

*Ho Chi Minh city, March 31<sup>st</sup>, 2022*

## **FISCAL YEAR 2021 PERFORMANCE REPORT OF DFVN-FIX**

### **I. Market updates**

The year of 2021 was a difficulty year of Vietnam economy. By the strongly impact of the epidemic, the economy was almost paralyses because lockdown policy has been applied during 4 months (from June to October) at key economic region in the Southern area such as Ho Chi Minh City, Dong Nai Province, Binh Duong Province. The Covid-19 vaccination campaign has been implemented since the end of Q2/2021 with the goal to quickly repel the pandemic nationwide, Vietnam is appraised for its success in the vaccination campaign, as a “later-first country” with a coverage rate of at least one dose of vaccine 99.7% of the population aged 18 years and older. Ho Chi Minh City, Dong Nai Province and Binh Duong Province will continue to deploy booster shots (third dose) in early 2022. Thanks to the high rate of vaccine coverage, socio-economic activities have been gradually resumed since the Q4/2021 in these provinces with loosen epidemic preventive measures. Transportation, retail, and food and beverage services have been almost fully re-opened in the end of 2021. Compared to major economies in the world such as the United State, Japan, and Europe, which have all fully re-opened since the beginning of 2021, despite of the high infection rate due to new variants of the Corona virus, Vietnam economy has been re-opened though it was later than them although China who continues to maintain its Zero-Covid policy and there have been still a thorough lockdown in many places. In addition, the global economy has much prescient risks and it will be affected in the next few years. Global trade was negatively impacted due to supply chain disruptions and shortages of important goods such as semi-conductor, gas and oil which are contributing to a surge of commodity prices during severel months ended this year. The Omicron variant of Corona virus lurks to threaten the global economy. In China, the high probability of default from real estate market can be a potential risk impacting to the international financial market, together with the power shortage also caused many difficulties for China to growth in short run.

Due to these difficulties, Vietnam Gross Domestic Product (“GDP”) managed to obtain a tiny growth by 2.58%, lower than the International Monetary Fund (“IMF”)’s forecasted by 3.8%. It was lower than the overall market’s expectations, which proved that the impacts of the epidemic in 2021 was very serious and the economic re-open and resume was relatively slow. For foreign trade, the total value of imports/exports in 2021 reached USD668.5 billion, increased by 22.6% over the same period of last year, in which exports reached USD336.25 billion, increased by 19%; imports reached USD332.25 billion, increased by 26.5%. The trade balance of goods estimated a surplus of USD4 billion this year, which was significantly decreased compared to 2020 (of which USD20 billion). Purchasing Managers’ Index (PMI) in December 2021 recorded at 52.4, the indicator was above the water market of neutral level (50) for four consecutive months which was in the period that the economy was re-opened. The Foreign Direct Investment (“FDI”) accumulated in 2021, partially reflected the economy difficulties which disbursed capital inched up by 1.2%, while registered capital increased 9.2% over the same period; FDI disbursed nearly USD19.7 billion and newly attracted of over USD31.1 billion. Meanwhile, inflation has been controlled quite well, the Government has succeeded in managing the average Consumer Price Index (“CPI”) below the target level of 4%, although gas and oil as well as other commodity

In 2021, government bond market is actively trading on both primary market and secondary market. Government bond yield has been set a new low historical level, sharply decreased 70 to 130 basis points

(“bps”) for less than 10 years tenor and 90 - 130 bps from 10 years tenor and above. This is the lowest level in the history of the specialty bond market.

After implementing nationwide vaccination, Covid-19 pandemic have been well controlled, the economy is expected to recover and grow strongly in 2022. The Government has issued economy development resolutions in 2022, with the target of economic growth from 6% to 6.5%. IMF also forecasted that Vietnam economic grows at 6.6% in 2022. However, domestic potential risks such as inflation, bad debts of the banking system, and other risks from external as analysed above may continue to have negative impacts on the Vietnam economy and they need to be controlled. These difficulties are the challenges to the Government in macro-economic stabilisation, economic growth in 2022.

## II. Details of the Fund’s operating indicators

### 1. Asset allocation

	<b>As at 31.12.2021</b>
	<b>%</b>
1. Debt security	9.49
2. Cash and cash equivalents	41.58
3. Other assets	48.93
	<b>100.00</b>

### 2. Performance indicators

	<b>As at 31.12.2021</b>
1. Net asset value of the Fund (VND)	63,074,823,316
2. Number of Fund units outstanding (units)	6,239,853.68
3. Net asset value per Fund unit (VND)	10,108.38
4. Net asset value per Fund unit – highest during the period (VND)	10,108.38
5. Net asset value per Fund unit – lowest during the period (VND)	9,982.19
6. Closing price of Fund unit at reporting date (VND)	Not applicable
7. Closing price of Fund unit at reporting date – highest during the period (VND)	Not applicable
8. Closing price of Fund unit at reporting date – lowest during the period (VND)	Not applicable
9. Total growth per Fund unit (%)	1.08
9.1. Capital growth per Fund unit (due to price change) (%)	0.00
9.2. Income growth per Fund unit (calculated using realised income) (%)	0.25
10. Gross distributed earning per unit (VND)	Not applicable
11. Net distributed earning per unit (VND)	Not applicable
12. Ex-date of distribution	Not applicable
13. Operation expenses/Average NAV (%)	2.57
14. Turnover of investment portfolio (%)	5.32

