These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

## Reporting entity

DFVN Capital Appreciation Fund (“the Fund”) was established as a public open-ended fund on 3 January 2019 under Establishment Registration Certificate for Open-ended Fund No. 34/GCN-UBCK (“the ERC”) issued by the State Securities Commission. The charter capital of the Fund as stipulated in the ERC is VND75,121,600,000 equivalent to 7,512,160.00 Fund units (par value of VND10,000 per Fund unit). The Fund operates in compliance with the Fund’s Charter issued on 3 January 2019. The Fund has no limitation on operation period.

The Fund units were issued to the public for the first time under Initial Public Offering Certificate No. 56/GCN-UBCK dated 16 October 2018 issued by the State Securities Commission. According to this certificate, the Fund is authorised to issue minimum 5,000,000.00 Fund units to the public with par value of VND10,000 per Fund unit.

The objective of the Fund is to seek appreciation in capital and Investor's assets, striving to outperform the growth of Vietnam Stock Market (VN-Index) in the long term, by investing mainly in stocks listed on Vietnam Stock Market.

The structure of the Fund’s investment portfolio must contain at least shares of six (06) issuing organisations, and must ensure it simultaneously meets the following criteria:

1. Except for current accounts of the Fund at the supervising bank, the Fund is not allowed to invest more than 49% of its total assets in deposits at commercial banks as stipulated by banking law; foreign currencies, money market instruments including valuable papers and transferable instruments in accordance with relevant laws and regulations;
2. The Fund is not allowed to invest more than 30% of its total assets in the following assets: deposits at commercial banks as stipulated by banking law; foreign currencies, money market instruments including valuable papers and transferable instruments in accordance with relevant laws and regulations; listed shares, registered shares, and listed bonds of issuing organisation operating under Vietnam laws; shares, bonds to be listed or registered by the issuing organisation operating under Vietnam laws; corporate bonds issued by listed organisations which are guaranteed for payment by credit institutions or committed to repurchase by issuing organisations; listed and registered derivatives on Stock Exchanges, solely used for hedging purpose and issued by a single issuing company or by a group of related companies, in which the investment in derivatives is the contractual value as defined in accordance with the Fund’s Charter and in the Appendix 13 issued with Circular No. 183/2011/TT-BTC dated 16 December 2011 of the Ministry of Finance on providing guidance on establishment and management of open-ended funds;
3. The Fund is not allowed to invest more than 20% of its total assets in securities of a single issuing organisation, including valuable papers, transferable instruments, bonds (except for government bonds), shares with or without voting rights, convertible bonds;
4. The Fund is not allowed to invest in securities issued by a single organisation which accounts for more than 10% of total securities in circulation of that organisation, except for government bonds;
5. The Fund is not allowed to invest more than 10% of its total assets in shares, bonds to be listed or registered for trading by issuing organisations operating under Vietnam laws; corporate bonds issued by listed organisations which are guaranteed for payment by credit institutions or committed to repurchase by issuing organisations;
6. Total value of significant investments in the Fund’s investment portfolio must not exceed 40% of its total assets value;
7. At any time, total commitment value of derivatives transactions, outstanding loans and payables of the Fund must not exceed its Net Asset Value;
8. The Fund is not allowed to invest in investment funds, shares of securities investment companies established and operating in Vietnam; and
9. The Fund is not allowed to invest directly in real estates, precious stones, rare metals.

According to Circular No. 15/2016/TT-BTC issued by the Ministry of Finance dated 20 January 2016 amending and supplementing certain articles of Circular No. 183/2011/TT-BTC issued by the Ministry of Finance dated 16 December 2011 providing guidance on establishment and management of open-ended funds, except for those cases referred in points (g), (h) and (i) as above, the structure of investment portfolio of the Fund is allowed to be deviated due to the following objective causes:

* Changes in market prices of the Fund’s investment portfolio;
* Making legitimate payments of the Fund;
* Executing trading orders of investors;
* Consolidation and merger of issuing organisations;
* The fact that the Fund has just been licensed, or split, consolidated, merged but the duration of operation shall not exceed six (6) months from the date of the Establishment Registration Certificate; and
* The fact that the Fund is in the process of dissolution.

Net asset value of the Fund is determined weekly and monthly basis. The valuation date is Tuesday for weekly valuation and the first business date of the next month for monthly valuation. If the valuation day falls on a holiday of the Vietnam Stock Market, or the date of suspension of trading at the Stock Exchange under a decision of a competent State agency (this case depends on the decision of the Fund Management Company), the Fund's valuation day will be transferred to Tuesday (working day) of the following week.

The Fund has no employee and is managed by Dai-ichi Life Vietnam Fund Management Company Limited, a fund management company incorporated in Vietnam, and is supervised by HSBC Bank (Vietnam) Ltd, the Supervising Bank.

Contact address of the Fund is Floor 11th, 149-151 Nguyen Van Troi, Ward 11, Phu Nhuan District, Ho Chi Minh City.

## Basis of preparation

### Statement of compliance

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, Circular No. 198/2012/TT-BTC (“Circular 198”) dated 15 November 2012 issued by the Ministry of Finance on the promulgation of accounting system for open-ended funds, the relevant requirements of Circular No. 183/2011/TT-BTC (“Circular 183”) dated 16 December 2011 issued by the Ministry of Finance on the promulgation of guidance on establishment and management of open-ended funds and of Circular No. 15/2016/TT-BTC (“Circular 15”) dated 20 January 2016 issued by the Ministry of Finance amending and supplementing certain articles of Circular 183 and the other relevant statutory requirements applicable to financial reporting.

The accompanying financial statements are not to intended to present the financial position, the results of operations and cash flows of the Fund in accordance with accounting principles and practices generally accepted in other countries and other jurisdictions outside Vietnam. The accounting principles and practices applicable in Vietnam may be different with those in other countries and other jurisdictions.

In accordance with Circular 198, the Fund’s financial statements include the following reports:

* Statement of income Form B01-QM;
* Statement of financial position Form B02-QM;
* Statement of changes in Net Assets, Fund units transactions Form B03-QM;
* Statement of investment portfolio Form B04-QM;
* Statement of cash flows Form B05-QM; and
* Notes to the financial statements Form B06-QM.

### Basis of measurement

The financial statements of the Fund, except for the statement of cash flows and items as described in Note 3(b), are prepared on the accrual basis using historical cost concept. The statement of cash flows is prepared using the indirect method.

### Annual accounting period

The annual accounting period of the Fund is from 1 January to 31 December. These financial statements are for the year ended 31 December 2020.

### Accounting and presentation currency

The Fund’s accounting currency is Vietnam Dong (“VND”) which is also the currency used for financial statement presentation purpose.

### Accounting documentation system

The registered accounting documentation system of the Fund is the General Journal System.

## Summary of significant accounting policies

The following significant accounting policies have been adopted by the Fund in the preparation of these financial statements.

### Cash in banks and cash equivalents

Cash in banks and cash equivalents comprise current accounts and term deposits with original term to maturity of not more than three (03) months from the transaction date. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment purpose or other purposes.

### Investments in securities

Investments in securities are initially recognised at cost, which comprises only the purchase price without any attributable transaction costs such as broker fees, transaction fees and bank charges, etc. Subsequent to initial recognition, they are revalued at the end of the accounting period based on the measurement method as described in Note 3(b)(iii). Unrealised gains or losses from revaluation of investments are recorded in the statement of income during the period.

#### Classification

The Fund classifies its listed securities and unlisted securities which are purchased for trading purposes as trading securities.

#### Recognition

The Fund recognises investments in securities at the transaction date.

#### Measurement

According to Circular 183 and Circular 15, the Fund’s investments are revaluated at market price at the end of the accounting period. If there is no market price at the latest trading date or the market prices fluctuate significantly, the Fund is allowed to use fair value to revalue its investments. Fair value is determined in accordance with the principles, methodologies or theoretical valuation models as stipulated in the Fund’s Charter, or the Fund’s Valuation Manual. The determination of market price of the Fund's investments at the end of accounting period shall be conducted according to the following method:

***Bonds***

* Listed bonds
* Market price is quoted price (or other names in accordance with the regulations of the Stock Exchange) for common transactions on the latest trading date prior to the valuation date plus cumulative interest (if quoted price excludes cumulative interest).
* If there is no transaction more than two (02) weeks prior to the valuation date, the market price is determined in accordance with the following values in order of precedence:
* Quoted price (clean price) provided by Bloomberg (VNBF source), plus cumulative accrued interest;
* Price of the latest reporting period but not exceed three (03) months prior to valuation date, plus cumulative accrued interest;
* Purchase price plus cumulative accrued interest;
* Par value plus cumulative accrued interest.
* Unlisted bonds
* Market price is the average price (clean price) of successful transactions on the latest trading date prior to the valuation date obtained from three (03) securities companies plus cumulative accrued interest.
* If there are not sufficient quoted prices from three (03) securities companies, market price is determined in accordance with the following values in order of precedence:
* Average price (clean price) obtained from two (02) securities companies plus cumulative accrued interest;
* Price of the latest reporting period but not exceed three (03) months prior to valuation date, plus cumulative accrued interest;
* Purchase price plus cumulative accrued interest;
* Par value plus cumulative accrued interest.

