

DC BOND FUND

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**



DC BOND FUND

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DC BOND FUND

GENERAL INFORMATION OF THE FUND

**Certificate of registration
of public fund establishment**

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

Board of Representatives

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

Fund Management Company

Dragon Capital VietFund Management Joint Stock Company

Supervising Bank

Standard Chartered Bank (Vietnam) Limited

Registered Office

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

Auditor

PwC (Vietnam) Limited

DC BOND FUND

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 (“the Fund”) as at 31 December 2022 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 judgments 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 2, Note 3 and 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 error.

DC BOND FUND

APPROVAL OF THE FINANCIAL STATEMENTS BY THE BOARD OF REPRESENTATIVES

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 2022 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, 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
9 March 2023

DC 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 2022 decreased by 47.48% whilst its NAV per fund certificate increased by 4.46% as compared with those as at 31 December 2021.

1.3 The Fund’s investment strategy and policy

The Fund’s strategy is active management based on macro analysis, fundamental analysis of fixed-income market, applying quantitative models, statistics or fundamental corporate analysis of issuers in making investment decisions with the goal to optimise profit of the portfolio. Particularly for corporate bonds, the analysis needs to be based on at least one credit rating model developed by Dragon Capital VietFund Management Joint Stock Company and its technical support partner.

1.4 Classification of the Fund

The Fund is an open-ended public investment fund.

1.5 Life of the Fund

The Fund has an indefinite life.

1.6 Short-term risk

The Fund is exposed to low risk.

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 2022, the Fund’s NAV was VND434,864,897,100 equivalent to 18,686,118.68 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 NAV of the Fund.

DC BOND FUND

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

1 GENERAL INFORMATION OF THE FUND (continued)

1.11 Net profits attributed per fund certificate as of the reporting date

The Fund has not distributed its profits to fund certificate holders since its establishment until 31 December 2022.

2 PERFORMANCE RESULTS

2.1 Asset allocation

	As at		
	31/12/2022 %	31/12/2021 %	31/12/2020 %
1. Bonds	70.46	60.09	45.00
2. Other assets	29.54	39.91	55.00
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

2.2 Performance indicators

	As at/ For the year ended		
	31/12/2022	31/12/2021	31/12/2020
1. NAV of the Fund (VND)	434,864,897,100	828,024,026,231	905,690,985,301
2. Number of fund certificates outstanding (units)	18,686,118.68	37,166,709.39	43,634,806.43
3. NAV per fund certificate (VND)	23,272.08	22,278.64	20,756.15
4. NAV per fund certificate – highest during the reporting period (VND)	23,780.78	22,278.64	20,756.15
5. NAV per fund certificate – lowest during the reporting period (VND)	22,306.59	20,779.52	19,460.99
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 (%) (*)	4.46%	7.34%	6.69%
9.1. Capital yield per fund certificate (due to price change) (%)	(5.35%)	(1.09%)	1.36%
9.2. Income yield per fund certificate (calculated using realised income) (%)	9.80%	8.43%	5.33%
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	None	None	None
13. Operation expenses/Average NAV (%)	1.45%	1.33%	1.19%
14. Turnover of investment portfolio (%) (**)	127.79%	94.59%	83.50%

DC 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 formula:

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

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

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

(**) The 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	4.46%	4.46%
3 years	19.63%	6.16%
Since the inception	132.72%	9.23%

2.4 Annual growth

Year ended	31/12/2022	31/12/2021	31/12/2020
Growth per fund certificate (%)	4.46%	7.34%	6.69%

3 MARKET UPDATES

December closed the year 2022 with positive figures about macroeconomics. GDP grew by 8% compared to the same period last year, surpassing the 2.58% growth rate of 2021 – the period locked down due to Covid. Inflation index CPI rose to 4.55% compared to the same period last year with core inflation circled around 4.99%. Even though this figure was higher than the level of 1.84% in 2021, this was an encouraging result compared to countries in the same region, especially Indonesia and Thailand – those countries of which the annual inflation rates were approximately 5.5%.

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

3 MARKET UPDATES (continued)

The market in general experienced several negative fluctuations in 2022. Since February 2022, after the outbreak of Russian-Ukraine war, the pressure from the global commodity market and foreign exchange have directly threatened the growth and inflation targets in Vietnam. The government bodies had to apply certain flexible schemes in order to alleviate the negative impacts on the domestic markets. Besides this, the events related to corporate bonds have been the focal point, triggering unprecedented turbulence towards the bond market as well as the financial market. The investors, especially the bond investors, have experienced the crisis of trust since their bonds became illiquid and difficult to be recovered. After the event of Tan Hoang Minh, the price manipulation of FLC stock, etc. the Government has enforced several remedies to regulate the bond market, which concentrated on addressing critical aspects, including insider trading, private placement and the most recently investor protection. On 16 September 2022, Decree 65/2022/NĐ-CP supplementing and modifying Decree 153/2020/NĐ-CP regarding bond private placement has been urgently promulgated. The new regulations focused on managing the issuance purpose, responsibilities of the issuers and relevant parties, while simultaneously placing more strictly criteria for professional investors. These regulations were going to create values in the long term and protect the investors, especially the individuals. In other words, the direction to improve the transparency, institutionalize and enhance the professionalism of the market may bring it to a new stage of development. Nevertheless, the fact that Decree 65/2022/NĐ-CP became effective after a short period, along with the bond-related event of Van Think Phat at the beginning of October 2022 have pushed the market into crisis. The length of time from October 2022 till November 2022 could be perceived as an unusual period without precedents in the corporate bond market. The bonds securitised by stock have endured massive pressure, leading to the state of technical defaults in mass scale. The tension with respect to liquidity resulted in the retreat of investors from the credit market as they ran out of patience towards the bonds held under their custody. The lack of liquidity happened with not only OTC bonds (which often witnessed the state of no transactions) but also the bonds issued by credible issuers as their bonds have been liquidated with high interest rates. The tension was also spread to the bonds maturing in the 4th quarter of 2022, totaling VND40.7 trillion. In November 2022, there has been a net redemption pattern at open-ended bond funds. Within over 1 week from 8 to 17 November 2022, the total sizes of open-ended funds have dropped by over 30% in majority. The fund management companies, hence, needed to sell bonds to meet liquidity needs. The net asset value per share of several funds has declined in the range between 3% and 22%, which was unprecedented for bond funds in Vietnam. Compared to 7 October 2022, the ultimate size of open-ended funds has reduced by more than 50%.

Stepping into the first week of December, SBV has announced the new target credit growth for the whole year, which has loosened for an addition of 1.5% – 2%. This implied the injection of around VND 200 trillion into market liquidity, thereby creating positive influences for the banking system. Liquidity via credit from banks, which significantly dropped from the 3rd quarter of 2022, has been partially improved.

Concurrently, the weakening of USD as well as the abundance of liquidity at banks with well-managed structure and surplus margin for credit growth helped modify the interest level downward compared to November's level. On the other hand, the value of VND almost remained unchanged in December, after recovering by 0.8% in November. At the end of 2022, VND depreciated by 3.5%, and the money market witnessed the rise of interest rates by the range of 3% - 6% for all tenors whilst the mobilization rate increased by 3% – 4%.

In terms of Government bonds, the primary issuance plan via auctions in 2022 was VND 400 trillion. Specifically, the plans were VND105 trillion for the 1st quarter, VND120 trillion for the 2nd quarter, VND85 trillion for the 3rd quarter and VND100 billion for the 4th quarter, focusing on 10-year and 15-year tenors. In December, there were 8 auctions organised with the issuance amount totaling VND32.5 trillion. The issuance volume in December showed an increase of 5% compared to November, and was approximately as 3 times as the average monthly issuance during the first 9 months of 2022. Accumulated till the end of 2022, the total issuance of Government bonds was VND214 trillion, equivalent to 53.6% of the original plan, with the proportion issued in quarter 4 accounted for 20.8% of the whole year.

DC BOND FUND

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

3 MARKET UPDATES (continued)

In comparison to the previous year, the interest rates of Government bonds in 2022 increased by ranging between 2.7% and 4.3%, with higher increases for shorter tenors. Till the end of 2022, the yield curve in the primary market was maintained at flat shape for all tenors, and fluctuated in a tight range from 4.5% to 5.2%. The range between primary and secondary markets has been expanded in the 3rd and 4th quarters, which peaked at 1.7% in quarter 3. However, this difference has been softened as the State Treasury and Ministry of Finance raised the winning rate, approaching the interest rates in the secondary market. At the end of 2022, the primary and secondary markets only differed by 0.4% – 0.5%.

