

DC BOND FUND
(formerly known as Vietnam Bond Fund)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



DC BOND FUND
(formerly known as Vietnam Bond Fund)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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)	15
Statement of financial position (Form B 02 – QM)	17
Statement of changes in net asset value, subscriptions and redemptions of fund certificates (Form B 03 – QM)	19
Statement of investment portfolio (Form B 04 – QM)	20
Statement of cash flows (Form B 05 – QM)	21
Notes to the financial statements (Form B 06 – QM)	23

DC BOND FUND
(formerly known as Vietnam Bond Fund)

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

Nguyen Boi Hong Le	Chairperson
Le Thi Thu Huong	Member
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
(formerly known as Vietnam Bond Fund)

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

Management of Dragon Capital VietFund 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 DC Bond Fund (formerly known as Vietnam Bond Fund) ("the Fund") as at 31 December 2021 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.

DC BOND FUND
(formerly known as Vietnam Bond 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 2021 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 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
17 March 2022

**INDEPENDENT AUDITOR'S REPORT
TO THE FUND CERTIFICATE HOLDERS OF DC BOND FUND
(formerly known as Vietnam Bond Fund)**

We have audited the accompanying financial statements of DC Bond Fund (formerly known as Vietnam Bond Fund) ("the Fund") which were prepared on 31 December 2021 and approved by the Board of Representatives on 17 March 2022. 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 2021, the Statement of financial position and the Statement of investment portfolio as at 31 December 2021, and explanatory notes to the financial statements including significant accounting policies, as set out on pages 15 to 58.

**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 the 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 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 judgement, 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 controls 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 the investment portfolio of the Fund as at 31 December 2021, 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 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.

The independent auditor's 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



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



Doan Tran Phuong Thao
Audit Practising Licence No.
4701-2019-006-1

Report reference number: HCM11547
Ho Chi Minh City, 17 March 2022

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 audited financial statements of the Fund, its net asset value ("NAV") as at 31 December 2021 decreased by 8.58% whilst its NAV per fund certificate increased by 7.34% as compared with those as at 31 December 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 which is supported in term of technical by partner and developed by Dragon Capital VietFund Management Joint Stock Company.

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 31 December 2021, the Fund's NAV was VND828,024,026,231 equivalent to 37,166,709.39 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 31 December 2021.

2 PERFORMANCE RESULTS

2.1. Asset allocation

	As at		
	31/12/2021	31/12/2020	31/12/2019
	%	%	%
1. Securities	60.09	45.00	39.74
2. Other assets	39.91	55.00	60.26
	100.00	100.00	100.00

2.2 Performance indicators

	As at/ Year ended		
	31/12/2021	31/12/2020	31/12/2019
1. NAV of the Fund (VND)	828,024,026,231	905,690,985,301	491,788,288,327
2. Number of fund certificates outstanding (units)	37,166,709.39	43,634,806.43	25,279,478.82
3. NAV per fund certificate (VND)	22,278.64	20,756.15	19,454.05
4. NAV per fund certificate – highest during the reporting period (VND)	22,278.64	20,756.15	19,454.05
5. NAV per fund certificate – lowest during the reporting period (VND)	20,779.52	19,460.99	17,819.18
6. Closing price of fund certificate at the reporting date (VND)	Not applicable	Not applicable	Not applicable
7. Closing price of fund certificate at the reporting date – highest during the period (VND)	Not applicable	Not applicable	Not applicable
8. Closing price of fund certificate at the reporting date – lowest during the period (VND)	Not applicable	Not applicable	Not applicable
9. Yield per fund certificate (%) (*)	7.34%	6.69%	9.15%
9.1. Capital yield per fund certificate (due to price change) (%)	(1.09%)	1.36%	(1.58%)
9.2. Income yield per fund certificate (calculated using realised income) (%)	8.43%	5.33%	10.73%
10. Gross distributed earning per fund certificate (VND)	Nil	Nil	Nil
11. Net distributed earning per fund certificate (VND)	Nil	Nil	Nil
12. Ex-date of distribution	Nil	Nil	Nil
13. Operation expenses/Average NAV (%)	1.33%	1.19%	1.16%
14. Turnover of investment portfolio (%) (**)	94.59%	83.50%	66.22%

DC BOND FUND
(formerly known as Vietnam Bond 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 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	7.34%	7.34%
3 years	24.99%	7.72%
Since inception	122.79%	9.80%

2.4. Annual growth

Year ended	31/12/2021	31/12/2020	31/12/2019	31/12/2018
Growth per fund certificate (%)	7.34%	6.69%	9.15%	11.25%

3 MARKET UPDATES

In December 2021, Vietnam State Treasury (VST) made the final announcement on the adjusted primary issuance plan of Vietnamese Government Bond (VGB) with a total called value of VND344 trillion (from the previous level of VND373 trillion – adjusted in October from original plan of VND350 trillion). The issuance target of the fourth quarter in 2021 was also adjusted from VND135,000 billion to VND86 trillion. Accumulated to the end of year 2021, VST completed 98.2% of the adjusted plan at the end of 2021, equivalent to VND324 trillion.

Liquidity of secondary market in December remained at a good level with the total Outright and Repo value of VND165 trillion and VND123 trillion, respectively. The daily transaction value of Outright transactions in December was VND7,068 billion, experiencing a slight decrease (-4.83%) compared with November. Accumulated to the whole year, total transaction value of VGB reached VND1,845 trillion, equivalent to an increase of 13.9% compared with 2020. Except for short-term government bonds with yields less than 3 years, yields of others VGB decreased by an amount ranging from 15 to 31 basic points as at 31 December 2021 compared with comparative figures as at 31 December 2020 (please refer to below table).

Yields on 10-year VGB decreased by 31 basic points during the year. We expect the yields curve to show the short-term sideways trend and undeniably go up in the long-term. In the first quarter of 2022, VST plans to issue VND105 trillion VGB, focus on 10-year and 15-year tenors with the issuance volumes reaching VND35 trillion and VND40 trillion, respectively.

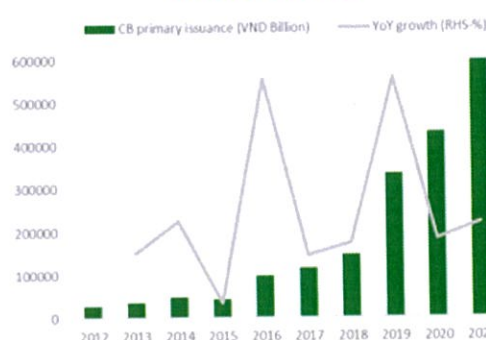
DC BOND FUND
(formerly known as Vietnam Bond Fund)

3 MARKET UPDATES (continued)

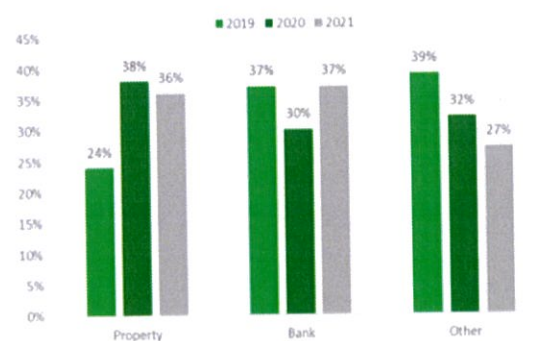
Term	Issued value in December 2021 (VND Billion)	Accumulated value of issuance up to Quarter 4 2021 (VND Billion)	Adjusted plan of issuance in Quarter 4 2021 (VND Billion)	Completion percentage of final adjusted plan of issuance in Quarter 4 2021	Accumulated value of issuance in 2021 (VND Billion)	Final adjusted plan of issuance in 2021 (VND Billion)	Completion percentage of final adjusted plan of issuance in 2021
5 years	0	920	1,500	61.3%	20,768	22,000	94.4%
7 years	0	500	500	50.0%	5,481	6,000	91.4%
10 years	5,779	27,872	28,000	99.5%	133,906	134,000	99.9%
15 years	13,064	27,179	31,000	87.7%	103,704	107,000	96.9%
20 years	5,757	13,380	14,000	95.6%	23,885	24,000	99.5%
30 years	5,620	10,898	11,000	99.1%	30,469	31,000	98.3%
	30,220	80,499	86,000	93.6%	318,213	324,000	98.2%

In 2021, there were 964 corporate bond issuances, out of which 937 issuances were private placements (with a total value of about VND570 trillion, accounting for 95.4% of primary issuance) and 23 public issuances with amount of VND26.34 trillion. Total value of VND596 trillion of corporate bonds was issued in 2021, increased 39% compared with the corresponding bond volume in 2020 (VND439.5 trillion). In 2021, banks are the main issuers with the issuance volume of VND233 trillion (contributing 37% of the total issuance value) and 73% of which are short-term bonds with maturities ranging from 2 to 4 years. The second largest group of issuers is real estate, issuing VND214.4 trillion in 2021. Real estate companies mainly issued short-term bonds with maturities ranging from 1 to 3 years (total amount of VND142.4 trillion, accounting for 67.3% of total issuance volume in this sector). Bond yields issued by real estate companies ranged from 8% to 13%. The downward trend in listed/ public corporate bond yields was taken place in 2021 and is expected to continue in 2022.

