member, Lawyer. She is currently the internal legal counsel of Dragon Capital VietFund Management Joint Stock Company since 1 January 2021. Previously she used to be the Head of Legal and Compliance Department of Dragon Capital VietFund Management Joint Stock Company from 2010 till the end of 2020.

The executive officers of the Fund Management Company comprise of:

- Mr. Beat Schurch, Chief Executive Officer (“CEO”), Master of Economics. He has been in the role of CEO since 30 December 2020.

Ho Chi Minh City, 10 August 2021



Beat Schurch



SUPERVISORY BANK'S REPORT

We, appointed as the Supervisory Bank of DC Bond Fund (formerly known as "Vietnam Bond Fund") ("the Fund") for the period from 01st January 2021 to 30th June 2021, 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 2021 to 30th June 2021, the Fund's investment portfolio deviated from investment limits under the prevailing regulations for open-end fund, Fund Charter, Fund Prospectus and other relevant regulations, details as below:
- Point c, Clause 04, Article 35, Circular 98/2020/TT-BTC dated 16th November 2020 providing guidance on operation and management of securities investment funds ("Circular 98") and Article 11, Fund Charter regulate that the structure of the investment portfolio of an open-end fund must ensure the following investment limit: "The fund shall not invest more than 20% of total value of its assets in outstanding securities; deposits at commercial banks as prescribed by the law on banking; and money market instruments, including financial instruments and negotiable instruments as prescribed by law (if any) of an issuer, except Government's debt instruments." In case of deviation, the Fund Management Company has to adjust the Fund's investment portfolio in conformity with the prevailing regulations within the regulated recovery timeframe.

For the period from 01st January 2021 to 30th June 2021, the Fund's investment in an issuer deviated from the limit of 20% of the Fund's total asset value.

The Fund Management Company has to adjust the Fund's investment portfolio to comply with the prevailing regulations within the regulated recovery timeframe.

As at 30th June 2021, the Fund's investment portfolio has deviated from the investment limit under Point c, Clause 04, Article 35, Circular 98 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 2021 to 30th June 2021, the Fund did not pay dividend to Fund Unit Holders.

SUPERVISORY BANK REPRESENTATIVE



Bui Thi Huyen Trang

**Senior Manager, Fiduciary and Fund Services
Operations Vietnam**

SUPERVISORY BANK OFFICER

Vu Minh Hien

**Assistant Manager, Fiduciary and Fund Services
Operations Vietnam**

Standard Chartered Bank (Vietnam) Limited

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

DC BOND FUND
(formerly known as Vietnam Bond Fund)

Form B 01g – QM

INTERIM STATEMENT OF INCOME

Code	Item	Note	Six-month period ended	
			30/06/2021 VND	30/06/2020 VND
01	I. INVESTMENT PROFIT AND OPERATING INCOME		37,501,681,680	22,618,114,586
03	1.2. Interest income	5.1	35,231,139,496	24,812,019,144
04	1.3. Realised gain/(loss) from disposal of investments	5.2	3,284,528,478	(626,914,138)
05	1.4. Unrealised loss from revaluation of investments	5.3	(1,013,986,294)	(1,566,990,420)
10	II. INVESTMENT EXPENSES		(120,688,115)	(67,384,875)
11	2.1. Transaction costs from purchases and sales of investments	5.4	(95,688,115)	(67,384,875)
12	2.1. Other investment expense		(25,000,000)	-
20	III. OPERATING EXPENSES		(5,632,943,833)	(3,630,567,611)
20.1	3.1. Fund management fee	8(a)(i)	(4,852,065,452)	(3,063,228,881)
20.2	3.2. Custodian fees	5.5	(188,335,362)	(125,682,975)
20.3	3.3. Supervising fee	8(a)(ii)	(200,063,778)	(134,782,065)
20.4	3.4. Fund administration fee	8(a)(ii)	(150,047,833)	(101,086,553)
20.5	3.5. Transfer agency fee		(66,000,000)	(66,000,000)
20.7	3.7. Fund certificate holders' General Meeting expenses		(4,895,660)	-
20.8	3.8. Audit fee		(56,184,384)	(54,756,823)
20.10	3.10. Other operating expenses	5.6	(115,351,364)	(85,030,314)
23	IV. PROFIT FROM INVESTMENT ACTIVITIES		31,748,049,732	18,920,162,100

The notes on pages 23 to 54 are an integral part of these interim financial statements.