***Shares***

* Shares which are listed on the Ho Chi Minh City Stock Exchange
* Market price is closing price (or other names in accordance with the regulations of the Stock Exchange) on the trading system at the Stock Exchange on the latest trading date of the securities prior to the valuation date.
* If there is no transaction in two (02) weeks or more prior to the valuation date, the market price is determined in accordance with the following values in order of precedence:
* Closing price (or quoted price) on the trading system of the Stock Exchange on the latest trading date within twelve (12) months prior to the valuation date;
* Book value;
* Purchase price.
* Shares which are listed on the Hanoi Stock Exchange
* Market price is closing price (or other names in accordance with the regulations of the Stock Exchange) on the trading system of the Stock Exchange on the latest trading date of the securities prior to the valuation date.
* If there is no transaction in two (02) weeks or more prior to the valuation date, the market price is determined in accordance with the following values in order of precedence:
* Closing price (or quoted price) on the trading system of the Stock Exchange on the latest trading date within twelve (12) months prior to the valuation date;
* Book value;
* Purchase price.
* Shares of public companies registered for trading on UpCOM
* Market price is closing price (or other names in accordance with the regulations of the Stock Exchange) on the trading system at the Stock Exchange on the latest trading date of the securities before the valuation date.
* If there is no transaction in two (02) weeks or more prior to the valuation date, the market price is determined in accordance with the following values in order of precedence:
* Closing price (or quoted price) on the trading system of the Stock Exchange on the latest trading date within twelve (12) months prior to the valuation date;
* Book value;
* Purchase price.
* Shares are registered, custodied, but are not yet listed, not yet registered for trading
* Market price is the average price of successful transactions on the latest trading date prior to the valuation date obtained from three (03) securities companies.
* If there are not sufficient quoted prices from three (03) securities companies, the market price is determined in accordance with the following values in order of precedence:
  + Average price obtained from two (02) securities companies;
  + Price of the latest reporting period but not exceed three (03) months prior to valuation date, plus cumulative accrued interest;
  + Book value;
  + Purchase price.
* Shares are suspended or delisted or cancelled for trading

The securities are determined in accordance with the following values in order of precedence:

+ Book value;

+ Purchase price.

* Shares of organisations in the process of liquidation, bankruptcy

Market price is determined at 80% of the liquidation value at the latest balance sheet date prior to the valuation date.

* Shares, other capital contribution

Market price is determined in accordance with the following values in order of precedence:

+ Book value;

+ Purchase price.

***Derivatives***

* Listed derivatives are revalued at the end of the accounting period at the closing price of latest trading date of the securities prior to the valuation date.
* Listed derivatives which were not transacted in two (2) weeks or more are revalued at the end of the accounting period based on the value determined in accordance with the methodology approved by the Board of Representatives in specific case.

***Other assets***

Other investment assets are revalued at the end of the accounting period based on the value determined in accordance with the specific methodology approved by the Board of Representatives.

#### Derecognition

Investments in securities are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Cost of trading securities is determined on a weighted average basis.

### Accounts receivable

Accounts receivable include receivables from disposals of investments and interest and dividends receivables. Accounts receivable are stated at cost less allowance for doubtful debts.

According to Circular No. 48/2019/TT**-**BTC dated 8 August 2019 issued by the Ministry of Finance, allowance for doubtful debts is made based on anticipated losses for undue debts which may occur when an economic organisation is bankrupted or liquidated; or debtor is missing, running away, being prosecuted, in prison, under a trial or pending execution of sentences or deceased or based on overdue status of debts at the following allowance rates:

|  |  |
| --- | --- |
| **Overdue status** | **Allowance rate** |
|  |  |
| From six (06) months to less than one (01) year | 30% |
| From one (01) year to less than two (02) years | 50% |
| From two (02) years to less than three (03) years | 70% |
| From three (03) years and above | 100% |
|  |  |

Increase/decrease in allowance for doubtful debts is recorded as expense/income in the statement of income during the period, unless allowance for doubtful debts is used to write off debts that was made allowance for and is uncollectible.

### Payables

Payables include payables for investments purchases, payable to distribution agent, payables to Fund Unitholders, payables to fund management service providers and other payables. Payables are stated at their cost.

### Provisions

A provision is recognized if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### Classification of financial instruments

Solely for the purpose of providing disclosures about the significance of financial instruments to the Fund’s financial position and results of operations and the nature and extent of risk arising from financial instruments, the Fund classifies its financial instruments as follows:

***(i) Financial assets***

##### Financial assets at fair value through profit or loss

##### Financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

* It is considered by the Fund as held for trading. A financial asset is considered as held for trading if:

- it is acquired principally for the purpose of selling it in the near term;

- there is evidence of a recent pattern of short-term profit-taking; or

- a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).

* Upon initial recognition, it is designated by the Fund as at fair value through profit or loss.

##### Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Fund has the positive intention and ability to hold to maturity, other than:

* those that the Fund upon initial recognition designates as at fair value through profit or loss;
* those that the Fund designates as available-for-sale; and
* those that meet the definition of loans and receivables.

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those:

* that the Fund intends to sell immediately or in the near term, which are classified as held for trading, and those that the Fund on initial recognition designates as at fair value through profit or loss;
* that the Fund upon initial recognition designates as available-for-sale; or
* for which the Company may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

##### Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or those are not classified as:

* financial assets at fair value through profit or loss;
* held-to-maturity investments; or
* loans and receivables.

***(ii) Financial liabilities***

*Financial liabilities at fair value through profit or loss*

Financial liability at fair value through profit or loss is a financial liability that meets either of the following conditions:

* It is considered by the Fund as held for trading. A financial liability is considered as held for trading if:

- it is incurred principally for the purpose of repurchasing it in the near term;

- there is evidence of a recent pattern of short-term profit-taking; or

- a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).

* Upon initial recognition, it is designated by the Fund as at fair value through profit or loss.

*Financial liabilities carried at amortized cost*

Financial liabilities which are not classified as financial liabilities at fair value through profit or loss are classified as financial liabilities carried at amortized cost.

The above described classification of financial instruments is solely for presentation and disclosure purpose and is not intended to be a description of how the instruments are measured. Accounting policies for measurement of financial instruments are disclosed in other relevant notes.

### Taxation

Under prevailing tax regulations in Vietnam, the Fund is not subject to corporate income tax. However, the Fund Management Company is responsible for withholding tax of individuals and institutional investors in following transactions:

***Distributing dividends to Fund Unitholders***

When the Fund distributes dividends to Fund Unitholders, the Fund Management Company is required to comply with prevailing tax regulations on tax withholding and payment.

***Fund units redemption transactions***

The Fund Management Company is obligated to withhold, declare and pay tax in relation to Fund units redemption transactions from Individual Fund Unitholders (including domestic and foreign) and from foreign Corporate Fund Unitholders in accordance with Circular No. 111/2013/TT-BTC dated 15 August 2013 as supplemented and amended by Circular No. 92/2015/TT-BTC dated 15 June 2015 issued by the Ministry of Finance, Circular No. 25/2018/TT-BTC dated 16 March 2018 (“Circular 25”) and Circular No. 103/2014/TT-BTC dated 6 August 2014 issued by the Ministry of Finance. The applicable tax rate is 0.1% of transfer value. The Fund Management Company does not withhold any tax in relation to Fund units redemption transactions from local institutional investors. They are responsible for self-declaration and payment of related tax to State Treasury in accordance with Circular No. 78/2014/TT-BTC dated 18 June 2014, supplemented and amended by Circular No. 96/2015/TT-BTC dated 22 June 2015 issued by the Ministry of Finance.

### Share capital and share premium

* + - 1. ***Share capital***

Fund units with a right for dividends entitlement are classified as share capital, including subscription capital and redemption capital.

***Subscription capital***

Subscription capital represents the Fund’s capital contribution by Fund Unitholders in form of purchasing Fund units on the initial public offering and subsequently to the Fund’s establishment date or in form of exchange fund units of other open-ended funds under management of the Fund Management Company for the Fund’s units.

Subscription capital is recorded at par value of Fund unit.

***Redemption capital***

Redemption capital represents the redemption of Fund units from Fund Unitholders during transaction period after the Fund was established or in form of exchange the Fund’s units for fund units of other open-ended funds under management of the Fund Management Company.

Redemption capital is recorded at par value of Fund unit.

* + - 1. ***Share premium***

Share premium represents the difference between net asset value per Fund unit and par value of Fund unit in a subscription/redemption transaction.

* + - 1. ***Retained earnings***

Retained earnings represent undistributed retained profits at the reporting date, including realised and unrealised profits/(losses).