**CORPORATE BOND – PRIMARY ISSUANCE
BY YEAR 2012-2021**



WEIGHT OF ISSUANCE BY GROUP OF ISSUERS – 2021



SOURCE: HNX/VSMA

DC BOND FUND
(formerly known as Vietnam Bond Fund)

4 DETAILS OF THE FUND'S PERFORMANCE RESULTS

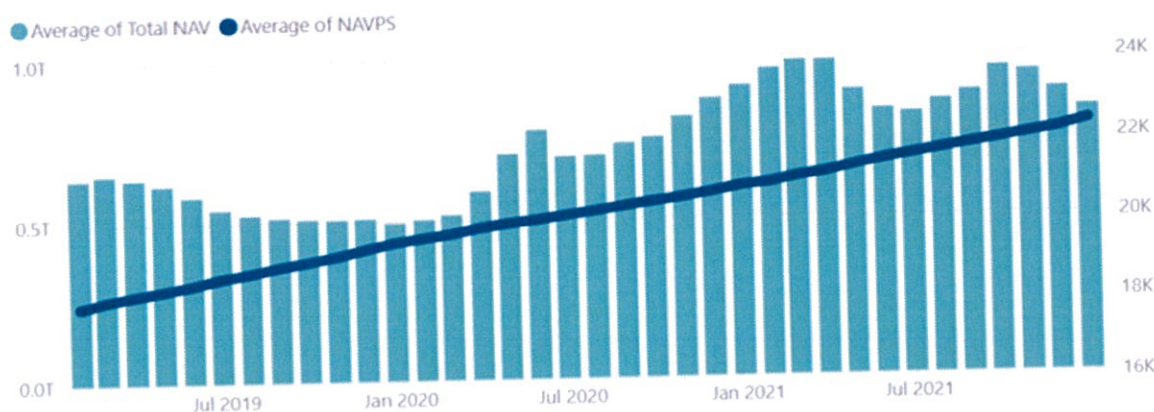
4.1. Details of the Fund's performance indicators

Item	1 year up to reporting date (%)	3 years up to reporting date (%)	From inception to reporting date (%)
Income yield per fund certificate	8.43%	23.94%	74.70%
Capital yield per fund certificate	(1.09%)	1.05%	48.09%
Yield per fund certificate	7.34%	24.99%	122.79%
Annual growth per fund certificate	7.34%	7.72%	9.80%
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's chart of monthly NAV in recent 3 years is as below:



Changes in NAV:

Item	31/12/2021 VND	31/12/2020 VND	Change %
NAV of the Fund	828,024,026,231	905,690,985,301	(8.58%)
NAV per fund certificate	22,278.64	20,756.15	7.34%

As at 31 December 2021, Dragon Capital Bond Fund (DCBF) reported its net asset value per fund unit (NAV/CCQ) at VND22,278.64, increasing by 0.88% in December and 7.34% from the beginning of the year. The growth in December and the whole year 2021 of the Fund is better than the internal reference index (the 3-year tenor government bond income index announced by the Hanoi Stock Exchange - HNX), which increased by 0.42% in the month and 1.12% after 12 months. In December 2021, DCBF issued 0.52 million new fund certificates with the value of VND11.5 billion and repurchased 3.5 million fund certificates amounting to VND77.0 billion, resulting in a net buyback position of VND65.5 billion. Accumulated to the end of 2021, DCBF issued 25.96 million fund certificates and repurchased 32.43 million, corresponding to a net buyback position number of 6.47 million units, amounting to VND141.5 billion. The total net asset value and total assets of the Fund as at 31 December 2021 were VND828.0 billion and VND847.0 billion, respectively.

DC BOND FUND
(formerly known as Vietnam Bond 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)

In the last month of 2021, the proportion of DCBF's investments in corporate bonds and certificates of deposit continued to have a sharp change compared to 30 November 2021. As at 31 December 2021, DCBF invested 60.09% of its total assets in corporate bonds and 32.17% in certificates of deposits (the corresponding figures are 37.3. % and 42.6% respectively as at 30 November 2021). Accordingly, the proportion of cash and bank deposits as at 31 December 2021 was 4.14% of the Fund's total assets, sharply decreased from the level of 13.95% as at 30 November 2021. The operating expense ratio in 2021 was 1.33%. In December 2021, DCBF made many transactions related to certificates of deposits and corporate bonds, therefore the average return on the portfolio significantly increased.

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	1,826	1,102,014.77	2.97
5,000 to fewer than 10,000	67	501,004.24	1.35
10,000 to fewer than 50,000	213	5,533,847.56	14.89
50,000 to 500,000	126	14,974,415	40.29
More than 500,000	6	15,055,427.39	40.51
Total	2,238	37,166,709.39	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 year, 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 made the following preliminary comments on market outlook:

- Government bond market tends to increase the yields and market liquidity will continue to be well maintained. Trading trend of the market will focus on Government bonds with 10 years and 15 years tenors.
- The market demand for corporate bonds in the future will be very high.

DC BOND FUND
(formerly known as Vietnam Bond Fund)

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

6 OTHER INFORMATION

Group	Full name	Position	Qualification	Experience
The fund controllers	Luong Thi My Hanh	Head of Asset Management – onshore	Master of Economics	- From 2010 to 11/03/2021: Deputy Chief Executive Officer ("CEO") in charge of Investment and Research; - Since 12/03/2021: Head of Asset Management – onshore.
	Tran Le Minh	Head of Ha Noi Branch	Master of Financial Management	- From 2011 to 11/03/2021: Deputy CEO - Director of Ha Noi Branch; - Since 12/03/2021: Director of Ha Noi Branch.
The Board of Representatives	Nguyen Boi Hong Le	Chairperson	Master of Business Administration	- From 2010 to 2012: Head of Transaction Department of Petrovietnam Securities Incorporated; - Since 2012: Economics and Petroleum Management Specialist of Vietnam Petroleum Institute.
	Le Thi Thu Huong	Member	Bachelor of Accounting – Auditing	- From 2011 to 2012: Deputy CEO of AS Auditing Company Limited; - From 2012 to 2020: Deputy CEO of Dai Tin Auditing Company Limited; - Since 2020: Founder and Director of Golden Standards Auditing Company Limited.
	Pham Thi Thanh Thuy	Member	Lawyer	- From 2010 to 31/12/2020: Head of Legal and Compliance Department of Dragon Capital VietFund Management Joint Stock Company; - Since 01/01/2021: internal legal counselor of Dragon Capital VietFund Management Joint Stock Company.
The executive officers of the Fund Management Company	Beat Schurch	CEO	Master of Economics	- Since 30/12/2020: CEO of Dragon Capital VietFund Management Joint Stock Company.

Ho Chi Minh City, 17 March 2022



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 31st December 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 31st December 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.

At several valuation dates in the period from 01st January 2021 to 31st December 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 no later than 12th February 2022.

- Point dd, Clause 04, Article 35, 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 10% of total value of its assets in shares initially offered to the public, bonds offered to the public; corporate bonds privately placed by listed organizations with payment guarantee by credit institutions or with the issuer's commitment to repurchase at least 30% of the value of the bond offering at least once every 12 months." 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.

As at 31st December 2021, the Fund's investment in unlisted corporate bonds deviated from the investment limit under Point dd, Clause 04, Article 35, Circular 98 and Article 11, Fund Charter. The Fund Management Company has to adjust the Fund's investment portfolio to comply with the prevailing regulations within the regulated recovery timeframe.





