

# **VCBF Fixed Income Fund**

Interim financial statements

For the six-month period ended 30 June 2023



# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

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# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

### GENERAL INFORMATION

#### THE FUND

VCBF Fixed Income Fund ("the Fund") was established as an open-ended fund in Vietnam pursuant to Initial Public Offering Certificate No. 24/GCN-UBCK dated 10 May 2019 and Public Fund Establishment Registration Certificate No. 40/GCN-UBCK dated 9 August 2019 granted by the State Securities Commission. The Fund was licensed to operate for an indefinite period.

Total number of initial distributed fund units was 5,658,181.28 fund units amounting to VND56,581,812,800 and accounting for 113.16% of 5,000,000 fund units expected to be offered at par value of VND10,000 per fund unit. As at 30 June 2023, the Fund's contributed capital is VND70,314,443,000 at par value, equivalent to 7,031,444.30 fund units.

The Fund's investment objective is primarily to preserve initial capital and to generate regular income by investing in fixed income assets.

The Fund is located at Vietcombank Fund Management Company Limited, 15<sup>th</sup> Floor, Vietcombank Tower, 198 Tran Quang Khai Street, Ly Thai To Ward, Hoan Kiem District, Hanoi.

The Fund has no employee and is managed by Vietcombank Fund Management Company Limited ("the Fund Management Company").

#### SUPERVISORY AND CUSTODIAN BANK

The Supervisory and Custodian Bank of the Fund is Standard Chartered Bank (Vietnam) Limited. The Supervisory and Custodian Bank was appointed by the General Meeting of Investors to carry out the depository of securities, economic contracts and related documents of assets of the Fund as well as supervise the Fund's activities. Rights and obligations of the Supervisory and Custodian Bank are stipulated in the Charter of the Fund.

#### FUND MANAGEMENT COMPANY

The Fund Management Company was established in accordance with License No. 06/UBCK-GPHĐQLQ dated 2 December 2005, and subsequent adjustment licenses issued by the State Securities Commission. The most recent adjustment was granted under License No. 28/GPĐC-UBCK dated 25 April 2023. The Fund Management Company has been issued a Business Registration Certificate with the number 0101842669 by the Hanoi Department of Planning and Investment, most recently on 5 June 2023 (initial registration on 2 December 2005) and acts as the authorized representative of the Fund and is entrusted to exercise ownership rights over the Fund's assets in a truthful and prudent manner. The Fund Management Company complies with legal regulations and its own charter, manages the Fund's assets in accordance with the provisions outlined in the Charter of the Fund, adheres to professional ethics, voluntarism, fairness, honesty, and acts in the best interests of the Fund.

#### BOARD OF REPRESENTATIVES

Members of the Board of Representatives during the period and at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment</i>
Mr. Mac Quang Huy	Chairman, independent member	Appointed on 9 August 2019
Ms. Nguyen Thi Thuy	Independent member	Appointed on 9 August 2019
Mr. Pham Ngoc Ninh	Member	Appointed on 9 August 2019

#### LEGAL REPRESENTATIVE

The legal representative of the Fund Management Company during the period and at the date of this report is Mr. Vu Quang Dong, Chief Executive Officer of Vietcombank Fund Management Company Limited - the Fund Management Company.

#### AUDITORS

The auditors of the Fund are Ernst & Young Vietnam Limited.

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

### REPORT OF THE BOARD OF REPRESENTATIVES

The Board of Representatives of VCBF Fixed Income Fund ("the Fund") is pleased to present this report and the interim financial statements of the Fund for the six-month period ended 30 June 2023.

### THE BOARD OF MANAGEMENT OF THE FUND MANAGEMENT COMPANY'S RESPONSIBILITY IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS

The Board of Management of Vietcombank Fund Management Company Limited ("the Fund Management Company") is responsible for the interim financial statements of each financial period which give a true and fair view of the interim financial position, interim investment portfolio of the Fund and of the interim results of its operations, its changes in net asset value, transactions of fund units and its interim cash flows for the period. In preparing those interim financial statements, the Board of Management of the Fund Management Company is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgments and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the interim financial statements; and
- ▶ prepare the interim financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue its business.