Realised profits/(losses) are the difference between the Fund’s total revenue, income and total expenses incurred during the year/period (excluding unrealised gains/(losses) from revaluation of investments).

Unrealised profits/(losses) are the total gains/(losses) from revaluation of the Fund’s investments during the year/period.

At the end of the accounting period, the Fund determines realised and unrealised profits/(losses) during period and records in “Retained earnings” in the statement of financial position.

### Fund units and Net Asset Value per Fund unit

Fund units can be resold by Fund Unitholders to the Fund at any time in exchange for an equivalent amount of cash based on the Net Asset Value distributable to Fund Unitholders at the date before transaction date.

The Fund issues and redeems Fund units based on the Net Asset Value per Fund unit at the announcement date. Net Asset Value per Fund unit is calculated by dividing the Net Asset Value of the Fund by the number of Fund units in circulation as at the date before transaction date.

All Fund units issued to Fund Unitholders have the same rights with regard to voting right, redemption of capital and others. Each Fund unit in issuance carries one vote at annual general meetings of the Fund.

Net Asset Value per Fund unit equal to Net Asset Value of the Fund divided by the number of Fund units as at the end of the accounting period and is rounded down to (02) decimal. Net asset value is determined by total assets subtracting total liabilities.

### Revenue

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

* + - 1. ***Interest income and dividend income***

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate. Interest income is recognised in statement of income on accrual basis unless the recoverability is uncertain.

Dividend income is recognised in the statement of income when the right to receive payment is established. Share dividends are not recognised as income.

* + - 1. ***Income from trading securities***

Income from trading securities activities is recognised in the statement of income upon receipt of deal confirmation or order matching report from the Vietnam Securities Depository which are verified by the Custodian Bank (for listed securities) and upon completion of the agreement on transfer of assets (for unlisted securities).

### Expenses

Expenses are recognised in the statement of income when incurred.

### Segment reporting

The Fund operates as one business segment, which is securities investment and one geographical segment, which is Vietnam.

### Related parties

Parties are considered to be related to the Fund if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Fund and the other party are subject to common control or significant influence.  Related parties may be corporate entities or individuals and include close family members of any individual considered to be a related party.

Other investment funds under the management of the Fund Management Company and related parties of the Fund Management Company are considered related parties to the Fund in accordance with Law on Securities. In considering each possible related party relationship, substance of the relationship is considered, and not merely the legal form.

### Nil balances

Items or balances required by Circular No. 198/2012/TT-BTC dated 15 November 2012 issued by the Ministry of Finance on the promulgation of accounting system for open-ended funds that are not shown in these financial statements indicate nil balances.

### Comparative information

Comparative information in these financial statements is presented as corresponding figures. Under this method, comparative information for the prior period are included as an integral part of the current period financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these financial statements is not intended to present the Fund’s financial position, results of operation or cash flows for the prior year .

## Cash in banks and cash equivalents

|  |  |  |
| --- | --- | --- |
|  | **31/12/2020** | **31/12/2019** |
| **VND** | **VND** |
|  |  |  |
| Current account at HSBC Bank (Vietnam) Ltd: |  |  |
| * Cash in banks for the operating activities of the Fund | 2,350,678,226 | 6,923,362,986 |
| * Subscription amount of Fund Unitholders | 772,200,000 | 1,000,000 |
|  |  |  |
|  | 3,122,878,226 | 6,924,362,986 |

## Investments in securities

All investee companies as shown in the statement of investment portfolio are incorporated and operate in Vietnam.

The Fund does not seek to participate in day-to-day financial and operating policy decisions of the investee companies. Accordingly, the Fund does not intend to exert a controlling or significant influence over the investee companies and therefore, the Fund’s investments are recorded in accordance with the accounting policy as set out in Note 3(b), rather than being equity accounted or consolidated.

Details of the Fund’s investments in securities as at 31 December 2020 and 31 December 2019 were as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Cost**  **VND** | **Market value**  **VND** | **Unrealised gains/(losses) for the year** | | **Revaluation value VND** |
|  | **Unrealised gains**  **VND** | **Unrealised losses**  **VND** |
|  | [1] | [2] | [3] | [4] | [5]=[1]+[3]+[4] |
|  |  |  |  |  |  |
| **At 31 December 2020** |  |  |  |  |  |
|  |  |  |  |  |  |
| Listed shares | 78,831,157,179 | 100,366,421,350 | 21,701,481,066 | (166,216,895) | 100,366,421,350 |
|  |  |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Cost**  **VND** | **Market value**  **VND** | **Unrealised gains/(losses) for the period** | | **Revaluation value VND** |
|  | **Unrealised gains**  **VND** | **Unrealised losses**  **VND** |
|  | [1] | [2] | [3] | [4] | [5]=[1]+[3]+[4] |
|  |  |  |  |  |  |
| **At 31 December 2019** |  |  |  |  |  |
|  |  |  |  |  |  |
| Listed shares | 73,656,310,234 | 77,462,612,500 | 5,680,113,876 | (1,873,811,610) | 77,462,612,500 |
|  |  |  |  |  |  |

## Receivables from disposals of investments

|  |  |  |
| --- | --- | --- |
|  | **31/12/2020** | **31/12/2019** |
|  | **VND** | **VND** |
|  |  |  |
| Receivable for disposals of listed shares | 656,164,275 | 181,028,050 |
|  |  |  |

This balance represents proceeds from disposals of listed shares which will be received after two working days from the trade date (T+2) according to the prevailing securities trading practice in Vietnam.

## Payable for investments purchases

|  |  |  |
| --- | --- | --- |
|  | **31/12/2020** | **31/12/2019** |
|  | **VND** | **VND** |
|  |  |  |
| Payable for purchases of listed shares | 432,147,250 | 3,571,248,850 |
|  |  |  |

This balance represents the purchase cost of listed shares which will be paid after two working days from the trade date (T+2) according to the prevailing securities trading practice in Vietnam.

## Fund management service fees payable

|  |  |  |
| --- | --- | --- |
|  | **31/12/2020**  **VND** | **31/12/2019**  **VND** |
|  |  |  |
| Fund management fee payable | 125,824,659 | 102,482,379 |
| Custody fee payable | 19,000,002 | 19,000,001 |
| Transfer agent service fee payable | 14,790,174 | 14,646,712 |
| Fund administration fee payable | 12,100,000 | 12,100,000 |
| Fund supervising fee payable | 7,700,001 | 7,700,001 |
| Transaction fee payable | 6,150,000 | 8,550,000 |
|  |  |  |
|  | 185,564,836 | 164,479,093 |

## Share capital

According to Establishment Registration Certificate for Open-ended Fund No. 34/GCN-UBCK, the Fund’s charter capital is VND75,121,600,000 equivalents to 7,512,160 Fund units with par value of VND10,000 per Fund unit. This is also the capital mobilised in the initial public offering. As the Fund operates as an open-ended fund, its issued capital and the number of Fund units will be changed after every transaction date.

Movements in share capital of Fund Unitholders during the year were as follows:

|  | **Unit** | **As at**  **31/12/2019** | **Incurred during the period** | **As at  31/12/2020** |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| **Subscription capital** |  |  |  |  |
| Quantity (1) | Fund unit | 7,970,455.89 | 553,890.99 | 8,524,346.88 |
| Average NAV (2) = (5)/(1) | VND | 10,034.98 | 9,917.10 | 10,027.32 |
| Par value (3) | VND | 79,704,558,900 | 5,538,909,900 | 85,243,468,800 |
| Share premium (4) | VND | 278,833,173 | (45,919,550) | 232,913,623 |
| Value of subscription capital (5) = (3) + (4) | VND | 79,983,392,073 | 5,492,990,350 | 85,476,382,423 |
|  |  |  |  |  |
| **Redemption capital** |  |  |  |  |
| Quantity (6) | Fund unit | (222,875.40) | (176,377.24) | (399,252.64) |
| Average NAV (7) = (10)/(6) | VND | 10,529.67 | 10,709.60 | 10,609.15 |
| Par value (8) | VND | (2,228,754,000) | (1,763,772,400) | (3,992,526,400) |
| Share premium (9) | VND | (118,049,351) | (125,156,869) | (243,206,220) |
| Value of redemption capital  (10) = (8) + (9) | VND | (2,346,803,351) | (1,888,929,269) | (4,235,732,620) |
|  |  |  |  |  |
| **Share premium**  **(11) = (4) + (9)** | VND | 160,783,822 | (171,076,419) | (10,292,597) |
|  |  |  |  |  |
| **Number of Fund units in circulation (12) = (1) + (6)** | Fund unit | 7,747,580.49 | 377,513.75 | 8,125,094.24 |
|  |  |  |  |  |
| **Value of share capital**  **(13) = (5) + (10)** | VND | 77,636,588,722 | 3,604,061,081 | 81,240,649,803 |
|  |  |  |  |  |
| **NAV per Fund unit (14)** | VND/ Fund Unit | 10,438.11 |  | 12,627.67 |
|  |  |  |  |  |