DC BOND FUND
(formerly known as Vietnam Bond Fund)

Form B 01g – QM

INTERIM STATEMENT OF INCOME
(continued)

Code	Item	Note	Six-month period ended	
			30/06/2021 VND	30/06/2020 VND
24	V. NET OTHER INCOME AND EXPENSES		-	-
30	VI. PROFIT BEFORE INCOME TAX		<u>31,748,049,732</u>	<u>18,920,162,100</u>
31	6.1. Realised profit	6.12	32,762,036,026	20,487,152,520
32	6.2. Unrealised loss	6.12	(1,013,986,294)	(1,566,990,420)
40	VII. INCOME TAX		-	-
41	VIII. PROFIT AFTER TAX		<u>31,748,049,732</u>	<u>18,920,162,100</u>



Dragon Capital VietFund Management Joint
Stock Company
Beat Schurch
Chief Executive Officer
10 August 2021

Dragon Capital VietFund Management Joint Stock
Company
Vuong Thi Tram Anh
Fund Accountant
10 August 2021

Dragon Capital VietFund Management Joint
Stock Company
Pham Thanh Dung
Chief Accountant
10 August 2021

The notes on pages 23 to 54 are an integral part of these interim financial statements.

DC BOND FUND
(formerly known as Vietnam Bond Fund)

Form B 06g – QM

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

5 ADDITIONAL INFORMATION TO THE INTERIM STATEMENT OF INCOME (continued)

5.2 Realised gain from disposal of investments

	Total proceeds of disposals VND	Weighted average cost of investments up to the latest trading date VND	Realised gain for the six-month period ended 30/06/2021 VND	Cumulative realised gain as at 30/06/2021 VND	Realised gain for the six-month period ended 30/06/2020 VND	Cumulative realised gain as at 31/12/2020 VND
Securities						
Bonds	420,400,219,921	417,115,691,443	3,284,528,478	51,298,890,347	(626,914,138)	48,014,361,869
Transferable certificates of deposit	-	-	-	2,482,516,367	-	2,482,516,367
			<u>3,284,528,478</u>	<u>53,781,406,714</u>	<u>(626,914,138)</u>	<u>50,496,878,236</u>

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(formerly known as Vietnam Bond Fund)

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

5 ADDITIONAL INFORMATION TO THE INTERIM STATEMENT OF INCOME (continued)

5.3 Unrealised loss from revaluation of investments

	Carrying value VND	Market value as at 30/06/2021 VND	Unrealised gain/(loss) from revaluation of investments as at 30/06/2021 VND	Unrealised gain/(loss) from revaluation of investments as at 31/12/2020 VND	Unrealised loss from revaluation of investment for the six-month period ended 30/06/2021 VND
Listed bonds	231,367,006,773	231,531,300,000	164,293,227	1,178,279,453	(1,013,986,226)
Unlisted bonds	78,914,252,877	78,914,252,800	(77)	(9)	(68)
	310,281,259,650	310,445,552,800	164,293,150	1,178,279,444	(1,013,986,294)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

5 ADDITIONAL INFORMATION TO THE INTERIM STATEMENT OF INCOME (continued)

5.4 Transaction costs from purchases and sales of investments

	<u>Six-month period ended</u>	
	<u>30/06/2021</u>	<u>30/06/2020</u>
	VND	VND
Brokerage fees from purchases	38,114,705	44,219,550
Brokerage fees from sales	56,673,410	22,865,325
Settlement charges at Vietnam Securities Depository ("VSD")	900,000	300,000
	<u>95,688,115</u>	<u>67,384,875</u>

5.5 Custodian fees

	<u>Six-month period ended</u>	
	<u>30/06/2021</u>	<u>30/06/2020</u>
	VND	VND
Safe keeping fee (Note 8(a)(ii))	181,876,162	122,529,156
Transaction fee (Note 8(a)(ii))	3,200,000	1,300,000
Custodian fee for securities and fee for management of futures positions and margin accounts paid to VSD	3,259,200	1,853,819
	<u>188,335,362</u>	<u>125,682,975</u>

