



**VIETNAM SELECT EQUITIES INVESTMENT FUND**

**INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**



## **VIETNAM SELECT EQUITIES INVESTMENT FUND**

### **INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

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## **VIETNAM SELECT EQUITIES INVESTMENT FUND**

### **GENERAL INFORMATION OF THE FUND**

<b>Initial public offering certificate</b>	No. 91/GCN-UBCK issued by the State Securities Commission ("the SSC") on 29 December 2017	
<b>Establishment registration certificate of open-ended fund</b>	No. 31/GCN-UBCK dated 2 March 2018 No. 05/ GCN-UBCK dated 2 December 2019 issued by the SSC	
<b>Board of Representatives</b>	Mr. Tran Dac Sinh Ms. Vuong Thi Hoang Yen Mr. Nguyen Hoang Khanh Ms. Nguyen Boi Hong Le Ms. Tran Ngoc Han	Chairman Member Member (since 08/08/2019) Vice Chairman (until 08/08/2019) Member (until 08/08/2019)
<b>Fund Management Company</b>	Vietnam Investment Fund Management Joint Stock Company	
<b>Supervising Bank</b>	Standard Chartered Bank (Vietnam) Limited	
<b>Registered Office</b>	Unit 1701 – 04, 17th Floor, Me Linh Point Tower, 02 Ngo Duc Ke Street, District 1, Ho Chi Minh City, Vietnam	
<b>Auditor</b>	PwC (Vietnam) Limited	

## **VIETNAM SELECT EQUITIES INVESTMENT FUND**

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

Management of Vietnam Investment Fund Management Joint Stock Company (“the Fund Management Company”) is responsible for preparing the interim financial statements which give a true and fair view of the financial position and investment portfolio of Vietnam Select Equities Investment Fund (“the Fund”) as at 30 June 2020 and the results of its operations, changes in net asset value, subscriptions and redemptions of fund certificates and cash flows for the six-month period then ended. In preparing these interim financial statements, management of the Fund Management Company is required to:

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

Management of the Fund Management Company is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position and the investment portfolio of the Fund and which enable the interim financial statements to be prepared which comply with the basis of accounting set out in Note 4 to the interim financial statements. Management of the Fund Management Company is also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud or errors.



## VIETNAM SELECT EQUITIES INVESTMENT FUND

### APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

We hereby approve the accompanying interim financial statements which give a true and fair view of the financial position and the investment portfolio of the Fund as at 30 June 2020 and of the results of its operations, changes in net asset value, subscriptions and redemptions of fund certificates and cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese accounting system applicable to open-ended investment funds including Circular 198/2012/TT-BTC issued by the Ministry of Finance on 15 November 2012 on the promulgation of accounting system for open-ended investment funds, Circular 181/2015/TT-BTC issued by the Ministry of Finance on 13 November 2015 on the promulgation of accounting system for exchange-traded funds and open-ended investment funds, Circular 183/2011/TT-BTC issued by the Ministry of Finance on 16 December 2011 on the establishment and management of open-ended investment funds, Circular 15/2016/TT-BTC issued by the Ministry of Finance on 20 January 2016 amending and supplementing Circular 183/2011/TT-BTC and prevailing regulations on preparation and presentation of financial statements applicable to open-ended investment funds.

On behalf of the Board of Representatives 



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Tran Dac Sinh  
Chairman  
Ho Chi Minh City, Vietnam  
12 August 2020

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
TO THE FUND CERTIFICATE HOLDERS OF VIETNAM SELECT EQUITIES INVESTMENT FUND**

We have reviewed the accompanying interim financial statements of Vietnam Select Equities Investment Fund ("the Fund") which were prepared on 30 June 2020 and approved by the Board of Representatives on 12 August 2020. The interim financial statements comprise the interim statement of income, the interim statement of changes in net asset value, subscriptions and redemptions of fund certificates, and the interim statement of cash flows for the six-month period ended 30 June 2020, the interim statement of financial position and the statement of investment portfolio as at 30 June 2020, and explanatory notes to the interim financial statements including significant accounting policies, as set out on pages 15 to 54.

**Responsibility of management of Vietnam Investment Fund Management Joint Stock Company  
("the Fund Management Company")**

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

**Auditor's Responsibility**

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

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

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position and the investment portfolio of the Fund as at 30 June 2020, and the results of its operations, changes in Net Asset Value, subscriptions and redemptions of fund certificates and cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese accounting regulations applicable to open-ended investment funds including Circular 198/2012/TT-BTC, Circular 181/2015/TT-BTC, Circular 183/2011/TT-BTC, Circular 15/2016/TT-BTC and prevailing regulations on preparation and presentation of financial statements applicable to open-ended investment funds.

## Other matter

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

**For and on behalf of PwC (Vietnam) Limited**



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

Report reference number: HCM9743  
Ho Chi Minh City, 12 August 2020



## **VIETNAM SELECT EQUITIES INVESTMENT FUND**

### **REPORT OF THE FUND MANAGEMENT COMPANY**

#### **1 GENERAL INFORMATION OF THE FUND**

##### **1.1 Objectives of the Fund**

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

##### **1.2 Performance result of the Fund**

According to the reviewed interim financial statements of the Fund, its net asset value ("NAV") as at 30 June 2020 increased by 736.52% whilst its NAV per fund certificate decreased by 12.69% as compared with those as at 30 June 2019.

##### **1.3 The Fund's investment strategy and policy**

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

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

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

##### **1.4 Classification of the Fund**

The Fund is an open-ended public investment fund.

##### **1.5 Life of the Fund**

The Fund has an indefinite life.

##### **1.6 Short-term risk**

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

##### **1.7 Inception of the Fund**

The Fund has been operating since 2 March 2018.

##### **1.8 Size of the Fund at reporting date**

As at 30 June 2020, the Fund's net asset value was VND430,568,661,023 equivalent to 62,643,520.04 fund certificates.

##### **1.9 Benchmark index of the Fund**

The Fund has no benchmark index.

## VIETNAM SELECT EQUITIES INVESTMENT FUND

### REPORT OF THE FUND MANAGEMENT COMPANY (continued)

#### 1 GENERAL INFORMATION OF THE FUND (continued)

##### 1.10 Profit distribution policy of the Fund

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

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

The Fund has not distributed its profits to fund certificate holders since its establishment until 30 June 2020.

#### 2 PERFORMANCE RESULTS

##### 2.1. Asset allocation

	As at		
	30/06/2020	30/06/2019	30/06/2018
	%	%	%
1. Securities	48.24	95.85	92.13
2. Other assets	51.76	4.15	7.87
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

##### 2.2 Performance indicators

	As at/ Reporting period ended		
	30/06/2020	30/06/2019	30/06/2018
1. NAV of the Fund (VND)	430,568,661,023	51,471,366,168	58,863,740,476
2. Number of fund certificates outstanding (units)	62,643,520.04	6,538,567.18	7,073,405.18
3. NAV per fund certificate (VND)	6,873.31	7,871.96	8,321.83
4. NAV per fund certificate – highest during the period (VND)	8,219.80	8,800.81	10,512.67
5. NAV per fund certificate – lowest during the period (VND)	5,186.22	7,442.44	8,321.83
6. Closing price of fund certificate at reporting date (VND)	-	-	-
7. Closing price of fund certificate at reporting date – highest during the period (VND)	-	-	-
8. Closing price of fund certificate at reporting date – lowest during the period (VND)	-	-	-
9. Yield per fund certificate (%) (*)	(191.24%)	(19.64%)	Indeterminable
9.1. Capital yield per fund certificate (due to price change) (%)	(116.10%)	(146.27%)	Indeterminable
9.2. Income yield per fund certificate (calculated using realised income) (%)	(75.15%)	126.63%	Indeterminable
10. Gross distributed earning per fund certificate (VND)	-	-	-
11. Net distributed earning per fund certificate (VND)	-	-	-
12. Ex-date of distribution	-	-	-
13. Operation expenses/Average NAV (%)	3.26%	3.88%	3.60%
14. Turnover of investment portfolio (%) (**)	298.23%	60.16%	240.91%

(\*) This ratio is indeterminable as the comparative yield was also indeterminable.