- 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 31st December 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****Truong Thi Hoang Yen****Manager, Fiduciary and Fund Services
Operations Vietnam**

DC BOND FUND
(formerly known as Vietnam Bond Fund)

Form B 01 – QM

STATEMENT OF INCOME

Code	Item	Note	For the year ended 31 December	
			2021 VND	2020 VND
01	I. INVESTMENT PROFIT AND OPERATING INCOME		75,849,142,784	53,166,389,163
03	1.1. Interest income	5.1	69,996,798,873	54,538,267,693
04	1.2. Realised gain/(loss) from disposal of investments	5.2	6,750,079,155	(983,578,523)
05	1.3. Unrealised loss from revaluation of investments	5.3	(1,205,132,504)	(388,300,007)
06	1.4. Other income		307,397,260	-
10	II. INVESTMENT EXPENSES		(255,279,870)	(144,171,565)
11	2.1. Transaction costs from purchases and sales of investments	5.4	(152,779,870)	(144,171,565)
12	2.1. Other investment expenses		(102,500,000)	-
20	III. OPERATING EXPENSES		(11,803,298,020)	(8,160,344,020)
20.1	3.1. Fund management fees	8(a)(i)	(10,246,262,616)	(6,964,731,802)
20.2	3.2. Fund custodian fees	5.5	(373,876,933)	(285,334,051)
20.3	3.3. Supervising fees	8(a)(ii)	(397,851,006)	(306,448,193)
20.4	3.4. Fund administration fees	8(a)(ii)	(298,388,255)	(229,836,153)
20.5	3.5. Transfer agency fees		(132,000,000)	(132,000,000)
20.7	3.7. Fund certificate holders' General Meeting expenses		(4,895,660)	15,560,914
20.8	3.8. Audit fees		(121,000,000)	(113,300,000)
20.10	3.10. Other operating expenses	5.6	(229,023,550)	(144,254,735)
23	IV. PROFIT FROM INVESTMENT ACTIVITIES		63,790,564,894	44,861,873,578

The notes on pages 23 to 58 are an integral part of these financial statements.

DC BOND FUND
(formerly known as Vietnam Bond Fund)

Form B 01 – QM

STATEMENT OF INCOME
(continued)

Code	Item	Note	For the year ended 31 December	
			2021 VND	2020 VND
24	V. NET OTHER INCOME AND EXPENSES		-	-
30	VI. NET ACCOUNTING PROFIT BEFORE TAX		<u>63,790,564,894</u>	<u>44,861,873,578</u>
31	6.1. Realised profit	6.8	64,995,697,398	45,250,173,585
32	6.2. Unrealised loss	6.8	(1,205,132,504)	(388,300,007)
40	VII. BUSINESS INCOME TAX ("BIT")		-	-
41	VIII. NET PROFIT AFTER TAX		<u>63,790,564,894</u>	<u>44,861,873,578</u>



Dragon Capital VietFund Management Joint
Stock Company
Beat Schurch
Chief Executive Officer
17 March 2022

Dragon Capital VietFund Management Joint Stock
Company
Vuong Thi Tram Anh
Fund Accountant
17 March 2022

Dragon Capital VietFund Management Joint
Stock Company
Pham Thanh Dung
Chief Accountant
17 March 2022

The notes on pages 23 to 58 are an integral part of these financial statements.

DC BOND FUND
(formerly known as Vietnam Bond Fund)

Form B 02 – QM

STATEMENT OF FINANCIAL POSITION

Code	Item	Note	As at	
			31/12/2021 VND	31/12/2020 VND
100	I. ASSETS			
110	1. Cash at bank and cash equivalents	6.1	25,067,117,398	71,648,807,923
	In which:			
111	1.1. Cash at bank for Fund's operations		5,567,117,398	9,648,807,923
112	1.2. Term deposits with maturity of less than three (03) months		19,500,000,000	62,000,000,000
120	2. Net investments		791,490,746,015	818,153,180,400
121	2.1. Investments	6.2	791,490,746,015	818,153,180,400
130	3. Receivables		30,517,475,695	28,275,640,588
133	3.1. Dividend and interest receivables		30,517,475,695	28,275,630,138
136	3.1.1 Dividend and interest receivables not yet due	6.3	30,517,475,695	28,275,630,138
137	3.2 Other receivables		-	10,450
100	TOTAL ASSETS		847,075,339,108	918,077,628,911
300	II. LIABILITIES			
313	1. Payables to distributors and Fund Management Company		587,635,416	156,559,164
314	2. Tax payables and obligations to the State		72,758,976	16,531,755
316	3. Accrued expenses	6.4	271,037,125	267,187,125
317	4. Subscription payables to fund certificate holders	6.5	294,213,700	9,059,409,363
318	5. Redemption payables to fund certificate holders	6.5	16,814,164,695	2,035,235,483
319	6. Fees payable to fund service providers	6.6	989,427,965	851,720,720
320	7. Other payables		22,075,000	-
300	TOTAL LIABILITIES		19,051,312,877	12,386,643,610

The notes on pages 23 to 58 are an integral part of these financial statements.

DC BOND FUND
(formerly known as Vietnam Bond Fund)

Form B 02 – QM

STATEMENT OF FINANCIAL POSITION
(continued)

Code	Item	Note	As at	
			31/12/2021 VND	31/12/2020 VND
400	III. NET ASSET VALUE DISTRIBUTABLE TO FUND CERTIFICATE HOLDERS	6.7	828,024,026,231	905,690,985,301
411	1. Share capital		371,667,093,900	436,348,064,300
412	1.1. Issued capital	6.7	2,085,245,193,100	1,825,667,193,300
413	1.2. Redeemed capital	6.7	(1,713,578,099,200)	(1,389,319,129,000)
414	2. Share premium		178,762,262,428	255,538,815,992
420	3. Undistributed profits	6.8	277,594,669,903	213,804,105,009
430	IV. NET ASSET VALUE PER FUND CERTIFICATE		22,278.64	20,756.15
440	V. DISTRIBUTED EARNINGS TO FUND CERTIFICATE HOLDERS		-	-
	VI. OFF STATEMENT OF FINANCIAL POSITION ITEM			
004	4. Number of outstanding fund certificates (units)		37,166,709.39	43,634,806.43



Dragon Capital VietFund Management Joint Stock Company
Beat Schurch
Chief Executive Officer
17 March 2022

Dragon Capital VietFund Management Joint Stock Company
Vuong Thi Tram Anh
Fund Accountant
17 March 2022

Dragon Capital VietFund Management Joint Stock Company
Pham Thanh Dung
Chief Accountant
17 March 2022

The notes on pages 23 to 58 are an integral part of these financial statements.

DC BOND FUND
(formerly known as Vietnam Bond Fund)

Form B 03 – QM

**STATEMENT OF CHANGES IN NET ASSET VALUE,
SUBSCRIPTIONS AND REDEMPTIONS OF FUND CERTIFICATES
FOR THE YEAR ENDED 31 DECEMBER 2021**

No.	Item	For the year ended 31 December	
		2021 VND	2020 VND
I	Net asset value (“NAV”) at the beginning of the year	905,690,985,301	491,788,288,327
II	Changes in NAV for the year	63,790,564,894	44,861,873,578
	<i>In which:</i>		
II.1	Changes in net asset value due to market fluctuation and the Fund's operations	63,790,564,894	44,861,873,578
III	Changes in NAV due to subscriptions and redemptions of fund certificates	(141,457,523,964)	369,040,823,396
	<i>In which:</i>		
III.1	Receipts from subscriptions	556,484,545,062	713,968,219,691
III.2	Payments for redemptions	(697,942,069,026)	(344,927,396,295)
IV	NAV at the end of the year	828,024,026,231	905,690,985,301
V	NAV per fund certificate at the end of the year	22,278.64	20,756.15



Dragon Capital VietFund Management Joint
Stock Company
Beat Schurch
Chief Executive Officer
17 March 2022

Dragon Capital VietFund Management Joint Stock
Company
Vuong Thi Tram Anh
Fund Accountant
17 March 2022

Dragon Capital VietFund Management Joint
Stock Company
Pham Thanh Dung
Chief Accountant
17 March 2022

The notes on pages 23 to 58 are an integral part of these financial statements.