## Retained earnings

|  |  |  |
| --- | --- | --- |
|  | **Year ended 31/12/2020**  **VND** | **Period from 3/1/2019 to 31/12/2019**  **VND** |
|  |  |  |
| Retained earnings at the beginning of the year/period | 3,233,565,204 | - |
| Profit after tax for the year/period | 18,126,821,254 | 3,233,565,204 |
| *In which* |  |  |
| * *Realised profits/(losses)* | *397,859,349* | *(572,737,062)* |
| * *Unrealised profits* | *17,728,961,905* | *3,806,302,266* |
|  |  |  |
| Retained earnings at the end of the year/period | 21,360,386,458 | 3,233,565,204 |

## Dividend income

|  |  |  |
| --- | --- | --- |
|  | **Year ended 31/12/2020**  **VND** | **Period from 3/1/2019 to 31/12/2019**  **VND** |
|  |  |  |
| Dividend income |  |  |
| *Dividends received* | 1,560,946,298 | 1,442,414,574 |
| *Accrued dividends* | 221,300,000 | 177,300,000 |
|  |  |  |
|  | 1,782,246,298 | 1,619,714,574 |

## Gains from trading securities

**Year ended 31 December 2020**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Investment portfolio** | **Proceeds** | **Weighted average cost at the end of transaction date** | **Losses from trading securities during the year** | **Cumulative losses from trading securities as of 31/12/2020** | **Cumulative**  **gains from trading securities at the beginning of the year** |
|  | **VND** | **VND** | **VND** | **VND** | **VND** |
|  | [1] | [2] | [3] = [1] – [2] | [4]= [3] + [5] | [5] |
|  |  |  |  |  |  |
| Listed shares | 139,189,983,800 | 137,916,243,355 | 1,273,740,445 | 1,828,647,179 | 554,906,734 |
|  |  |  |  |  |  |

**Period from 3 January 2019 (date of establishment) to 31 December 2019**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Investment portfolio** | **Proceeds** | **Weighted average cost at the end of transaction date** | **Gains from trading securities during the period** | **Cumulative gains from trading securities as of 31/12/2019** | **Cumulative**  **gains from trading securities at the beginning of the period** |
|  | **VND** | **VND** | **VND** | **VND** | **VND** |
|  | [1] | [2] | [3] = [1] – [2] | [4]= [3] + [5] | [5] |
|  |  |  |  |  |  |
| Listed shares | 118,123,913,500 | 117,569,006,766 | 554,906,734 | 554,906,734 | - |
|  |  |  |  |  |  |

## Net unrealised gains from revaluation of investments

**Year ended 31 December 2020**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Investment portfolio** | **Cost** | **Market value**  **as at 31/12/2020** | **Revaluation losses as at 31/12/2020** | **Revaluation gains as at 31/12/2019** | **Net unrealised losses from revaluation for the year ended 31/12/2020** |
|  | **VND** | **VND** | **VND** | **VND** | **VND** |
|  | [1] | [2] | [3] = [2] – [1] | [4] | [5] = [3] – [4] |
|  |  |  |  |  |  |
| Listed shares | 78,831,157,179 | 100,366,421,350 | 21,535,264,171 | 3,806,302,266 | 17,728,961,905 |
|  |  |  |  |  |  |

**Period from 3 January 2019 (date of establishment) to 31 December 2019**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Investment portfolio** | **Cost** | **Market value**  **as at 31/12/2019** | **Revaluation gains as at 31/12/2019** | **Revaluation gains as at 3/1/2019** | **Net unrealised gains from revaluation for the period from 3/1/2019 to 31/12/2019** |
|  | **VND** | **VND** | **VND** | **VND** | **VND** |
|  | [1] | [2] | [3] = [2] – [1] | [4] | [5] = [3] – [4] |
|  |  |  |  |  |  |
| Listed shares | 73,656,310,234 | 77,462,612,500 | 3,806,302,266 | - | 3,806,302,266 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

## Expenses for purchases and sales of investments

|  |  |  |
| --- | --- | --- |
|  | **Year ended 31/12/2020**  **VND** | **Period from 3/1/2019 to 31/12/2019**  **VND** |
|  |  |  |
| Expenses for purchases of investments | 202,084,436 | 286,837,994 |
| Expenses for sales of investments | 206,016,575 | 177,185,889 |
|  |  |  |
|  | 408,101,011 | 464,023,883 |

During the period, the Fund’s securities trading transactions were carried out mainly through the following securities companies:

**Year ended 31 December 2020**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Name (code) of securities companies with transaction value exceeding 5% of the Fund’s total transaction value for the period** | **Relationship**  **with the Fund Management Company** | **Percentage of transaction value at securities companies** | | | **Average transaction fee rate** | **Market**  **average transaction**  **fee rate** |
| **Fund’s transaction value for the period with each securities company**  **VND** | **Fund’s total transaction value for the period**  **VND** | **Percentage of**  **the Fund’s total transaction value for the period** |
| [1] | [2] | [3] | [4] | [5] | [6] = [4]/[5](%) | [7] | [8] |
|  |  |  |  |  |  |  |  |
| 1 | ACB Securities Ltd., Co | Not related | 61,375,050,600 | 282,281,074,100 | 21.74% | 0.14% | 0.12%-0.50% |
| 2 | Viet Dragon Securities Corporation | Not related | 76,514,052,000 | 282,281,074,100 | 27.11% | 0.15% | 0.12%-0.50% |
| 3 | Viet Capital Securities Joint Stock Company | Not related | 61,324,991,000 | 282,281,074,100 | 21.72% | 0.15% | 0.12%-0.50% |
| 4 | MB Securities Joint Stock Company | Not related | 55,638,309,900 | 282,281,074,100 | 19.71% | 0.14% | 0.12%-0.50% |
| 5 | Ho Chi Minh City Securities Corporation | Not related | 27,428,670,600 | 282,281,074,100 | 9.72% | 0.15% | 0.12%-0.50% |
|  |  |  |  |  |  |  |  |
|  | **Total** |  | **282,281,074,100** |  | **100.00%** |  |  |

**Period from 3 January 2019 (date of establishment) to 31 December 2019**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Name (code) of securities companies with transaction value exceeding 5% of the Fund’s total transaction value for the period** | **Relationship**  **with the Fund Management Company** | **Percentage of transaction value at securities companies** | | | **Average transaction fee rate** | **Market**  **average transaction**  **fee rate** |
| **Fund’s transaction value for the period with each securities company**  **VND** | **Fund’s total transaction value for the period**  **VND** | **Percentage of**  **the Fund’s total transaction value for the period** |
| [1] | [2] | [3] | [4] | [5] | [6] = [4]/[5](%) | [7] | [8] |
|  |  |  |  |  |  |  |  |
| 1 | ACB Securities Ltd., Co | Not related | 76,640,526,000 | 309,349,230,500 | 24.77% | 0.15% | 0.15%-0.50% |
| 2 | Viet Dragon Securities Corporation | Not related | 72,281,382,500 | 309,349,230,500 | 23.37% | 0.15% | 0.15%-0.50% |
| 3 | Viet Capital Securities Joint Stock Company | Not related | 79,370,283,000 | 309,349,230,500 | 25.66% | 0.15% | 0.15%-0.50% |
| 4 | MB Securities Joint Stock Company | Not related | 42,249,674,000 | 309,349,230,500 | 13.66% | 0.15% | 0.15%-0.50% |
| 5 | Ho Chi Minh City Securities Corporation | Not related | 38,807,365,000 | 309,349,230,500 | 12.54% | 0.15% | 0.15%-0.50% |
|  |  |  |  |  |  |  |  |
|  | **Total** |  | **309,349,230,500** |  | **100.00%** |  |  |

## Custody fee

|  |  |  |
| --- | --- | --- |
|  | **Year ended 31/12/2020**  **VND** | **Period from 3/1/2019 to 31/12/2019**  **VND** |
|  |  |  |
| Custody fee payable to Custodian Bank (Note 19) | 228,000,003 | 226,774,198 |
| Securities transaction fee payable to Custodian Bank (Note 19) | 101,100,000 | 95,850,000 |
| Custody fee payable to Vietnam Securities Depository | 9,212,713 | 7,503,720 |
|  |  |  |
|  | 338,312,716 | 330,127,918 |

## Other operating expenses

|  |  |  |
| --- | --- | --- |
|  | **Year ended 31/12/2020**  **VND** | **Period from 3/1/2019 to 31/12/2019**  **VND** |
|  |  |  |
| Remunerations for the Board of Representatives (Note 19) | 180,000,000 | 168,870,969 |
| Bank charges | 1,008,700 | 184,800 |
|  |  |  |
|  | 181,008,700 | 169,055,769 |