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



## VIETNAM SELECT EQUITIES INVESTMENT FUND

### REPORT OF THE FUND MANAGEMENT COMPANY (continued)

#### 2 PERFORMANCE RESULTS (continued)

##### 2.3 Growth by years

Period	Growth of NAV per fund certificate (%)	Annual growth of NAV per fund certificate (%)
1 year	(12.69%)	(12.69%)
3 years	Not applicable (*)	Not applicable (*)
Since inception	(31.27%)	(14.87%)

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

##### 2.4. Annual growth

Period	30/06/2020	30/06/2019	30/06/2018
Growth per fund certificate (%)	(12.69%)	(5.41%)	Not applicable (*)

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

#### 3 MARKET UPDATES

Vietnam's stock market has experienced large fluctuations in the first 6 months of 2020. In the first two months of the year, the VN-Index attempted to reach 1,000 points but failed when the selling pressure to realise profit of investors caused the index to drop to 950 points during February. In March, when the World Health Organisation (WHO) announced the outbreak of the Covid-19 pandemic around the world, the rapid and sharp decrease of the global stock markets caused negative impacts on Vietnam's stock market. Throughout March, Vietnam's stock market experienced massive and significant declines, making the VN-Index decrease from 950 points to 650 points, by more than 31%. However, since the end of March and early April, Vietnam implemented drastically anti-pandemic measures which positively supported the recovery of the market. During May and early June, the index bounced back to 900 points. Three weeks later in June, Vietnam's stock market dropped to 820 points as the impact of the second wave of outbreaks worldwide.

VN-Index closed at 825.11 points at the end of June, dropping by 135.88 points (-14.14%) compared to that as at 31 December 2019. The average trading volume of stock market and fund certificates in the first 6 months reached more than VND4,700 billion/session, an increase by nearly 7% compared to the average in 2019.

Highlights of Vietnam's market in 6 months of 2020 are:

- (i) Market liquidity continued to grow mainly due to abundant cash flows of domestic individual investors which boosted the index's momentum throughout May and June.
- (ii) The demand from foreign investors decreased. In the first 6 months, foreign investors net sold nearly VND1,800 billion.
- (iii) After failing to approach the resistance zone of 900 points, the market returned to sideways movement to accumulate in the 850-870 area. This is the necessary period of accumulation in order to create a firm price base toward a higher zone in the last 6 months.



## VIETNAM SELECT EQUITIES INVESTMENT 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

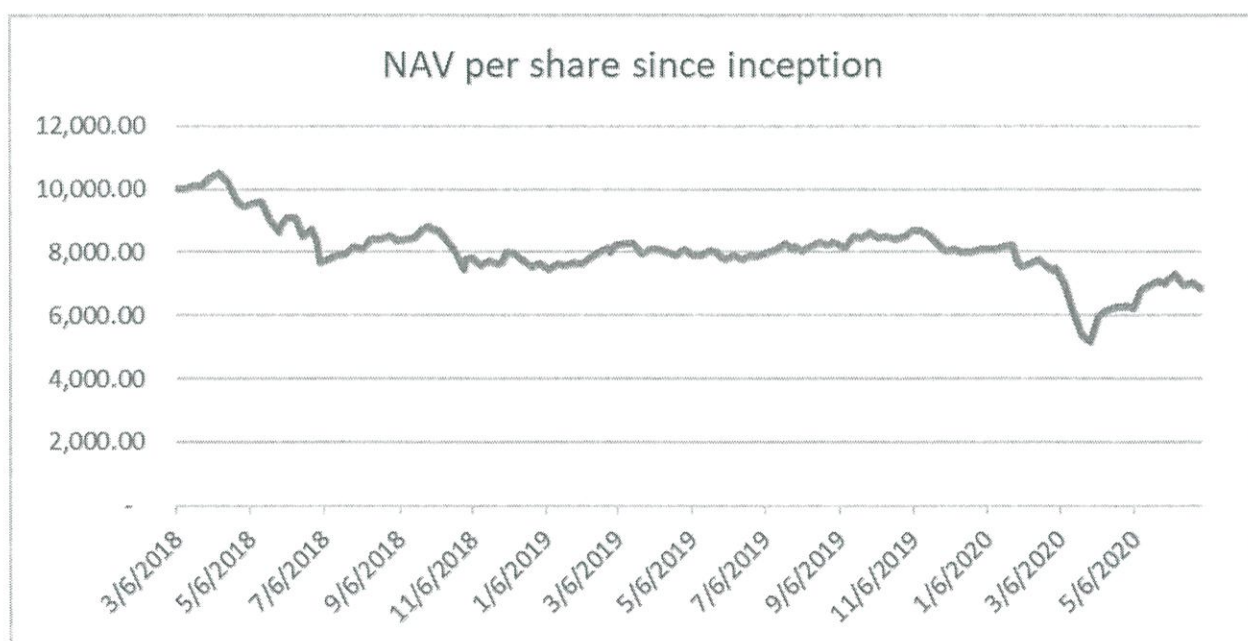
Item	1 year up to reporting date (%)	3 years up to reporting date (%)	From inception to reporting date (%)
Income yield per fund certificate	(75.15%)	Not applicable (****)	Not applicable (*)
Capital yield per fund certificate	(116.10%)	Not applicable (****)	Not applicable (*)
Yield per fund certificate	(191.24%)	Not applicable (****)	Not applicable (*)
Annual growth per fund certificate	(12.69%)	Not applicable (****)	(14.87%)
Growth of component portfolio (**)	Not applicable	Not applicable	Not applicable
Price change per fund certificate (***)	Not applicable	Not applicable	Not applicable

(\*) The Fund's yield at inception was nil, so the growth rate is undetermined.

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

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

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



## VIETNAM SELECT EQUITIES INVESTMENT FUND

### REPORT OF THE FUND MANAGEMENT COMPANY (continued)

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

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

Changes in NAV:

Item	30/06/2020 VND	30/06/2019 VND	Change %
NAV of the Fund	430,568,661,023	51,471,366,168	736.52%
NAV per fund certificate	6,873.31	7,871.96	(12.69%)

As compared to figure as at 30 June 2019, NAV of the Fund as at 30 June 2020 increased by 736.52% mainly due to subscriptions of a large quantity of fund certificates during the period, whilst NAV per fund certificate decreased by 12.69% mainly due to changes in market price of securities.

