**Part I: Report of the Fund Management Company**

**(Issued in association with Circular 181/2015/TT-BTC dated 13 Nov 2015 of MOF)**

**REPORT OF THE FUND MANAGEMENT COMPANY**

***(Quarter IV/ 2024)***

**1. General information of DFVN Capital Appreciation Fund** **(“the Fund” or “DFVN-CAF”)**

**1.1. Objectives of the Fund:**

DFVN-CAF provides the investors with asset and capital appreciation and aims to outperform the Vietnam stock market (VN-Index) as benchmark in the long term by investing mainly in a diversified portfolio of listed equities on Vietnam securities market.

**1.2. Performance result of the Fund:**

According to the audited financial statements of the Fund, its net asset value (“NAV”) as at 31 Dec 2024 increased by 3.38% as compared with those as at 30 Sep 2024.

**1.3. The Fund’s investment strategy and policy:**

**Investment strategy:**

The DFVN-CAF will invest into a diversified investment portfolio including listed equity with large market cap on Vietnamese securities market. The selection of sectors and companies is executed based on evaluating value style, fundamental analysis and assessment on market sectors. Conditions for company selection are as follows:

• Leading positions in its sectors;

• Strong financial situation;

• Strong cash flow or good and high quality asset base; and

• Good corporate governance

The main investment areas of DFVN-CAF shall concentrate on the listed equity on Vietnam stock exchange, the equity about to be listed and the shares of the equitized corporation.

**The investable assets of the Fund**

• Term deposits at commercial banks in accordance with the Laws on banking;

• Money market instruments include valuable paper, negotiable instrument in accordance with the relevant Laws;

• Government debt instruments, Government guaranteed bonds, municipal bonds;

• Listed shares, shares registered for trading, listed bonds listed on the stock exchange, public fund unit;

• Shares initially offered to the public, bonds offered to the public; corporate bonds privately placed by listed organizations with payment guarantee by credit institutions or with the issuer's commitment to repurchase at least 30% of the value of the bond offering at least once every 12 months. In case of investments in these assets at this point; there are following conditions to be satisfied:

- The Board of Representatives has provided written consent to the class and code of the securities, the quantity and value of the transaction, and the time for implementation; as stipulated in the Prospectus;

- There is adequate proof that payment guarantee is provided by credit institutions or commitment to buy back from issuer.

• Derivatives listed on stock exchange and used for prevention of risks to underlying securities held by the fund;

• The rights that may arise in connection with securities being held by the Fund.

**Investment structure**

|  |  |
| --- | --- |
| **Investment assets** | **Allocation (% of The Fund NAV)** |
| Share equity | 50% – 100% |
| Short term deposit (\*) | 0 – 49% |
| Cash on current account of the Fund at the Supervisory Bank | The remaining asset value after investing the above two (02) asset types |

(\*) Maximum three-month term deposits; only approved investment grade banks by the Board of Representatives.

**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 medium risk in the short-term.

At the same time, with the dynamic investment selection method as presented below, the Fund's short-term risk level also corresponds flexibly according to each time of investment.

The Fund will apply an active investment strategy to find, identify and select investment opportunities. Based on studies, fundamental macroeconomic analysis, company analysis, market factors, the Fund will develop a model of asset allocation in accordance with the Fund's investment objectives and appropriate with market conditions at each different stage. For each investment, the Fund will focus on finding and exploiting investments with attractive market value compared to basic values, long-term growth-oriented investments. At the same time, the Fund also identifies risks to portfolios and controls for these risks. As a result, the Fund's portfolio includes high-quality investment assets and can add value through the Fund's active investment management strategy.

**1.7. Inception of the Fund:**

The Fund has been operating since 3 January 2019.

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

As of 31 Dec 2024, the number of Fund units in circulation is 8,345,966.62 Units, equivalent to the scale of the Fund at par value is VND83,459,666,200.

**1.9. Benchmark index of the Fund:**

The Fund has no benchmark index.