DC BOND FUND
(formerly known as Vietnam Bond Fund)

Form B 04 – QM

STATEMENT OF INVESTMENT PORTFOLIO
AS AT 31 DECEMBER 2021

No.	Item	Quantity	Market price as at 31/12/2021 VND	Total value VND	Percentage of total assets %
I	Listed bonds				
1	KBC12006	1,200,000	100,966	121,159,200,000	14.30%
2	KBC121020	360,000	101,112	36,400,320,000	4.30%
3	MML121021	470,230	99,577	46,824,092,710	5.53%
4	MSN120011	487,804	100,639	49,092,106,756	5.80%
5	VJC11912	1,700,000	100,334	170,567,800,000	20.13%
				<u>424,043,519,466</u>	<u>50.06%</u>
II	Unlisted bonds				
1	DXG180323	350	100,000,007	35,000,002,450	4.13%
2	PDR021223	250	100,000,000	25,000,000,000	2.95%
3	PDR240923	250	99,919,905	24,979,976,250	2.95%
				<u>84,979,978,700</u>	<u>10.03%</u>
III	Other assets				
1	Interest receivables			30,517,475,695	3.60%
				<u>30,517,475,695</u>	<u>3.60%</u>
IV	Cash				
1	Cash at banks			5,567,117,398	0.66%
2	Term deposits with maturity of less than three (03) months			19,500,000,000	2.30%
3	Term deposits with maturity of more than three (03) months			10,000,000,000	1.18%
4	Transferable certificates of deposit			272,467,247,849	32.17%
				<u>307,534,365,247</u>	<u>36.31%</u>
V	Total value of portfolio			<u>847,075,339,108</u>	<u>100.00%</u>



Dragon Capital VietFund Management Joint
Stock Company
Beat Schurch
Chief Executive Officer
17 March 2022

Dragon Capital VietFund Management Joint Stock
Company
Vuong Thi Tram Anh
Fund Accountant
17 March 2022

Dragon Capital VietFund Management Joint
Stock Company
Pham Thanh Dung
Chief Accountant
17 March 2022

The notes on pages 23 to 58 are an integral part of these financial statements.

DC BOND FUND
(formerly known as Vietnam Bond Fund)

Form B 05 – QM

STATEMENT OF CASH FLOWS
(Indirect method)

Code	Item	Note	For the year ended 31 December	
			2021 VND	2020 VND
	I. Cash flows from investing activities			
01	1. Net accounting profit before tax		63,790,564,894	44,861,873,578
02	2. Adjustments for:		1,231,057,504	354,376,653
03	Unrealised loss from revaluation of investments	5.3	1,205,132,504	388,300,007
04	Accrued expenses		25,925,000	(33,923,354)
05	3. Profit from investing activities before changes in working capital		65,021,622,398	45,216,250,231
20	Decrease/(increase) in investments		25,457,301,881	(395,752,940,407)
07	Increase in interest receivables		(2,241,845,557)	(5,860,591,778)
08	Decrease/(increase) in other receivables		10,450	(10,450)
11	Increase/(decrease) in subscription and redemption fees payable to distributors and Fund Management Company		431,076,252	(40,162,189)
13	Increase/(decrease) in tax payables and obligations to the State		56,227,221	(10,163,763)
14	(Decrease)/increase subscription payable to fund certificate holders		(8,765,195,663)	8,828,377,184
15	Increase/(decrease) in redemption payables to fund certificate holders		14,778,929,212	(2,624,873,997)
17	Increase in fees payable to fund service providers		137,707,245	369,951,130
19	Net cash inflow from/(outflow for) investing activities		94,875,833,439	(349,874,164,039)
	II. Cash flows from financing activities			
31	1. Receipts from subscriptions	6.7	556,484,545,062	713,968,219,691
32	2. Payments for redemptions	6.7	(697,942,069,026)	(344,927,396,295)
30	Net cash (outflow for)/inflow from financing activities		(141,457,523,964)	369,040,823,396
40	III. Net (decrease)/increase in cash and cash equivalents in the year		(46,581,690,525)	19,166,659,357

The notes on pages 23 to 58 are an integral part of these financial statements.

DC BOND FUND
(formerly known as Vietnam Bond Fund)

Form B 05 – QM

STATEMENT OF CASH FLOWS (continued)
(Indirect method)

Code	Item	Note	For the year ended 31 December	
			2021 VND	2020 VND
50	IV. Cash and cash equivalents at the beginning of the year	6.1	71,648,807,923	52,482,148,566
52	Cash at bank and cash equivalents for the Fund's operations		69,611,594,990	52,424,617,387
53	Cash at bank for subscriptions and redemptions		2,037,212,933	57,531,179
55	V. Cash and cash equivalents at the end of the year	6.1	25,067,117,398	71,648,807,923
57	Cash at bank and cash equivalents for the Fund's operations		24,801,390,073	69,611,594,990
58	Cash at bank for subscriptions and redemptions		265,727,325	2,037,212,933
60	VI. Changes in cash and cash equivalents in the year		(46,581,690,525)	19,166,659,357



Dragon Capital VietFund Management Joint
Stock Company
Beat Schurch
Chief Executive Officer
17 March 2022

Dragon Capital VietFund Management Joint Stock
Company
Vuong Thi Tram Anh
Fund Accountant
17 March 2022

Dragon Capital VietFund Management Joint
Stock Company
Pham Thanh Dung
Chief Accountant
17 March 2022

The notes on pages 23 to 58 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 GENERAL INFORMATION OF THE FUND

1.1 Licence for fund certificate public offering and Registration certificate for open-ended fund establishment

DC Bond Fund ("the Fund") was established as an open-ended fund in accordance with the License for Initial Public Offering No. 04/GCN-UBCK issued by the State Securities Commission ("SSC") on 27 February 2013; the Establishment Registration Certificate No. 04/GCN-UBCK issued by SSC on 10 June 2013 ("the ERC") and the Decision 398/QD-UBCK issued by SSC on 7 May 2015 on the amendment of the ERC. The Fund has an indefinite life.

The Fund's name was changed as "DC Bond Fund" in accordance with Decision of the General Meeting dated 26 April 2021 and the amended License No. 16/GCN-UBCK issued by the SSC on 24 May 2021.

The Fund is managed by Dragon Capital VietFund 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 7 May 2015.

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 VND99,574,822,600.

The Fund's capital is based on the actual contribution of the fund certificate holders presented in Note 6.7.

Investment objective and investment restrictions

The main objective of DCBF is looking for profit from debt instruments (including but not limited to Vietnamese Government bonds, Government guaranteed bonds, municipal bonds, corporate bonds in accordance with Vietnamese law, commercial notes and fixed-income instruments.

DCBF'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.

The Fund's investment portfolio and its restrictions 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 2021

1 GENERAL INFORMATION OF DC BOND FUND (continued)

1.2 General information of the Fund's operations (continued)

Investment objective and investment restrictions (continued)

The Fund's investable assets include:

- a) Deposits at commercial bank as stipulated by banking laws;
- b) Money market instruments including valuable papers and negotiable instruments in accordance with relevant laws and regulations;
- c) Government debt instruments, bonds underwritten by the Government and municipal bonds;
- d) Listed shares, registered shares, and listed bonds on stock exchanges, public fund certificates;
- e) Shares offered for the first time to the public, bonds offered to the public; Corporate bonds privately issued by listed organizations with credit institutions' payment guarantee or the issuer's commitment to repurchase at least once in 12 months and each commitment to redeem is at least 30% value of the issue;
- f) Listed and registered derivatives at stock exchanges, and solely used for hedging purpose and for the underlying securities in which the Fund is holding;
- g) Rights and assets that may arise in connexion with securities that the fund is holding;
- h) In unfavourable circumstances, the Fund can keep term deposits and cash equivalent up to 100% asset value to preserve the Fund's value from risks.