##### 4.2. Fund certificate holders analysis as at reporting date

Number of fund certificates	Number of fund certificate holders	Number of fund certificates	Holding rate
Fewer than 5,000	18	53,000.00	0.08%
5,000 to fewer than 10,000	6	51,500.00	0.08%
10,000 to fewer than 50,000	6	139,000.00	0.22%
50,000 to 500,000	2	430,000.00	0.69%
More than 500,000	3	61,970,020.04	98.92%
<b>Total</b>	<b>35</b>	<b>62,643,520.04</b>	<b>100.00%</b>

##### 4.3 Soft commissions and discounts

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

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

## **VIETNAM SELECT EQUITIES INVESTMENT FUND**

### **REPORT OF THE FUND MANAGEMENT COMPANY (continued)**

#### **5 MARKET PROSPECTS**

Vietnam's economy achieved a growth rate of 0.36% in the second quarter and 1.81% in the first 6 months of 2020. This has been a positive result despite heavy impacts on the economy due to by Covid-19 and social distancing orders applied in April 2020. The GDP growth was achieved thanks to the major contribution of the agricultural sector (6 months: + 1.38%) and the manufacturing and construction sectors (6 months: + 1.72%) while the services sector had a negative growth of 1.76% over the same period. Meanwhile, other macroeconomic factors still indicate the stability of economic recovery. The inflation index, the VND-USD exchange rate, and the deposit and lending interest rates remained stable thanks to timely adjustment policies of the Government. FDI attraction/disbursement remained stable, although there was a slight decrease compared to 2019 (in fact, FDI disbursement reached US \$ 8.65 billion, fell 5% compared to the first 6 months of 2019). The trade surplus for the first 6 months in 2020 reached 4.55 billion USD which was the net result of the decrease in export value by 2% and the increase in import value by 5.3% as compared to the same period of 2019. Macroeconomic stability is expected to continue in the second half of 2020, based on the current status of economic key drivers. Subsequent to 30 June 2020, the Government has set the target for GDP growth at 4% in 2020.

#### **6 OTHER INFORMATION**

##### **The fund controllers comprise of:**

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

##### **The Board of Representatives comprises of:**

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



## VIETNAM SELECT EQUITIES INVESTMENT FUND

### REPORT OF THE FUND MANAGEMENT COMPANY (continued)

#### 6 OTHER INFORMATION (continued)

The executive officers of the Fund Management Company comprise of:

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

Ho Chi Minh City, 12 August 2020

CHIEF EXECUTIVE OFFICER



The image shows a red circular stamp with the text "CÔNG TY CỔ PHẦN QUẢN LÝ QUỸ ĐẦU TƯ VIỆT NAM" and "QUẬN 1 - TP. HỒ CHÍ MINH" around the perimeter. A handwritten signature in blue ink is written over the stamp. Below the stamp, the name "Tran Thanh Tan" is printed.

Tran Thanh Tan

## SUPERVISORY BANK'S REPORT

We, appointed as the Supervisory Bank of Vietnam Select Equities Investment Fund, formerly known as Vietnam Equities Investment Fund ("the Fund") for the period from 01<sup>st</sup> January 2020 to 30<sup>th</sup> June 2020, recognize that the Fund operated and was managed in the following matters:

- a) During our supervision of the Fund's investments and asset transactions for the period from 01<sup>st</sup> January 2020 to 30<sup>th</sup> June 2020, the Fund's investment portfolio deviated from investment restrictions under the prevailing regulations for open-ended fund, Fund Prospectus and other relevant regulations, details as below:

- Item f, Clause 10, Article 1, Circular 15/2016/TT-BTC ("Circular 15") dated 20<sup>th</sup> January 2016 amending and supplementing several articles in Circular 183/2011/TT-BTC ("Circular 183") dated 16<sup>th</sup> December 2011 and Article 11, Fund Charter regulate that investment portfolio of open-ended fund must adhere to the following rule: "The total value of major investments in the fund's investment portfolio must not exceed forty percent (40%) of the fund's total asset value, except in the case of the bond fund." In case of deviation, the Fund Management Company has to adjust the Fund's investment portfolio to comply with the prevailing regulations within the regulated recovery timeframe.

At valuation date 05<sup>th</sup> February 2020, from valuation date 11<sup>th</sup> March 2020 to valuation date 20<sup>th</sup> May 2020, the Fund's investment in major investments deviated from the limit of 40% of the Fund's total asset value. The Fund Management Company had to adjust the Fund's investment portfolio to comply with the prevailing regulations no later than 05<sup>th</sup> May 2020 and 11<sup>th</sup> June 2020 for the above mentioned deviations, respectively.

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

From valuation date 27<sup>th</sup> May 2020 to as at 30<sup>th</sup> June 2020, the Fund's investment portfolio complied with Item f, Clause 10, Article 1, Circular 15 and Article 11, Fund Charter.

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

As at 16<sup>th</sup> June 2020, the Fund received cash subscription from investors with the total value of VND 387,000,000,000 for the trading date 17<sup>th</sup> June 2020, which led to total payables including payables to the above investors exceeded the net asset value of the Fund at valuation date 17<sup>th</sup> June 2020.

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

From valuation date 24<sup>th</sup> June 2020 to as at 30<sup>th</sup> June 2020, the Fund's investment portfolio complied with Item g, Clause 10, Article 1, Circular 15 and Article 11, Fund Charter.

- b) Assets Valuation and Pricing of the Fund units were carried out in accordance with Fund Charter, Fund Prospectus and other prevailing regulations.

### Standard Chartered Bank (Vietnam) Limited

#### Head Office

P1810-1815, Keangnam Hanoi Landmark,  
E6 Pham Hung, Me Tri Ward,  
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- c) Fund subscriptions and redemptions were carried out in accordance with Fund Charter, Fund Prospectus and other prevailing regulations.
- d) For the period from 01<sup>st</sup> January 2020 to 30<sup>th</sup> June 2020, the Fund did not pay dividend to Fund Unit Holders.
- e) Other information:

Clause 8, Article 18, Circular 183 regulates that: "Within three (03) days from the date on which net asset value of the fund reduces by fifty percent (50%) compared to the initially mobilized capital, or falls below thirty (30) billion VND, the fund management company must send reports to the State Securities Commission and propose a plan for remedial measures. If the net asset value of the fund falls below ten (10) billion VND in (06) consecutive months, the fund management company must liquidate assets in order to dissolve the fund in accordance with prevailing regulations."

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

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

From valuation date 22<sup>nd</sup> April 2020 to as at the 30<sup>th</sup> April 2020, and from valuation date 13<sup>th</sup> May 2020 to as at 30<sup>th</sup> June 2020, the Fund's net asset value was over fifty percent of the initial charter capital.

**Supervisory Bank Representative**

**Supervisory Bank Officer**



**Vu Hung Giang**  
Senior Manager  
Securities Services Operations



**Vu Minh Hien**  
Assistant Manager  
Securities Services Operations



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## INTERIM STATEMENT OF INCOME

Code	Item	Note	For the six-month period ended 30 June	
			2020 VND	2019 VND
<b>01</b>	<b>I. INVESTMENT (LOSS)/PROFIT AND OPERATING INCOME</b>		<b>(12,415,643,798)</b>	<b>2,697,183,350</b>
02	1.1. Dividend income	5.1	155,265,000	530,424,750
03	1.2. Interest income	5.2	27,531,002	-
04	1.3. Realised loss from disposal of investments	5.3	(5,678,579,803)	(2,320,662,354)
05	1.4. Unrealised (loss)/gain from revaluation of investments	5.4	(6,919,859,997)	4,487,420,954
<b>10</b>	<b>II. INVESTMENT EXPENSES</b>		<b>(253,708,608)</b>	<b>(46,951,371)</b>
11	2.1. Transaction costs from purchases and sales of investments	5.5	(253,708,608)	(46,951,371)
15	2.2. Other investment expenses		-	-
<b>20</b>	<b>III. OPEN ENDED FUND'S OPERATING EXPENSES</b>		<b>(918,705,936)</b>	<b>(963,315,082)</b>
20.1	3.1. Fund management fee	8(a)(i)	(267,990,606)	(310,133,872)
20.2	3.2. Custodian fees	5.6	(149,707,077)	(152,097,373)
20.3	3.3. Supervising fee	8(a)(ii)	(112,200,000)	(112,200,000)
20.4	3.4. Fund administration fee	8(a)(ii)	(132,604,160)	(132,000,000)
20.5	3.5. Transfer agency fee		(66,000,000)	(66,000,000)
20.8	3.8. Audit fee		(52,163,506)	(49,643,148)
20.10	3.10. Other operating expenses	5.7	(138,040,587)	(141,240,689)
<b>23</b>	<b>IV. (LOSS)/PROFIT FROM INVESTMENT ACTIVITIES</b>		<b>(13,588,058,342)</b>	<b>1,686,916,897</b>

The notes on pages 24 to 54 are an integral part of these interim financial statements.