The Board of Management of the Fund Management Company is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim financial position of the Fund and to ensure that the accounting records comply with the applied accounting system. The Board of Management is also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management of the Fund Management Company confirmed that it has complied with the above requirements in preparing the accompanying interim financial statements.

### APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The Board of Representatives hereby approved the accompanying interim financial statements based on the confirmation of the Board of Management of the Fund Management Company. The interim financial statements give a true and fair view of the interim financial position, interim investment portfolio of the Fund as at 30 June 2023 and of the interim results of its operations, its changes in net asset value, transactions of fund units and its interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds and the statutory requirements relevant to the preparation and presentation of open-ended funds' interim financial statements.

On behalf of the Board of Representatives:



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Mr. Mac Quang Huy  
Chairman

Ho Chi Minh City, Vietnam.

14 August 2023

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

### REPORT OF THE FUND MANAGEMENT COMPANY

#### I. GENERAL INFORMATION OF THE FUND

##### 1. *Investment objective*

VCBF Income Fund ("the Fund") was established as an open-ended fund in Vietnam pursuant to Initial Public Offering Certificate No. 24/GCN-UBCK dated 10 May 2019 and Public Fund Establishment Registration Certificate No. 40/GCN-UBCK dated 9 August 2019 granted by the State Securities Commission ("SSC"). As such, the Fund was licensed to operate for an indefinite period.

The Fund's investment objective is primarily to preserve initial capital and to provide regular income by investing in fixed income assets.

##### 2. *Operating efficiency*

According to the reviewed interim financial statements of the Fund, as at 30 June 2023, the change in net asset value ("NAV") per fund unit and benchmark index is 4.30% and 2.37%, respectively, as compared to 31 December 2022.

##### 3. *Investment strategy*

The Fund will follow a straightforward, disciplined investment strategy seeking income. The Fund will maintain a diversified portfolio of fixed income assets in the fields that are not prohibited by law.

The Fund Management Company will make appropriate investment selection method in compliance with regulations prescribed in the Fund Charter. Based on assessments of the macroeconomic situation and interest rate trends, the Fund Management Company will appropriately allocate assets to achieve the Fund's objectives.

The Fund is allowed to invest in fixed income assets, stocks, derivatives and rights arising in connection with securities that the Fund is holding. Depending on the market situation, the Fund will invest up to 100% of the Fund's assets in fixed income assets. The Fund will not buy stocks but may exercise the right to convert bonds into stocks or exercise the right to buy stocks if this right is issued with bonds. In any case, the value of stocks held by the Fund will not exceed 20% of the Fund's net asset value.

##### 4. *Type of the Fund*

The Fund is operating as an open-ended fund according to regulation of Circular No. 98/2020/TT-BTC ("Circular 98") dated 16 November 2020 promulgating the establishment and management of open-ended funds by the Ministry of Finance.

##### 5. *Investment term recommendation of the Fund:* Medium to long term.

##### 6. *Short-term risk exposure level (low, medium, high):* Low

##### 7. *Operating duration*

The Fund began its operation from the date of Public Fund Establishment Registration Certificate No. 40/GCN-UBCK dated 9 August 2019 granted by the State Securities Commission. The Fund was licensed to operate for an unlimited duration.

##### 8. *The Fund's scale as at the reporting date*

- Total net asset value: VND89,892,918,590
- Number of fund units: 7,031,444.30 fund units

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

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

#### I. GENERAL INFORMATION OF THE FUND (continued)

9. **Benchmark index:** 10-year Government bond yield.

10. **Dividend policy**

The distribution of the Fund's profits to the Fund Unit Holders will be decided by the Board of Representatives in compliance with the Fund Charter as proposed by the Fund Management Company on the basis of the audited financial statements confirming that there is sufficient profit to distribute.

The Fund Management Company is required to deduct all taxes and fee charges as stipulated by the law before distributing dividend to the Fund Unit Holders.

Dividend of the Fund would not be distributed if after the distribution:

- The Fund is financially not be able to fulfil tax and financial obligations, asset obligations, maturing borrowings in accordance with the stipulation of law; or
- Net asset value of the Fund under the minimum level as stipulated by law.

11. **Net profit distribution per fund unit**

During the period, the Fund has not distributed profit.