## Net Asset Value

|  |  | **Year ended 31 December 2020** | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| **No.** | **At NAV valuation date** | **Net Asset Value (NAV)** | | **Number of**  **fund units** | **NAV per**  **fund unit** | **Increase/ (decrease) NAV/Fund unit** |
|  |  | **VND** | | **Fund unit** | **VND/Fund unit** | **VND/Fund unit** |
|  |  | [1] | | [2] | [3] = [1]/[2] |  |
|  | 02/01/2020 | 80,870,153,926 | | 7,747,580.49 | 10,438.11 |  |
| 1 | 07/01/2020 | 80,241,521,883 | | 7,747,580.49 | 10,356.97 | (81.14) |
| 2 | 14/01/2020 | 80,968,909,343 | | 7,740,459.89 | 10,460.47 | 103.50 |
| 3 | 21/01/2020 | 82,776,193,406 | | 7,741,690.60 | 10,692.26 | 231.79 |
| 4 | 01/02/2020 | 78,817,766,351 | | 7,760,349.05 | 10,156.47 | (535.79) |
| 5 | 04/02/2020 | 78,334,172,844 | | 7,760,349.05 | 10,094.15 | (62.32) |
| 6 | 11/02/2020 | 78,871,089,504 | | 7,768,472.51 | 10,152.71 | 58.56 |
| 7 | 18/02/2020 | 80,004,409,664 | | 7,759,822.79 | 10,310.08 | 157.37 |
| 8 | 25/02/2020 | 76,713,812,137 | | 7,758,894.04 | 9,887.20 | (422.88) |
| 9 | 02/03/2020 (\*) | 76,072,561,216 | | 7,760,512.28 | 9,802.51 | (84.69) |
| 10 | 03/03/2020 | 76,362,846,803 | | 7,760,512.28 | 9,839.92 | 37.41 |
| 11 | 10/03/2020 | 72,445,000,893 | | 7,828,286.70 | 9,254.26 | (585.66) |
| 12 | 17/03/2020 | 65,024,643,594 | | 7,835,526.56 | 8,298.69 | (955.57) |
| 13 | 24/03/2020 | 59,750,246,987 | | 7,831,227.55 | 7,629.74 | (668.95) |
| 14 | 31/03/2020 | 58,861,244,516 | | 7,832,931.39 | 7,514.58 | (115.16) |
| 15 | 01/04/2020 | 58,778,186,978 | | 7,839,718.12 | 7,497.48 | (17.10) |
| 16 | 07/04/2020 | 64,506,209,137 | | 7,839,718.12 | 8,228.12 | 730.64 |
| 17 | 14/04/2020 | 65,798,571,838 | | 7,865,677.44 | 8,365.27 | 137.15 |
| 18 | 21/04/2020 | 68,563,703,159 | | 7,878,374.76 | 8,702.77 | 337.50 |
| 19 | 28/04/2020 | 67,261,952,627 | | 7,881,017.56 | 8,534.67 | (168.10) |
| 20 | 04/05/2020 (\*\*) | 67,458,124,623 | | 7,900,701.85 | 8,538.24 | 3.57 |
| 21 | 05/05/2020 | 66,639,311,426 | | 7,900,701.85 | 8,434.60 | (103.64) |
| 22 | 12/05/2020 | 71,975,319,425 | | 7,919,386.07 | 9,088.49 | 653.89 |
| 23 | 19/05/2020 | 73,325,715,647 | | 7,923,347.05 | 9,254.38 | 165.89 |
| 24 | 26/05/2020 | 75,220,805,898 | | 7,927,183.04 | 9,488.97 | 234.59 |
| 25 | 01/06/2020 | 75,454,760,572 | | 7,931,714.60 | 9,513.04 | 24.07 |
| 26 | 02/06/2020 | 76,940,348,029 | | 7,931,714.60 | 9,700.34 | 187.30 |
| 27 | 09/06/2020 | 79,227,792,337 | | 7,963,991.04 | 9,948.25 | 247.91 |
| 28 | 16/06/2020 | 73,748,392,059 | | 7,966,303.00 | 9,257.54 | (690.71) |
| 29 | 23/06/2020 | 76,430,900,112 | | 7,963,225.43 | 9,597.98 | 340.44 |
| 30 | 30/06/2020 | 73,027,982,943 | | 7,964,579.86 | 9,169.09 | (428.89) |
| 31 | 01/07/2020 | 72,524,507,896 | | 7,974,395.39 | 9,094.67 | (74.42) |
| 32 | 07/07/2020 | 75,334,425,557 | | 7,974,395.39 | 9,447.03 | 352.36 |
| 33 | 14/07/2020 | 76,212,438,908 | | 7,992,403.15 | 9,535.60 | 88.57 |
| 34 | 21/07/2020 | 75,982,760,113 | | 7,994,374.70 | 9,504.52 | (31.08) |
| 35 | 28/07/2020 | 69,025,882,236 | | 7,995,111.18 | 8,633.51 | (871.01) |
| 36 | 03/08/2020 | 70,303,510,506 | | 8,014,985.25 | 8,771.50 | 137.99 |
| 37 | 04/08/2020 | 71,760,258,872 | | 8,014,985.25 | 8,953.26 | 181.76 |
| 38 | 11/08/2020 | 74,251,420,247 | | 8,031,189.73 | 9,245.38 | 292.12 |
| 39 | 18/08/2020 | 75,318,172,765 | | 8,033,259.55 | 9,375.79 | 130.41 |
|  |  |  | |  |  |  |
| 40 | 25/08/2020 | 77,684,061,028 | | 8,033,689.44 | 9,669.78 | 293.99 |
| 41 | 01/09/2020 | | 78,775,025,468 | 8,035,550.88 | 9,803.31 | 133.53 |
| 42 | 08/09/2020 | | 78,751,463,018 | 8,046,885.12 | 9,786.57 | (16.74) |
| 43 | 15/09/2020 | | 79,822,876,143 | 8,039,641.81 | 9,928.66 | 142.09 |
| 44 | 22/09/2020 | | 81,180,366,160 | 8,037,884.14 | 10,099.71 | 171.05 |
| 45 | 29/09/2020 | | 82,401,392,318 | 8,036,010.73 | 10,254.01 | 154.30 |
| 46 | 01/10/2020 | | 82,255,706,180 | 8,050,716.62 | 10,217.19 | (36.82) |
| 47 | 06/10/2020 | | 83,247,272,206 | 8,050,716.62 | 10,340.35 | 123.16 |
| 48 | 13/10/2020 | | 84,031,370,036 | 8,066,990.20 | 10,416.69 | 76.34 |
| 49 | 20/10/2020 | | 86,431,704,134 | 8,065,131.30 | 10,716.71 | 300.02 |
| 50 | 27/10/2020 | | 86,603,795,609 | 8,058,727.14 | 10,746.58 | 29.87 |
| 51 | 02/11/2020(\*\*\*) | | 84,491,358,613 | 8,091,712.04 | 10,441.71 | (304.87) |
| 52 | 03/11/2020 | | 85,199,632,725 | 8,091,712.04 | 10,529.24 | 87.53 |
| 53 | 10/11/2020 | | 87,078,196,864 | 8,109,601.83 | 10,737.66 | 208.42 |
| 54 | 17/11/2020 | | 87,424,164,312 | 8,115,391.26 | 10,772.63 | 34.97 |
| 55 | 24/11/2020 | | 91,585,347,061 | 8,112,981.77 | 11,288.74 | 516.11 |
| 56 | 01/12/2020 | | 92,274,129,683 | 8,108,526.91 | 11,379.88 | 91.14 |
| 57 | 08/12/2020 | | 94,858,256,704 | 8,121,181.93 | 11,680.35 | 300.47 |
| 58 | 15/12/2020 | | 98,030,189,000 | 8,124,176.17 | 12,066.47 | 386.12 |
| 59 | 22/12/2020 | | 100,229,049,134 | 8,119,655.61 | 12,344.00 | 277.53 |
| 60 | 29/12/2020 | | 101,330,660,615 | 8,124,947.10 | 12,471.54 | 127.54 |
| 61 | 04/01/2021(\*\*\*\*) | | 102,601,036,261 | 8,125,094.24 | 12,627.67 | 156.13 |
|  |  | |  |  |  |  |
| * Average NAV during the year | | | | | | 78,141,031,579 |
| * Maximum change in NAV per Fund unit during the year | | | | | | 955.57 |
| * Minimum change in NAV per Fund unit during the year | | | | | | 3.57 |
|  | | | | | |  |

(\*) This represents the net asset value of the valuation period ended February 2020. Since 1 March 2020 was not a working day, the net asset value of this valuation period is performed on 2 March 2020.

(\*\*) This represents the net asset value of the valuation period ended April 2020. Since 1 May 2020 was not a working day, the net asset value of this valuation period is performed on 4 May 2020.

(\*\*\*) This represents the net asset value of the valuation period ended October 2020. Since 1 November 2020 was not a working day, the net asset value of this valuation period is performed on 2 November 2020.