INTERIM STATEMENT OF INCOME  
(continued)

Code	Item	Note	For the six-month period ended 30 June	
			2020 VND	2019 VND
30	VI. (LOSS)/PROFIT BEFORE INCOME TAX		(13,588,058,342)	1,686,916,897
31	6.1. Realised loss	6.8	(6,668,198,345)	(2,800,504,057)
32	6.2. Unrealised (loss)/profit	6.8	(6,919,859,997)	4,487,420,954
40	VII. BUSINESS INCOME TAX		-	-
41	VIII. (LOSS)/PROFIT AFTER TAX		(13,588,058,342)	1,686,916,897



Vietnam Investment Fund  
Management Joint Stock Company  
Tran Thanh Tan  
Chief Executive Officer  
12 August 2020

Vietnam Investment Fund  
Management Joint Stock Company  
Lam Thi Loan  
Fund Accounting Manager  
12 August 2020

Vietnam Investment Fund  
Management Joint Stock Company  
Nguyen Minh Dang Khanh  
Deputy CEO cum Financial Director  
12 August 2020

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## INTERIM STATEMENT OF FINANCIAL POSITION

Code	Item	Note	As at	
			30/06/2020 VND	31/12/2019 VND
<b>100</b>	<b>I. ASSETS</b>			
110	1. Cash at bank and cash equivalents	6.1	234,391,944,885	1,829,904,462
	In which:			
111	1.1. Cash at bank for Fund's operations		234,391,944,885	1,829,904,462
120	2. Net investments		218,411,214,700	49,746,440,000
121	2.1. Investments	6.2	218,411,214,700	49,746,440,000
130	3. Receivables		16,260,000	122,306,000
133	3.2. Dividend and interest receivables		16,260,000	122,306,000
136	3.2.2 Dividend and interest receivables not yet due	6.3	16,260,000	122,306,000
<b>100</b>	<b>TOTAL ASSETS</b>		<b>452,819,419,585</b>	<b>51,698,650,462</b>
<b>300</b>	<b>II. LIABILITIES</b>			
312	2. Payables for investments purchased but not yet settled	6.4	21,613,446,500	-
313	3. Payables to distributors and Fund Management Company		306,000,000	-
314	4. Tax payables and obligations to the State		14,612	-
316	6. Accrued expenses	6.5	112,142,038	82,700,000
319	9. Fees payable to fund service providers	6.6	219,155,412	109,111,691
<b>300</b>	<b>TOTAL LIABILITIES</b>		<b>22,250,758,562</b>	<b>191,811,691</b>

The notes on pages 24 to 54 are an integral part of these interim financial statements.

INTERIM STATEMENT OF FINANCIAL POSITION  
(continued)

Code	Item	Note	As at	
			30/06/2020 VND	31/12/2019 VND
400	III. NET ASSET VALUE DISTRIBUTABLE TO FUND CERTIFICATE HOLDERS	6.7	430,568,661,023	51,506,838,771
411	1. Share capital		626,435,200,400	63,722,221,800
412	1.1. Issued capital	6.7	667,478,801,400	97,804,051,800
413	1.2. Redeemed capital	6.7	(41,043,601,000)	(34,081,830,000)
414	2. Share premium		(168,941,244,406)	1,121,853,600
420	3. Accumulated losses	6.8	(26,925,294,971)	(13,337,236,629)
430	IV. NET ASSET VALUE PER FUND CERTIFICATE		6,873.31	8,083.02
440	V. DISTRIBUTED EARNINGS TO FUND CERTIFICATE HOLDERS		-	-
	VI. OFF INTERIM STATEMENT OF FINANCIAL POSITION ITEM			
004	4. Number of outstanding fund certificates (units)		62,643,520.04	6,372,222.18

  
 Vietnam Investment Fund  
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 Lam Thi Loan  
 Fund Accounting Manager  
 12 August 2020

  
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 12 August 2020

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**INTERIM STATEMENT OF CHANGES IN NET ASSET VALUE,  
SUBSCRIPTIONS AND REDEMPTIONS OF FUND CERTIFICATES  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

No.	Item	For the six-month period ended 30 June	
		2020 VND	2019 VND
I	Net asset value (“NAV”) at the beginning of the period	51,506,838,771	51,164,072,364
II	Changes in NAV for the period <i>In which:</i>	(13,588,058,342)	1,686,916,897
II.1	Changes in NAV due to market fluctuation and the Fund's operations	(13,588,058,342)	1,686,916,897
III	Changes in NAV due to subscriptions and redemptions of fund certificates <i>In which:</i>	392,649,880,594	(1,379,623,093)
III.1	Receipts from subscriptions	396,894,000,000	-
III.2	Payments for redemptions	(4,244,119,406)	(1,379,623,093)
IV	NAV at the end of the period	430,568,661,023	51,471,366,168
V	NAV per fund certificate at the end of the period	6,873.31	7,871.96

  
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STATEMENT OF INVESTMENT PORTFOLIO  
AS AT 30 JUNE 2020

No.	Item	Quantity	Market price as at 30/06/2020 VND	Total value VND	Percentage of total assets %
<b>I</b>	<b>Listed shares and shares traded on the Unlisted Public Company Market (“UPCoM”)</b>				
1	ACB	722,910	22,800	16,482,348,000	3.64%
2	BVH	100,000	45,500	4,550,000,000	1.00%
3	CTG	60,000	21,550	1,293,000,000	0.29%
4	DXG	759,330	11,200	8,504,496,000	1.88%
5	FPT	569,313	45,650	25,989,138,450	5.74%
6	HDG	31,681	19,250	609,859,250	0.13%
7	HPG	698,670	26,800	18,724,356,000	4.14%
8	KDH	442,900	23,200	10,275,280,000	2.27%
9	MBB	598,520	16,600	9,935,432,000	2.19%
10	MWG	565,160	80,800	45,664,928,000	10.08%
11	NLG	200,000	24,500	4,900,000,000	1.08%
12	PLX	17,000	44,500	756,500,000	0.17%
13	PNJ	190,150	57,400	10,914,610,000	2.41%
14	REE	213,200	30,650	6,534,580,000	1.44%
15	TCB	676,000	19,550	13,215,800,000	2.92%
16	TPB	187,000	20,600	3,852,200,000	0.85%
17	VCB	18,900	80,300	1,517,670,000	0.34%
18	VHC	194,190	35,100	6,816,069,000	1.51%
19	VHM	16,000	75,500	1,208,000,000	0.27%
20	VIB	435,500	17,400	7,577,700,000	1.67%
21	VNM	10,840	112,700	1,221,668,000	0.27%
22	VPB	826,000	20,450	16,891,700,000	3.73%
23	VRE	39,350	24,800	975,880,000	0.22%
				<b>218,411,214,700</b>	<b>48.24%</b>

The notes on pages 24 to 54 are an integral part of these interim financial statements.