With respect to liquidity, the average daily volume of outright transactions in 2022 decreased by 43% compared to 2021 (VND3.95 trillion per day versus VND6.87 trillion per day). Liquidity declined noticeably from August 2022. However, during the periods around year-end, especially in December, liquidity showed improvements with an increase of 85% compared to the previous month, breaking the downward trend. This was the signal showing the enhancement in the relationship between supply and demand towards government bonds. Total volume of outright transactions in the secondary market of quarter 4 was approximately VND119 trillion, decreasing by 30% compared to quarter 3. Transaction volume of REPOs in quarter 4 also went down significantly compared to quarter 3 as it declined from VND183 trillion to VND28 trillion level, indicating the shortage of short term liquidity in the money market. The tenors of 10 years and above were the most traded tenors.

VGB PRIMARY ISSUED vs ISSUANCE PLAN

Tenor	Issuance Plan Q4-2022 (VND bn)	Issuance Plan FY 2022 (VND bn)	Issued Value in Dec 2022 (VND bn)	Cumulative Issued Value Current Quarter (VND bn)	Cumulative Issued Value YTD (VND bn)	% Completion of Quarter Plan	% Completion of FY 2022 Plan
5-year	3,000	30,000	-	-	-	-	-
7-year	2,000	15,000	-	-	-	-	-
10-year	60,000	140,000	20,500	70,840	128,312	118%	92%
15-year	30,000	150,000	12,000	29,100	75,520	97%	50%
20-year	2,000	30,000	-	-	2,265	0%	8%
30-year	3,000	35,000	-	-	8,625	0%	25%
Total	100,000	400,000	32,500	99,940	214,722	100%	54%

Source: HND/VBMA

The corporate bond market recovered from its worst ever month in November 2022, with positive changes based on the government guidance regarding bond restructuring. There is a new draft for the implementation of Degree 65/2022/NĐ-CP for bond private placement, which was issued in September 2022. It is focused on delaying the enforcement of Degree 65/2022/NĐ-CP by roughly one more year with the potential for bond tenor extension of up to two years. This was the reason for anxious bond holders to think twice about the restructuring of alternatives rather than pushing an issuer into default, especially in technical cases.

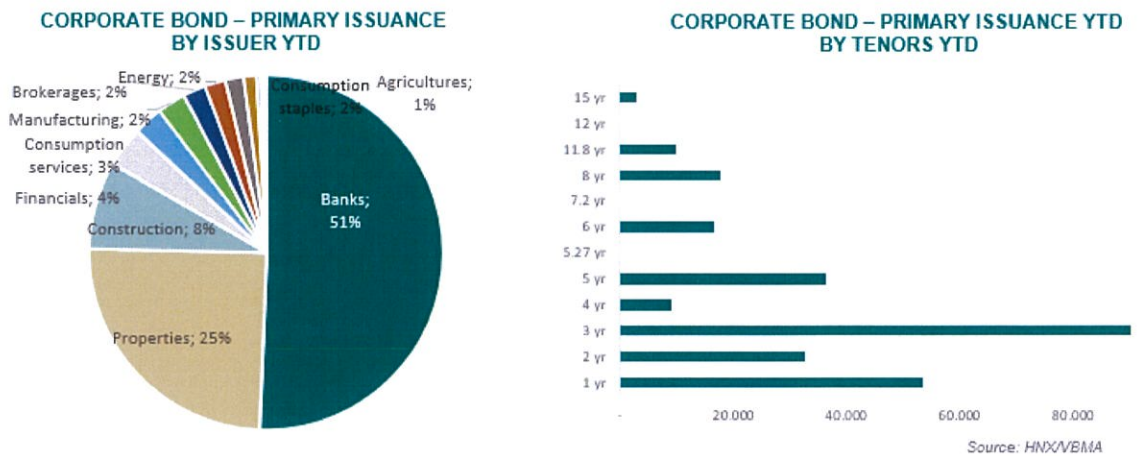
In the 4th quarter of 2022, there were 19 new issuances with total face amount of VND3.969 trillion. In 2022, there were 452 new issuances, of which 19 issuances were through public offerings, 431 issuances were through private placement, and 2 issuances were issued in international markets. Total issuance for the year was VND269.7 trillion in face value, equivalent to 41.5% of the total issuance in 2021. Banks were the biggest single issuers with the ultimate amount of VND136.7 trillion, 50.7% of the total. Real estate and construction were still the second biggest sectors with VND88 trillion, making up 32.6%. Financials were the next largest sector with 3.7%. The remaining 13% was comprised of a smaller mix of issuers. Bond buy-backs before maturity or swaps were used for restructuring and were fairly active, with the total amount between VND100 – 150 billion.

DC BOND FUND

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

3 MARKET UPDATES (continued)

Generally, the financial market as a whole as well as specifically the bond market have several fluctuations in 2022. Although the government bodies concentrated on drafting the solutions for relieving the pressure on the bond market (allowing extension and restructure of bonds), with the wounded trust and the high level of interest rates, the corporate bond market needs additional time to turn back to the booming periods in the years 2020 and 2021. At the same time, the government bond market may find it hard to return to the low interest rate level of around 1%, which was witnessed in 2021.



DC BOND FUND

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

4 DETAILS OF THE FUND'S PERFORMANCE RESULTS

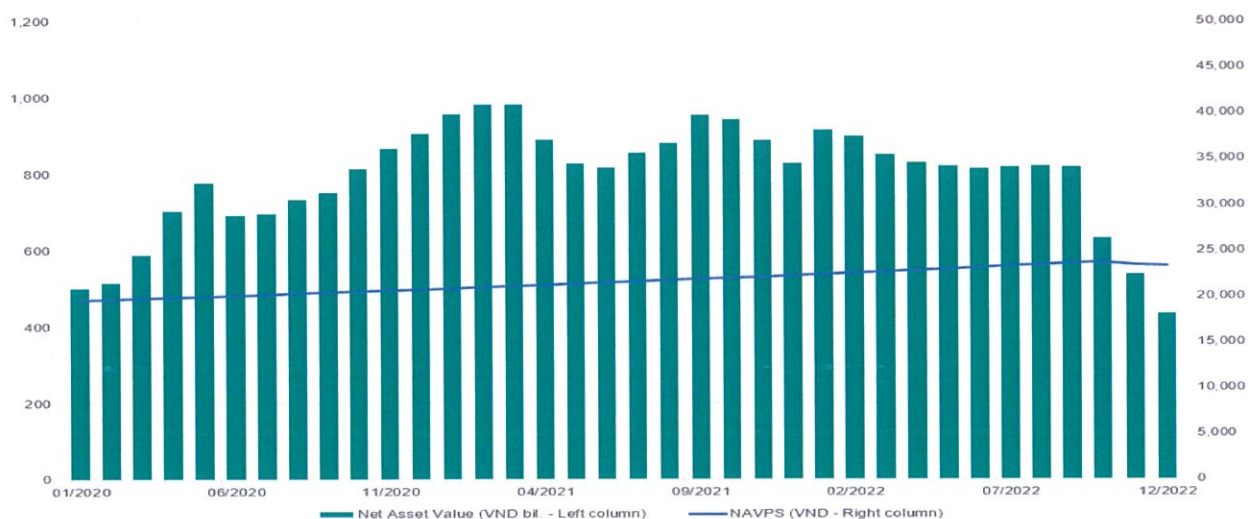
4.1 Details of the Fund's performance indicators

Item	1 year up to reporting date (%)	3 years up to reporting date (%)	From inception to reporting date (%)
Income yield per fund certificate	9.80%	41.56%	170.41%
Capital yield per fund certificate	(5.35%)	(21.93%)	(37.69%)
Yield per fund certificate	4.46%	19.63%	132.72%
Annual growth per fund certificate	4.46%	6.16%	9.23%
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 growth in recent 3 years is as below:



Changes in NAV:

Item	31/12/2022 VND	31/12/2021 VND	Change %
NAV of the Fund	434,864,897,100	828,024,026,231	(47.48%)
NAV per fund certificate	23,272.08	22,278.64	4.46%

As at 31 December 2022, net asset value per fund unit of the Fund (NAVPS) was VND 23,272.08, decreased by 0.54% in December and increased by 4.46% compared to the end of 2021. The accumulated growth for 12 months of the Fund outperformed the internal benchmark (HNX 3 years published by Hanoi Stock Exchange), which decreased by 7.33% for the same period. However, the average return on deposit for 12 months from 4 largest banks in Vietnam showed higher rate compared to the fund's return thanks to the return rates of 0.63% in December as well as 6.08% for the whole year. The reason for the negative growth of the Fund in December was the strong redemption pattern of investors to find alternative investment opportunities in the midst of the market turbulence. Net asset value and total asset value as at 31 December 2022 were VND434.86 billion and VND441.10 billion respectively.