#### II. OPERATING FIGURES

1. **Assets portfolio**

<i>Assets portfolio</i>	<i>30 June 2023 (%)</i>	<i>30 June 2022 (%)</i>	<i>30 June 2021 (%)</i>
Bonds portfolio	82.61	78.36	47.63
Other assets	17.39	21.64	52.37
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

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

#### II. OPERATING FIGURES (continued)

##### 2. Key performance indicators

	Items	30 June 2023	30 June 2022	30 June 2021
1	Net asset value (NAV) of the Fund (VND)	89,892,918,590	91,153,758,895	87,858,179,067
2	Total outstanding fund units ("unit")	7,031,444.30	7,694,346.48	7,880,109.35
3	NAV per fund unit	12,784.41	11,846.84	11,149.36
4	Maximum NAV per fund unit during the reporting period	12,829.51	11,876.65	11,149.36
5	Minimum NAV per fund unit during the reporting period	12,226.87	11,435.65	10,843.75
6	Closing price of a fund unit at the reporting date (a)	Not applicable	Not applicable	Not applicable
7	Maximum closing price of a fund unit during the reporting period (a)	Not applicable	Not applicable	Not applicable
8	Minimum closing price of a fund unit during the reporting period (a)	Not applicable	Not applicable	Not applicable
9	Total growth (%) per fund unit	4.30	3.63	2.89
9.1	Capital growth (%) per fund unit (change due to price fluctuation) (b)	-0.17	0.05	-0.01
9.2	Earnings growth (%) per fund unit (based on realized income) (b)	4.47	3.58	2.90
10	Gross distribution per fund unit (c)	Not applicable	Not applicable	Not applicable
11	Net distribution per fund unit (c)	Not applicable	Not applicable	Not applicable
12	Ex-date of distribution (c)	Not applicable	Not applicable	Not applicable
13	Expense ratio (%)	1.48	1.38	1.51
14	Turnover ratio of investment portfolio (%)	21.29	30.09	32.83

(a) The Fund unit is not listed on stock exchange.

(b) Split of growth per fund unit into earnings growth per fund unit and capital growth per fund unit is only relative measure according to current accounting regulations, total value of fund unit redeemed is credited directly to share capital without dividing into two components, share capital and retained earnings under the applying accounting treatment.

(c) The Fund has not yet applied dividend policy.

Vietcombank Fund Management Company Limited  
VCBF Fixed Income Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

II. **OPERATING FIGURES** (continued)

3. **Growth over periods**

<i>Period</i>	<i>Growth of NAV per fund unit (%)</i>	<i>Benchmark index of the Fund (%)</i>
6 months (from 1 January 2023 to 30 June 2023)	4.30	2.37
1 year (from 30 June 2022 to 30 June 2023)	7.91	3.45
3 years (from 30 June 2020 to 30 June 2023)	21.80	8.83
3 years (annually compounded return)	6.79	2.86
Since inception	27.84	12.58
Since inception (annually compounded return)	6.51	3.09

4. **Annual growth rate**

<i>Item</i>	<i>30 June 2023 (YTD) (%)</i>	<i>2022 (%)</i>	<i>2021 (%)</i>
Growth of NAV (%) per fund unit	4.30	7.22	5.50



# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

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

#### III. MARKET UPDATE DURING THE PERIOD

##### 1. *Macroeconomics overview*

Vietnam's GDP growth in the 2Q 2023 continued to be weak, with the growth rate only recovering to be above 1Q and the record lows during the pandemic years 2020 and 2021. With the global economy remaining bleak and China's recovery already stuttering, the GDP growth for 2023 would be lower than the Government target of 6.5%:

- GDP grew by 4.14% yoy in the 2Q 2023, the lowest quarterly growth rate in over 10 years except for the pandemic year 2020. Growth over 1H 2023 of 3.72 % yoy is the second-lowest 1H over the last 10 years. The Industry & Construction (+2.5% yoy in 2Q and +1.1% yoy for 1H) recovered from the contraction in 1Q but was still the second lowest quarterly growth over the past 10 years, dragged mainly by the Manufacturing and Processing sub-sector (+1.2% yoy in 2Q and +0.4% yoy for 1H). Construction improved to 6.3% growth and Mining & Extraction contracted by 1.4% for 1H 2023 so the Industrial & Construction sector, normally one of the main growth drivers, contributed just 11.9% to overall GDP growth.
- Growth of the Services sector eased from 6.6% yoy in the 1Q to 6.1% in the 2Q and grew by 6.3% yoy for the 1H 2023, but was still the main growth driver, contributing 78.9% of total GDP growth.
- Real retail sales grew by 8.4% yoy for 1H 2023, similarly to 1H 2022.
- The PMI slightly recovered in June 2023 to 46.2 but still shows worsening business conditions and points to continuing weak manufacturing growth into the next quarter.
- Exports continued to fall by 12.0% yoy for the 1H with those to the US and the EU, accounting for 41.8% of the total, declining by 22.1% and 9.2% respectively. Imports dropped by 18.4% yoy for the 1H. Trade surplus therefore surged to USD 12.8bn in 1H 2023 (up 10 folds yoy).
- Domestic inflation was under control, with CPI at 3.3% on average for 6M 2023. Inflation is tapering down with falling fuel prices compensating for increased electricity prices.
- FDI approvals were 19.9% lower than last year in 1H 2023 but disbursements remained strong. 80% of FDI disbursements as well as the FDI approvals are for manufacturing projects which will bolster growth in the short to medium term.
- The exchange rate has remained stable, supported by the growing merchandise trade surplus, FDI disbursements regaining par to last year and the falling service trade deficit.

Credit growth accelerated in June and reached 4.7% for 6M 2023 but is still well below the 1H rate of 8.5% in 2022 and the 6.9% average 2018-2022, as lower orders and uncertainties in the real estate market subdued credit demand of both companies and households. As one of the first central banks in the region, the SBV lowered its policy rates by 1.5% - 2.0% in four instalments from mid-March to June to support the economy. On the other hand, to support the demand side, the National Assembly recently approved a reduction of VAT for many goods and services by 2.0% to 8.0% in the 2H 2023.

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

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

#### III. MARKET UPDATE DURING THE PERIOD (continued)

##### 2. *Bond Market*

In the first half of 2023, State Treasury completed 41% issuance volume of VND400 trillion planned for the entire year. Demand for Government Bonds gradually increased in 1Q, but steadily declined in the 2Q with subscription volume reaching over 179 trillion in March, then decreasing to just above 59 trillion in June. State Treasury also adjusted down the offer volume, decreasing from 51 trillion in March to less than 20 trillion in June. After 2022 with no 5-7YR bond issued, 1H 2023 recorded an issuance volume of 22.5 trillion, accounting for 13.6% total issuance volume. Easing concerns on inflation and exchange rates, ample system's liquidity and continuous reduction of policy rates in the first half pushed down the yields of all tenors. Compared to end of last year, 3-5YR tenors recorded biggest drops of 255bps, 10-15YR tenors dropped by 205-215bps and super long 20-30YR tenors around 200bps.

Corporate bond market was still sluggish in the 1H 2023. During the first two months, there were only two private placements with total volume of VND610 bn. However, private placement activities improved in March with ~24.9 trillion corporate bonds issued. 76.6% of the volume was issued by real estate companies. Coupon rates of the bonds issued in 1Q mostly ranged between 11% and 13%. The primary market was lackluster again in April and May with total issuance volume of VND3.6 trillion. Private placement activities picked up a little bit in June, where issuance volume reached VND10.7 trillion, of which VND4.5 trillion was issued by commercial banks and VND4.1 trillion by real estate developers. Supported by declining banks' deposit rates, corporate bond yields also trended down. On the primary market, tier 2 bank bonds' coupons ranged between 6.7% and 9.5%, real estate coupons were around 12%-14%, while bonds by issuers in other sectors were issued at the coupon rates of 10.5%-12%. Public offering activities were also sluggish with 5.9 trillion issued by three issuers. Defaults have become more frequent, most of which are related to real estate developers and renewable energy companies. Toward the end of 2Q, some big issuers have reached agreements to extend tenors of several bonds, which has contributed to the stabilization of the corporate market to some extent.