5.6 Other operating expenses

	<u>Six-month period ended</u>	
	<u>30/06/2021</u>	<u>30/06/2021</u>
	VND	VND
Remunerations to the Board of Representatives (Note 8(a)(iii))	58,463,014	58,475,406
Price quotation fee	42,700,000	-
Bank charges	13,088,350	25,454,908
Right exercise fee	1,100,000	1,100,000
	<u>115,351,364</u>	<u>85,030,314</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

6 ADDITIONAL INFORMATION TO THE INTERIM STATEMENT OF FINANCIAL POSITION

6.1 Cash at bank and cash equivalents

Cash at bank and cash equivalents represent cash in Vietnamese Dong at the following depositories:

	As at	
	30/06/2021 VND	31/12/2020 VND
1. Cash at bank for the Fund's operations	16,123,281,736	9,648,807,923
Cash at bank for the Fund's operations at Standard Chartered Bank (Vietnam) Limited (Note 8(b))	7,503,974,684	7,611,594,990
Cash at bank for subscriptions and redemptions at Standard Chartered Bank (Vietnam) Limited (Note 8(b))	8,619,307,052	2,037,212,933
2. Term deposits with maturity of less than three (03) months	64,200,000,000	62,000,000,000
Vietnam Prosperity Joint stock Commercial Bank	20,000,000,000	36,000,000,000
Ho Chi Minh City Development Joint Stock Commercial Bank	44,200,000,000	26,000,000,000
	<u>80,323,281,736</u>	<u>71,648,807,923</u>

Term deposits as at 30 June 2021 earn fix interest rates ranging from 3.0% to 3.7% per annum (as at 31 December 2020: from 3.4% to 3.9%).

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

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

6.2 Investments (continued)

The details of the Fund's investments as at 30 June 2021 are as follows:

	Carrying value VND	Gain/(loss) from revaluation of investments		Market value VND
		Gain VND	Loss VND	
Transferable certificates of deposit	405,567,344,658	-	-	405,567,344,658
Listed bond	231,367,006,773	164,293,227	-	231,531,300,000
Unlisted bond	78,914,252,877	-	(77)	78,914,252,800
Term deposits with maturity of more than three (03) months	10,000,000,000	-	-	10,000,000,000
	<u>725,848,604,308</u>	<u>164,293,227</u>	<u>(77)</u>	<u>726,012,897,458</u>

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	
Transferable certificates of deposit	385,000,000,000	-	-	385,000,000,000
Listed bond	333,370,220,547	1,178,279,453	-	334,548,500,000
Unlisted bond	78,604,680,409	-	(9)	78,604,680,400
Term deposits with maturity of more than three (03) months	20,000,000,000	-	-	20,000,000,000
	<u>816,974,900,956</u>	<u>1,178,279,453</u>	<u>(9)</u>	<u>818,153,180,400</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

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

6.2 Investments (continued)

Details of investments as at 30 June 2021 are as follows:

	Quantity	Cost VND	Market value or fair value VND	Interest per annum	Start date	Maturity date
Transferable certificates of deposit		405,567,344,658	405,567,344,658			
Home Credit Vietnam Finance Company Limited						
VNHCVN250422	50	50,000,000,000	50,000,000,000	8.075%	25/04/2019	25/04/2022
VNHCVN281121	40	40,000,000,000	40,000,000,000	8%	28/05/2020	28/11/2021
VNHCVN300922	25	25,000,000,000	25,000,000,000	8.3%	30/09/2019	30/09/2022
VNHCVN241123	30	30,000,000,000	30,000,000,000	8.3%	25/11/2020	24/11/2023
VNHCVN260124	40	40,567,344,658	40,567,344,658	8.3%	26/01/2021	26/01/2024
VPBank Finance Company Limited						
VNVFFE220922	50,000	50,000,000,000	50,000,000,000	7.55%	22/03/2021	22/09/2022
VNVFFE280922	80,000	80,000,000,000	80,000,000,000	8%	28/09/2020	28/09/2022
VNVFFE291222	40,000	40,000,000,000	40,000,000,000	8%	29/12/2020	29/12/2022
HD SAISON Finance Co., Ltd						
VNHDSS070921	50	50,000,000,000	50,000,000,000	7.2%	07/09/2020	07/09/2021

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

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

6.2 Investments (continued)

Details of investments as at 30 June 2021 (continued) are as follows:

	Quantity	Cost	Market value or fair value	Interest per annum	Start date	Maturity date
Listed bonds		231,367,006,773	231,531,300,000			
Kinh Bac City Development Share Holding Corporation - KBC12006	1,300,000	131,255,383,485	131,255,800,000	11%	28/07/2020	28/01/2022
Vingroup Joint Stock Company - VHM11801	500,000	50,038,390,411	50,056,000,000	9.85%	02/08/2018	02/08/2021
Vietjet Aviation Joint Stock Company - VJC11912	500,000	50,073,232,877	50,219,500,000	7.85%	26/07/2019	26/07/2022
Unlisted bonds		78,914,252,877	78,914,252,800			
Dat Xanh Mien Nam investment and services Joint Stock Company - DXG180323	350	35,000,000,000	35,000,000,000	12%	18/03/2021	18/03/2023
Phat Dat Real Estate Development JSC - PDRH2123001	440	43,914,252,877	43,914,252,800	13%	02/02/2023	02/02/2023
Term deposits with maturity of more than three (03) months		10,000,000,000	10,000,000,000	4.8%		
Asia Commercial Joint Stock Bank		10,000,000,000	10,000,000,000			
		725,848,604,308	726,012,897,458			

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

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

6.2 Investments (continued)

Details of investments as at 31 December 2020 are as follows:

	Quantity	Cost VND	Market value or fair value VND	Interest per annum	Start date	Maturity date
Transferable certificates of deposit		385,000,000,000	385,000,000,000			
Home Credit Vietnam Finance Company Limited						
VNHCVN090121	20	20,000,000,000	20,000,000,000	8.8%	09/01/2019	09/01/2021
VNHCVN250422	50	50,000,000,000	50,000,000,000	9.225%	25/04/2019	25/04/2022
VNHCVN281121	40	40,000,000,000	40,000,000,000	8%	28/05/2020	28/11/2021
VNHCVN300922	25	25,000,000,000	25,000,000,000	8.3%	30/09/2020	30/09/2022
VNHCVN241123	30	30,000,000,000	30,000,000,000	8.3%	25/11/2020	24/11/2023
VPBank Finance Company Limited						
VNVPFE153021	50,000	50,000,000,000	50,000,000,000	10%	14/03/2019	15/03/2021
VNVPFE280922	80,000	80,000,000,000	80,000,000,000	8%	28/09/2020	28/09/2022
VNVPFE291222	40,000	40,000,000,000	40,000,000,000	8%	29/12/2020	29/12/2022
HD SAISON Finance Co., Ltd						
VNHDSS070921	50	50,000,000,000	50,000,000,000	7.2%	07/09/2020	07/09/2021

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

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

6.2 Investments (continued)

Details of investments as at 31 December 2020 (continued) are as follows:

	Quantity	Cost	Market value or fair value	Interest per annum	Start date	Maturity date
Listed bonds		333,370,220,547	334,548,500,000			
Kinh Bac City Development Share Holding Corporation - KBC12006	1,300,000	130,591,384,931	130,591,500,000	11%	28/07/2020	28/01/2022
Vingroup Joint Stock Company - VHM11801	500,000	50,130,863,014	50,131,000,000	10.25%	02/08/2018	02/08/2021
Government bonds - TD2030020	500,000	49,782,027,397	50,721,000,000	2.5%	12/11/2020	12/11/2030
Government bonds - TD2035026	500,000	52,252,828,767	52,333,000,000	2.9%	01/10/2020	01/10/2035
Government bonds - TD2035028	500,000	50,613,116,438	50,772,000,000	2.7%	26/11/2020	26/11/2035
Unlisted bonds		78,604,680,409	78,604,680,400			
Viet Dragon Securities Corporation - VDS251121	40,000	40,000,000,000	40,000,000,000	9.5%	25/11/2020	25/11/2021
Ho Chi Minh City Infrastructure Investment Joint Stock Company - CIIBOND2020-03	400	38,604,680,409	38,604,680,400	11%	19/03/2020	19/04/2021
Term deposits with maturity of more than three (03) months		20,000,000,000	20,000,000,000	7.1 ~ 7.4%		
Asia Commercial Joint Stock Bank		20,000,000,000	20,000,000,000			
		816,974,900,956	818,153,180,400			

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

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

6.3 Dividend and interest receivables not yet due

	As at	
	30/06/2021	31/12/2020
	VND	VND
Interest receivables from transferable certificates of deposit	11,822,294,520	14,598,054,794
Interest receivables from corporate bonds	11,869,931,508	12,499,726,027
Interest receivables from term deposits	246,424,110	1,177,849,317
	<u>23,938,650,138</u>	<u>28,275,630,138</u>