DC 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 respect to the fund's portfolio, as at 31 December 2022 corporate bonds accounted for the highest proportion of the investments of the Fund with 72.6% (31 December 2021: 63.3%) while cash and cash equivalents accounted for 27.4% (31 December 2021: 2%). In fact, during 2022, the Fund has restructured its portfolio by selling corporate bonds and certificate deposits in order to enhance the level of cash and cash equivalents. With the top priority was to ensure high liquidity for the fund along with competitive return rate, the fund aims to maintain cash and cash equivalents at optimal level, and simultaneously allocating investment pool into quality corporate bonds.

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	10,628	1,534,510.97	8.21
5,000 to fewer than 10,000	62	465,739.42	2.49
10,000 to fewer than 50,000	73	1,699,606.15	9.10
50,000 to 500,000	32	4,632,941.94	24.79
More than 500,000	2	10,353,320.20	55.41
Total	10,797	18,686,118.68	100.00

4.3 Soft commissions and discounts

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

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

5 MARKET PROSPECTS

As at the reporting date, the Fund Management Company made the following preliminary comments on the market prospects:

- The global interest rates and the ones in Vietnam in 2023 have tendency to increase at slower pace and ultimately decline.
- In terms of government bonds, in 2022, liquidity of the market was low due to the increasing interest rates under the global trend as well as the influence of the tightening monetary policies in neighboring countries for controlling inflation and domestic currencies. However, in 2023, the government bonds are expected to have liquidity improved with a possibly downward pattern of interest rates.
- With respect to corporate bonds, the demand from investors in the short term may stay at low level because of prudent mindset regarding interest rate risk and liquidity risk, which were caused by the new regulations about private placement for bonds, the tightening credit growth in the banking system, and the problems related to bond markets during the 4th quarter of 2022. Additionally, the large amount of bonds to mature in one year time also creates pressure for 2023. Nevertheless, with stable macroeconomic policies along with the modification of Decree 65/2022/NĐ-CP for the bond private placement, certain pressures on the bond market can be alleviated, thereby placing positive impacts on the potential of the market in the future.

DC 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.
	Bui Minh Long	Head of Portfolio Management	Master of Financial Management	- From 01/07/2020 to 31/12/2020: Head of Portfolio Management of VietFund Management; - Since 01/01/2021: Head of Portfolio Management of Dragon Capital VietFund Management Joint Stock Company
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 Management of the Fund Management Company	Beat Schurch	Chief Executive Officer	Master of Economics	- Since 30/12/2020: CEO of Dragon Capital VietFund Management Joint Stock Company.

Ho Chi Minh City, 9 March 2023



Beat Schurch



SUPERVISORY BANK'S REPORT

We, appointed as the Supervisory Bank of DC Bond Fund ("the Fund") for the period from 01st January 2022 to 31st December 2022, 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 2022 to 31st December 2022, 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 2022 to 31st December 2022, the Fund's investment in an issuer deviated from the limit of 20% of the Fund's total asset value.

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

As at 31st December 2022, the Fund's investment portfolio complied with Point c, Clause 04, Article 35, Circular 98 and Article 11, Fund Charter.

- 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.

At several valuation dates in the period from 01st January 2022 to 31st December 2022, the Fund's investment in unlisted corporate bonds deviated from the limit of 10% 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 21st January 2023.





- Clause 14, Article 2, Circular 98 and Item 2, Fund Charter regulate that: “Bond fund means a fund that invests primarily in bonds, money market instruments, term deposits and other fixed-income instruments with an investment proportion that makes up at least 80% of the fund’s NAV.” In case of deviation, the Fund Management Company has to adjust the Fund’s investment portfolio in conformity with the prevailing regulations at the soonest.

At valuation date 02nd December 2022, the Fund’s investment in fixed-income instruments deviated from the above mentioned regulation.

The Fund Management Company adjusted the Fund’s investment portfolio to comply with the prevailing regulations.

As at 31st December 2022, the Fund’s investment portfolio complied with Clause 14, Article 2, Circular 98 and Item 2, Fund Charter.

- b) Assets Valuation and Pricing of the Fund units were carried out in accordance with Fund Charter, Fund Prospectus and other prevailing regulations.
- c) Fund subscriptions and redemptions were carried out in accordance with Fund Charter, Fund Prospectus and other prevailing regulations.
- d) For the period from 01st January 2022 to 31st December 2022, the Fund did not pay dividend to Fund Unit Holders.

SUPERVISORY BANK REPRESENTATIVE



Nguyen Thuy Linh
 Senior Manager, Fiduciary and Fund Services
 Operations Vietnam

SUPERVISORY BANK OFFICER

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



INDEPENDENT AUDITOR'S REPORT TO THE FUND CERTIFICATE HOLDERS OF DC BOND FUND

We have audited the accompanying financial statements of DC Bond ("the Fund") which were prepared on 31 December 2022 and approved by the Board of Representatives on 9 March 2023. The financial statements comprise the statement of financial position and the statement of investment portfolio as at 31 December 2022, 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 then ended, and explanatory notes to the financial statements including significant accounting policies, as set out on pages 17 to 60.

Responsibility of the Management of Dragon Capital VietFund Management Joint Stock Company ("the Fund Management Company")

The Management of the Fund Management Company is responsible for the preparation and the true and fair presentation of these financial statements of the Fund in accordance with Vietnamese Accounting Standards, the 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 ("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 the Management determines is necessary to enable the preparation and 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 of the Fund are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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 2022, 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, the 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 Matter

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.
0849-2023-006-1
Authorised signatory

Report reference number: HCM12987
Ho Chi Minh City, 9 March 2023



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

STATEMENT OF INCOME

Code	Item	Note	For the year ended 31 December	
			2022 VND	2021 VND
01	I. INVESTMENT PROFIT AND OPERATING INCOME		52,201,475,502	75,849,142,784
03	1.3. Interest income	5.1	68,586,831,639	69,996,798,873
04	1.3. Realised (loss)/gain from disposal of investments	5.2	(17,069,271,015)	6,750,079,155
05	1.4. Unrealised gain/(loss) from revaluation of investments	5.3	119,969,673	(1,205,132,504)
06	1.5. Other income		563,945,205	307,397,260
10	II. INVESTMENT EXPENSES		(331,032,728)	(255,279,870)
11	2.1. Transaction costs from purchases and sales of investments	5.4	(249,032,728)	(152,779,870)
15	2.5. Other investment expenses		(82,000,000)	(102,500,000)
20	III. OPERATING EXPENSES		(10,933,274,991)	(11,803,298,020)
20.1	3.1. Fund management fees	8(a)(i)	(9,350,341,186)	(10,246,262,616)
20.2	3.2. Custodian fees	5.5	(330,279,525)	(373,876,933)
20.3	3.3. Supervising fees	8(a)(ii)	(342,892,499)	(397,851,006)
20.4	3.4. Fund administration fees	8(a)(ii)	(257,134,379)	(298,388,255)
20.5	3.5. Transfer agency fees		(132,000,000)	(132,000,000)
20.7	3.7. Fund certificate holders' General Meeting expenses		(60,554,652)	(4,895,660)
20.8	3.8. Audit fees		(124,072,000)	(121,000,000)
20.10	3.10. Other operating expenses	5.6	(336,000,750)	(229,023,550)
23	IV. PROFIT FROM INVESTMENT ACTIVITIES		40,937,167,783	63,790,564,894

The notes on pages 25 to 60 are an integral part of these financial statements.

STATEMENT OF INCOME
(continued)

Code	Item	Note	For the year ended 31 December	
			2022 VND	2021 VND
24	V. NET OTHER INCOME AND EXPENSES		-	-
30	VI. NET ACCOUNTING PROFIT BEFORE TAX		<u>40,937,167,783</u>	<u>63,790,564,894</u>
31	6.1. Realised profit	6.8	40,817,198,110	64,995,697,398
32	6.2. Unrealised gain/(loss)	6.8	119,969,673	(1,205,132,504)
40	VII. BUSINESS INCOME TAX (“BIT”)		-	-
41	VIII. NET ACCOUNTING PROFIT AFTER TAX		<u>40,937,167,783</u>	<u>63,790,564,894</u>



Dragon Capital VietFund Management Joint
Stock Company
Beat Schurch
Chief Executive Officer
9 March 2023

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Dragon Capital VietFund Management Joint Stock
Company
Nguyen Kieu Truc Ly
Fund Accountant
9 March 2023

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Dragon Capital VietFund Management Joint
Stock Company
Ninh Thi Tue Minh
Fund Accounting Manager
9 March 2023

The notes on pages 25 to 60 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