Vietcombank Fund Management Company Limited  
VCBF Fixed Income Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

**IV. KEY PERFORMANCE INDICATORS**

**1. Key performance indicators**

<i>Items</i>	<i>1 year up to the reporting date (%)</i>	<i>From establishment to the reporting date (%)</i>
Earnings growth per fund unit (a)	8.72	Not applicable
Capital growth per fund unit (a)	-0.81	Not applicable
Growth per fund unit	7.91	6.51
Growth of the restructuring portfolio	Not applicable	Not applicable
Change in market price of a fund unit	Not applicable	Not applicable

(a) Split of growth per fund unit into earnings growth per fund unit and capital growth per fund unit is only relative measure

Change in NAV:

<i>Items</i>	<i>30 June 2023 VND</i>	<i>30 June 2022 VND</i>	<i>Changing rate (%)</i>
NAV of the Fund	89,892,918,590	91,153,758,895	-1.38
NAV per fund unit	12,784.41	11,846.84	7.91

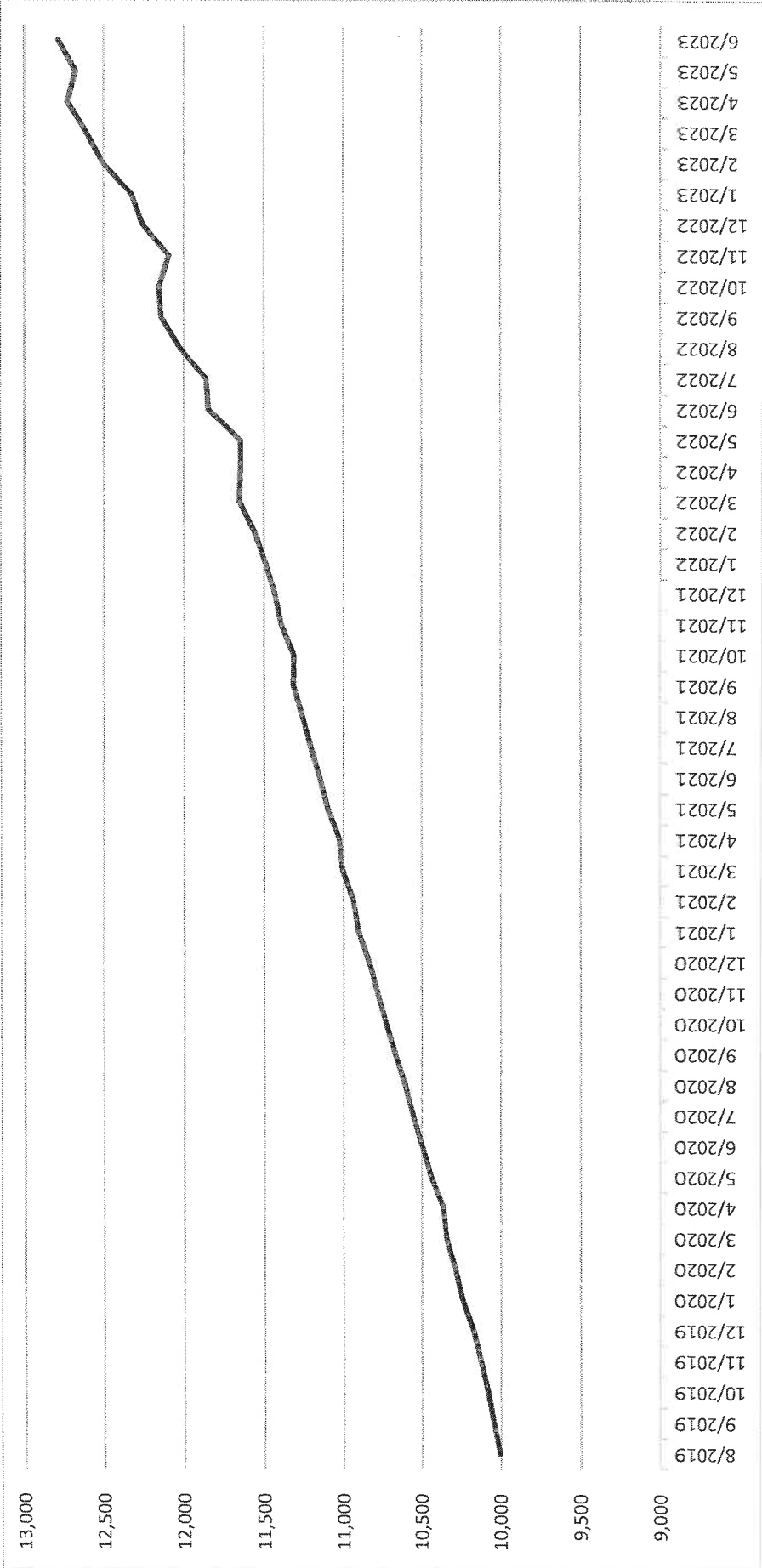
Vietcombank Fund Management Company Limited  
VCBF Fixed Income Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