6.4 Accrued expenses and other payables

	As at	
	30/06/2021	31/12/2020
	VND	VND
Accrued expenses	262,184,523	267,187,125
Brokerage fee	192,537,125	192,537,125
Audit fee	56,184,384	56,650,000
Board of Representatives' remunerations (Note 8(b))	13,463,014	18,000,000
Other payables	42,700,000	-
Price quotation fee payable	42,700,000	-
	<u>304,884,523</u>	<u>267,187,125</u>

6.5 Subscription and redemption payables to fund certificate holders

Subscription payables to fund certificate holders represents cash received from fund certificate holders for valid subscription and in progress for issuance.

Redemption payables to fund certificate holders represent amount payable to fund certificate holders for valid redemption and in progress for settlement.

6.6 Fees payable to fund service providers

	As at	
	30/06/2021	31/12/2020
	VND	VND
Fund management fee (Note 8(b))	812,144,227	752,122,398
Custody fee (Note 8(b))	27,071,474	30,084,897
Supervising fee (Note 8(b))	29,778,622	33,093,385
Fund administration fee (Note 8(b))	22,333,967	24,820,040
Transfer agent fee	11,000,000	11,000,000
Transaction fee (Note 8(b))	-	600,000
	<u>902,328,290</u>	<u>851,720,720</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

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

6.7 Movements in owners' equity

	Unit	As at 31/12/2020	Incurred for the period	As at 30/06/2021
Issued capital				
Number of fund certificates	Unit	182,566,719.33	11,040,734.63	193,607,453.96
Issued capital at par value	VND	1,825,667,193,300	110,407,346,300	1,936,074,539,600
Share premium of issued capital	VND	1,233,018,154,826	121,544,073,032	1,354,562,227,858
Total issued capital	VND	3,058,685,348,126	231,951,419,332	3,290,636,767,458
Redeemed capital				
Number of fund certificates	Unit	(138,931,912.90)	(16,720,330.33)	(155,652,243.23)
Redeemed capital at par value	VND	(1,389,319,129,000)	(167,203,303,300)	(1,556,522,432,300)
Share premium of redeemed capital	VND	(977,479,338,834)	(186,542,821,502)	(1,164,022,160,336)
Total redeemed capital	VND	(2,366,798,467,834)	(353,746,124,802)	(2,720,544,592,636)
Total contribution capital	VND	691,886,880,292	(121,794,705,470)	570,092,174,822
Undistributed profits	VND	213,804,105,009	31,748,049,732	245,552,154,741
Net asset value	VND	905,690,985,301		815,644,329,563
Number of outstanding fund certificates	Unit	43,634,806.43		37,955,210.73
NAV per fund certificate	VND/Unit	20,756.15		21,489.65

6.12 Accumulated profits

	As at 31/12/2020 VND	Incurred for the period VND	As at 30/06/2021 VND
Realised profits	212,625,825,565	32,762,036,026	245,387,861,591
Unrealised profits/losses)	1,178,279,444	(1,013,986,294)	164,293,150
Undistributed profits	<u>213,804,105,009</u>	<u>31,748,049,732</u>	<u>245,552,154,741</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