## VIETNAM SELECT EQUITIES INVESTMENT FUND

Form B 04g – QM

STATEMENT OF INVESTMENT PORTFOLIO  
AS AT 30 JUNE 2020  
(continued)

No.	Item	Total value VND	Percentage of total assets %
<b>II</b>	<b>Other assets</b>		
1	Net dividend and interest receivables	16,260,000	0.00%
		<u>16,260,000</u>	<u>0.00%</u>
<b>III</b>	<b>Cash</b>		
1	Cash at banks	234,391,944,885	51.76%
		<u>234,391,944,885</u>	<u>51.76%</u>
<b>IV</b>	<b>Total value of portfolio</b>	<u>452,819,419,585</u>	<u>100.00%</u>



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**INTERIM STATEMENT OF CASH FLOWS**  
**(Indirect method)**

Code	Item	Note	For the six-month period ended 30 June	
			2020 VND	2019 VND
	<b>I. Cash flows from investing activities</b>			
01	1. (Loss)/profit before income tax		(13,588,058,342)	1,686,916,897
02	2. Adjustments for:		6,924,536,503	(4,534,103,006)
03	Unrealised loss/(gain) from revaluation of investments	5.4	6,919,859,997	(4,487,420,954)
04	Increase/(decrease) in accrued expenses		4,676,506	(46,682,052)
05	3. Loss from investing activities before changes in working capital		(6,663,521,839)	(2,847,186,109)
20	(Increase)/decrease in investments		(175,584,634,697)	4,823,409,854
06	Decrease in receivables from investments sold but not yet settled		-	386,420,000
07	Decrease/(increase) in dividend and interest receivables		106,046,000	(13,420,000)
10	Increase in payables for investments purchased but not yet settled		21,613,446,500	-
11	Increase in subscription and redemption fees payable to distributors and Fund Management Company		306,000,000	-
13	Increase/(decrease) in tax payables and obligations to the State		14,612	(44,523)
14	Decrease in subscriptions payable to fund certificate holders		-	(2,000,000)
15	Decrease in redemptions payable to fund certificate holders		-	(29,347,823)
16	Increase/(decrease) in other payables		24,765,532	(9,752,238)
17	Increase/(decrease) in fees payable to fund service providers		110,043,721	(4,975,594)
19	<b>Net cash (outflows for)/inflows from investing activities</b>		<b>(160,087,840,171)</b>	<b>2,303,103,567</b>
	<b>II. Cash flows from financing activities</b>			
31	1. Receipts from subscriptions	6.7	396,894,000,000	-
32	2. Payments for redemptions	6.7	(4,244,119,406)	(1,379,623,093)
30	<b>Net cash inflows from/(outflows for) financing activities</b>		<b>392,649,880,594</b>	<b>(1,379,623,093)</b>
40	<b>III. Net increase in cash and cash equivalents in the period</b>		<b>232,562,040,423</b>	<b>923,480,474</b>

The notes on pages 24 to 54 are an integral part of these interim financial statements.

INTERIM STATEMENT OF CASH FLOWS (continued)  
(Indirect method)

Code	Item	Note	For the six-month period ended 30 June	
			2020 VND	2019 VND
<b>50</b>	<b>IV. Cash and cash equivalents at the beginning of the period</b>			
		6.1	<b>1,829,904,462</b>	<b>1,167,306,446</b>
52	Cash at bank and cash equivalents for the Fund's operations		1,829,904,462	1,165,306,446
53	Cash at bank for subscriptions and redemptions		-	2,000,000
<b>55</b>	<b>V. Cash and cash equivalents at the end of the period</b>			
		6.1	<b>234,391,944,885</b>	<b>2,090,786,920</b>
57	Cash at bank and cash equivalents for the Fund's operations		234,391,944,885	2,090,786,920
<b>60</b>	<b>VI. Changes in cash and cash equivalents in the period</b>		<b>232,562,040,423</b>	<b>923,480,474</b>



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12 August 2020





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12 August 2020

The notes on pages 24 to 54 are an integral part of these interim financial statements.



## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

### 1 GENERAL INFORMATION OF THE FUND

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

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

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

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

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

#### 1.2 General information of the Fund's operations

##### *Size of the Fund*

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

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

##### *Investment objective and investment restrictions*

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020****1 GENERAL INFORMATION OF THE FUND (continued)****1.2 General information of the Fund's operations (continued)*****Frequency of net asset value ("NAV") valuation***

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

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

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

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

***Method of NAV valuation***

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

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

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

***Frequency of subscriptions and redemptions of fund certificates***

The fund certificates are subscribed and redeemed on valuation dates.

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

***Distribution of earnings***

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

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

The Fund's fiscal year starts on 1 January and ends on 31 December. These interim financial statements are prepared for the period from 1 January 2020 to 30 June 2020.



**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020****2 FISCAL YEAR AND CURRENCY (continued)****2.2 Currency**

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

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

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

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

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

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

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

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

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

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



**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

**3 ACCOUNTING STANDARDS AND REPORTING FRAMEWORK APPLIED (continued)**

**3.2 Registered accounting documentation system**

The registered accounting documentation system is the general journal system.

**4 SIGNIFICANT ACCOUNTING POLICIES**

**4.1 Cash and cash equivalents**

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

**4.2 Investments**

***Classification***

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

***Recognition/de-recognition***

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

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

***Initial recognition***

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

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

***Subsequent measurement***

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

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

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

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

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

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020****4 SIGNIFICANT ACCOUNTING POLICIES (continued)****4.2 Investments in securities (continued)***(b) Shares unlisted and unregistered for trading*

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

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

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

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

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

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

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

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



NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

## 4 SIGNIFICANT ACCOUNTING POLICIES (continued)

## 4.2 Investments (continued)

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

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

In either case below:

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

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

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

*(f) Unlisted bonds*

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

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

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

*(g) Warrants attached to convertible bonds*

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

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

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



**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020****4 SIGNIFICANT ACCOUNTING POLICIES (continued)****4.2 Investments (continued)*****Subsequent measurement (continued)******(i) Listed derivative securities***

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

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

***(j) Term deposits***

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

***(k) Transferable certificates of deposit***

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

***(l) Rights***

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

***Gains or losses from revaluation of investments***

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020****4 SIGNIFICANT ACCOUNTING POLICIES (continued)****4.3 Receivables**

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

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

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

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

**4.4 Payables**

Payables presented in the interim 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 INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020****4 SIGNIFICANT ACCOUNTING POLICIES (continued)****4.5 Taxation**

Under the current tax regulations in Vietnam, the Fund is not subject to business income tax. However, the Fund Management Company is responsible for withholding tax of individuals and institutions in the following transactions:

**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 General Department of Taxation regarding profit distributions to institutional fund certificate holders. Accordingly, when the Fund distributes dividends to institutional fund certificate holders, regardless of local or foreign institutional fund certificate holders, the Fund Management Company is required to withhold 20% of their distributed profits (excluding the Fund's distributed profits already subject to business income tax in the previous stage and the Fund's bond interest earned from tax-free bonds in accordance with the current regulations). When the Fund distributes dividends to individual fund certificate holders, the Fund Management Company is required to withhold personal income tax which is 5% of their distributed profits.

**Redemption of fund certificates**

The Fund Management Company is required to withhold income tax when it redeems its certificates from individual fund certificate holders (both residents and non-residents) and foreign institutional fund certificate holders 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% of redemption proceeds. The Fund Management Company is not responsible for withholding tax on redemptions from local institutional fund certificate holders. These fund certificate holders are responsible for their own tax declarations and payments according to Circular 78/2014/TT-BTC.