(\*\*\*\*)This represents the net asset value of the valuation period ended December 2020. Since 1 January 2020 was not a working day, the net asset value of this valuation period is performed on 4 January 2021.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Period from 3/1/2019 to 31/12/2019** | | | |
| **No.** | **At NAV valuation date** | **Net Asset Value (NAV)** | **Number of**  **fund units** | **NAV per**  **fund unit** | **Increase/(decrease) NAV/Fund unit** |
|  |  | **VND** | **Fund unit** | **VND/Fund unit** | **VND/Fund unit** |
|  |  | [1] | [2] | [3] = [1]/[2] |  |
|  | 03/01/2019 | 75,121,600,000 | 7,512,160.00 | 10,000.00 |  |
| 1 | 08/01/2019 | 75,063,757,867 | 7,512,160.00 | 9,992.30 | (7.70) |
| 2 | 15/01/2019 | 75,055,472,081 | 7,512,160.00 | 9,991.19 | (1.11) |
| 3 | 22/01/2019 | 75,359,034,344 | 7,512,160.00 | 10,031.60 | 40.41 |
| 4 | 29/01/2019 | 75,322,272,716 | 7,512,160.00 | 10,026.71 | (4.89) |
| 5 | 01/02/2019 | 75,546,047,118 | 7,535,896.50 | 10,024.82 | (1.89) |
| 6 | 12/02/2019 | 76,462,563,859 | 7,535,896.50 | 10,146.44 | 121.62 |
| 7 | 19/02/2019 | 79,045,092,311 | 7,541,809.80 | 10,480.91 | 334.47 |
| 8 | 26/02/2019 | 81,621,219,529 | 7,543,908.83 | 10,819.48 | 338.57 |
| 9 | 01/03/2019 | 79,379,481,841 | 7,550,008.88 | 10,513.82 | (305.66) |
| 10 | 05/03/2019 | 81,553,316,858 | 7,550,008.88 | 10,801.75 | 287.93 |
| 11 | 12/03/2019 | 80,928,150,957 | 7,579,837.06 | 10,676.76 | (124.99) |
| 12 | 19/03/2019 | 83,050,322,845 | 7,594,307.67 | 10,935.86 | 259.10 |
| 13 | 26/03/2019 | 79,925,363,671 | 7,651,093.26 | 10,446.26 | (489.60) |
| 14 | 01/04/2019 | 80,871,239,960 | 7,667,702.01 | 10,546.99 | 100.73 |
| 15 | 02/04/2019 | 81,495,639,815 | 7,667,702.01 | 10,628.43 | 81.44 |
| 16 | 09/04/2019 | 82,766,098,657 | 7,700,433.63 | 10,748.23 | 119.80 |
| 17 | 16/04/2019 | 81,587,776,555 | 7,714,110.18 | 10,576.43 | (171.80) |
| 18 | 23/04/2019 | 79,931,131,546 | 7,717,737.13 | 10,356.80 | (219.63) |
| 19 | 02/05/2019(\*) | 81,135,082,286 | 7,720,247.49 | 10,509.38 | 152.58 |
| 20 | 07/05/2019 | 79,700,590,963 | 7,720,247.49 | 10,323.57 | (185.81) |
| 21 | 14/05/2019 | 79,790,265,754 | 7,693,817.04 | 10,370.69 | 47.12 |
| 22 | 21/05/2019 | 82,313,435,211 | 7,684,611.22 | 10,711.46 | 340.77 |
| 23 | 28/05/2019 | 81,312,679,524 | 7,683,814.92 | 10,582.33 | (129.13) |
| 24 | 03/06/2019 | 80,096,854,525 | 7,694,157.52 | 10,410.08 | (172.25) |
| 25 | 04/06/2019 | 78,863,389,227 | 7,694,157.52 | 10,249.77 | (160.31) |
| 26 | 11/06/2019 | 80,195,940,174 | 7,690,377.07 | 10,428.08 | 178.31 |
| 27 | 18/06/2019 | 78,909,980,316 | 7,696,493.75 | 10,252.71 | (175.37) |
| 28 | 25/06/2019 | 80,145,094,061 | 7,692,322.24 | 10,418.84 | 166.13 |
| 29 | 01/07/2019 | 79,018,509,529 | 7,686,473.96 | 10,280.20 | (138.64) |
| 30 | 02/07/2019 | 80,241,639,447 | 7,686,473.96 | 10,439.33 | 159.13 |
| 31 | 09/07/2019 | 80,265,439,308 | 7,703,002.65 | 10,420.01 | (19.32) |
| 32 | 16/07/2019 | 81,075,737,475 | 7,700,680.45 | 10,528.38 | 108.37 |
| 33 | 23/07/2019 | 81,716,259,469 | 7,685,327.26 | 10,632.76 | 104.38 |
| 34 | 30/07/2019 | 82,566,138,884 | 7,686,787.29 | 10,741.30 | 108.54 |
| 35 | 01/08/2019 | 82,227,204,990 | 7,699,262.30 | 10,679.88 | (61.42) |
| 36 | 06/08/2019 | 80,994,663,991 | 7,699,262.30 | 10,519.79 | (160.09) |
| 37 | 13/08/2019 | 81,657,220,928 | 7,699,907.45 | 10,604.96 | 85.17 |
|  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Period from 3/1/2019 to 31/12/2019** | | | | | | | | | | | |
| **No.** | **At NAV valuation date** | **Net Asset Value (NAV)** | | **Number of**  **fund units** | | **NAV per**  **fund unit** | | | | | | **Increase/(decrease) NAV/Fund unit** | |
|  |  | **VND** | | **Fund unit** | | **VND/Fund unit** | | | | | | **VND/Fund unit** | |
|  |  | | **[1]** | | **[2]** | | **[3] = [1]/[2]** | | | | | |  | |
| 38 | 20/08/2019 | | 82,038,924,387 | | 7,684,009.91 | | 10,676.57 | | | | | | 71.61 | |
| 39 | 27/08/2019 | | 82,085,095,421 | | 7,680,579.19 | | 10,687.35 | | | | | | 10.78 | |
| 40 | 03/09/2019(\*\*) | | 82,289,742,667 | | 7,685,117.20 | | 10,707.67 | | | | | | 20.32 | |
| 41 | 03/09/2019 | | 82,277,217,086 | | 7,685,117.20 | | 10,706.04 | | | | | | (1.63) | |
| 42 | 10/09/2019 | | 81,574,838,380 | | 7,693,093.51 | | 10,603.64 | | | | | | (102.40) | |
| 43 | 17/09/2019 | | 83,452,734,489 | | 7,693,716.75 | | 10,846.86 | | | | | | 243.22 | |
| 44 | 24/09/2019 | | 83,146,948,277 | | 7,694,544.19 | | 10,805.96 | | | | | | (40.90) | |
| 45 | 01/10/2019 | | 84,070,772,670 | | 7,689,096.84 | | 10,933.76 | | | | | | 127.80 | |
| 46 | 08/10/2019 | | 82,722,274,924 | | 7,700,043.64 | | 10,743.09 | | | | | | (190.67) | |
| 47 | 15/10/2019 | | 83,721,862,526 | | 7,710,185.80 | | 10,858.60 | | | | | | 115.51 | |
| 48 | 22/10/2019 | | 82,661,111,722 | | 7,703,665.37 | | 10,730.10 | | | | | | (128.50) | |
| 49 | 29/10/2019 | | 83,954,125,587 | | 7,707,859.15 | | 10,892.01 | | | | | | 161.91 | |
| 50 | 01/11/2019 | | 83,952,631,260 | | 7,721,022.48 | | 10,873.25 | | | | | | (18.76) | |
| 51 | 05/11/2019 | | 85,870,660,145 | | 7,721,022.48 | | 11,121.66 | | | | | | 248.41 | |
| 52 | 12/11/2019 | | 85,576,174,673 | | 7,729,339.35 | | 11,071.60 | | | | | | (50.06) | |
| 53 | 19/11/2019 | | 83,989,565,424 | | 7,729,244.69 | | 10,866.46 | | | | | | (205.14) | |
| 54 | 26/11/2019 | | 81,339,904,108 | | 7,702,810.64 | | 10,559.76 | | | | | | (306.70) | |
| 55 | 02/12/2019 | | 80,672,875,695 | | 7,702,336.42 | | 10,473.81 | | | | | | (85.95) | |
| 56 | 03/12/2019 | | 79,595,058,855 | | 7,702,336.42 | | 10,333.88 | | | | | | (139.93) | |
| 57 | 10/12/2019 | | 80,522,500,002 | | 7,728,521.66 | | 10,418.87 | | | | | | 84.99 | |
| 58 | 17/12/2019 | | 80,331,824,485 | | 7,733,136.44 | | 10,388.00 | | | | | | (30.87) | |
| 59 | 24/12/2019 | | 80,107,939,817 | | 7,724,580.38 | | 10,370.52 | | | | | | (17.48) | |
| 60 | 31/12/2019 | | 80,847,537,378 | | 7,722,853.17 | | 10,468.60 | | | | | | 98.08 | |
| 61 | 02/01/2020 | | 80,870,153,926 | | 7,747,580.49 | | 10,438.11 | | | | | | (30.49) | |
|  |  | |  | |  | |  | | | | | |  | |
| * Average Net Asset Value | | | | |  | |  | | | 80,899,386,598 | | | | |
| * Maximum of change in Net Asset Value per fund unit during the year | | | | | | | | |  | | | | 489.60 | |
| * Minimum of change in Net Asset Value per fund unit during the year | | | | | | | |  | | | 1.11 | | | |

(\*) This represents the net asset value of the valuation period ended 30 April 2019. Since 1 May 2019 was holiday, the net asset value of this valuation period is performed on 2 May 2019.