The Fund's investment restrictions include:

- (i) Not more than 20% of the Fund's total asset are invested in circulating securities and assets (if any, specified at aforementioned points a and b) of an issuer, except for Government debt instruments;
- (ii) Total exposure to an issuer shall not be more than 10% of the total value of circulating securities of that issuer, except Government debt instruments;
- (iii) Not more than 30% of the Fund's total asset are invested in assets specified in the aforementioned points a, b, d, e, f which are issued by companies in the same group of companies having an ownership relationship in the following cases: parent company, subsidiary company; companies owning more than 35% of each other's shares or capital contributions; subsidiary groups of the same parent company. Value of derivative exposure is measured at the contractually committed value in accordance with the Fund's Charter;
- (iv) Not more than 10% of the Fund's total asset are invested in assets specified at aforementioned points e;
- (v) At any time, the total value of derivative commitments, outstanding debts and payables of the Fund must not exceed the net asset value of the Fund;
- (vi) No investment in the Fund's certificates is permitted;
- (vii) No direct investment in real estates, precious stones and metals is permitted;
- (viii) Investment in other public fund certificates or public securities investment companies managed by other fund management companies are subject to the following caps:
 - Total exposure to all public fund certificates or public securities investment companies managed by the same fund management is 10% of their circulating quantities;
 - Total exposure to each public fund or public securities investment company is 30% of their circulating quantities;
 - Not more than 30% of the Fund's total asset are invested in public fund certificates or public securities investment companies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 GENERAL INFORMATION OF DC BOND FUND (continued)

1.2 General information of the Fund's operations (continued)

Investment objective and investment restrictions (continued)

The Fund's asset allocation may breach investment restrictions described at (i), (ii), (iii) and (viii) due to only these causes:

- Volatility in market prices of the Fund's portfolio assets;
- As a result of proceeding legally valid payments, including fulfilling orders of fund certificate holders;
- Split, merger, demerger, consolidation of issuers;
- When the Fund has been operating for less than 6 months since establishment or split, merger or consolidation; and
- When the Fund is under dissolution process.

Frequency of net asset value ("NAV") valuation

The Fund's NAV is determined weekly on Friday and a monthly basis. The monthly valuation date is the first day of the following month.

Should the Fund Management Company change the valuation date, the Fund Management Company must obtain approval from the Board of Representatives before making the change.

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 liabilities of the Fund are debts or payment obligations of the Fund up to the date prior to the valuation date. Total assets is measured at market value or fair value (in case market value is indeterminable or when there are unusual volatility in market price as specified in the Fund's Valuation Manual and fair value adoption is approved by the Board of Representative in written form).

NAV per fund certificate is calculated by dividing the total net asset value of the Fund by the number of outstanding fund certificates at the latest 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 weekly on every Friday ("the dealing date"). If the dealing date falls on holiday, the transaction is carried to the next dealing date. In case the next dealing date also falls on holiday, the transaction is carried to the working day right after the first dealing date falling on holiday. In such cases, the Fund Management Company announces the transaction schedule and closing time. Decrease in frequency of fund certificates shall be approved by the fund certificate holders' General Meeting and not fewer than twice (2 times) per month.

Distribution of earnings

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2 FISCAL YEAR AND CURRENCY

2.1 Fiscal year

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

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 significantly 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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 ACCOUNTING STANDARDS AND REPORTING FRAMEWORK APPLIED (continued)

3.1 Basis of preparation of financial statements (continued)

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

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, balance in margin accounts for derivatives trading excluding initial margin deposits against open position 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

Recognition/de-recognition

Purchases and sales of investments are recognised at trade date. 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.

Subsequent measurement

(a) Bonds listed on securities exchanges

These bonds are revalued based on the weighted average of the quoted prices for outright transactions on the platform of stock exchanges, or similar terms according to the stock exchanges' rules, at the latest trading date with transactions preceding the valuation date plus accumulated accrued interest (if the quoted prices are price is not included accumulated interest).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Investments (continued)

Subsequent measurement (continued)

(a) *Bonds listed on securities exchanges (continued)*

In either case below:

- (i) These bonds are not traded on stock exchange within 15 days to the valuation date; or
- (ii) Quoted price of these bonds on stock exchange are significantly fluctuated according to the Fund's valuation manual

Bonds in case (i) and (ii) revalued at the purchase price plus accumulated accrued interest.

(b) *Unlisted bonds*

These bonds are revalued based on the average of the transacted prices at the latest trading date preceding the valuation date based on the quotes from the three (03) independent securities companies and approved by the Board of Representatives. Where the prices as determined are not available from at least three (03) service providers, these bonds are revalued at one of the following prices in the following order of priority:

- The average of prices quoted by the two (02) independent securities companies plus accumulated accrued interest
- Purchase price plus accumulated accrued interest

(c) *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.

(d) *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.

(e) *Term deposits*

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

(f) *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.

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 2021

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 2021

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 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 2021

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 net asset value 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 year are the difference of total income and revenue after deducted unrealised gains/(losses) from revaluation of investments and total expenses.

Unrealised profits/(losses) incurred during the year 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 year 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 2021

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 Fund, 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 item.

DC BOND FUND
(formerly known as Vietnam Bond Fund)

Form B 06 – QM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5 ADDITIONAL INFORMATION TO THE STATEMENT OF INCOME

5.1 Interest income

	For the year ended 31 December	
	2021 VND	2020 VND
Received interest income	18,386,008,181	16,063,131,360
Accrued interest income	15,636,630,138	15,775,904,111
Received interest income on bonds	21,093,314,997	10,199,506,195
Accrued interest income on bonds	14,880,845,557	12,499,726,027
	<u>69,996,798,873</u>	<u>54,538,267,693</u>

DC BOND FUND
(formerly known as Vietnam Bond Fund)

Form B 06 – QM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5 ADDITIONAL INFORMATION TO THE 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 year ended 31/12/2021 VND	Cumulative realised gain as at 31/12/2021 VND	Realised loss for the year ended 31/12/2020 VND	Cumulative realised gain as at 31/12/2020 VND
Bonds	719,941,884,036	714,432,299,861	5,509,584,175	53,523,946,044	(983,578,523)	48,014,361,869
Transferable certificates of deposit	291,240,494,980	290,000,000,000	1,240,494,980	3,723,011,347	-	2,482,516,367
	<u>1,011,182,379,016</u>	<u>1,004,432,299,861</u>	<u>6,750,079,155</u>	<u>57,246,957,391</u>	<u>(983,578,523)</u>	<u>50,496,878,236</u>

5.3 Unrealised loss from revaluation of investments

	Carrying value VND	Market value as at 31/12/2021 VND	Unrealised (loss)/gain from revaluation of investments as at 31/12/2021 VND	Unrealised gain/(loss) from revaluation of investments as at 31/12/2020 VND	Unrealised (loss)/gain from revaluation of investment for the year ended 31/12/2021 VND
Listed bonds	424,070,372,596	424,043,519,466	(26,853,130)	1,178,279,453	(1,205,132,583)
Unlisted bonds	84,979,978,630	84,979,978,700	70	(9)	79
Certificates of deposit	272,467,247,849	272,467,247,849	-	-	-
Term deposits	10,000,000,000	10,000,000,000	-	-	-
	<u>791,517,599,075</u>	<u>791,490,746,015</u>	<u>(26,853,060)</u>	<u>1,178,279,444</u>	<u>(1,205,132,504)</u>

DC BOND FUND
(formerly known as Vietnam Bond Fund)

Form B 06 – QM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5 ADDITIONAL INFORMATION TO THE STATEMENT OF INCOME (continued)

5.4 Transaction costs from purchases and sales of investments

	For the year ended 31 December	
	2021 VND	2020 VND
Brokerage fees from purchases	88,250,267	103,005,090
Brokerage fees from sales	63,599,603	40,566,475
Settlement fees paid to Vietnam Securities Depository ("VSD")	930,000	600,000
	<u>152,779,870</u>	<u>144,171,565</u>

DC BOND FUND
(formerly known as Vietnam Bond Fund)

Form B 06 – QM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5 ADDITIONAL INFORMATION TO THE STATEMENT OF INCOME (continued)

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

Details of transaction cost by prime broker during the year are as follows:

No.	Broker	Relationship with Fund Management Company	Percentage of transaction value at brokers			Average transaction fee rate	Market average transaction fee rate
			Fund's transaction value through broker for the year VND	Fund's total transaction value for the year VND	Percentage of transaction value at broker		
1	KIS Vietnam Securities Corporation	Non-related	264,171,770,652	1,378,705,105,155	19.16%	0.015%	0.01% - 0.02%
2	Bao Viet Securities JSC	Non-related	254,084,400,000	1,378,705,105,155	18.44%	0.020%	0.01% - 0.02%
3	Ho Chi Minh City Securities Corporation	Non-related	230,680,500,000	1,378,705,105,155	16.73%	0.020%	0.01% - 0.02%
4	Vietcombank Securities JSC	Non-related	101,807,500,000	1,378,705,105,155	7.38%	0.015%	0.01% - 0.02%
5	Other unlisted transactions	Non-related	527,960,934,503	1,378,705,105,155	38.29%		
Total			<u>1,378,705,105,155</u>	<u>1,378,705,105,155</u>	<u>100.00%</u>		