**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 INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020****4 SIGNIFICANT ACCOUNTING POLICIES (continued)****4.7 Share capital**

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

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

*Issued capital*

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

*Redeemed capital*

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

*Share premium*

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

*Undistributed profits/(losses)*

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

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

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

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

*Profits/assets distributed to fund certificate holders*

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

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

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020****4 SIGNIFICANT ACCOUNTING POLICIES (continued)****4.8 Revenue**

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

*Interest income*

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

*Dividend income*

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

*Income from securities trading*

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

**4.9 Expenses**

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

**4.10 Related parties**

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

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

**4.11 Nil items**

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

**5 ADDITIONAL INFORMATION TO THE INTERIM STATEMENT OF INCOME**

**5.1 Dividend income**

	For the six-month period ended 30 June	
	2020	2019
	VND	VND
Received dividend income	139,005,000	471,624,750
Accrued dividend income	16,260,000	58,800,000
	<u>155,265,000</u>	<u>530,424,750</u>

**5.2 Interest income**

	For the six-month period ended 30 June	
	2020	2019
	VND	VND
Received interest income	<u>27,531,002</u>	<u>-</u>





NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

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

5.5 Transaction costs from purchases and sales of investments

	For the six-month period ended 30 June	
	2020 VND	2019 VND
Brokerage fees from purchases	234,201,799	21,297,201
Brokerage fees from sales	19,321,446	25,383,095
Settlement charges at Vietnam Securities Depository ("VSD")	185,363	271,075
	<u>253,708,608</u>	<u>46,951,371</u>

VIETNAM SELECT EQUITIES INVESTMENT FUND

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NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

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

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

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

		Percentage of transaction value at brokers				Market average transaction fee rate
No.	Broker	Relationship with Fund Management Company	Fund's transaction value through broker for the period VND	Fund's total transaction value for the period (*) VND	Percentage of transaction value at broker	
						Average transaction fee rate
1	KIS Vietnam Securities Corporation	Non-related	84,776,849,000	214,229,816,500	39.57%	0% - 0.5%
2	Viet Capital Securities JSC	Non-related	83,679,921,000	214,229,816,500	39.06%	0% - 0.5%
3	Bao Viet Securities JSC	Non-related	39,418,738,500	214,229,816,500	18.40%	0% - 0.5%
4	Ho Chi Minh City Securities Corporation	Related	6,354,308,000	214,229,816,500	2.97%	0% - 0.5%
<b>Total</b>			<b>214,229,816,500</b>		<b>100.00%</b>	

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



**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

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

**5.6 Custodian fees**

	For the six-month period ended 30 June	
	2020 VND	2019 VND
Safe keeping fee (Note 8(a)(ii))	138,000,000	138,000,000
Transaction fee (Note 8(a)(ii))	9,600,000	11,360,000
Custodian service fee paid to VSD	2,107,077	2,737,373
	<u>149,707,077</u>	<u>152,097,373</u>

**5.7 Other operating expenses**

	For the six-month period ended 30 June	
	2020 VND	2019 VND
Remunerations to the Board of Representatives (Note 8(a)(iii))	129,945,362	175,327,392
Travelling and meeting fees of the Board of Representatives (*)	-	(40,177,955)
Bank charges	4,795,225	4,991,252
Information retrieving fee paid to VSD	3,300,000	1,100,000
	<u>138,040,587</u>	<u>141,240,689</u>

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

**6 ADDITIONAL INFORMATION TO THE INTERIM STATEMENT OF FINANCIAL POSITION**

**6.1 Cash at bank and cash equivalents**

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

	As at	
	30/06/2020 VND	31/12/2019 VND
Cash at bank for the Fund's operations	<u>234,391,944,885</u>	<u>1,829,904,462</u>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

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

**6.2 Investments**

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

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

The details of the Fund's investments as at 30 June 2020 are as follows:

	Carrying value VND	Gain/(loss) from revaluation of investments		Market value VND
		Gain VND	Loss VND	
Listed shares and shares traded on UPCoM	228,105,323,350	1,068,028,128	(10,762,136,778)	218,411,214,700

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

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

**6.3 Dividend and interest receivables not yet due**

	As at	
	30/06/2020 VND	31/12/2019 VND
Dividend receivables not yet due	16,260,000	122,306,000

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

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

**6.4 Payables for securities purchased but not yet settled**

Payables for securities purchased but not yet settled represent the amounts payable from purchases of listed securities. These balances were settled in two (02) working days after the trade date (T+2) in accordance with Vietnamese securities settlement practice.

**6.5 Accrued expenses**

	As at	
	30/06/2020	31/12/2019
	VND	VND
Audit fee	49,776,506	45,100,000
Board of Representatives' remunerations (*) (Note 8(b))	29,945,362	37,600,000
Brokerage fee	32,420,170	-
	<u>112,142,038</u>	<u>82,700,000</u>

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

**6.6 Fees payable to fund service providers**

	As at	
	30/06/2020	31/12/2019
	VND	VND
Fund management fee (Note 8(b))	136,811,252	32,651,691
Custody fee (Note 8(b))	23,000,000	23,000,000
Supervising fee (Note 8(b))	18,700,000	18,700,000
Fund administration fee (Note 8(b))	22,604,160	22,000,000
Transaction fee (Note 8(b))	7,040,000	1,760,000
Transfer agent fee	11,000,000	11,000,000
	<u>219,155,412</u>	<u>109,111,691</u>



**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

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

**6.7 Movements in owners' equity**

	Unit	As at 31/12/2019	Incurred for the period	As at 30/06/2020
<b>Issued capital</b>				
Number of fund certificates	Unit	9,780,405.18	56,967,474.96	66,747,880.14
Issued capital at par value	VND	97,804,051,800	569,674,749,600	667,478,801,400
Share premium of issued capital	VND	(65,601,800)	(172,780,749,600)	(172,846,351,400)
<b>Total issued capital</b>	<b>VND</b>	<b>97,738,450,000</b>	<b>396,894,000,000</b>	<b>494,632,450,000</b>
<b>Redeemed capital</b>				
Number of fund certificates	Unit	(3,408,183.00)	(696,177.10)	(4,104,360.10)
Redeemed capital at par value	VND	(34,081,830,000)	(6,961,771,000)	(41,043,601,000)
Share premium of redeemed capital	VND	1,187,455,400	2,717,651,594	3,905,106,994
<b>Total redeemed capital</b>	<b>VND</b>	<b>(32,894,374,600)</b>	<b>(4,244,119,406)</b>	<b>(37,138,494,006)</b>
<b>Total contribution capital</b>	<b>VND</b>	<b>64,844,075,400</b>	<b>392,649,880,594</b>	<b>457,493,955,994</b>
Accumulated losses	VND	(13,337,236,629)	(13,588,058,342)	(26,925,294,971)
<b>Net asset value</b>	<b>VND</b>	<b>51,506,838,771</b>		<b>430,568,661,023</b>
<b>Number of outstanding fund certificates</b>	<b>Unit</b>	<b>6,372,222.18</b>		<b>62,643,520.04</b>
<b>NAV per fund certificate</b>	<b>VND/Unit</b>	<b>8,083.02</b>		<b>6,873.31</b>

**6.8 Accumulated losses**

	As at 31/12/2019 VND	Incurred for the period VND	As at 30/06/2020 VND
Realised loss	(10,562,987,976)	(6,668,198,345)	(17,231,186,321)
Unrealised loss	(2,774,248,653)	(6,919,859,997)	(9,694,108,650)
<b>Accumulated losses</b>	<b>(13,337,236,629)</b>	<b>(13,588,058,342)</b>	<b>(26,925,294,971)</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