Code	Item	Note	As at	
			31/12/2022 VND	31/12/2021 VND
100	I. ASSETS			
110	1. Cash at bank and cash equivalents	6.1	90,661,179,782	25,067,117,398
	In which:			
111	1.1. Cash at bank for Fund's operations		2,261,179,782	5,567,117,398
112	1.2. Term deposits with maturity of less than three (03) months		88,400,000,000	19,500,000,000
120	2. Net investments		340,198,460,703	791,490,746,015
121	2.1. Investments	6.2	340,198,460,703	791,490,746,015
130	3. Receivables		10,240,741,339	30,517,475,695
133	3.2. Interest receivables		10,240,741,339	30,517,475,695
136	3.2.2 Interest receivables not yet due	6.3	10,240,741,339	30,517,475,695
100	TOTAL ASSETS		441,100,381,824	847,075,339,108
300	II. LIABILITIES			
313	3. Payables to distributors and Fund Management Company		-	587,635,416
314	4. Tax payables and obligations to the State		91,962,113	72,758,976
316	6. Accrued expenses	6.4	327,657,125	271,037,125
317	7. Subscription un-allotment payables to fund certificate holders	6.5	147,442,798	294,213,700
318	8. Redemption payables to fund certificate holders	6.5	5,144,307,547	16,814,164,695
319	9. Fees payable to Fund service providers	6.6	524,115,141	989,427,965
320	10. Other payables		-	22,075,000
300	TOTAL LIABILITIES		6,235,484,724	19,051,312,877

The notes on pages 25 to 60 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
(continued)

Code	Item	Note	As at	
			31/12/2022 VND	31/12/2021 VND
400	III. NET ASSET VALUE DISTRIBUTABLE TO FUND CERTIFICATE HOLDERS	6.7	434,864,897,100	828,024,026,231
411	1. Share capital		186,861,186,800	371,667,093,900
412	1.1. Issued capital	6.7	2,201,195,780,900	2,085,245,193,100
413	1.2. Redeemed capital	6.7	(2,014,334,594,100)	(1,713,578,099,200)
414	2. Share premium		(70,528,127,386)	178,762,262,428
420	3. Undistributed profits	6.8	318,531,837,686	277,594,669,903
430	IV. NET ASSET VALUE PER FUND CERTIFICATE		23,272.08	22,278.64
440	V. PROFIT DISTRIBUTED TO FUND CERTIFICATE HOLDERS		-	-
	VI. OFF STATEMENT OF FINANCIAL POSITION ITEM			
004	4. Number of outstanding fund certificates (units)		18,686,118.68	37,166,709.39



Dragon Capital VietFund Management Joint Stock Company
Beat Schurch
Chief Executive Officer
9 March 2023

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Nguyen Kieu Truc Ly
Fund Accountant
9 March 2023

Dragon Capital VietFund Management Joint Stock Company
Ninh Thi Tue Minh
Fund Accounting Manager
9 March 2023

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**STATEMENT OF CHANGES IN NET ASSET VALUE,
SUBSCRIPTIONS AND REDEMPTIONS OF FUND CERTIFICATES
FOR THE YEAR ENDED 31 DECEMBER 2022**

No.	Item	For the year ended 31 December	
		2022 VND	2021 VND
I	Net asset value (“NAV”) at the beginning of the year	828,024,026,231	905,690,985,301
II	Changes in NAV for the year	40,937,167,783	63,790,564,894
	<i>In which:</i>		
II.1	Changes in net asset value due to market fluctuation and the Fund’s operations	40,937,167,783	63,790,564,894
III	Changes in NAV due to subscriptions and redemptions of fund certificates	(434,096,296,914)	(141,457,523,964)
	<i>In which:</i>		
III.1	Receipts from subscriptions	262,756,228,632	556,484,545,062
III.2	Payments for redemptions	(696,852,525,546)	(697,942,069,026)
IV	NAV at the end of the year	434,864,897,100	828,024,026,231
V	NAV per fund certificate at the end of the year	23,272.08	22,278.64



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9 March 2023

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STATEMENT OF INVESTMENT PORTFOLIO
AS AT 31 DECEMBER 2022

No.	Item	Quantity	Market price/fair value as at 31/12/2022 VND	Total value VND	Percentage of total assets %
I Listed bonds					
1	CII121029	750,000	100,281	75,210,750,000	17.05%
2	VND122013	730,000	99,672	72,760,560,000	16.50%
3	TNG122017	400,000	99,998	39,999,200,000	9.07%
4	MML121021	300,230	100,103	30,053,923,690	6.81%
5	KBC121020	209,617	101,269	21,227,703,973	4.81%
				<u>239,252,137,663</u>	<u>54.24%</u>
II Unlisted bonds					
1	KDH230825	37	1,000,000,000	37,000,000,000	8.39%
2	PDR240923	250	100,162,651	25,040,662,750	5.68%
3	PDR021223	95	100,059,582	9,505,660,290	2.15%
				<u>71,546,323,040</u>	<u>16.22%</u>
III Other asset					
1	Interest receivables			<u>10,240,741,339</u>	<u>2.32%</u>
IV Cash					
1	Cash at banks			2,261,179,782	0.51%
2	Term deposits with maturity of less than three (03) months			88,400,000,000	20.04%
3	Term deposits with maturity of more than three (03) months			29,400,000,000	6.67%
				<u>120,061,179,782</u>	<u>27.22%</u>
V	Total value of portfolio			<u><u>441,100,381,824</u></u>	<u><u>100.00%</u></u>



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9 March 2023

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STATEMENT OF CASH FLOWS
 (Indirect method)

Code	Item	Note	For the year ended	
			2022	2021
			VND	VND
	I. Cash flows from investing activities			
01	1. Net accounting profit before tax		40,937,167,783	63,790,564,894
02	2. Adjustments for:		(79,424,673)	1,231,057,504
03	Unrealised (gain)/loss from revaluation of investments	5.3	(119,969,673)	1,205,132,504
04	Accrued expenses		40,545,000	25,925,000
05	3. Profit from investing activities before changes in working capital		40,857,743,110	65,021,622,398
20	Decrease in investments		451,412,254,985	25,457,301,881
07	Decrease/(increase) in interest receivables		20,276,734,356	(2,241,845,557)
08	Decrease in other receivables		-	10,450
11	(Decrease)/increase in subscription and redemption fees payable to distributors and Fund Management Company		(587,635,416)	431,076,252
13	Increase in tax payables and obligations to the State		19,203,137	56,227,221
14	Decrease in subscription payable to fund certificate holders		(146,770,902)	(8,765,195,663)
15	(Decrease)/increase in redemption payables to fund certificate holders		(11,669,857,148)	14,778,929,212
16	Decrease in other payables		(6,000,000)	-
17	(Decrease)/increase in fees payable to fund service providers		(465,312,824)	137,707,245
19	Net cash inflow from investing activities		499,690,359,298	94,875,833,439
	II. Cash flows from financing activities			
31	1. Receipts from subscriptions	6.7	262,756,228,632	556,484,545,062
32	2. Payments for redemptions	6.7	(696,852,525,546)	(697,942,069,026)
30	Net cash outflow from financing activities		(434,096,296,914)	(141,457,523,964)
40	III. Net increase/(decrease) in cash and cash equivalents in the year		65,594,062,384	(46,581,690,525)

The notes on pages 25 to 60 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS (continued)
(Indirect method)

Code	Item	Note	For the year ended 31 December	
			2022 VND	2021 VND
50	IV. Cash and cash equivalents at the beginning of the year	6.1	25,067,117,398	71,648,807,923
52	Cash at bank and cash equivalents for the Fund's operations		24,801,390,073	69,611,594,990
53	Cash at bank for subscriptions and redemptions		265,727,325	2,037,212,933
55	V. Cash and cash equivalents at the end of the year	6.1	90,661,179,782	25,067,117,398
57	Cash at bank and cash equivalents for the Fund's operations		90,631,978,061	24,801,390,073
58	Cash at bank for subscriptions and redemptions		29,201,721	265,727,325
60	VI. Changes in cash and cash equivalents in the year		65,594,062,384	(46,581,690,525)



Dragon Capital VietFund Management
Joint Stock Company
Beat Schurch
Chief Executive Officer
9 March 2023

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9 March 2023

The notes on pages 25 to 60 are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****1 GENERAL INFORMATION OF THE DC BOND FUND****1.1 Certificate of registration of fund public offering and Certificate of registration of public establishment**

DC Bond Fund (“the Fund”) was established as a public open-ended fund under the Certificate of registration of public fund establishment No. 04/GCN-UBCK (the “ERC”) issued by the State Securities Commission (“the SSC”) on 10 June 2013 and the Decision 398/QD-UBCK issued by SSC on 7 May 2015 on the amendment of the ERC. The charter capital of the Fund as stipulated in the ERC is VND99,574,822,600, equivalent to 9,957,482.26 fund certificates. The Fund operates in compliance with the Fund Charter issued in May 2022. The Fund has an indefinite life.