DC BOND FUND
(formerly known as Vietnam Bond Fund)

Form B 06 – QM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5.5 Custodian fees

	For the year ended 31 December	
	2021 VND	2020 VND
Safe keeping fees (Note 8(a)(ii))	361,682,733	278,589,273
Transaction fees (Note 8(a)(ii))	6,100,000	3,200,000
Custodian fees for underlying securities, fee for management of futures positions and margin accounts paid to VSD	6,094,200	3,544,778
	373,876,933	285,334,051

5.6 Other operating expenses

	For the year ended 31 December	
	2021 VND	2020 VND
Remunerations to the Board of Representatives (Note 8(a)(iii))	117,000,000	117,000,000
Price quotation fee	84,325,000	-
Bank charges	26,598,550	39,622,009
Annual management fee paid for SSC	-	6,739,726
Annual report fee	-	(20,207,000)
Right exercise fee	1,100,000	1,100,000
	229,023,550	144,254,735

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 at the following depositories:

	As at	
	31/12/2021 VND	31/12/2020 VND
1. Cash at bank for the Fund's operations	5,567,117,398	9,648,807,923
Cash at bank for the Fund's operations at Standard Chartered Bank (Vietnam) Limited (Note 8(b))	5,301,390,073	7,611,594,990
Cash at bank for subscriptions and redemptions at Standard Chartered Bank (Vietnam) Limited (Note 8(b))	265,727,325	2,037,212,933
2. Term deposits with maturity of less than three (03) months (*)	19,500,000,000	62,000,000,000
Asia Commercial Joint Stock Bank	19,500,000,000	-
Vietnam Prosperity Joint stock Commercial Bank	-	36,000,000,000
Ho Chi Minh City Development Joint Stock Commercial Bank	-	26,000,000,000
	25,067,117,398	71,648,807,923

(*) Term deposits as at 31 December 2021 earned fixed interest rates ranging from 2.9% to 3.7% per annum (as at 31 December 2020: from 3.4% to 3.9% per annum).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

6.2 Investments (continued)

The details of the Fund's investments as at 31 December 2021 are as follows:

	Carrying value VND	Gain/(loss) from revaluation of investments		Market value VND
		Gain VND	Loss VND	
Listed bond	424,070,372,596	-	(26,853,130)	424,043,519,466
Unlisted bond	84,979,978,630	70	-	84,979,978,700
Transferable certificates of deposit	272,467,247,849	-	-	272,467,247,849
Term deposits with maturity of more than three (03) months	10,000,000,000	-	-	10,000,000,000
	<u>791,517,599,075</u>	<u>70</u>	<u>(26,853,130)</u>	<u>791,490,746,015</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	
Government bonds	152,647,972,602	1,178,027,398	-	153,826,000,000
Listed bond	180,722,247,945	252,055	-	180,722,500,000
Unlisted bond	78,604,680,409	-	(9)	78,604,680,400
Transferable certificates of deposit	385,000,000,000	-	-	385,000,000,000
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>

DC BOND FUND

(formerly known as Vietnam Bond Fund)

Form B 06 – QM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

6.2 Investments (continued)

Details of investments as at 31 December 2021 are as follows:

	Quantity	Cost	Market value or fair value	Interest per annum	Start date	Maturity date
Listed bonds		424,070,372,596	424,043,519,466			
Kinh Bac City Development Share Holding Corporation – KBC12006 (i)	1,200,000	121,158,815,525	121,159,200,000	11.00%	28/07/2020	28/01/2022
Kinh Bac City Development Share Holding Corporation – KBC121020	360,000	36,400,477,808	36,400,320,000	10.80%	24/06/2021	24/06/2023
Masan Meatlife Joint Stock Company – MML121021 (ii)	470,230	47,022,845,404	46,824,092,710	9.50%	26/08/2021	26/08/2026
Masan Group Corporation – MSN120011	487,804	48,920,553,440	49,092,106,756	9.425%	14/12/2020	14/12/2023
Vietjet Aviation Joint Stock Company – VJC11912	1,700,000	170,567,680,419	170,567,800,000	7.83%	26/07/2019	26/07/2022
Unlisted bonds		84,979,978,630	84,979,978,700			
Dat Xanh Mien Nam Investment and Services Joint Stock Company – DXG180323 (iii)	350	35,000,002,397	35,000,002,450	12.00%	18/03/2021	18/03/2023
Phat Dat Real Estate Development Joint Stock Company – PDR021223 (iv)	250	25,000,000,000	25,000,000,000	12.00%	02/12/2021	02/12/2023
Phat Dat Real Estate Development Joint Stock Company – PDR240923 (v)	250	24,979,976,233	24,979,976,250	13.00%	24/09/2021	24/09/2023

DC BOND FUND

(formerly known as Vietnam Bond Fund)

Form B 06 – QM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

6.2 Investments (continued)

Details of investments as at 31 December 2021 are as follows (continued):

	Quantity	Cost VND	Market value or fair value VND	Interest per annum	Start date	Maturity date
Transferable certificates of deposit		272,467,247,849	272,467,247,849			
VPBank SMBC Finance Company Limited						
VNVPFE220922	50,000	50,000,000,000	50,000,000,000	7.55%	22/03/2021	22/09/2022
VNVPFE280922	60,000	60,000,000,000	60,000,000,000	8.075%	28/09/2020	28/09/2022
VNVPFE291222	40,000	39,961,715,068	39,961,715,068	8.00%	29/12/2020	29/12/2022
VNVPFE211122	10,000	10,025,745,205	10,025,745,205	8.00%	20/11/2020	20/11/2022
Home Credit Vietnam Finance Company Limited						
VNHCVN241123	27	26,912,442,918	26,912,442,918	8.30%	25/11/2020	24/11/2023
VNHCVN260124	40	40,567,344,658	40,567,344,658	8.30%	26/01/2021	26/01/2024
VNHCVN021123	45	45,000,000,000	45,000,000,000	6.50%	02/11/2021	02/11/2023
Term deposits with maturity of more than three (03) months		10,000,000,000	10,000,000,000			
Asia Commercial Joint Stock Bank		10,000,000,000	10,000,000,000	4.80%		
		791,517,599,075	791,490,746,015			

DC BOND FUND

(formerly known as Vietnam Bond Fund)

Form B 06 – QM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

6.2 Investments (continued)

The details of investment as at 31 December 2021 are as follows (continued):

(i) Bonds No. KBC12006 are secured by 1,680,000 shares of Sai Gon – Hai Phong Industrial Park JSC, equivalent to VND400,000,000,000 bonds in the issuance.

(ii) Bonds No. MML121021 have third-party guarantee by Masan Group Corporation (“Guarantor”) according to the Payment Guarantee Agreement No. 01/2021/BLTT/MSN-TCBS dated 1 June 2021 between the Guarantor and Techcom Securities Joint Stock Company as The Representative of Owner’s Bondholders acting on behalf of and for the benefit of bondholders.

Bonds No. DXG180323 are secured by 51,082,115 shares of Dat Xanh Real Estate Services Joint Stock Company (DXS), equivalent to VND370,000,000,000 bonds in the issuance.

(iii) Bonds No. PDR021223 are secured by 13,700,000 shares of Phat Dat Real Estate Development Joint Stock Company (PDR), equivalent to VND475,000,000,000 bonds in the issuance.

(iv) Bonds No. PDR240923 are secured by 8,800,000 shares of Phat Dat Real Estate Development Joint Stock Company (PDR), equivalent to VND270,000,000,000 bonds in the issuance.