**1.10. Profit distribution policy of the Fund:**

As metioned in the Prospectus, the main objective of the Fund is to invest in equity and focus on capital growth in the medium and long term. Therefore, the Fund may be no pay the annual dividend. The distribution of profits (if any) will be based on the audited financial statements of the Fund within the framework of the law, as proposed by the Fund Management Company, approved by the Board of Representatives and approved by the General Meeting of Investors.

The Fund’s distribution of the profits shall comply with the following rules:

* Profits distributed to the Investors are derived from the profits earned in the period or accumulated profits after the Fund has fulfilled its tax liabilities and other financial obligations as prescribed by the Laws;
* The rate of profits distributed must be conformable with the Fund’s profit distribution policy specified in the Fund Charter and approved by the General Meeting of Investors;
* After profits are distributed, the Fund is still able to fully pay its debts and other liabilities when they are due, and the Fund’s Net Asset Value shall not be lower than VND fifty (50) billion; and
* If profits are distributed in the Fund units, the Fund must have sufficient counterpart funds from its undistributed after-tax profits according to the latest audited or reviewed financial statements.

The Fund dividends may be paid in cash or in the Fund units. The distribution of profits in Fund Units must be approved by the General Meeting of Investors in advance or the Fund’s Board of Representatives (if the latest General Meeting of Investors has authorized to the Fund’s Board of Representatives). Only the Investors named on the list of Investors holding the Fund Unit at the recorded date will receive dividends from the Fund.

The Fund Management Company must deduct all taxes, fees and charges in accordance with the law before distributing profits to the Investors.

The Fund Management Company is allowed to distribute the Fund's assets to the Investors more than the realized profit, but must ensure that the Fund's Net Asset Value after implementation is not lower than VND fifty (50) billion. The plan, implementation roadmap, size of assets to be distributed, capital for implementation must be approved by the General Meeting of Investors.

**1.11. Net profits attributed per fund unit as of reporting date:**

The Fund has not distributed its profits to fund unitholders.

**2. Performance results**

**2.1. Asset allocation:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Fund’s asset structure** | **31/12/2024**  **(%)** | **31/12/2023**  **(%)** | **31/12/2022**  **(%)** |
| 1. Securities portolio | 95.58 | 94.13 | 93.00 |
| 2. Cash and cash equivalents | 3.92 | 5.32 | 6.27 |
| 3. Other assets | 0.50 | 0.55 | 0.73 |
| **Total** | **100.00** | **100.00** | **100.00** |

**2.2. Performance indicators**

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator** | **31/12/2024** | **31/12/2023** | **31/12/2022** |
| 1. Net asset value of the Fund (VND) | 134,335,029,090 | 161,351,154,608 | 132,813,824,473 |
| 2. Number of Fund units outstanding (units) | 8,345,966.62 | 11,615,286.07 | 10,797,931.20 |
| 3. Net asset value per Fund unit (VND) | 16,095.80 | 13,891.27 | 12,299.93 |
| 4. Net asset value per Fund unit – highest during the period (VND) | 16,367.99 | 14,069.14 | 12,979.93 |
| 5. Net asset value per Fund unit – lowest during the period (VND) | 15,323.98 | 12,710.10 | 11,501.69 |
| 6. Closing price of Fund unit at reporting date (VND) | Not applicable | Not applicable | Not applicable |
| 7. Closing price of Fund unit at reporting date – highest during the period (VND) | Not applicable | Not applicable | Not applicable |
| 8. Closing price of Fund unit at reporting date – lowest during the period (VND) | Not applicable | Not applicable | Not applicable |
| 9. Total growth per Fund unit (%) | -2.05 | -1.18 | -6.60 |
| 9.1. Capital growth per Fund unit (due to price change) (%) | Not applicable | Not applicable | Not applicable |
| 9.2. Income growth per Fund unit (calculated using realised income) (%) | Not applicable | Not applicable | Not applicable |
| 10. Gross distributed earning per unit (VND) | Not applicable | Not applicable | Not applicable |
| 11. Net distributed earning per unit (VND) | Not applicable | Not applicable | Not applicable |
| 12. Ex-date of distribution | Not applicable | Not applicable | Not applicable |
| 13. Operation expenses/Average NAV (%) | 2.42 | 2.92 | 2.77 |
| 14. Turnover of investment portfolio (%) | 222.84 | 275.43 | 176.59 |