### 3. Growth by years

<b>Period</b>	<b>Growth of NAV per Fund unit (%)</b>	<b>Annual growth of NAV per Fund unit (%)</b>
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Since inception

1.08

Not applicable

#### 4. Annual growth

Not applicable because the Fund has been established and operated from 4 February 2021.

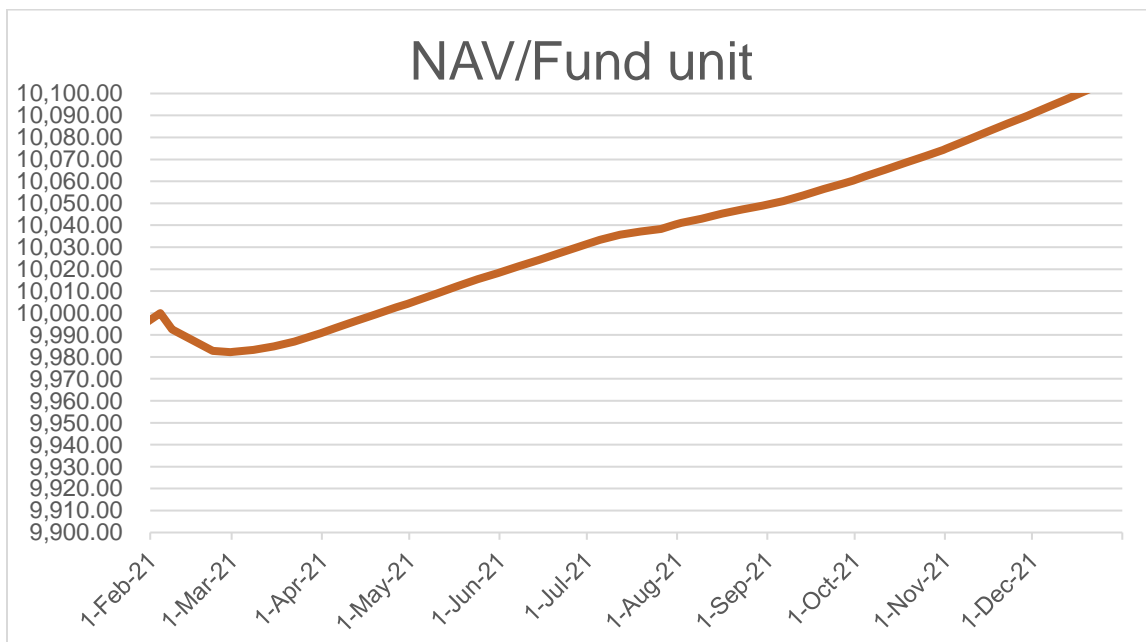
#### 5. Details of the Fund's performance indicators

Item	From inception to reporting date (%)
Income growth per Fund unit	0.25
Capital growth per Fund unit	0.00
Total growth per Fund unit	1.08
Annual growth per Fund unit	Not applicable
Growth of component portfolio (*)	Not applicable
Price change per Fund unit (**)	Not applicable

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

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

- The net asset value growth per share of the Fund Certificate from the foundation to 31 December 2021



### III. Market prospects

The Government has set a plan to accelerate disbursement of public investment and this is an key driving to boost the economy and recovery on post-pandemic in 2022. In the context of declining international capital flow for investment, especially Official Development Assistance (“ODA”), domestic mobilized capital will continue to play a main role and the pressure to issue government bonds in 2022 is large.

In addition, the State Bank is expected to continue managing monetary policy in flexible manner but maintaining low interest rates environment to support economic recovery. However, the trend of raising

interest rates by global central banks in 2022 to deal with high inflationary pressure may also affect to the interest rate level and make the market becoming riskier in 2022.

The corporate bond market is becoming an important role in raising long-term fund for enterprises, when bank loan channel is hardly to meet the high demand of enterprises. In addition, the general policy of state agencies, including the State Bank, is still to prioritize medium and long-term capital source through corporate bonds market and mobilizing on the stock market. In 2021, the total value of corporate bonds issued reached VND595 trillion, up 38% compared to 2020.

From a demand perspective, the demand for investment and ownership of corporate bonds will also increase in this low interest rates environment and it is expected to continue due to the easing monetary policy to support the economic growth.

**DAI-ICHI LIFE VIETNAM FUND MANAGEMENT  
COMPANY, LIMITED**