DC BOND FUND

(formerly known as Vietnam Bond Fund)

Form B 06 – QM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

6.2 Investments (continued)

The details of investment as at 31 December 2020 are as follows:

	Quantity	Cost	Market value or fair value	Interest per annum	Start date	Maturity date
Government bonds		152,647,972,602	153,826,000,000			
Government bonds - TD2030020	500,000	49,782,027,397	50,721,000,000	2.50%	12/11/2020	12/11/2030
Government bonds - TD2035026	500,000	52,252,828,767	52,333,000,000	2.90%	01/10/2020	01/10/2035
Government bonds - TD2035028	500,000	50,613,116,438	50,772,000,000	2.70%	26/11/2020	26/11/2035
Listed bonds		180,722,247,945	180,722,500,000			
Kinh Bac City Development Share Holding Corporation - KBC12006 (vi)	1,300,000	130,591,384,931	130,591,500,000	11.00%	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
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	9.50%	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	11.00%	19/03/2020	19/04/2021

DC BOND FUND

(formerly known as Vietnam Bond Fund)

Form B 06 – QM

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

6.2 Investments (continued)

The details of investment as at 31 December 2020 are as follows (continued):

	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			
VPBank SMBC Finance Company Limited						
VNVPFE280922	80,000	80,000,000,000	80,000,000,000	8.00%	28/09/2020	28/09/2022
VNVPFE153021	50,000	50,000,000,000	50,000,000,000	10.00%	14/03/2019	15/03/2021
VNVPFE291222	40,000	40,000,000,000	40,000,000,000	8.00%	29/12/2020	29/12/2022
Home Credit Vietnam Finance Company Limited						
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	8.00%	28/05/2020	28/11/2021
VNHCVN241123	30	30,000,000,000	30,000,000,000	8.30%	25/11/2020	24/11/2023
VNHCVN300922	25	25,000,000,000	25,000,000,000	8.30%	30/09/2020	30/09/2022
VNHCVN090121	20	20,000,000,000	20,000,000,000	8.80%	09/01/2019	09/01/2021
HD SAISON Finance Company Limited						
VNHDSS070921	50	50,000,000,000	50,000,000,000	7.20%	07/09/2020	07/09/2021
Term deposits with maturity of more than three (03) months		20,000,000,000	20,000,000,000			
Asia Commercial Joint Stock Bank				7.10 – 7.40%		
		816,974,900,956	818,153,180,400			

(vi) Bond No. KBC12006 are secured by 1,680,000 shares of Sai Gon – Hai Phong Industrial Park JSC, equivalent to VND400,000,000,000 bonds in the issuance.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

6.3 Accrued interest receivables not yet due

	As at	
	31/12/2021	31/12/2020
	VND	VND
Interest receivables from transferable certificates of deposit	15,269,512,329	14,598,054,794
Interest receivables from corporate bonds	14,880,845,557	12,499,726,027
Interest receivables from term deposits	367,117,809	1,177,849,317
	<u>30,517,475,695</u>	<u>28,275,630,138</u>

6.4 Accrued expenses and other payables

	As at	
	31/12/2021	31/12/2020
	VND	VND
Brokerage fees	192,537,125	192,537,125
Audit fees	60,500,000	56,650,000
Board of Representatives' remunerations (Note 8(b))	18,000,000	18,000,000
	<u>271,037,125</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	
	31/12/2021	31/12/2020
	VND	VND
Fund management fees (Note 8(b))	880,754,411	752,122,398
Custody fees (Note 8(b))	29,358,480	30,084,897
Supervising fees (Note 8(b))	32,294,328	33,093,385
Fund administration fees (Note 8(b))	24,220,746	24,820,040
Transfer agent fees	22,000,000	11,000,000
Transaction fees (Note 8(b))	800,000	600,000
	<u>989,427,965</u>	<u>851,720,720</u>

DC BOND FUND
(formerly known as Vietnam Bond Fund)

Form B 06 – QM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

6.7 Movements in owners' equity

	Unit	As at 31/12/2020	Incurred for the year	As at 31/12/2021
Issued capital				
Number of fund certificates	Unit	182,566,719.33	25,957,799.98	208,524,519.31
Issued capital at par value	VND	1,825,667,193,300	259,577,999,800	2,085,245,193,100
Share premium of issued capital	VND	1,233,018,154,826	296,906,545,262	1,529,924,700,088
Total issued capital	VND	3,058,685,348,126	556,484,545,062	3,615,169,893,188
Redeemed capital				
Number of fund certificates	Unit	(138,931,912.90)	(32,425,897.02)	(171,357,809.92)
Redeemed capital at par value	VND	(1,389,319,129,000)	(324,258,970,200)	(1,713,578,099,200)
Share premium of redeemed capital	VND	(977,479,338,834)	(373,683,098,826)	(1,351,162,437,660)
Total redeemed capital	VND	(2,366,798,467,834)	(697,942,069,026)	(3,064,740,536,860)
Total contribution capital	VND	691,886,880,292	(141,457,523,964)	550,429,356,328
Undistributed profits	VND	213,804,105,009	63,790,564,894	277,594,669,903
Net asset value	VND	905,690,985,301		828,024,026,231
Number of outstanding fund certificates	Unit	43,634,806.43		37,166,709.39
NAV per fund certificate	VND per Unit	20,756.15		22,278.64

6.12 Accumulated profits

	As at 31/12/2020 VND	Incurred for the year VND	As at 31/12/2021 VND
Realised profits	212,625,825,565	64,995,697,398	277,621,522,963
Unrealised profits/(losses)	1,178,279,444	(1,205,132,504)	(26,853,060)
Undistributed profits	213,804,105,009	63,790,564,894	277,594,669,903

DC BOND FUND
(formerly known as Vietnam Bond Fund)

Form B 06 – QM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7 NET ASSET VALUE (NAV)

As at 31 December 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
33	01/07/2021	815,456,614,807	37,955,210.73	21,484.70	(4.95)
34	08/07/2021	830,746,172,955	38,597,525.47	21,523.30	38.60
35	15/07/2021	831,153,025,502	38,581,073.23	21,543.02	19.72
36	22/07/2021	830,537,173,561	38,489,397.67	21,578.33	35.31
37	29/07/2021	860,632,006,408	39,835,899.44	21,604.43	26.10
38	31/07/2021	854,148,318,693	39,521,995.07	21,611.97	7.54
39	05/08/2021	854,717,359,707	39,521,995.07	21,626.37	14.40
40	12/08/2021	858,591,436,468	39,627,891.18	21,666.34	39.97
41	19/08/2021	846,378,338,252	39,040,286.72	21,679.61	13.27
42	26/08/2021	889,013,233,193	40,935,145.37	21,717.60	37.99
43	31/08/2021	880,685,658,336	40,534,652.66	21,726.73	9.13
44	02/09/2021	881,046,865,897	40,534,652.66	21,735.64	8.91
45	09/09/2021	882,213,450,933	40,534,652.66	21,764.42	28.78

DC BOND FUND
(formerly known as Vietnam Bond Fund)

Form B 06 – QM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7 NET ASSET VALUE (NAV) (continued)

As at 31 December 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
46	16/09/2021	975,571,109,873	44,772,679.03	21,789.42	25.00
47	23/09/2021	953,901,638,071	43,726,311.35	21,815.27	25.85
48	30/09/2021	954,535,534,631	43,706,917.51	21,839.46	24.19
49	07/10/2021	948,915,631,041	43,418,085.53	21,855.30	15.84
50	14/10/2021	934,563,868,506	42,683,027.96	21,895.44	40.14
51	21/10/2021	929,378,803,255	42,383,130.53	21,928.03	32.59
52	28/10/2021	956,625,611,039	43,571,350.07	21,955.38	27.35
53	31/10/2021	941,303,077,486	42,854,475.94	21,965.10	9.72
54	04/11/2021	942,613,092,957	42,854,475.94	21,995.67	30.57
55	11/11/2021	912,196,235,454	41,462,513.95	22,000.50	4.83
56	18/11/2021	896,167,873,938	40,662,077.50	22,039.40	38.90
57	25/11/2021	889,525,582,559	40,304,477.32	22,070.14	30.74
58	30/11/2021	886,004,603,348	40,118,312.23	22,084.79	14.65
59	02/12/2021	886,724,346,039	40,118,312.23	22,102.73	17.94
60	09/12/2021	879,535,752,979	39,704,102.61	22,152.26	49.53
61	16/12/2021	873,525,617,100	39,388,746.67	22,177.03	24.77
62	23/12/2021	858,451,689,930	38,616,468.62	22,230.19	53.16
63	30/12/2021	843,040,291,793	37,855,509.96	22,269.94	39.75
64	31/12/2021	828,024,026,231	37,166,709.39	22,278.64	8.70
Average NAV of the year			904,006,831,465		
Changes in NAV per fund certificate during the year - highest level					105.21
Changes in NAV per fund certificate during the year - lowest level					1.23