**2.3. Growth overtime:**

|  |  |  |
| --- | --- | --- |
| **Period** | **Total growth of NAV/fund unit (%)** | **Annual growth of NAV/CCQ (%)** |
| - 1 year | 15.87 | 15.87 |
| - 3 years | -1.99 | -0.67 |
| - From establisment date | 60.96 | 8.26 |

**2.4. Annual growth:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Period** | **31/12/2024**  **(%)** | **31/12/2023**  **(%)** | **31/12/2022**  **(%)** |
| Growth ratio (%)/fund unit | 15.87 | 12.94 | -25.10 |

**3. Market overview:**

The fourth quarter of 2024 unfolded amidst a global context of ongoing uncertainties carried over from 2023. The Russia-Ukraine conflict remains unresolved, and tensions in the Middle East continue escalating with increasingly complex developments. Meanwhile, although the Federal Reserve followed its planned interest rate cuts in 2024, there are signals that the pace of reductions may slow in 2025. China’s economy is experiencing sluggish growth, prompting its government to implement robust stimulus policies. Additionally, the market is closely monitoring the anticipated impacts of policy directions from the newly elected U.S. president starting in 2025.

Domestically, the Government has introduced a range of economic stimulus measures, including VAT reductions, credit growth promotion, exchange rate stabilization, and acceleration of public investment disbursement. However, public investment disbursement remains below target, the real estate market continues to face challenges, and domestic consumption recovery is progressing slowly.

Despite these challenges, macroeconomic stability has been maintained. GDP growth for Q4/2024 is estimated at 7.55% year-on-year. Among the contributing sectors, agriculture, forestry, and fisheries grew by 2.99%, contributing 4.86% to the overall increase in added value; industry and construction grew by 8.35%, contributing 44.03%; and services grew by 8.21%, contributing 51.11%.

Exports in Q4 remained a bright spot, with an estimated value of $105.9 billion, an 11.5% increase year-on-year, though slightly down by 2.5% compared to Q3/2024. Imports reached $101.9 billion, up 14.9% year-on-year and 2.2% quarter-on-quarter. Foreign direct investment (FDI) remained stable, with total realized capital for the year reaching $25.35 billion, a 9.4% increase. Inflation was well-controlled in 2024, with December’s year-on-year inflation at 2.94%, and the annual average CPI increasing by 3.63%, lower than the Government's target of 4.5%. However, the December 2024 PMI dipped below the threshold of 50, standing at 49.8 compared to November’s 50.8, signaling a slight decline in overall business conditions at the year-end.

Overall, in Q4/2024, Vietnam’s economy showed a notable recovery and positive growth, particularly in manufacturing, trade, and foreign direct investment. Inflation risks have largely been mitigated; however, the exchange rate remains a significant concern, leading the State Bank to adopt a more cautious monetary policy approach at the end of the year.

**4. Details of the Fund’s performance results:**

**4.1. Details of the Fund’s performance indicators**

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicators** | **1 year to reporting date (%)** | **Last 3 years to reporting date (%)** | **From establishment date to reporting date (%)** |
| Income growth per Fund unit | Not applicable | Not applicable | Not applicable |
| Capital growth per Fund unit | Not applicable | Not applicable | Not applicable |
| Total growth per Fund unit | 15.87 | -1.99 | 60.96 |
| Annual growth per Fund unit | 15.87 | -0.67 | 8.26 |
| Growth of component portfolio (\*) | Not applicable | Not applicable | Not applicable |
| Price change per Fund unit (\*\*) | Not applicable | Not applicable | Not applicable |

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

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

● Change in Net asset value.

|  |  |  |  |
| --- | --- | --- | --- |
| **Item** | **31/12/2024** | **31/12/2023** | **Change (%)** |
| Net asset value (NAV) | 134,335,029,090 | 161,351,154,608 | -16.74 |
| Net asset value (NAV) per Fund unit | 16,095.80 | 13,891.27 | 15.87 |