The fund certificates were issued to the public for the first time pursuant to the Certificate of registration of fund public offering No. 04/GCN-UBCK issued by the SSC on 27 February 2013.

The Fund has no employee and 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.

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 the Fund is looking for profit from debt instruments (including but not limit in Vietnamese Government bonds, Government guaranteed bonds, municipal bonds, corporate bonds in accordance with Vietnamese law, ...), commercial notes and fixed-income instruments.

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.

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 2022

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 bonds on stock exchanges, fund certificates of public bond funds;
- e) 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; In case the Fund invests in assets mentioned in this clause, they must meet the following criteria:
 - Having been approved in writing by the Board of Representatives of the Fund on the type, code of securities, quantity, transaction value, and execution time;
 - There are enough documents proving the payment guarantee or the issuer's commitment to buy back
- f) Listed derivatives at stock exchanges, and solely used for hedging purpose and for the underlying securities in which the Fund is holding;
- g) Rights that may arise in connection with securities that the Fund is holding; and
- h) In unfavourable circumstances of the market, the Fund can keep term deposits and cash equivalent up to 100% asset value to preserve the Fund's value from risks.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 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 clause 3, Article 56, Fund's Charter;
- (iv) Not more than 10% of the Fund's total asset are invested in assets specified at aforementioned point 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; and
- (viii) Investment in other public bond fund certificates are subject to the following restrictions:
 - Total exposure to all public fund certificates or public securities investment companies managed by the same Fund management does not exceed 10% of their circulating quantities;
 - Not more than 20% of the Fund's total asset are invested in public fund certificates or public securities investment companies
 - Total exposure to each public fund or public securities investment company does not exceed 30% of their circulating quantities.

The Fund's assets 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 six (06) months from the certificate of establishment or split, merger or consolidation is granted; 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. In case of the valuation date falls on weekends or holidays, the valuation date is the following working date, except for the monthly valuation is still the first day of the following month.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****1 GENERAL INFORMATION OF DC BOND FUND (continued)****1.2 General information of the Fund's operations (continued)*****Frequency of net asset value ("NAV") valuation (continued)***

Should the Fund Management Company change the frequency of NAV valuation, it is required to obtain the written approval of the Board of Representative prior to execution.

Method of NAV valuation

The Fund's NAV is calculated at total assets minus total 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 are 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. The reducing of trading in frequency of fund certificates shall be approved by the fund certificate holders' General Meeting and not less than twice (2 times) per month.

Distribution of profits

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 2022****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 accounted and presented in Vietnamese Dong ("VND").

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 of statement of financial position 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, the 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 ("Circular 181/2015/TT-BTC"), Circular 98/2020/TT-BTC issued by the Ministry of Finance on 16 November 2020 providing guidance on the 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 net asset value, 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 2022****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, 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 – the day on which the Fund commits to purchase or sell the investment. Investments are derecognised when the right to receive cash flows from the investments has expired or the Fund has transferred substantially all risks and rewards of ownership of the investments.

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

Initial recognition

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****4 SIGNIFICANT ACCOUNTING POLICIES (continued)****4.2 Investments (continued)*****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).

In either case below:

- (i) These bonds are not traded on stock exchange within or over 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) are revalued at face value plus accrued interest receivables.

(*) Significant fluctuation means:

- Government bond: exceed +/-1.0% compared to purchase price
- Corporate bond: exceed +/-0.5% compared to purchase price

(b) *Unlisted bonds*

These bonds are revalued based on the average (clean) of the transacted prices at the latest trading date preceding the valuation date based on the quotes from the three (03) quotation organisations and approved by the Board of Representatives. Where the prices as determined are not available from at least three (03) service providers or if there are enough quotations but there are two (02) to three (03) service providers that cannot determine the price or the above average price fluctuates abnormally, these bonds are revalued in priority order as follows:

- Average prices of two (2) securities companies
- Purchase price plus accrued interest receivables.

(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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****4 SIGNIFICANT ACCOUNTING POLICIES (continued)****4.1 Investments (continued)*****Subsequent measurement (continued)***

- (f) *Transferable certificates of deposit, commitments derived from derivatives contracts and treasury bills*

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

- (g) *Interest-free instruments including bills, bonds, valuable papers and others*

The value of interest-free instruments are revalued based on the listed price of Stock Exchanges, in case of none, they are determined at the Fund's valuation manual approved by the Board of Representatives.

- (h) *Other assets under investment regulations*

On a case-by-case basis, the prices of other assets under investment regulations will be appropriately determined by one of two methods as following:

- The average of transacted prices at the latest trading date with transactions preceding the valuation date based on quotes from the two (02) quotation organisations; or
- The method approved by the Board of Representatives.

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.

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****4 SIGNIFICANT ACCOUNTING POLICIES (continued)****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.

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 2022****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.

4.8 Revenue and income

Revenue and income are 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 and income 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Revenue and income (continued)

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 the relationship with each party, the Fund considers the substance of the relationship not merely the legal form.

4.11 Segment reporting

Business segments

The Fund's operation comprises only one business segment which is securities investment pursuantly to objectives and strategy specified in the Fund Charter.

4.12 Nil items

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

5 ADDITIONAL INFORMATION TO THE STATEMENT OF INCOME

5.1 Interest income

	For the year ended 31 December	
	2022 VND	2021 VND
Received interest income	10,765,951,675	18,386,008,181
Accrued interest income	602,849,315	15,636,630,138
Received interest income on bonds	47,580,138,625	21,093,314,997
Accrued interest income on bonds	9,637,892,024	14,880,845,557
	68,586,831,639	69,996,798,873

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5 ADDITIONAL INFORMATION TO THE STATEMENT OF INCOME (continued)

5.2 Realised (loss)/gain from disposal of investments

	Total proceeds of disposals VND	Weighted average cost of investments up to the latest trading date VND	Realised loss for the year ended 31/12/2022 VND	Cumulative realised gain/(loss) as at 31/12/2022 VND	Realised gain for the year ended 31/12/2021 VND	Cumulative realised gain as at 31/12/2021 VND
Bonds	992,637,268,185	1,005,663,956,103	(13,026,687,918)	40,497,258,126	5,509,584,175	53,523,946,044
Transferable certificates of deposit	333,241,092,218	337,283,675,315	(4,042,583,097)	(319,571,750)	1,240,494,980	3,723,011,347
	<u>1,325,878,360,403</u>	<u>1,342,947,631,418</u>	<u>(17,069,271,015)</u>	<u>40,177,686,376</u>	<u>6,750,079,155</u>	<u>57,246,957,391</u>

5.3 Unrealised gain/(loss) from revaluation of investments

	Carrying value VND	Revalued value as at 31/12/2022 VND	Unrealised gain from revaluation of investments as at 31/12/2022 VND	Unrealised (loss)/gain from revaluation of investments as at 31/12/2021 VND	Unrealised gain/(loss) from revaluation of investment for the year ended 31/12/2022 VND
Listed bonds	239,159,021,111	239,252,137,663	93,116,552	(26,853,130)	119,969,682
Unlisted bonds	71,546,322,979	71,546,323,040	61	70	(9)
Term deposits	29,400,000,000	29,400,000,000	-	-	-
	<u>340,105,344,090</u>	<u>340,198,460,703</u>	<u>93,116,613</u>	<u>(26,853,060)</u>	<u>119,969,673</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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	
	2022 VND	2021 VND
Brokerage fees from purchases	122,204,686	88,250,267
Brokerage fees from sales	125,196,932	63,599,603
Settlement fees paid to Vietnam Securities Depository ("VSD")	1,631,110	930,000
	<u>249,032,728</u>	<u>152,779,870</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5 ADDITIONAL INFORMATION TO THE STATEMENT OF INCOME (continued)

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

Detail of transactions by prime brokers during the year are as follows:

No.	Broker	Relationship with the Fund Management Company	Percentage of transaction value at brokers			
			Fund's transaction value through brokers for the year VND	Fund's total transaction value for the year (*) VND	Percentage of transaction value at broker	Average transaction fee rate
1	Bao Viet Securities Company	Non-related	331,795,820,596	1,629,751,480,978	20.36%	0.02%
2	ASAM Securities Corporation	Non-related	12,327,021,600	1,629,751,480,978	0.76%	0.02%
3	Ho Chi Minh Securities Corporation	Non-related	398,077,340,136	1,629,751,480,978	24.43%	0.02%
4	KIS Vietnam Securities Corporation	Non-related	659,743,882,722	1,629,751,480,978	40.48%	0.015%
5	Unlisted securities trading	Non-related	227,807,415,924	1,629,751,480,978	13.98%	
	Total		1,629,751,480,978	1,629,751,480,978	100.00%	

(*) Total transactions for the period year includes all transactions of listed bonds and unlisted bonds.