(\*\*) This represents the net asset value of the valuation period ended 31 August 2019. Since 1 September 2019 and 2 September 2019 were holidays, the net asset value of this valuation period was performed on 3 September 2019.

## Number of Fund units in circulation

|  |  |  |
| --- | --- | --- |
|  | **31/12/2020**  **Fund units** | **31/12/2019**  **Fund units** |
|  |  |  |
| Number of outstanding Fund units within 1 year | 509,355.61 | 7,747,580.49 |
| Number of outstanding Fund units over 1 year | 7,615,738.63 | - |
|  |  |  |
|  | 8,125,094.24 | 7,747,580.49 |

## Related parties and other key contracts

### Related parties

In addition to related party balances disclosed in other notes to the financial statements, the Fund had the following significant transactions with related parties during the period:

* + - 1. ***Transactions with Dai-ichi Life Vietnam Fund Management Company Limited, the Fund Management Company***

|  |  |  |
| --- | --- | --- |
|  | **Year ended 31/12/2020**  **VND** | **Period from 3/1/2019 to 31/12/2019**  **VND** |
|  |  |  |
| Fund management fee | 1,178,295,665 | 1,207,229,174 |
|  |  |  |

In accordance with the Fund’s Charter, Fund Management Company is entitled to receive annual management fee equal to 1.5% of Net Asset Value of the Fund. Fund management fee is calculated (accrued) for each valuation period based on the Net Asset Value of the Fund excluding fee at the date prior to the valuation date. The monthly fee payable is total fee which is calculated (accrued) for valuation dates within each month.

* + - 1. ***Transactions with the Board of Representatives***

|  | **Year ended 31/12/2020**  **VND** | **Period from 3/1/2019 to 31/12/2019**  **VND** |
| --- | --- | --- |
|  |  |  |
| Board of Representatives’ remunerations (Note 16) | 180,000,000 | 168,870,969 |
|  |  |  |

Other than the remunerations in accordance with the Fund’s Charter, there is no other contract to which the Fund and any member of the Board of Representatives is a party where a member of the Board of Representatives has a material interest. Remuneration and associated expenses to members of the Board of Representatives are recognised as expenses of the Fund in the statement of income.

**(b) Other key contracts**

***Transactions with HSBC Bank (Vietnam) Ltd.***

|  | **Year ended 31/12/2020**  **VND** | **Period from 3/1/2019 to 31/12/2019**  **VND** |
| --- | --- | --- |
|  |  |  |
| Transfer agent fee | 177,083,044 | 238,106,390 |
| Custody fee | 228,000,003 | 226,774,198 |
| Securities transaction fee | 101,100,000 | 95,850,000 |
| Supervising fee | 92,400,000 | 91,903,225 |
| Fund administration fee | 145,200,006 | 144,419,361 |
| Bank charges | 1,008,700 | 184,800 |
|  |  |  |
|  | 744,791,753 | 797,237,974 |

The Fund has appointed HSBC Bank (Vietnam) Ltd. (“HSBC”) to be the Custodian Bank and Supervising Bank of the Fund. HSBC was authorised by the Fund Management Company to provide fund administration service and transfer agent service.

In accordance with the Fund’s Charter, the Fund has to pay HSBC Bank (Vietnam) Ltd. custody fee, supervising fee, fund administration fee and transfer agent fee on a monthly basis. The above fees are calculated at each valuation period using NAV at valuation date. Monthly fees are total fees of valuation periods within each month, the detail of fees is as follows:

| **Services** | **Fee rates** |
| --- | --- |
|  |  |
| Supervising  (excluding VAT) | 0.02% per annum.  Minimum supervising fee is VND7.0 million per month. |
|  |  |
| Custody | 0.06% per annum.  Minimum custody fee is VND19.0 million per month. |
|  |  |
| Fund administration  (excluding VAT) | 0.035% per annum.  Minimum fund administration fee is VND11.0 million per month. |

Transfer agent fees include two groups of fees as follows:

* Group of fee calculated based on NAV or transaction value include:
* Annual maintenance service fees: 0.04% annual NAV. Minimum transfer agency maintenance fee is VND13.0 million per month.
* Registration fees for new purchase, acquisition, conversion, transfer: 0.03% of transaction value of new purchase, acquisition, conversion, transfer.
* Group of fee calculated based on actual amount incurred include:
* Data setup fees include VND15,000 per Fund Unitholder and VND1,000,000 per distribution agent.
* Other fees such as mails delivery fees VND100,000 per Fund Unitholder, HSBC net equipment fee VND300,000 per equipment and other fees.

Apart from the above fees, the Fund also has obligation to pay the HSBC Bank (Vietnam) Ltd. the following fees in relation to assets transactions of the Fund:

| **Services** | **Fee rates** |
| --- | --- |
|  |  |
| Purchase/sell securities | VND150,000 per transaction. |

## The Fund’s performance indicators

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Year ended 31/12/2020**  **VND** | **Period from 3/1/2019 to 31/12/2019**  **VND** |
|  |  |  |  |
| **I** | **Investment performance** |  |  |
|  |  |  |  |
| 1 | Management fee payable to Fund Management Company/Average NAV during the year/period (%) | 1.51% | 1.50% |
|  |  |  |  |
| 2 | Custody, supervising fees payable to Supervising Bank/Average NAV during the year/period (%) | 0.55% | 0.52% |
|  |  |  |  |
| 3 | Fund administration fee, transfer agent fee and other expenses payable to related service providers/Average NAV during the year/period (%) | 0.41% | 0.48% |
|  |  |  |  |
| 4 | Audit fee/Average NAV during the year/period (%) | 0.19% | 0.18% |
|  |  |  |  |
| 5 | Legal advisory fee, quotation fee and other fees, remuneration payable to the Board of Representatives/Average NAV during the year/period (%) | 0.23% | 0.21% |
|  |  |  |  |
| 6 | Operating expenses/Average NAV during the year/period (%) | 3.42% | 3.47% |
|  |  |  |  |
| 7 | Turnover of investment portfolio during the period = (Total value of purchase transactions + total value of sales transactions)/2/Average NAV during the year/period (%) | 180.62% | 192.25% |
|  |  | **Year ended 31/12/2020**  **VND** | **Period from 3/1/2019 to 31/12/2019**  **VND** |
|  |  |  |  |
| **II** | **Others** |  |  |
|  |  |  |  |
| **1** | **Fund scale at the beginning of the period**  **(calculated at par value of Fund units)** |  |  |
|  | Total value of Fund units in circulation at the beginning of the year/period | 77,475,804,900 | - |
|  | Total number of Fund units in circulation at the beginning of the year/period | 7,747,580.49 | - |
|  |  |  |  |
| **2** | **Change in Fund scale during the period (calculated at par value of Fund units)** |  |  |
|  | Number of Fund units subscribed during the year | 553,890.99 | 7,970,455.89 |
|  | Value of capital subscribed during the year (at par value) | 5,538,909,900 | 79,704,558,900 |
|  | Number of Fund units redeemed during the year | (176,377.24) | (222,875.40) |
|  | Value of capital redeemed during the year in respond to Fund Unitholders’ command (at par value) | (1,763,772,400) | (2,228,754,000) |
|  |  |  |  |
| **3** | **Fund scale at the end of the period (calculated at par value of Fund units)** |  |  |
|  | Total value of Fund units in circulation at the end of the year | 81,250,942,400 | 77,475,804,900 |
|  | Total number of Fund units in circulation at the end of the year | 8,125,094.24 | 7,747,580.49 |
|  |  |  |  |
| **4** | **Percentage of Fund units held by the Fund Management Company and related parties at the end of the year** | 89.74% | 92.15% |
|  |  |  |  |
| **5** | **Percentage of Fund units held by ten biggest Unitholders at the end of the year** | 92.01% | 93.85% |
|  |  |  |  |
| **6** | **Percentage of Fund units held by foreign Unitholders at the end of the year** | 86.15% | 90.35% |
|  |  |  |  |
| **7** | **Number of Fund Unitholders at the end of the year** | 346 | 292 |
|  |  |  |  |
| **8** | **NAV/Fund unit at the end of the year** | 12,627.67 | 10,438.11 |
|  |  |  |  |

## Financial risk management

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

* credit risk;
* liquidity risk; and
* market risk.

