**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 Fixed Income Fund (“the Fund” or “DFVN-FIX”)**

**1.1. Objectives of the Fund:**

DFVN Fixed Income Fund aims to achieve sustainable growth in the medium and long term through investments in fixed assets of good credit quality.

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

According to the reviewed interim financial statements of the Fund, for the period as of 31 Dec 2024, at the end of reporting period, the change in net asset value (“NAV”) of the Fund increased by 2.19% compared to NAV of the Fund as at 30 Sep 2024.

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

**Investment strategy:**

The Fund aims to develop a portfolio of T-bills, bonds and other fixed-income instruments with the proportion of investments in these assets accounting from eighty percent (80%) Net Asset Value.

**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 types and code of the securities, the quantity and value of the transaction, and the time for implementation;
* There is adequate proof that payment guarantee is provided by credit institutions or commitment to buy back from issuer.
* Derivatives listed on SE 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.

**1.4. Classification of the Fund:**

The Fund is an open-ended public investment fund.

**1.5. Life of the Fund:**

The Fund has an indefinite life

**1.6. Short-term risk**

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

**7. Inception of the Fund:**

The Fund has been operating since 4 February 2021.

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

As of 31 Dec 2024, the number of Fund units in circulation is 6,675,156.03 units, equivalent to the scale of the Fund at par value is VND66,751,560,300.

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

The Fund has no benchmark index.

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

As mentioned in the Prospectus, the main objective of the Fund is to invest in fixed income assets and focus on capital growth in the medium and long term. Therefore, the Fund has limited 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 Fund’s 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;
* 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 Representative). 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 unitholders.

**2.** **Performance results**

**2.1.** **Asset allocation:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Fund’s asset structure** | **31/12/2024****(%)** | **31/12/2023****(%)** | **31/12/2022****(%)** |
| 1. Debt security | 20.28 | 37.78 | 38.56 |
| 2. Cash and cash equivalents | 11.04 | 3.10 | 3.10 |
| 3. Other assets | 68.68 | 59.12 | 58.34 |
| **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) |  75,950,396,455  |  68,877,011,888  |  63,434,389,971  |
| 2. Number of Fund units outstanding (units) |  6,675,156.03  |  6,247,540.38  |  6,223,320.66  |
| 3. Net asset value per Fund unit (VND) |  11,378.07  |  11,024.66  |  10,193.01  |
| 4. Net asset value per Fund unit – highest during the period (VND) |  11,378.07  |  11,108.17  |  10,354.10  |
| 5. Net asset value per Fund unit – lowest during the period (VND) |  11,269.52  |  10,968.54  |  10,107.29  |
| 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 (%) | 1.02 | 0.02 | -0.61 |
| 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 (%) | 1.66 | 2.15 | 2.24 |
| 14. Turnover of investment portfolio (%) | 26.15 | 0.00 | 0.00 |

**2.3. Growth by years:**

|  |  |  |
| --- | --- | --- |
| **Period** | **Total growth of NAV/fund unit** | **Annual growth of NAV/CCQ** |
| - 1 year | 3.21 | 3.21 |
| - 3 year | 12.56 | 4.02 |
| - From establisment date | 13.78 | 3.36 |

**2.4. Annual growth:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Period** | **31/12/2024****(%)** | **31/12/2023****(%)** | **31/12/2022****(%)** |
| Growth ratio (%)/fund unit | 3.21 | 8.16 | 0.84 |

**3. Market updates:**

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 to escalate with increasingly complex developments. Meanwhile, although the Federal Reserve followed its planned interest rate cuts in 2024, there are indications 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.

Banking system liquidity declined in December 2024 as the State Bank of Vietnam (SBV) maintained treasury bill issuance to reduce exchange rate pressures. Consequently, government bond yields showed an upward trend across all tenors compared to the same period last year. Regarding issuance volume, as of the end of December 2024, the total value of government bonds issued through auctions reached 330,376 billion VND, equivalent to 82.6% of the annual target (400,000 billion VND). In Q4, the volume of government bonds issued was 58,705 billion VND, achieving 45.9% of the quarterly target (128,000 billion VND). Meanwhile, the corporate bond market showed signs of recovery. As of December 31, 2024, there were 54 private corporate bond issuances totaling 56,793 billion VND and one public offering valued at 800 billion VND in December alone. For the entire year, 429 private issuances totaled 410,544 billion VND, alongside 22 public offerings amounting to 32,914 billion VND (source: VBMA).