According to Circular 102/2021/TT-BTC issued by the Minister of Finance on 17 November 2021, maximum brokerage fee for purchase and sale of share, fund certificate, and covered warrants (applied for listed securities and securities registered for trading) that a customer pays to a broker firm is 0.45% of transaction value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5 ADDITIONAL INFORMATION TO THE STATEMENT OF INCOME (continued)

5.5 Custodian fees

	<u>For the year ended 31 December</u>	
	2022	2021
	VND	VND
Safe keeping fees (Note 8(a)(ii))	311,720,455	361,682,733
Transaction fees (Note 8(a)(ii))	8,300,000	6,100,000
Custodian fees for underlying securities paid to VSD	10,259,070	6,094,200
	<u>330,279,525</u>	<u>373,876,933</u>

5.6 Other operating expenses

	<u>For the year ended 31 December</u>	
	2022	2021
	VND	VND
Remunerations to the Board of Representatives (Note 8(a)(iii))	93,000,000	117,000,000
Price quotation fee	136,633,336	84,325,000
Bank charges (Note 8(a)(iii))	96,667,414	26,598,550
Annual fee paid to the State Securities Commission	7,500,000	-
Right exercise fee	2,200,000	1,100,000
	<u>336,000,750</u>	<u>229,023,550</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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	
	31/12/2022 VND	31/12/2021 VND
1. Cash at bank for the Fund's operations	2,261,179,782	5,567,117,398
Cash at bank for the Fund's operations at Standard Chartered Bank (Vietnam) Limited (Note 8(b))	2,231,978,061	5,301,390,073
Cash at bank for subscriptions and redemptions at Standard Chartered Bank (Vietnam) Limited (Note 8(b))	29,201,721	265,727,325
2. Term deposits with maturity of less than three (03) months (*)	88,400,000,000	19,500,000,000
Asia Commercial Joint Stock Bank	50,000,000,000	19,500,000,000
Vietnam Prosperity Joint stock Commercial Bank	24,300,000,000	-
Bank for Investment and Development of Vietnam	14,100,000,000	-
	<u>90,661,179,782</u>	<u>25,067,117,398</u>

(*) Term deposits as at 31 December 2022 earned fixed interest rates at 6% per annum (as at 31 December 2021: from 2.9% to 3.7% per annum).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

6.2 Investments

The details of the Fund's investments as at 31 December 2022 are as follows:

	Carrying value VND	Gain/(loss) from revaluation of investments		Revalued amount VND
		Gain VND	Loss VND	
Listed bond	239,159,021,111	93,231,223	(114,671)	239,252,137,663
Unlisted bond	71,546,322,979	79	(18)	71,546,323,040
Term deposits with maturity of more than three (03) months	29,400,000,000	-	-	29,400,000,000
	<u>340,105,344,090</u>	<u>93,231,302</u>	<u>(114,689)</u>	<u>340,198,460,703</u>

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

	Carrying value VND	Gain/(loss) from revaluation of investments		Revalued amount 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>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

6.2 Investments (continued)

Details of investments as at 31 December 2022 are as follows:

	Quantity	Carrying value VND	Revalued amount VND	Interest		Start date	Maturity date
				Form	% per annum		
Listed bonds		239,159,021,111	239,252,137,663				
Ho Chi Minh City Infrastructure Investment Joint Stock Company - CII121029	750,000	75,210,864,671	75,210,750,000	Fixed	9.5%	21/10/2021	21/10/2024
Kinh Bac City Development Share Holding Corporation - KBC121020	209,617	21,227,608,931	21,227,703,973	Fixed	10.8% First year: 9.5%	24/06/2021	24/06/2023
Masan Meatlife Joint Stock Company - MML121021 (i)	300,230	29,961,123,089	30,053,923,690	Fixed/ Floating	In the next coupon period: Reference interest + 3.9%	26/08/2021	26/08/2026
VNDIRECT Securities Corporation - VND122013	730,000	72,760,380,547	72,760,560,000	Fixed/ Floating	In the next coupon period: Reference interest + 2.6%	07/03/2022	07/03/2024
TNG Investment and Trading Joint Stock Company - TNG122017	400,000	39,999,043,873	39,999,200,000	Fixed	10%	16/05/2022	16/05/2026

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

6.2 Investments (continued)

Details of investments as at 31 December 2022 are as follows (continued):

	Quantity	Carrying value VND	Revalued amount VND	Interest		Start date	Maturity date
				Form	% per annum		
Unlisted bonds		71,546,322,979	71,546,323,040				
Khang Dien House Trading and Investment Joint Stock Company - KDHH2225001	37	37,000,000,000	37,000,000,000	Fixed	12%	23/08/2022	23/08/2025
Phat Dat Real Estate Development Joint Stock Company - PDRH2123006 (ii)	250	25,040,662,671	25,040,662,750	Fixed	13%	24/09/2021	24/09/2023
Phat Dat Real Estate Development Joint Stock Company - PDRH2123007 (iii)	95	9,505,660,308	9,505,660,290	Fixed	12%	02/12/2021	02/12/2023
Term deposits with maturity of more than three (03) months		29,400,000,000	29,400,000,000				
Vietnam Prosperity Joint stock Commercial Bank		19,400,000,000	19,400,000,000	Fixed	10%	06/12/2022	06/06/2023
Bank for Investment and Development of Vietnam		10,000,000,000	10,000,000,000	Fixed	8%	24/11/2022	24/05/2023
		340,105,344,090	340,198,460,703				

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****6 ADDITIONAL INFORMATION TO THE STATEMENT OF FINANCIAL POSITION (continued)****6.2 Investments (continued)**

Details of investments as at 31 December 2022 are as follows (continued):

- (i) Bond No. MML121021 is guaranteed by Masan Group Corporation (“Guarantor”), a third party, 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 bondholders acting on behalf of and for the benefit of bondholders.
- (ii) As at 31 December 2022, 2,700 bonds outstanding of the unlisted bonds PDRH2123006, with a total par value of outstanding bond of VND270,000,000,000, were secured by 27,660,000 shares of PDR. In which, the Fund owns 250 bonds, with a total par value of VND25,000,000,000. On 17 January 2023, Phat Dat Real Estate Development Joint Stock Company has paid 50% of both principal and interest of this bond. At the date of the financial statements, the par value of the bonds that the Fund still holds is VND12,500,000,000, and the number of PDR shares used as collateral is 1,455,555 shares, respectively.
- (iii) As at 31 December 2022, 2,863 bonds outstanding of the unlisted bonds PDRH2123007, with a total par value of outstanding bond of VND286,300,000,000, were secured by 27,660,000 shares of PDR. In which, the Fund owns 95 bonds, with a total par value of VND9,500,000,000. On 17 January 2023, Phat Dat Real Estate Development Joint Stock Company has paid 50% of both principal and interest of this bond. At the date of the financial statements, the par value of the bonds that the Fund still holds is VND4,700,000,000, and the number of PDR shares used as collateral is 909,105 shares, respectively.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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	Carrying value	Revalued amount	Interest		Start date	Maturity date
				Form	% per annum		
Listed bonds		VND	VND				
Kinh Bac City Development Share Holding Corporation – KBC12006 (i)	1,200,000	121,158,815,525	121,159,200,000	Fixed	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	Fixed	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	Fixed/ Floating	First year: 9.5% Next coupon period: Reference interest + 3.9%	26/08/2021	26/08/2026
Masan Group Corporation – MSN120011	487,804	48,920,553,440	49,092,106,756	Fixed/ Floating	First 4 coupon periods: 9.9% Next coupon period: Reference interest + 3.9%	14/12/2020	14/12/2023
Vietjet Aviation Joint Stock Company – VJC11912	1,700,000	170,567,680,419	170,567,800,000	Fixed/ Floating	First 2 coupon periods: 9% Next coupon period: Reference interest + 3%	26/07/2019	26/07/2022

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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	Carrying value VND	Revalued amount VND	Interest		Start date	Maturity date
				Format	% per annum		
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	Fixed	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	Fixed	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	Fixed	13.00%	24/09/2021	24/09/2023
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	Fixed	7.55%	22/03/2021	22/09/2022
VNVPFE280922	60,000	60,000,000,000	60,000,000,000	Fixed	8.075%	28/09/2020	28/09/2022
VNVPFE291222	40,000	39,961,715,068	39,961,715,068	Fixed	8.00%	29/12/2020	29/12/2022
VNVPFE211122	10,000	10,025,745,205	10,025,745,205	Fixed	8.00%	20/11/2020	20/11/2022
Home Credit Vietnam Finance Company Limited							
VNHCVN241123	27	26,912,442,918	26,912,442,918	Fixed	8.30%	25/11/2020	24/11/2023
VNHCVN260124	40	40,567,344,658	40,567,344,658	Fixed	8.30%	26/01/2021	26/01/2024
VNHCVN021123	45	45,000,000,000	45,000,000,000	Fixed	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	Fixed	4.80%		
		791,517,599,075	791,490,746,015				