7 NET ASSET VALUE (NAV)

Six-month period ended 30 June 2021					
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	31/12/2020	905,690,985,301	43,634,806.43	20,756.15	
2	07/01/2021	906,710,650,534	43,634,806.43	20,779.52	23.37
3	14/01/2021	915,358,245,913	43,970,443.38	20,817.58	38.06
4	21/01/2021	935,473,702,006	44,877,239.90	20,845.17	27.59
5	28/01/2021	953,911,698,254	45,764,450.92	20,843.94	(1.23)
6	31/01/2021	957,027,284,915	45,941,908.08	20,831.24	(12.70)
7	04/02/2021	955,709,941,845	45,941,908.08	20,802.57	(28.67)
8	11/02/2021	967,083,397,295	46,429,494.41	20,829.07	26.50
9	18/02/2021	968,331,623,484	46,429,494.41	20,855.95	26.88
10	25/02/2021	992,560,363,379	47,352,349.99	20,961.16	105.21
11	28/02/2021	982,110,204,200	46,847,845.80	20,963.82	2.66
12	04/03/2021	982,557,881,523	46,847,845.80	20,973.38	9.56
13	11/03/2021	991,788,308,489	47,349,470.77	20,946.13	(27.25)
14	18/03/2021	993,007,457,079	47,230,555.21	21,024.68	78.55
15	25/03/2021	985,634,846,784	46,816,017.00	21,053.36	28.68
16	31/03/2021	981,752,808,614	46,585,902.72	21,074.03	20.67
17	01/04/2021	981,926,654,102	46,585,902.72	21,077.76	3.73
18	08/04/2021	974,286,296,333	46,165,759.44	21,104.08	26.32
19	15/04/2021	945,718,474,700	44,758,333.94	21,129.43	25.35
20	22/04/2021	918,627,484,999	43,352,201.92	21,189.86	60.43
21	29/04/2021	888,592,674,546	41,869,997.70	21,222.65	32.79
22	30/04/2021	888,766,571,499	41,869,997.70	21,226.81	4.16
23	06/05/2021	889,669,538,843	41,869,997.70	21,248.37	21.56
24	13/05/2021	871,143,405,584	40,931,594.79	21,282.90	34.53
25	20/05/2021	848,621,816,577	39,840,255.33	21,300.61	17.71
26	27/05/2021	836,338,572,268	39,154,412.47	21,360.00	59.39
27	31/05/2021	827,080,827,730	38,699,868.10	21,371.67	11.67
28	03/06/2021	827,727,648,254	38,699,868.10	21,388.38	16.71
29	10/06/2021	832,051,859,752	38,858,309.47	21,412.45	24.07
30	17/06/2021	825,276,436,066	38,505,157.24	21,432.88	20.43
31	24/06/2021	816,952,718,106	38,056,401.36	21,466.89	34.01
32	30/06/2021	815,644,329,563	37,955,210.73	21,489.65	22.76
Average NAV of the period			916,725,820,604		
Changes in NAV per fund certificate during the period - highest level					105.21
Changes in NAV per fund certificate during the period - lowest level					(1.23)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

7 NET ASSET VALUE (NAV) (continued)

Six-month period ended 30 June 2020					
No.	NAV calculation date	NAV	Quantity of fund certificates	NAV per fund certificate at calculation date	Increase/ (Decrease) of NAV per fund certificate
		VND		VND	VND
1	31/12/2019	491,788,288,327	25,279,478.82	19,454.05	
2	02/01/2020	491,963,797,687	25,279,478.82	19,460.99	6.94
3	09/01/2020	492,891,121,562	25,286,926.40	19,491.93	30.94
4	16/01/2020	490,811,576,248	25,188,465.33	19,485.56	(6.37)
5	23/01/2020	492,409,455,909	25,234,609.32	19,513.25	27.69
6	30/01/2020	493,186,117,043	25,234,609.32	19,544.03	30.78
7	31/01/2020	501,043,906,351	25,629,413.03	19,549.56	5.53
8	06/02/2020	501,532,210,949	25,629,413.03	19,568.61	19.05
9	13/02/2020	499,543,428,380	25,488,314.53	19,598.91	30.30
10	20/02/2020	502,684,658,447	25,611,062.61	19,627.63	28.72
11	27/02/2020	514,814,322,942	26,193,828.11	19,654.03	26.40
12	28/02/2020	514,921,976,298	26,205,340.22	19,649.50	(4.53)
13	05/03/2020	518,153,142,634	26,205,340.22	19,772.80	123.30
14	12/03/2020	525,048,298,848	26,453,713.92	19,847.81	75.01
15	19/03/2020	547,229,307,629	27,696,228.88	19,758.26	(89.55)
16	26/03/2020	579,769,899,751	29,315,533.40	19,776.88	18.62
17	31/03/2020	587,236,090,273	29,664,465.99	19,795.94	19.06
18	02/04/2020	587,450,074,572	29,664,465.99	19,803.15	7.21
19	09/04/2020	616,131,525,930	31,062,979.86	19,834.91	31.76
20	16/04/2020	639,992,432,162	32,220,322.59	19,863.00	28.09
21	23/04/2020	669,216,728,511	33,650,269.14	19,887.41	24.41
22	30/04/2020	703,489,975,120	35,362,045.40	19,893.92	6.51
23	07/05/2020	703,646,195,908	35,362,045.40	19,898.34	4.42
24	14/05/2020	737,861,399,377	37,027,169.60	19,927.56	29.22
25	21/05/2020	753,685,339,091	37,783,640.72	19,947.39	19.83
26	28/05/2020	764,038,285,231	38,266,899.03	19,966.03	18.64
27	31/05/2020	775,766,959,422	38,834,728.01	19,976.11	10.08
28	04/06/2020	776,283,562,099	38,834,728.01	19,989.41	13.30
29	11/06/2020	778,216,591,592	38,900,804.44	20,005.15	15.74
30	18/06/2020	783,333,015,603	39,096,719.26	20,035.77	30.62
31	25/06/2020	707,876,624,476	35,284,530.12	20,061.95	26.18
32	30/06/2020	692,517,768,459	34,489,488.68	20,079.09	17.14
Average NAV of the period			615,890,181,873		
Changes in NAV per fund certificate during the period - highest level					123.30
Changes in NAV per fund certificate during the period - lowest level					4.42