**4.2. Investors analysis as at reporting date:**

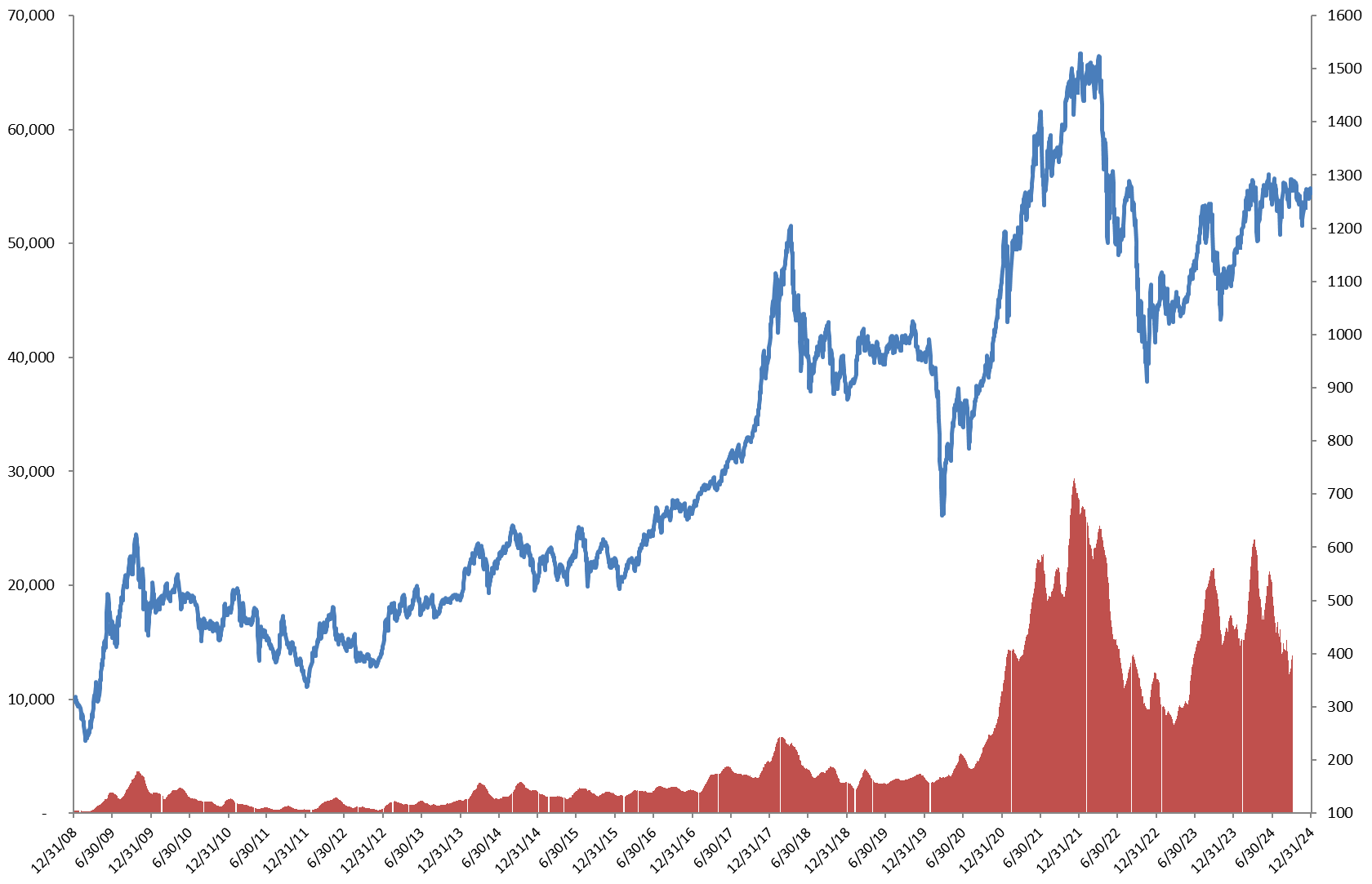
|  |  |  |  |
| --- | --- | --- | --- |
| **Number of units** | **Number of**  **unitholders** | **Number of Fund units** | **Holding rate (%)** |
| Under 5,000 | 2,462 | 1,380,208.88 | 16.54 |
| From 5,000 to lower than 10,000 | 121 | 857,155.41 | 10.27 |
| From 10,000 to lower than 50,000 | 83 | 1,629,188.30 | 19.52 |
| From 50,000 to lower than 500,000 | 8 | 944,608.57 | 11.32 |
| From 500,000 | 1 | 3,534,805.46 | 42.35 |
| **Total** | **2,675** | **8,345,966.62** | **100.00** |

**4.3.** **Hidden costs and discounts**

The Fund did not have hidden cost. All of fund expense are specified in Fund charter and Prospectus.