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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) Bond No. KBC12006 is secured by 1,680,000 shares of Sai Gon – Hai Phong Industrial Park JSC, equivalent to VND400,000,000,000 bonds in the issuance. As at 31 December 2021, total market value of the collateral assets corresponding to the portion bonds that the Fund was holding is greater than fair value of the bonds.
- (ii) Bond No. MML121021 is guaranteed by Masan Group Corporation (“Guarantor”), a third party, 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 bondholders acting on behalf of and for the benefit of bondholders.
- (iii) Bond No. DXG180323 is 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. As at 31 December 2021, total market value of the collateral assets corresponding to the portion bonds that the Fund was holding is greater than fair value of the bonds.
- (iv) Bond No. PDRH2123007 is 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. As at 31 December 2021, total market value of the collateral assets corresponding to the portion bonds that the Fund is holding was greater than fair value of the bonds.
- (v) Bond No. PDRH2123006 is 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. As at 31 December 2021, total market value of the collateral assets corresponding to the portion bonds that the Fund is holding was greater than fair value of the bonds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

6.3 Interest receivables not yet due

	As at	
	31/12/2022	31/12/2021
	VND	VND
Interest receivables from transferable certificates of deposit	-	15,269,512,329
Interest receivables from corporate bonds	9,637,892,024	14,880,845,557
Interest receivables from term deposits	602,849,315	367,117,809
	<u>10,240,741,339</u>	<u>30,517,475,695</u>

6.4 Accrued expenses and other payables

	As at	
	31/12/2022	31/12/2021
	VND	VND
Brokerage fee	192,537,125	192,537,125
Audit fee	123,120,000	60,500,000
Board of Representatives' remunerations (Note 8(b))	12,000,000	18,000,000
	<u>327,657,125</u>	<u>271,037,125</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	
	31/12/2022	31/12/2021
	VND	VND
Fund management fee (Note 8(b))	466,811,916	880,754,411
Custody fee (Note 8(b))	15,602,809	29,358,480
Supervising fee (Note 8(b))	17,163,089	32,294,328
Fund administration fee (Note 8(b))	12,837,327	24,220,746
Transfer agent fee	11,000,000	22,000,000
Transaction fee (Note 8(b))	700,000	800,000
	<u>524,115,141</u>	<u>989,427,965</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

6.7 Movements in owners' equity

	Unit	As at 31/12/2021	Incurred for the year	As at 31/12/2022
Issued capital				
Number of fund certificates	Unit	208,524,519.31	11,595,058.78	220,119,578.09
Issued capital at par value	VND	2,085,245,193,100	115,950,587,800	2,201,195,780,900
Share premium of issued capital	VND	1,529,924,700,088	146,805,640,832	1,676,730,340,920
Total issued capital	VND	3,615,169,893,188	262,756,228,632	3,877,926,121,820
Redeemed capital				
Number of fund certificates	Unit	(171,357,809.92)	(30,075,649.49)	(201,433,459.41)
Redeemed capital at par value	VND	(1,713,578,099,200)	(300,756,494,900)	(2,014,334,594,100)
Share premium of redeemed capital	VND	(1,351,162,437,660)	(396,096,030,646)	(1,747,258,468,306)
Total redeemed capital	VND	(3,064,740,536,860)	(696,852,525,546)	(3,761,593,062,406)
Total contribution capital	VND	550,429,356,328	(434,096,296,914)	116,333,059,414
Undistributed profits	VND	277,594,669,903	40,937,167,783	318,531,837,686
Net asset value	VND	828,024,026,231		434,864,897,100
Number of outstanding fund certificates				
	Unit	37,166,709.39		18,686,118.68
NAV per fund certificate	VND per Unit	22,278.64		23,272.08

6.8 Accumulated profits

	As at 31/12/2021 VND	Incurred for the year VND	As at 31/12/2022 VND
Realised profits	277,621,522,963	40,817,198,110	318,438,721,073
Unrealised (losses)/profits	(26,853,060)	119,969,673	93,116,613
Undistributed profits	<u>277,594,669,903</u>	<u>40,937,167,783</u>	<u>318,531,837,686</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7 NET ASSET VALUE (NAV)

Year ended 31 December 2022					
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	31/12/2021	828,024,026,231	37,166,709.39	22,278.64	
2	06/01/2022	829,062,891,807	37,166,709.39	22,306.59	27.95
3	13/01/2022	924,315,697,898	41,386,061.52	22,333.98	27.39
4	20/01/2022	917,601,504,807	41,051,835.86	22,352.26	18.28
5	27/01/2022	916,285,985,746	40,975,887.87	22,361.58	9.32
6	31/01/2022	915,417,522,374	40,907,973.29	22,377.48	15.90
7	03/02/2022	915,891,371,372	40,907,973.29	22,389.06	11.58
8	10/02/2022	917,761,466,330	40,907,973.29	22,434.78	45.72
9	17/02/2022	908,391,208,671	40,439,400.99	22,463.02	28.24
10	24/02/2022	907,237,090,160	40,355,126.86	22,481.33	18.31
11	28/02/2022	898,528,876,092	39,925,462.14	22,505.15	23.82
12	03/03/2022	898,827,963,264	39,925,462.14	22,512.65	7.50
13	10/03/2022	883,741,674,581	39,197,083.18	22,546.10	33.45
14	17/03/2022	880,177,785,521	38,987,189.65	22,576.07	29.97
15	24/03/2022	859,600,196,908	38,018,561.56	22,610.01	33.94
16	31/03/2022	849,594,844,142	37,515,321.51	22,646.60	36.59
17	07/04/2022	842,939,001,233	37,129,728.68	22,702.53	55.93
18	14/04/2022	838,563,361,518	36,888,480.59	22,732.39	29.86
19	21/04/2022	838,246,445,999	36,801,145.36	22,777.72	45.33
20	28/04/2022	840,103,559,641	36,826,910.37	22,812.21	34.49
21	30/04/2022	829,618,672,267	36,344,025.31	22,826.82	14.61
22	05/05/2022	830,366,780,714	36,344,025.31	22,847.40	20.58
23	12/05/2022	835,981,465,380	36,542,617.93	22,876.89	29.49
24	19/05/2022	834,815,068,909	36,431,709.27	22,914.51	37.62
25	26/05/2022	822,107,778,113	35,829,763.63	22,944.82	30.31
26	31/05/2022	820,429,352,431	35,731,222.17	22,961.13	16.31
27	02/06/2022	820,772,682,043	35,731,222.17	22,970.74	9.61
28	09/06/2022	821,106,905,281	35,702,960.60	22,998.28	27.54
29	16/06/2022	820,310,405,615	35,612,226.87	23,034.51	36.23
30	23/06/2022	815,331,213,832	35,323,237.18	23,082.00	47.49
31	30/06/2022	814,536,621,585	35,259,224.52	23,101.37	19.37
32	07/07/2022	813,113,131,935	35,122,952.89	23,150.47	49.10
33	14/07/2022	812,845,931,242	35,059,310.67	23,184.88	34.41
34	21/07/2022	814,565,341,750	35,085,535.13	23,216.55	31.67
35	28/07/2022	816,301,008,134	35,096,285.72	23,258.90	42.35
36	31/07/2022	818,032,417,268	35,148,673.29	23,273.49	14.59
37	04/08/2022	818,725,768,844	35,148,673.29	23,293.21	19.72
38	11/08/2022	823,403,598,191	35,290,371.62	23,332.24	39.03
39	18/08/2022	820,395,909,533	35,108,589.39	23,367.38	35.14
40	25/08/2022	821,719,663,560	35,101,982.53	23,409.49	42.11
41	31/08/2022	821,079,639,087	35,029,944.17	23,439.36	29.87
42	04/09/2022	821,786,154,644	35,029,944.17	23,459.53	20.17
43	08/09/2022	822,499,027,144	35,029,944.17	23,479.88	20.35
44	15/09/2022	822,509,897,073	34,977,931.60	23,515.10	35.22
45	22/09/2022	819,022,432,317	34,775,654.51	23,551.60	36.50

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7 NET ASSET VALUE (NAV) (continued)