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

8 RELATED PARTIES DISCLOSURES

(a) Transactions with related parties

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

(i) *Dragon Capital VietFund Management Joint Stock Company, the Fund Management Company*

	<u>Six-month period ended</u>	
	<u>30/06/2021</u>	<u>30/06/2020</u>
	VND	VND
Fund management fee	4,852,065,452	3,063,228,881

The fund management fee is calculated on a daily and a monthly basis. The fee amount is calculated based on the actual number of days in the valuation period and NAV of the Fund at the date prior to the valuation date. The annual management fee rate is 1.2% of the Fund's NAV from 26 April 2021 as approved in the General Meeting of fund certificate holders on the same day (previously: 1% per annum).

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

	<u>Six-month period ended</u>	
	<u>30/06/2021</u>	<u>30/06/2020</u>
	VND	VND
Safe keeping fee (*)	181,876,162	122,529,156
Supervising fee (**)	200,063,778	134,782,065
Fund administration fee (**)	150,047,833	101,086,553
Transaction fee (***)	3,200,000	1,300,000
Bank charges	13,088,350	25,454,908
Interest income	24,479,168	16,049,801

(*) Minimum safe keeping fee is VND15 million per month. The annual fee rate of safe keeping fee is 0.04% of NAV per annum.

(**) These fees are calculated on a daily and a monthly basis. The fee amount is calculated based on the actual number of days in the valuation period and NAV of the Fund at the valuation date. The supervising fee and fund administration fee are subject to 10% Value Added Tax.

The rates of supervising fee and fund administration fee applied during the period are as follows:

	Supervising fee	Fund administration fee
Rate	0.04% of NAV per annum Minimum VND15 million/month	0.03% of NAV per annum Minimum VND10 million/month

(***) Transaction fee is charged at VND100,000 per transaction.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

8 RELATED PARTIES TRANSACTIONS (continued)

(a) Transactions with related parties (continued)

(iii) Board of Representatives' remunerations

	Six-month period ended	
	30/06/2021 VND	30/06/2020 VND
Board of Representatives' remunerations (Note 5.6)	58,463,014	58,475,406

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 interim statement of income.

(b) Balances with related parties

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

	As at	
	30/06/2021 VND	31/12/2020 VND
Dragon Capital VietFund Management Joint Stock Company		
Fund management fee payable (Note 6.6)	812,144,227	752,122,398
Standard Chartered Bank (Vietnam) Limited		
Cash at bank for the Fund's operations (Note 6.1)	7,503,974,684	7,611,594,990
Cash at bank for the Fund's subscription and redemption (Note 6.1)	8,619,307,052	2,037,212,933
Custody fee payable (Note 6.6)	27,071,474	30,084,897
Supervising fee payable (Note 6.6)	29,778,622	33,093,385
Fund administration fee payable (Note 6.6)	22,333,967	24,820,040
Transaction fee payable (Note 6.6)	-	600,000
Board of Representatives		
Accrued Board of Representatives' remunerations (Note 6.4)	13,463,014	18,000,000

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

9 THE FUND'S PERFORMANCE INDICATORS

	<u>Six-month period ended</u>	
	30/06/2021	30/06/2020
1 Operation expenses/Average NAV during the period (%)	1.26	1.20
2 Turnover of investment portfolio during the period = (Total value of purchase transactions + total value of sales transactions)/2/Average NAV during the period (%) (*)	85.78	79.34
(*) The contract value of index futures was not included in transactions value of this calculation.		