IV. KEY PERFORMANCE INDICATORS (continued)

1. Key performance indicators (continued)

Chart below shows monthly NAV per unit of the Fund:



# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

### IV. KEY PERFORMANCE INDICATORS (continued)

#### 2. Statistical information on Fund Unit Holders as at 30 June 2023

<i>Holding scale (fund units)</i>	<i>Number of fund unit holders</i>	<i>Number of fund units held</i>	<i>Holding percentage (%)</i>
Under 5,000	701	396,033.93	5.64
From 5,000 to 10,000	27	200,457.61	2.85
From 10,000 to 50,000	27	623,938.75	8.87
From 50,000 to 500,000	9	811,013.77	11.53
Over 500,000	1	5,000,000.24	71.11
<b>Total</b>	<b>766</b>	<b>7,031,444.30</b>	<b>100.00</b>

#### 3. Sunk cost and diminution: None

### V. MARKET OUTLOOK

Improving business conditions are expected to continue in Vietnam in upcoming quarters. Monetary and fiscal support measures implemented by the Government during the first two quarters of this year will push up consumption and investment, which has been hit hard by sluggish global demand and high financing cost. Besides, two important economic growth drivers this year, public investment and tourism sector, have been gaining steam in the course of the 2Q and will further accelerate.

However, as an export-oriented economy, Vietnam relies considerably on external demand to fuel economic growth. Exports have been weak and short-term outlook remains bleak. Subdued export orders could be attributed to both overstocking post-Covid of retailers and restrictive monetary policy, which diminishes demand of goods exported from Vietnam. While the former would continue to fade in the coming months, the latter would endure as the US Federal Reserve (Fed) is still hawkish.

Fortunately, inflationary pressures have been easing globally. While US inflation still remains above the 2% target of the US Federal Reserve, it is important to note that it takes time for monetary policy to take effect, meaning that full impacts of interest rate hikes will only be seen in the coming months. This, along with recent upheavals in the US banking sector collectively, have caused a shift in the outlook for interest rates and made us believe the Fed is nearing the end of this rate-hiking cycle.

As regards the stock market, a lower deposit rate would continue to make equities more attractive to investors, and the aforementioned macro improvements would continue to bring optimism to the stock market. Downside risks, however, should not be overlooked. Corporate earnings prospects in the short-term still look grim. In addition, with aggressive rate cuts against the Fed's still tight monetary policy, VND is under higher risk of depreciation, which may prevent further domestic monetary loosening.

In short, we believe that every cycle is different. That makes investing amid uncertain time like the current one a challenge but also highlights the importance of the bottom-up investing approach. Given the current situation, we anticipate a shift in market focus, transitioning from macro to micro factors, or stock specifics. This shift is likely to result in greater disparity in earnings estimates, valuations, and stock returns among market participants — and this offers opportunities for skilled fund managers to generate more alphas.

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

### VI. OTHER INFORMATION

Information of the Fund's executive officers, Board of Representatives and Board of Management of the Fund Management Company has been fully presented in the Fund Prospectus.



Mr. Vu Quang Dong  
Chief Executive Officer

Hanoi, Vietnam

14 August 2023



## SUPERVISORY BANK'S REPORT

We, appointed as the Supervisory Bank of VCBF Fixed Income Fund ("the Fund") for the period from 01<sup>st</sup> January 2023 to 30<sup>th</sup> June 2023, recognize that the Fund operated and was managed in the following matters:

- a) During our supervision of the Fund's investments and asset transactions for the period from 01<sup>st</sup> January 2023 to 30<sup>th</sup> June 2023, the Fund's investment portfolio complied with investment limits under the prevailing regulations for open-end fund, Fund Charter, Fund Prospectus and other relevant regulations.
- b) Assets Valuation and Pricing of the Fund units were carried out in accordance with Fund Charter, Fund Prospectus, Valuation Manual approved by Board of Representatives of the Fund and other prevailing regulations.
- c) Fund subscriptions and redemptions were carried out in accordance with Fund Charter, Fund Prospectus and other prevailing regulations.
- d) For the period from 01<sup>st</sup> January 2023 to 30<sup>th</sup> June 2023, the Fund did not pay dividend to Fund Unit Holders.