Year ended 31 December 2022						
No.	NAV calculation date (continued)	NAV VND	Quantity of fund certificates	NAV per fund certificate at calculation date VND	Increase/ (decrease) of NAV per fund certificate VND	
46	29/09/2022	820,464,114,199	34,788,299.78	23,584.48	32.88	
47	30/09/2022	817,235,444,011	34,661,797.98	23,577.41	(7.07)	
48	06/10/2022	818,696,838,347	34,661,797.98	23,619.57	42.16	
49	13/10/2022	657,927,549,321	27,846,897.85	23,626.60	7.03	
50	20/10/2022	641,732,067,963	27,115,427.78	23,666.67	40.07	
51	27/10/2022	638,456,930,131	26,953,888.82	23,687.00	20.33	
52	31/10/2022	631,084,672,121	26,614,640.54	23,711.93	24.93	
53	03/11/2022	631,408,277,999	26,614,640.54	23,724.09	12.16	
54	10/11/2022	623,127,235,070	26,241,376.48	23,745.98	21.89	
55	17/11/2022	615,258,628,710	25,872,090.21	23,780.78	34.80	
56	24/11/2022	594,614,481,971	25,304,572.28	23,498.30	(282.48)	
57	30/11/2022	537,587,567,769	22,975,036.14	23,398.76	(99.54)	
58	01/12/2022	534,486,089,253	22,975,036.14	23,263.77	(134.99)	
59	08/12/2022	479,205,082,952	20,714,379.63	23,133.93	(129.84)	
60	15/12/2022	461,776,852,160	19,932,088.81	23,167.50	33.57	
61	22/12/2022	448,562,282,771	19,318,340.09	23,219.50	52.00	
62	29/12/2022	437,788,990,122	18,824,060.36	23,256.88	37.38	
63	31/12/2022	434,864,897,100	18,686,118.68	23,272.08	15.20	
Average NAV of the year			779,014,266,782			
Changes in NAV per fund certificate during the year - highest level					(282.48)	
Changes in NAV per fund certificate during the year - lowest level					7.03	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7 NET ASSET VALUE (NAV) (continued)

Year ended 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7 NET ASSET VALUE (NAV) (continued)

Year ended 31 December 2021					
No.	NAV calculation date (continued)	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)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8 RELATED PARTIES DISCLOSURE

(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*

	<u>For the year ended 31 December</u>	
	2022 VND	2021 VND
Fund management fee	9,350,341,186	10,246,262,616
Redemption fee collected on behalf	5,348,271,267	4,673,425,082

The Fund management fee is calculated on a daily and a monthly basis. Based on the actual number of days in the valuation period and NAV of the Fund at the date prior to the valuation date. The annual management fee rate is 1.2% of the Fund's NAV.

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

	<u>For the year ended 31 December</u>	
	2022 VND	2021 VND
Safe keeping fee (*)	311,720,455	361,682,733
Supervising fee (**)	342,892,499	397,851,006
Fund administration fee (**)	257,134,379	298,388,255
Transaction fee (***)	8,300,000	6,100,000
Bank charges	96,595,675	26,598,550
Interest income	43,911,131	49,740,645

- (*) 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 2022**

8 RELATED PARTIES TRANSACTIONS (continued)

(a) Transactions with related parties (continued)

(iii) Board of Representatives' remunerations

	<u>For the year ended 31 December</u>	
	<u>2022</u> VND	<u>2021</u> VND
Board of Representatives' remunerations (Note 5.6)	93,000,000	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. Remuneration and related expenses to members of the Board of Representatives are recognised as expenses of the Fund in the statement of income.

(b) Balances with related parties

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

	<u>As at</u>	
	<u>31/12/2022</u> VND	<u>31/12/2021</u> VND
Dragon Capital VietFund Management Joint Stock Company		
Fund management fee payable (Note 6.6)	466,811,916	880,754,411
Redemption fee payables to Fund Management Company	-	587,635,416
Standard Chartered Bank (Vietnam) Limited		
Cash at bank for the Fund's operations (Note 6.1)	2,231,978,061	5,301,390,073
Cash at bank for the Fund's subscription and redemption (Note 6.1)	29,201,721	265,727,325
Custody fee payable (Note 6.6)	15,602,809	29,358,480
Supervising fee payable (Note 6.6)	17,163,089	32,294,328
Fund administration fee payable (Note 6.6)	12,837,327	24,220,746
Transaction fee payable (Note 6.6)	700,000	800,000
Board of Representatives		
Accrued Board of Representatives' remunerations (Note 6.4)	12,000,000	18,000,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9 THE FUND'S PERFORMANCE INDICATORS

	<u>As at</u>	
	<u>31/12/2022</u>	<u>31/12/2021</u>
1 Total expenses/Average NAV during the year (%)	1.45%	1.33%
2 Turnover of investment portfolio during the year = (Total value of purchase transactions + total value of sales transactions)/2/Average NAV during the year (%) (*)	127.79%	94.59%

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

10 FINANCIAL RISK MANAGEMENT AND FAIR VALUE

On 6 November 2009, the 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 fiscal years beginning on 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; and
Market risk

The Fund's investment portfolio comprises listed corporate bonds and unlisted corporate bonds, transferable certificates of deposit, cash and term deposits at bank. Management of the Fund Management Company has been given a discretionary authority to manage the Fund's assets in compliance with the Fund's investment objectives. Compliance with the investment restrictions is monitored by the Supervising Bank on a weekly basis. If any breach to the investment restrictions is found, the investment portfolio shall be adjusted by the Fund Management Company to comply with the established restrictions.

(a) Credit risk

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

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).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****10 FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)****(a) Credit risk (continued)**

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 include receivables from trades of bonds, interest receivables from term deposits, certificates of deposit and bonds. Credit risk relating to such receivables is considered not significant due to the fact that receivables account for a small proportion of the portfolio (2022: 2.32%, 2021: 3.6%) and there are no overdue receivables as at the reporting date and the issuance date of this report.

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

(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 2022, all the Fund's liabilities were due within 1 year.

As at 31 December 2022, 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.

All corporate bonds and certificates of deposit held by the Fund have fixed interest rates or variable interest rates with a base rate referenced to 12-month VND deposit rates quoted by large Vietnamese commercial banks. Details of interest rates of term deposits, corporate bonds and transferable certificates of deposit are presented in Note 6.1 and Note 6.2.

Fund Management Company manage interest rate risk by analysing market competition to have the interest rates that benefit for the Fund's purposes and within the limit of risk management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****10 FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)****(c) Market risk (continued)***Currency risk*

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

Market price risk

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

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

As at 31 December 2022, if market price of listed bonds and unlisted 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 VND3,107,984,607 (as at 31 December 2021: VND5,090,234,982).

(d) Fair value of financial assets and liabilities

Financial assets of the Fund comprise:

- Cash;
- Debts 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 2022**

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 2022 and 31 December 2021 are as follows:

	Carrying value		Fair value	
	31/12/2022 VND	31/12/2021 VND	31/12/2022 VND	31/12/2021 VND
Financial assets				
Cash at bank and cash equivalents (Note 6.1)	90,661,179,782	25,067,117,398	90,661,179,782	25,067,117,398
Investments	340,105,344,090	791,517,599,075	340,198,460,703	791,490,746,015
- <i>Listed bonds</i>	239,159,021,111	424,070,372,596	239,252,137,663	424,043,519,466
- <i>Unlisted bonds</i>	71,546,322,979	84,979,978,630	71,546,323,040	84,979,978,700
- <i>Transferable certificates of deposit</i>	-	272,467,247,849	-	272,467,247,849
- <i>Term deposits with maturity more than three (03) months</i>	29,400,000,000	10,000,000,000	29,400,000,000	10,000,000,000
Net dividend and interest receivables	10,240,741,339	30,517,475,695	10,240,741,339	30,517,475,695
Total	441,007,265,211	847,102,192,168	441,100,381,824	847,075,339,108
Financial liabilities				
Subscription and redemption fee payable to distributors and Fund Management Company	-	587,635,416	-	587,635,416
Accrued expenses	327,657,125	271,037,125	327,657,125	271,037,125
Fees payable to fund service providers	524,115,141	989,427,965	524,115,141	989,427,965
Subscription payable to fund certificate holders	147,442,798	294,213,700	147,442,798	294,213,700
Redemption payable to fund certificate holders	5,144,307,547	16,814,164,695	5,144,307,547	16,814,164,695
Other payables	-	22,075,000	-	22,075,000
Total	6,143,522,611	18,978,553,901	6,143,522,611	18,978,553,901

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11 SUBSEQUENT EVENTS

There have been no significant subsequent events occurring after the year end date which would require adjustments or disclosures to be made in the financial statements other than events disclosed in note 6.2.

12 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2022 were approved by the Board of Representatives on 9 March 2023.



Dragon Capital VietFund Management Joint
Stock Company
Beat Schurch
Chief Executive Officer
9 March 2023

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Dragon Capital VietFund Management Joint Stock
Company
Nguyen Kieu Truc Ly
Fund Accountant
9 March 2023

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Dragon Capital VietFund Management Joint
Stock Company
Ninh Thi Tue Minh
Fund Accounting Manager
9 March 2023