## 7 NET ASSET VALUE (NAV)

Six-month period ended 30 June 2020					
No.	NAV calculation date	NAV VND	Quantity of fund certificates	NAV per fund certificate at calculation date VND	Increase/ (Decrease) of NAV per fund certificate VND
1	31/12/2019	51,506,838,771	6,372,222.18	8,083.02	
2	07/01/2020	51,424,901,010	6,372,222.18	8,070.16	(12.86)
3	14/01/2020	51,527,770,457	6,372,222.18	8,086.31	16.15
4	21/01/2020	52,208,163,477	6,372,222.18	8,193.08	106.77
5	28/01/2020	52,378,396,175	6,372,222.18	8,219.80	26.72
6	31/01/2020	49,099,614,250	6,372,222.18	7,705.25	(514.55)
7	04/02/2020	48,033,507,647	6,372,222.18	7,537.95	(167.30)
8	11/02/2020	48,680,369,240	6,372,222.18	7,639.46	101.51
9	18/02/2020	49,384,001,112	6,355,222.18	7,770.61	131.15
10	25/02/2020	47,972,594,739	6,355,222.18	7,548.53	(222.08)
11	29/02/2020	46,111,919,458	6,245,222.18	7,383.55	(164.98)
12	03/03/2020	46,666,625,362	6,245,222.18	7,472.37	88.82
13	10/03/2020	43,540,938,926	6,245,222.18	6,971.87	(500.50)
14	17/03/2020	37,405,280,060	6,115,222.18	6,116.74	(855.13)
15	24/03/2020	33,028,996,685	6,115,222.18	5,401.11	(715.63)
16	31/03/2020	29,463,157,849	5,681,045.08	5,186.22	(214.89)
17	07/04/2020	33,929,119,025	5,681,045.08	5,972.33	786.11
18	14/04/2020	34,936,397,503	5,678,045.08	6,152.89	180.56
19	21/04/2020	35,534,696,800	5,678,045.08	6,258.26	105.37
20	28/04/2020	35,669,401,559	5,678,045.08	6,281.98	23.72
21	30/04/2020	35,759,145,969	5,678,045.08	6,297.79	15.81
22	05/05/2020	35,385,690,409	5,678,045.08	6,232.01	(65.78)
23	12/05/2020	38,661,417,184	5,678,045.08	6,808.93	576.92
24	19/05/2020	39,533,706,234	5,678,045.08	6,962.55	153.62
25	26/05/2020	40,137,315,424	5,678,045.08	7,068.86	106.31
26	31/05/2020	39,678,982,086	5,678,045.08	6,988.14	(80.72)
27	02/06/2020	40,290,787,414	5,678,045.08	7,095.89	107.75
28	09/06/2020	41,483,572,154	5,678,045.08	7,305.96	210.07
29	16/06/2020	39,536,192,612	5,676,045.08	6,965.44	(340.52)
30	23/06/2020	430,472,891,858	61,236,067.12	7,029.72	64.28
31	30/06/2020	430,568,661,023	62,643,520.04	6,873.31	(156.41)
Average NAV of the period		71,833,237,606			
Changes in NAV per fund certificate during the period - highest level					855.13
Changes in NAV per fund certificate during the period - lowest level					(12.86)



NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

## 7 NET ASSET VALUE (NAV) (continued)

Six-month period ended 30 June 2019					
No.	NAV calculation date	NAV VND	Quantity of fund certificates	NAV per fund certificate at calculation date VND	Increase/ (Decrease) of NAV per fund certificate VND
1	31/12/2018	51,164,072,364	6,716,696.18	7,617.44	
2	01/01/2019	51,158,764,458	6,716,696.18	7,616.65	(0.79)
3	08/01/2019	49,988,643,759	6,716,696.18	7,442.44	(174.21)
4	15/01/2019	50,633,469,006	6,634,696.18	7,631.61	189.17
5	22/01/2019	50,474,258,067	6,634,696.18	7,607.62	(23.99)
6	29/01/2019	50,853,403,866	6,634,696.18	7,664.76	57.14
7	31/01/2019	50,625,525,073	6,634,696.18	7,630.42	(34.34)
8	05/02/2019	50,617,925,438	6,634,696.18	7,629.27	(1.15)
9	12/02/2019	51,820,422,993	6,634,696.18	7,810.51	181.24
10	19/02/2019	52,832,064,830	6,614,696.18	7,987.07	176.56
11	26/02/2019	53,939,507,268	6,614,696.18	8,154.49	167.42
12	28/02/2019	52,712,821,333	6,594,696.18	7,993.21	(161.28)
13	05/03/2019	54,121,075,263	6,594,696.18	8,206.75	213.54
14	12/03/2019	54,424,900,775	6,594,696.18	8,252.82	46.07
15	19/03/2019	54,512,007,860	6,594,696.18	8,266.03	13.21
16	26/03/2019	52,411,525,248	6,594,696.18	7,947.52	(318.51)
17	31/03/2019	52,833,835,162	6,574,696.18	8,035.93	88.41
18	02/04/2019	53,023,191,236	6,574,696.18	8,064.73	28.80
19	09/04/2019	53,218,518,436	6,574,696.18	8,094.44	29.71
20	16/04/2019	52,306,060,042	6,545,567.18	7,991.06	(103.38)
21	23/04/2019	51,837,564,885	6,545,567.18	7,919.49	(71.57)
22	30/04/2019	52,792,359,929	6,545,567.18	8,065.36	145.87
23	07/05/2019	51,721,591,598	6,545,567.18	7,901.77	(163.59)
24	14/05/2019	51,666,375,669	6,540,567.18	7,899.37	(2.40)
25	21/05/2019	52,737,507,884	6,540,567.18	8,063.13	163.76
26	28/05/2019	52,272,816,641	6,540,567.18	7,992.09	(71.04)
27	31/05/2019	51,409,704,419	6,540,567.18	7,860.12	(131.97)
28	04/06/2019	50,773,076,165	6,540,567.18	7,762.79	(97.33)
29	11/06/2019	51,692,660,002	6,540,567.18	7,903.39	140.60
30	18/06/2019	50,812,648,281	6,540,567.18	7,768.84	(134.55)
31	25/06/2019	51,673,209,827	6,540,567.18	7,900.41	131.57
32	30/06/2019	51,471,366,168	6,538,567.18	7,871.96	(28.45)
Average NAV of the period		52,092,678,927			
Changes in NAV per fund certificate during the period - highest level					(318.51)
Changes in NAV per fund certificate during the period - lowest level					(0.79)



**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

**8 RELATED PARTIES DISCLOSURES**

**(a) Transactions with related parties**

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

*(i) Vietnam Investment Fund Management Joint Stock Company, the Fund Management Company*

	<b>For the six-month period ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<b>VND</b>	<b>VND</b>
Fund management fee	267,990,606	310,133,872

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

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

	<b>For the six-month period ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<b>VND</b>	<b>VND</b>
Safe keeping fee (*)	138,000,000	138,000,000
Supervising fee (*)	112,200,000	112,200,000
Fund administration fee (*)	132,604,160	132,000,000
Transaction fee (**)	9,600,000	11,360,000
Bank charges	4,794,925	4,983,550
Interest income	27,531,002	-

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**8 RELATED PARTIES DISCLOSURES (continued)****(a) Transactions with related parties (continued)***(ii) Standard Chartered Bank (Vietnam) Limited ("Standard Chartered"), the Supervising and Custodian Bank (continued)*

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

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

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

*(iii) Board of Representatives' remunerations*

	<b>For the six-month period ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<b>VND</b>	<b>VND</b>
Board of Representatives' remunerations (Note 5.7)	129,945,362	175,327,392