DC BOND FUND
(formerly known as Vietnam Bond Fund)

Form B 06 – QM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7 NET ASSET VALUE (NAV) (continued)

As at 31 December 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
33	02/07/2020	692,763,195,919	34,489,488.68	20,086.21	7.12
34	09/07/2020	700,657,538,133	34,841,653.53	20,109.76	23.55
35	16/07/2020	701,359,905,987	34,848,217.77	20,126.13	16.37
36	23/07/2020	717,418,970,670	35,611,877.49	20,145.49	19.36
37	30/07/2020	700,476,470,449	34,729,021.90	20,169.77	24.28
38	31/07/2020	695,449,527,111	34,469,605.41	20,175.73	5.96
39	06/08/2020	696,729,383,028	34,469,605.41	20,212.86	37.13
40	13/08/2020	702,827,225,035	34,727,735.17	20,238.21	25.35
41	20/08/2020	720,644,526,149	35,578,616.63	20,254.99	16.78
42	27/08/2020	724,136,530,850	35,711,982.52	20,277.13	22.14
43	31/08/2020	732,035,975,081	36,073,698.15	20,292.78	15.65
44	03/09/2020	732,411,394,439	36,073,698.15	20,303.19	10.41
45	10/09/2020	736,699,029,543	36,240,379.84	20,328.12	24.93

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7 NET ASSET VALUE (NAV) (continued)

As at 31 December 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
46	17/09/2020	736,220,095,720	36,172,440.63	20,353.06	24.94
47	24/09/2020	741,740,436,930	36,402,675.11	20,375.98	22.92
48	30/09/2020	750,341,433,734	36,788,116.48	20,396.29	20.31
49	01/10/2020	750,473,215,561	36,788,116.48	20,399.88	3.59
50	08/10/2020	755,780,564,435	36,999,941.23	20,426.53	26.65
51	15/10/2020	755,809,531,510	36,960,438.34	20,449.14	22.61
52	22/10/2020	773,673,587,910	37,789,306.21	20,473.34	24.20
53	29/10/2020	789,739,056,778	38,547,455.35	20,487.44	14.10
54	31/10/2020	812,350,047,532	39,635,988.28	20,495.26	7.82
55	05/11/2020	813,500,836,983	39,635,988.28	20,524.29	29.03
56	12/11/2020	821,440,185,831	40,012,794.03	20,529.43	5.14
57	19/11/2020	842,902,578,444	41,003,992.96	20,556.59	27.16
58	26/11/2020	856,153,809,916	41,590,521.01	20,585.31	28.72
59	30/11/2020	867,394,263,828	42,086,608.39	20,609.74	24.43
60	03/12/2020	868,196,330,536	42,086,608.39	20,628.80	19.06
61	10/12/2020	877,701,721,672	42,474,297.37	20,664.30	35.50
62	17/12/2020	886,027,326,423	42,809,229.56	20,697.10	32.80
63	24/12/2020	890,226,810,296	42,971,022.67	20,716.91	19.81
64	31/12/2020	905,690,985,301	43,634,806.43	20,756.15	39.24
Average NAV of the year			696,335,857,275		
Changes in NAV per fund certificate during the year - highest level					123.30
Changes in NAV per fund certificate during the year - lowest level					3.59

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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, the Fund Management Company*

	For the year ended 31 December	
	2021 VND	2020 VND
Fund management fees	10,246,262,616	6,964,731,802

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 total management fee rate is 1.2% of the Fund's NAV from 26 April 2021 as the approvals of the General Meeting of fund certificate holders on the same date (previously: 1% per annum).

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

	For the year ended 31 December	
	2021 VND	2020 VND
Safe keeping fee (*)	361,682,733	278,589,273
Supervising fee (**)	397,851,006	306,448,193
Fund administration fee (**)	298,388,255	229,836,153
Transaction fee (***)	6,100,000	3,200,000
Bank charges	26,598,550	39,149,009
Interest income	49,740,645	40,862,865

(*) 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 year 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8 RELATED PARTIES TRANSACTIONS (continued)

(a) Transactions with related parties (continued)

(iii) Board of Representatives' remunerations

	For the year ended 31 December	
	2021 VND	2021 VND
Board of Representatives' remunerations (Note 5.6)	117,000,000	117,000,000

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. Remunerations and related compensations 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 date, the Fund had the following balances with related parties:

	As at	
	31/12/2021 VND	31/12/2020 VND
Dragon Capital VietFund Management Joint Stock Company		
Fund management fee payable (Note 6.6)	880,754,411	752,122,398
Standard Chartered Bank (Vietnam) Limited		
Cash at bank for the Fund's operations (Note 6.1)	5,301,390,073	7,611,594,990
Cash at bank for the Fund's subscription and redemption (Note 6.1)	265,727,325	2,037,212,933
Custody fee payable (Note 6.6)	29,358,480	30,084,897
Supervising fee payable (Note 6.6)	32,294,328	33,093,385
Fund administration fee payable (Note 6.6)	24,220,746	24,820,040
Transaction fee payable (Note 6.6)	800,000	600,000
Board of Representatives		
Accrued Board of Representatives' remunerations (Note 6.4)	18,000,000	18,000,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9 THE FUND'S PERFORMANCE INDICATORS

		As at	
		31/12/2021	31/12/2020
1	Operating expenses/Average NAV during the year (%)	1.33	1.19
2	Turnover of investment portfolio during the year = (Total value of purchase transactions + total value of sales transactions)/2/Average NAV during the year (%) (*)	94.59%	83.50%

(*) The contract value of index future was not included in transactions value of this calculation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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, certificates of deposit, investments in debt 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.

Corporate bonds in the Fund's investment portfolio are issued by listed entities whose the issuance plans are approved by the State Securities Commission. Investment proposals in these bonds are approved in accordance with the Fund's investment policy. Information on the collateral of these bonds is presented in Note 6.2(b).

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 year.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 31 December 2021, all the Fund's liabilities were due within 1 year.

As at 31 December 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10 FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

(c) Market risk (continued)

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 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 VND4,240,435,195 (as at 31 December 2020: VND3,345,485,000).

(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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 31 December 2021 and 31 December 2020 are as follows:

	Carrying value		Fair value	
	31/12/2021 VND	31/12/2020 VND	31/12/2021 VND	31/12/2020 VND
Financial assets				
Cash at bank and cash equivalents (Note 6.1)	25,067,117,398	71,648,807,923	25,067,117,398	71,648,807,923
Investments	791,517,599,075	816,974,900,956	791,490,746,015	818,153,180,400
- Listed bonds	424,070,372,596	333,370,220,547	424,043,519,466	334,548,500,000
- Unlisted bonds	84,979,978,630	78,604,680,409	84,979,978,700	78,604,680,400
- Transferable certificates of deposit	272,467,247,849	385,000,000,000	272,467,247,849	385,000,000,000
- Term deposits with maturity more than three (03) months	10,000,000,000	20,000,000,000	10,000,000,000	20,000,000,000
Net dividend and interest receivables	30,517,475,695	28,275,630,138	30,517,475,695	28,275,630,138
Other receivables	-	10,450	-	10,450
Total	847,102,192,168	916,899,349,467	847,075,339,108	918,077,628,911
Financial liabilities				
Subscription and redemption fee payable to distributors and Fund Management Company	587,635,416	156,559,164	587,635,416	156,559,164
Fees payable to fund service providers	989,427,965	851,720,720	989,427,965	851,720,720
Subscription payable to fund certificate holders	294,213,700	9,059,409,363	294,213,700	9,059,409,363
Redemption payable to fund certificate holders	16,814,164,695	2,035,235,483	16,814,164,695	2,035,235,483
Other payables	293,112,125	267,187,125	293,112,125	267,187,125
Total	18,978,553,901	12,370,111,855	18,978,553,901	12,370,111,855

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 financial statements.

12 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2021 were approved by the Board of Representatives on 17 March 2022.



Dragon Capital VietFund Management Joint
Stock Company
Beat Schurch
Chief Executive Officer
17 March 2022

Dragon Capital VietFund Management Joint Stock
Company
Vuong Thi Tram Anh
Fund Accountant
17 March 2022

Dragon Capital VietFund Management Joint
Stock Company
Pham Thanh Dung
Chief Accountant
17 March 2022