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**

|  |  |  |  |
| --- | --- | --- | --- |
| **Item** | **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 | 3.21 | 12.56 | 13.78 |
| Annual growth per Fund unit | 3.21 | 4.02 | 3.36 |
| 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)  |  75,950,396,455  |  68,877,011,888  | 10.27 |
| Net asset value (NAV) per Fund unit |  11,378.07  |  11,024.66  | 3.21 |

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

|  |  |  |  |
| --- | --- | --- | --- |
| **Number of units** | **Number of** **unitholders** | **Number of Fund units**  | **Holding rate (%)** |
| Under 5,000 | 2,668 |  497,023.23  | 7.45 |
| From 5,000 to lower than 10,000 | 11 |  80,621.22  | 1.21 |
| From 10,000 to lower than 50,000 | 5 |  97,511.58  | 1.46 |
| From 50,000 to lower 500,000 | 0 |  -  | 0.00 |
| From 500,000 | 1 |  6,000,000.00  | 89.89 |
| **Total** | **2,685** |  **6,675,156.03**  | **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**

A notable highlight of the market in 2024 was the commencement of monetary easing and interest rate cuts by the Federal Reserve and other global central banks starting in September 2024. In alignment, the SBV adopted further easing measures, pursuing robust credit growth policies with a target of 15% for the year. However, under strong exchange rate pressures toward year-end, the SBV reintroduced treasury bill issuances, raised OMO rates, and conducted net withdrawals from the system to stabilize the exchange rate. This tightened liquidity across the banking system, pushing interest rates higher in both primary and secondary markets at the close of 2024.

For the government bond market, government bonds continued to play a pivotal role, serving as a key channel for state capital mobilization to meet public budget and investment needs. With the demand for highly liquid assets and the government’s push for public investment, these factors are expected to drive continued vibrancy in the government bond market in 2025 and beyond.

As for the corporate bond market, following a period of declining investor confidence and difficulties in bond repayment liquidity for many businesses, the market faced increased risks. However, there were signs of recovery in new issuance activity during 2024. Additionally, the official launch of the secondary corporate bond trading market at the Hanoi Stock Exchange (HNX) on July 19, 2023, has improved market liquidity, enhanced transparency, and strengthened investor confidence. This development supports a more transparent and sustainable future for the corporate bond 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**

|  |  |
| --- | --- |
| **Ms Tran Thi Thu Ha**Investment Assistant Director | ***Qualification**** Master of Banking Finance, University of Applied Sciences of Northwestern Switzerland;
* Bachelor of Business Administration, Ho Chi Minh City Open University;
* Fund Management License issued by State Securities Commission.

***Working experience***She has more than 19 (nineteen) working years in the sector of finance, in which more than 13 (thirteen) years in the sector of investment analysis about the fixed income assets of Dai-ichi Life Vietnam Insurance Company Ltd.. She joined Dai-ichi Life Vietnam Insurance Company Ltd. since 2010 and currently holds the position of Investment Assistant Director of Dai-ichi Life Vietnam Fund Management Company Ltd.. Prior to joining Dai-ichi Life Vietnam, she was in charged of the investment analysis, research at Indochina Land – a fund investing to the real estates in Vietnam.  |
| **Ms. Ho Thi Mai Phuong,**Fund Services Operations Senior Officer  | ***Qualification**** Master of Financial Analysis from the University of New South Wales, Sydney, Australia
* Bachelor of Finance – Banking – University of Economics Ho Chi Minh city
* Fund Management License issued by the State Securities Commission.

***Working experience***She has over 12 (twelve) working years in the sector of finance and securities. In which, more than 04 (four) working years and currently held the position of fund services operations officer at Dai-ichi Life Vietnam Fund Management Company Limited. Before joining Dai-ichi Life Vietnam Fund Management Company Limited, she had 08 (eight) working years as investment analysis at Tong Yang Asset Management Corp. Representative Office, belongs to Tong Yang Asset Management Corp. headquartered in Korea.  |

**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**