This note presents information about the Fund’s exposure to each of the above risks, the Fund’s objectives, policies and processes for measuring and managing risk.

The Fund’s investment portfolio comprises listed securities. The Management of the Fund Management Company has been given a discretionary authority to manage the Fund’s assets in line with the Fund’s investment objectives. Compliance with the target asset allocations, the composition of the portfolio is monitored by the Fund Management Company and the Supervising Bank on a weekly basis. In instances where the portfolio has diverged from the target asset allocations, the Management of the Fund Management Company is obliged to take actions to rebalance the portfolio in line with the established targets.

**(a) Credit risk**

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

All call deposits and term deposits were placed with well-known financial institutions where the Board of Representatives approved and the Fund Management Company does not expect any losses arising from the non-performance of these financial institutions.

The Fund’s listed securities will be traded on or subject to the rules of the Ho Chi Minh City Stock Exchange and the Hanoi Stock Exchange. All transactions in listed securities are settled or paid for upon delivery using Vietnam Securities Depository and approved brokers. The risk of default is considered minimal.

Receivables include receivables from disposals of investments, interest and dividends receivables. The Fund Management Company believes no allowance for doubtful debts was considered necessary for these receivables as at 31 December 2020 and 31 December 2019.

The maximum exposure to credit risk faced by the Fund is equal to the carrying amounts of deposits with banks and receivables.

**(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 other financial assets.

The Fund’s approach to managing liquidity risk is to ensure that it will always have sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The Fund’s financial assets as at 31 December 2020 and 31 December 2019 included mainly listed securities and demand deposits. The Fund’s investments in listed securities are considered to be readily realizable as they are traded on the Ho Chi Minh City Stock Exchange and the Hanoi Stock Exchange. As a result, the Fund may be able to convert some of its investments into an amount of cash to timely meet its liquidity requirements.

At the reporting date, the contractual maturities of financial liabilities were as follows:

| **As at 31 December 2020** | **Carrying**  **amount** | **Undiscounted contractual**  **cash flows** | **Less than**  **1 year** |
| --- | --- | --- | --- |
|  | **VND** | **VND** | **VND** |
|  |  |  |  |
|  |  |  |  |
| Payable for purchasing investments | 432,147,250 | 432,147,250 | 432,147,250 |
| Payable to distribution agents | 88,000 | 88,000 | 88,000 |
| Accrued expenses | 138,500,000 | 138,500,000 | 138,500,000 |
| Advances from Fund Unitholders for Fund units subscription | 772,200,000 | 772,200,000 | 772,200,000 |
| Payables to Fund Unitholders for Fund units redemption | 236,580,656 | 236,580,656 | 236,580,656 |
| Fund management service fees payable | 185,564,836 | 185,564,836 | 185,564,836 |
|  |  |  |  |
|  | 1,765,080,742 | 1,765,080,742 | 1,765,080,742 |

| **As at 31 December 2019** | **Carrying**  **Amount** | **Undiscounted contractual**  **cash flows** | **Less than**  **1 year** |
| --- | --- | --- | --- |
|  | **VND** | **VND** | **VND** |
|  |  |  |  |
|  |  |  |  |
| Payable for purchasing investments | 3,571,248,850 | 3,571,248,850 | 3,571,248,850 |
| Payable to distribution agents | 80,000 | 80,000 | 80,000 |
| Accrued expenses | 133,000,000 | 133,000,000 | 133,000,000 |
| Advances from Fund Unitholders for Fund units subscription | 1,000,000 | 1,000,000 | 1,000,000 |
| Payables to Fund Unitholders for Fund units redemption | 5,176,723 | 5,176,723 | 5,176,723 |
| Fund management service fees payable | 164,479,093 | 164,479,093 | 164,479,093 |
|  |  |  |  |
|  | 3,874,984,666 | 3,874,984,666 | 3,874,984,666 |

**(c) Market risk**

Market risk is the risk that changes in market prices, such as interest rate, foreign exchange and market price will affect the Fund’s income or the value of its holdings of financial instruments.

***(i) 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. The Fund’s exposure to market risk due to change in interest rates is minimal since all cash in banks are demand deposits having low and stable interest rate.

***(ii) 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 Vietnam Dong, which is the Fund’s accounting currency.

***(iii) Market price risk***

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

The Fund has mainly invested in listed securities that are affected by equity price risk arising from the uncertainty in the fluctuation of the future market value of these securities. Market price risk is managed by the Fund Management Company by diversifying the investment portfolio and careful selection of securities within specified limits.

As at 31 December 2020, the market value of the Fund’s listed securities is VND100,366,421,350 (31/12/2019: the market value of the Fund’s listed securities is VND77,462,612,500). During the year ended 31 December 2020, the average rate of price fluctuation of these listed securities was approximately 66.61% (31/12/2019: 10%). Had the market prices of these securities increased or decreased by 66.61% as at 31 December 2020 with all other variable remaining constant, the Fund’s Net Asset Value would be expected to increase or decrease by VND66,854,073,261 (31/12/2019: VND7,746,261,250).

(\*) The significant fluctuation was due from pandemic as analysis at Report of the Fund ManagementCompany, market description in the year.

**(d) Fair values**

Fair value is the value which is determined as the price appropriate to market price that would be received for sale of an asset or paid to transfer a liability at the measurement date.

***(i) Fair values versus carrying amounts***

The table below presents the carrying amounts and fair values of the Fund’s financial assets and liabilities:

|  | **31/12/2020** | | **31/12/2019** | |
| --- | --- | --- | --- | --- |
|  | **Carrying amount**  **VND** | **Fair value**  **VND** | **Carrying amount**  **VND** | **Fair value**  **VND** |
| **Financial assets** |  |  |  |  |
| *Categorized as financial assets at fair value through profit or loss* | | | |  |
| * Investments | 100,366,421,350 | 100,366,421,350 | 77,462,612,500 | 77,462,612,500 |
| *Listed shares* | *100,366,421,350* | *100,366,421,350* | *77,462,612,500* | *77,462,612,500* |
|  |  |  |  |  |
| *Categorized as loans and receivables* | |  |  |  |
| * Cash in banks and cash equivalents | 3,122,878,226 | 3,122,878,226 | 6,924,362,986 | 6,924,362,986 |
| * Receivables from disposals of investments | 656,164,275 | 656,164,275 | 181,028,050 | 181,028,050 |
| * Interest and dividends receivables | 221,300,000 | 221,300,000 | 177,300,000 | 177,300,000 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |
|  |  |  |  |  |
| *Categorized as financial liabilities carried at amortised cost:* | | |  |  |
| * Payable for purchasing investments | 432,147,250 | 432,147,250 | 3,571,248,850 | 3,571,248,850 |
| * Payable to distribution agents | 88,000 | 88,000 | 80,000 | 80,000 |
| * Accrued expenses | 138,500,000 | 138,500,000 | 133,000,000 | 133,000,000 |
| * Advances from Fund Unitholders for Fund units subscription | 772,200,000 | 772,200,000 | 1,000,000 | 1,000,000 |
| * Payables to Fund Unitholders for Fund units redemption | 236,580,656 | 236,580,656 | 5,176,723 | 5,176,723 |
| * Fund management service fees payable | 185,564,836 | 185,564,836 | 164,479,093 | 164,479,093 |
|  |  |  |  |  |

***(ii) Basis for determining fair values***

The Fund uses the following methods and assumptions in estimation of fair value of financial assets and liabilities:

* Fair value of cash and cash equivalents are account balance at the end of the accounting period.
* Fair value of shares which are listed on the Ho Chi Minh City Stock Exchange or Hanoi Stock Exchange are the closing prices or other names, in accordance with the regulations of the Stock Exchange on the latest trading date of the securities prior to the valuation date.
* Fair values of other financial assets and liabilities approximate their carrying values as at 31 December 2020 and 31 December 2019 due to the short-term maturity of these financial instruments.

## Subsequent events

At the issuance date of these financial statements, the Fund’s Net Asset Value at the latest valuation date (23 March 2021) was VND114,944,722,068, which increases by 12.03% as compared to the Fund’s Net Asset Value as at 31 December 2020.

## Approval for issuance of the financial statements

The financial statements for the year ended 31 December 2020 were authorised for issue by the Chairman on behalf of the Board of Representatives on 25 March 2021.

25 March 2021

|  |  |  |
| --- | --- | --- |
| Dai-ichi Life Vietnam Fund Management Company Limited | | |
| Prepared by: | Approved by: | |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| Ms. Ho Thi Mai Phuong | Ms. Tran Thi Anh Tram | Mr. Tran Chau Danh |
| *Operation Officer* | *Operation Senior Manager* | *Chief Executive Officer* |
|  |  |  |