**5. Market prospects**

The chart below is showing the VN-index movement (blue line, refer to axis in the right) and trading value (red column, refer to axis in the left, unit: billion VND/day)



The Vietnamese stock market concluded Q4/2024 with the VN-Index closing at 1,266 points, a slight decrease of nearly 1.6% compared to the end of Q3. However, for the full year, the VN-Index rose by 12.1% compared to the end of 2023. The market's slight decline in Q4 was primarily due to heightened exchange rate risks in the latter months of 2024. The State Bank of Vietnam employed a combination of tools, including treasury bill issuance and USD interventions, to stabilize the exchange rate. While effective, these measures temporarily impacted market liquidity. Additionally, market interest rates trended upward as credit growth surged during the quarter.

Market liquidity also experienced a slight decrease, with the average trading value reaching 15,015 billion VND per session in Q4, down 9.4% compared to the Q3 average of 16,580 billion VND per session.

In the long term, Vietnam's stock market retains significant growth drivers, supported by regulatory policies. Policymakers aim to maintain an accommodative monetary stance, promoting credit growth to support economic expansion. Fiscal policies are also being expanded, with public investment activities serving as a catalyst for other economic sectors. This approach is expected to foster corporate earnings and domestic consumption recovery in the near future. Moreover, the anticipated upgrade of Vietnam's stock market classification next year serves as a key foundation for sustainable development.

That said, certain challenges warrant further observation, particularly external risks such as exchange rate volatility, international trade conditions, sluggish domestic consumption recovery, and the pace of public investment disbursement in the coming years. Global events, including geopolitical conflicts and economic slowdowns in China, could also impact the domestic situation.

Nevertheless, with flexible macroeconomic management and supportive measures, the Vietnamese stock market is forecasted to continue recovering in the long term. According to assessments by international organizations, Vietnam’s economy remains a bright spot in the current landscape. Positive macroeconomic factors such as strong GDP growth, controlled inflation, and stable FDI inflows provide a solid foundation for the stock market’s sustainable growth.

Additionally, Vietnam’s stock market is considered more attractively valued compared to others in the region. Growth drivers such as increased foreign ownership limits, accelerated state-owned enterprise equitization, and the market upgrade outlook are expected to attract further foreign capital inflows. While vigilance is still needed for external and domestic risks, we remain confident in the long-term growth trajectory of Vietnam's stock market.

**6. Other information**

**6.1. Board of Executives of the Fund Management Company**

|  |  |
| --- | --- |
| **Mr Tran Chau Danh**  Chief Executive Officer cum Chief Investment Officer | ***Qualification***   * Bacherlor of International Trade, Foreign Trade University Ho Chi Minh City Campus; * Bachelor of Banking, Banking University of Ho Chi Minh City; * Master of Development Economics, Vietnam – Netherlands Project for MA in Development Economics; * CFA Charter-holder; * CMT Charter-holder; * Fund Management License issued by State Securities Commission.   ***Working experience***  He has more than 20 (twenty) years experience in Investment and Fund/ Portfolio Management in Vietnam. He has been exposed to the Vietnam stock market since its inception.  Before joining the Company, he worked for Dai-ichi Vietnam Life Insurance Company Ltd. taking the role of Chief Investment Officer, and being in charge of investment activities and ALM since 2011.Before joining Dai-ichi Vietnam Life Insurance Company Ltd., he held senior positions in both local and international Fund Management Companies. Notably, he had been working more than 7 (seven) years with Prudential Vietnam Fund Management Limited Liability Company (renamed as Eastspring Investments Fund Management Limited Liability Company). |
| **Mr** **Fumihiko Kida**  Assistant Director, Head of Corporate Planning and Risk Management | ***Qualification***   * Bachelor of Commerce Economics, Doshisha University, Japan; * Certicated Member Analyst of Securities Analysts Association of Japan.   ***Working experience***  He has more than 14 (fourteen) experience years for working and researching in finance, insurance and investment abroad. Before moving to Vietnam to join the Company, he held the senior levels of Corporate Finance Center at Dai-ichi Life Insurance Company (Japan), in charge of senior loan lending and credit decisions for leveraged buyout/asset-based lending investments. Before that, he also had experience in investment budgeting and controlling at Dai-ichi Life Japan. |