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

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 bonds and unlisted bonds, transferable certificates of deposit, cash and term deposits 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. 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 and term deposits at banks, debt instruments and receivables from investment activities.

All current cash at bank, term deposits and certificates of deposit were placed with or issued by 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 receivables from trades of bonds, interest receivables from term deposits, certificates of deposit, and bonds. Credit risk relating to such receivables is considered minimal due to the good credit rating of the counterparties and short securities settlement period.

The maximum exposure to credit risk faced by the Fund is equal to the carrying amounts of cash and term deposits at banks, debt instruments and receivables from investment activities.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

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 30 June 2021, all the Fund's liabilities were due within 1 year.

As at 30 June 2021, 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 held by the Fund, such as corporate bonds, term deposits and transferable certificates of deposit, decreases, especially for long-term investments.

Details of interest rates of term deposits, corporate bonds and transferable certificates of deposit are presented in Note 6.1 and Note 6.2.

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 30 June 2021, if market price of listed bonds had increased/decreased by 1% with all other variables (including tax rate) being held constant, the net asset value of the Fund would have been higher/lower by VND 2,315,313,000 (as at 31 December 2020: VND3,345,485,000).

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

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 98/2020/TT-BTC and prevailing regulations on preparation and presentation of financial statements applicable to open-ended investment funds.

Therefore, the Fund applies method of NAV valuation in accordance with Circular 98/2020/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 INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

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 30 June 2021 and 31 December 2020 are as follows:

	Carrying value		Fair value	
	30/06/2021 VND	31/12/2020 VND	30/06/2021 VND	31/12/2020 VND
Financial assets				
Cash at bank and cash equivalents (Note 6.1)	80,323,281,736	71,648,807,923	80,323,281,736	71,648,807,923
Investments	726,012,897,458	818,153,180,400	726,012,897,458	818,153,180,400
- <i>Transferable certificates of deposit</i>	405,567,344,658	385,000,000,000	405,567,344,658	385,000,000,000
- <i>Listed bonds</i>	231,531,300,000	334,548,500,000	231,531,300,000	334,548,500,000
- <i>Unlisted bonds</i>	78,914,252,800	78,604,680,400	78,914,252,800	78,604,680,400
- <i>Term deposits with maturity more than three (03) months</i>	10,000,000,000	20,000,000,000	10,000,000,000	20,000,000,000
Net dividend and interest receivables	23,938,650,138	28,275,640,588	23,938,650,138	28,275,640,588
- <i>Interest receivables from transferable certificates of deposit</i>	11,822,294,520	14,598,054,794	11,822,294,520	14,598,054,794
- <i>Interest receivables from bonds</i>	11,869,931,508	12,499,726,027	11,869,931,508	12,499,726,027
- <i>Interest receivables from term deposits</i>	246,424,110	1,177,849,317	246,424,110	1,177,849,317
Other receivables	-	10,450	-	10,450
Total	830,274,829,332	918,077,628,911	830,274,829,332	918,077,628,911
Financial liabilities				
Subscription and redemption fee payable to distributors and Fund Management Company	350,882,700	156,559,164	350,882,700	156,559,164
Accrued expenses	262,184,523	267,187,125	262,184,523	267,187,125
Subscription payable to fund certificate holders	5,767,325,441	9,059,409,363	5,767,325,441	9,059,409,363
Redemption payable to fund certificate holders	7,250,600,778	2,035,235,483	7,250,600,778	2,035,235,483
Fees payable to fund service providers	902,328,290	851,720,720	902,328,290	851,720,720
Other payables	42,700,000	-	42,700,000	-
Total	14,576,021,732	12,370,111,855	14,576,021,732	12,370,111,855

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

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 interim financial statements.

12 APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements for the six-month period ended 30 June 2021 were approved by the Board of Representatives on 10 August 2021.



Dragon Capital VietFund Management Joint
Stock Company
Beat Schurch
Chief Executive Officer
10 August 2021



Dragon Capital VietFund Management Joint Stock
Company
Vuong Thi Tram Anh
Fund Accountant
10 August 2021

Dragon Capital VietFund Management Joint
Stock Company
Pham Thanh Dung
Chief Accountant
10 August 2021