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

**(b) Balances with related parties**

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

	<b>As at</b>	
	<b>30/06/2020</b>	<b>31/12/2019</b>
	<b>VND</b>	<b>VND</b>
<b>Vietnam Investment Fund Management Joint Stock Company</b>		
Fund management fee payable (Note 6.6)	136,811,252	32,651,691

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

8 RELATED PARTIES DISCLOSURES (continued)

(b) Balances with related parties (continued)

	As at	
	30/06/2020	31/12/2019
	VND	VND
<b>Standard Chartered Bank (Vietnam) Limited</b>		
Cash at bank for the Fund's operations (Note 6.1)	234,391,944,885	1,829,904,462
Custody fee payable (Note 6.6)	23,000,000	23,000,000
Supervising fee payable (Note 6.6)	18,700,000	18,700,000
Fund administration fee payable (Note 6.6)	22,604,160	22,000,000
Transaction fee payable (Note 6.6)	7,040,000	1,760,000
	<u>                    </u>	<u>                    </u>
<b>Board of Representatives</b>		
Accrued Board of Representatives' remunerations (Note 6.5)	29,945,362	37,600,000
	<u>                    </u>	<u>                    </u>



NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

9 THE FUND'S PERFORMANCE INDICATORS

		For the six-month period ended 30 June	
		2020	2019
<b>I</b>	<b>Investment performance</b>		
1	Management fee paid to Fund Management Company/Average NAV during the period (%)	0.75%	1.19%
2	Custody, supervising fee paid to Supervising Bank/Average NAV during the period (%)	0.72%	1.00%
3	Fund administration fee, transfer agency fee and other expenses paid to related service suppliers/Average NAV during the period (%)	0.56%	0.77%
4	Audit fee/Average NAV during the period (%)	0.15%	0.19%
5	Legal advisory fee, quotation fee and other fees, remunerations paid to the Fund Board of Representatives/Average NAV during the period (%)	0.36%	0.67%
6	Operation expenses/Average NAV during the period (%)	3.26%	3.88%
7	Turnover of investment portfolio during the period = (Total value of purchase transactions + total value of sales transactions)/2/Average NAV during the period (%) (*)	298.23%	60.16%

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

## 9 THE FUND'S PERFORMANCE INDICATORS (continued)

		For the six-month period ended 30 June	
		2020	2019
<b>II</b>	<b>Others</b>		
<b>1</b>	<b>Fund scale at the beginning of the period (calculated on par value of fund certificates)</b>		
	Total value of fund certificates at the beginning of the period (VND)	63,722,221,800	67,166,961,800
	Total number of fund certificates at the beginning of the period	6,372,222.18	6,716,696.18
<b>2</b>	<b>Change in Fund scale during the period (calculated on par value of fund certificates)</b>		
	Number of issued fund certificates during the period	56,967,474.96	-
	Value of issued capital during the period (at par value) (VND)	569,674,749,600	-
	Number of redeemed fund certificates during the period	(696,177.10)	(178,129.00)
	Value of redeemed capital during the period (at par value) (VND)	(6,961,771,000)	(1,781,290,000)
<b>3</b>	<b>Fund size at the end of the period (calculated on par value of fund certificates)</b>		
	Total value of fund certificates at the end of the period (VND)	626,435,200,400	65,385,671,800
	Total number of fund certificates at the end of the period	62,643,520.04	6,538,567.18
<b>4</b>	<b>Percentage of fund certificates held by the Fund Management Company and related parties at the end of the period (%)</b>	<b>0.03%</b>	<b>2.42%</b>
<b>5</b>	<b>Proportion of fund certificates held by 10 largest fund certificate holders at the end of the period (%)</b>	<b>99.81%</b>	<b>95.69%</b>
<b>6</b>	<b>Percentage of fund certificates held by foreign fund certificate holders at the end of the period (%)</b>	<b>98.92%</b>	<b>76.51%</b>
<b>7</b>	<b>Number of fund certificate holders at the end of the period</b>	<b>35</b>	<b>50</b>
<b>8</b>	<b>NAV/fund certificate at the end of the period (VND)</b>	<b>6,873.31</b>	<b>7,871.96</b>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020****10 FINANCIAL RISK MANAGEMENT AND FAIR VALUE**

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

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

Credit risk  
Liquidity risk  
Market risk

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

**(a) Credit risk**

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

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

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

Receivables from investment activities include dividend receivables.

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

As at 30 June 2020, there was no doubtful debts.



NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**10 FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)****(b) Liquidity risk**

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

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

As at 30 June 2020, all the Fund's liabilities were due within 1 year.

As at 30 June 2020, there was no obligation relating to derivative financial instruments.

**(c) Market risk**

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

*Interest rate risk*

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

As at 30 June 2020, the Fund's exposure to market risk due to change in interest rates is minimal since the Fund had no fixed income instruments while interest income from current bank accounts is immaterial.

*Currency risk*

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

*Market price risk*

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

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

As at 30 June 2020, if market price of securities had increased/decreased by 10% with all other variables (including tax rate) being held constant, the net asset value of the Fund would have been higher/lower by VND21,841,121,470 (as at 31 December 2019: VND4,974,644,000).

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020****10 FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)****(d) Fair value of financial assets and liabilities**

Financial assets of the Fund comprise:

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

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

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

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

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

**10 FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)**

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

Fair values of the Fund's financial assets and financial liabilities as at 30 June 2020 and 31 December 2019 are as follows:

	Carrying value		Fair value	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019
	VND	VND	VND	VND
<b>Financial assets</b>				
Cash at bank and cash equivalents	234,391,944,885	1,829,904,462	234,391,944,885	1,829,904,462
- <i>For operations</i>	234,391,944,885	1,829,904,462	234,391,944,885	1,829,904,462
Investments	218,411,214,700	49,746,440,000	218,411,214,700	49,746,440,000
- <i>Underlying securities</i>	218,411,214,700	49,746,440,000	218,411,214,700	49,746,440,000
Net dividend and interest receivables	16,260,000	122,306,000	16,260,000	122,306,000
- <i>Net dividend receivables</i>	16,260,000	122,306,000	16,260,000	122,306,000
<b>Total</b>	<b>452,819,419,585</b>	<b>51,698,650,462</b>	<b>452,819,419,585</b>	<b>51,698,650,462</b>
<b>Financial liabilities</b>				
Payables for securities purchased but not yet settled	21,613,446,500	-	21,613,446,500	-
Subscription and redemption fee payable to distributors and Fund Management Company	306,000,000	-	306,000,000	-
Accrued expenses	112,142,038	82,700,000	112,142,038	82,700,000
Fees payable to fund service providers	219,155,412	109,111,691	219,155,412	109,111,691
<b>Total</b>	<b>22,250,743,950</b>	<b>191,811,691</b>	<b>22,250,743,950</b>	<b>191,811,691</b>



**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

**11 SUBSEQUENT EVENTS**

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

**12 APPROVAL OF THE INTERIM FINANCIAL STATEMENTS**

The interim financial statements for the six-month period ended 30 June 2020 were approved by the Board of Representatives on 12 August 2020.


  
 Vietnam Investment Fund  
 Management Joint Stock Company  
 Tran Thanh Tan  
 Chief Executive Officer  
 12 August 2020




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Vietnam Investment Fund  
 Management Joint Stock Company  
 Lam Thi Loan  
 Fund Accounting Manager  
 12 August 2020




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Vietnam Investment Fund  
 Management Joint Stock Company  
 Nguyen Minh Dang Khanh  
 Deputy CEO cum Financial Director  
 12 August 2020