**6.2. Fund operating personnel**

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| --- | --- |
| **Mr Dang Nguyen Truong Tai,**  Investment Director | ***Qualification***   * Bachelor of Economics, University of Economics Ho Chi Minh city; * Master of Science from UQAM Program (University of Quebec at Montreal, Canada); * CFO Certificate issued by PACE and AAFM; * Fund Management License issued by State Securities Commission.   ***Working experience***  He has 20 (twenty) working years in the sector of investment, banking financial, in which more than fourteen (14) years of holding positions in charge of equity investment in companies as Nhan Viet Fund Management Company, Dai-ichi Life Vietnam Insurance Company Ltd., Dai-ichi Life Vietnam Fund Management Company Ltd. |
| **Ms Tran Thi Anh Tram**  Fund Services Operations Senior Manager | ***Qualification***   * Bachelor of Law, Ho Chi Minh city University of Law; * Bachelor of Accounting – Audit, Van Lang University; * Fund Management License issued by State Securities Commission.   ***Working experience***  She has more than 18 (eighteen) experience years of finance and investment accounting; including more than 15 (fifteen) years working in asset management at Dai-ichi Life Vietnam Fund Management Company Ltd and Dai-ichi Life Vietnam Insurance Company Ltd. |

**6.3. Board of Representatives**

|  |  |
| --- | --- |
| **Mr Do Hung Viet**  Chairperson | He has more than 20 (twenty) experience years in managerial positions in field of finance, securities and investment.  He was the Chairman of Board Directors of Ho Chi Minh City Securities Corporation (HSC). He held position as Vice Chairman and General Director of Ho Chi Minh City Securities Corporation (HSC). Prior to joining HSC, he spent 4 (four) years working as Fund Manager of HCMC Investment Fund for Urban Development (HIFU). |
| **Mr Huynh Van Dung**  Member | He has more than 20 (twenty) experience years working in the major of auditing and services in the field of auditing.  He is currently Deputy General Director, Director of HCMC Branch of Vietnam Auditing and Evaluation Co., Ltd (VAE). He held as Director of An Viet auditing company and team leader of senior auditors of VACO – Deloitte JV.  He has Certificate of CPA Vietnam, member of Vietnam Association of Certified Public Accountants (VACPA), member of Vietnam Association of Accountants and Auditors (VAA) and member of Vietnam Tax Consultants’ Association (VTCA). |
| **Mr Nguyen Gia Huy Chuong**  Member | He has 20 (twenty) years of experience in corporate consulting, tax and real estate advisory. His work has primarily been in the areas of corporate consultancy, mergers and acquisitions, and spanning most industry sectors: real estate, hospitality, construction, fintech, family health care, food & beverage (F&B), port management, transport and telecommunications.  Currently, he is acting as the Managing Partner of GV Lawyers, an international law firm lately established by a group of dedicated and experienced lawyers who have started and advanced their careers with the most prominent law firms in Viet Nam, the latest one in the list being Phuoc & Partners. He has 12 consecutive years acting as the director and managing partner of Phuoc & Partners.  He has Master of Law majored in International Trade Law in the Bristol Law School – the UWE Bristol, UK; member of the Bar Association of Ho Chi Minh City, Vietnam; member of the Law Association for Asia and the Pacific. |

*Ho Chi Minh City, 14 Jan 2025*

**DA-ICHI LIFE VIETNAM FUND MANAGEMENT COMPANY LIMITED**

**Tran Chau Danh**

**Chief Excutive Officer**