### SUPERVISORY BANK REPRESENTATIVE



**Nguyen Thuy Linh**

**Senior Manager, Fiduciary and Fund Services  
Operations Vietnam**

### SUPERVISORY BANK OFFICER

**Vu Minh Hien**

**Manager, Fiduciary and Fund Services  
Operations Vietnam**



Reference: 12841689/66979134-SX-E

## REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

**To: The Investors of VCBF Fixed Income Fund**

We have reviewed the accompanying interim financial statements of VCBF Fixed Income Fund ("the Fund"), as prepared on 14 August 2023 and set out on pages 16 to 53 which comprise the interim statement of financial position, statement of investment portfolio as at 30 June 2023; the interim income statement, the interim statement of changes in net asset value, transactions of fund units and the interim cash flow statement for the six-month period then ended and the notes thereto.

### ***Board of Management of the Fund Management Company's responsibility***

The Board of Management of Vietcombank Investment Fund Management Company Limited as the Fund Management Company is responsible for the preparation and fair presentation of the interim financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds and the statutory requirements relevant to the preparation and presentation of open-ended funds' interim financial statements, and for such internal control as the Board of Management determines is necessary to enable the preparation and presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' responsibility***

Our responsibility is to express a conclusion on the interim financial information based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

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



### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the interim financial position and investment portfolio of the Fund as at 30 June 2023, and of the interim results of its operations, changes in its net asset value, transactions of fund units and its interim cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds and the statutory requirements relevant to preparation and presentation of open-ended funds' interim financial statements.

**Ernst & Young Vietnam Limited**



Nguyen Phuong Nga  
Deputy General Director  
Audit Practising Registration  
Certificate No. 0763-2019-004-1

Ho Chi Minh City, Vietnam

14 August 2023

Vietcombank Fund Management Company Limited  
VCBF Fixed Income Fund

INTERIM INCOME STATEMENT  
for the six-month period ended 30 June 2023

B01g-QM

Code	ITEMS	Notes	For the six-month period ended 30 June 2023 VND	For the six-month period ended 30 June 2022 VND
<b>01</b>	<b>I. INCOME FROM INVESTING ACTIVITIES</b>		<b>4,416,796,206</b>	<b>3,827,179,298</b>
03	1.1 Interest income	13	4,558,594,701	3,784,496,935
04	1.2 Gain on investment trading	14	(64,442,780)	-
05	1.3 Unrealized (loss)/gain on revaluation of investments	5	(77,355,715)	42,682,363
<b>10</b>	<b>II. EXPENSES FROM INVESTING ACTIVITIES</b>	<b>15</b>	<b>2,946,178</b>	<b>4,417,477</b>
11	2.1 Transaction expenses for investment trading		2,616,178	4,417,477
15	2.2 Other expenses from investing activities		330,000	-
<b>20</b>	<b>III. OPERATING EXPENSES</b>		<b>658,495,491</b>	<b>615,397,666</b>
20.1	3.1 Fund management fee	23.1	44,266,372	44,605,194
20.2	3.2 Custody fee	16	68,423,902	109,475,184
20.3	3.3 Supervisory fee	23.2	105,600,000	118,800,000
20.4	3.4 Fund administration fee	23.2	202,400,000	118,800,000
20.5	3.5 Transfer agency services fee		66,000,000	66,000,000
20.7	3.6 General Meeting expense		30,168,025	20,846,448
20.8	3.7 Audit fee		73,323,288	70,683,288
20.10	3.8 Other operating expenses	17	68,313,904	66,187,552
<b>23</b>	<b>IV. NET INCOME FROM INVESTING ACTIVITIES</b>		<b>3,755,354,537</b>	<b>3,207,364,155</b>
<b>24</b>	<b>V. NET INCOME FROM OTHER ACTIVITIES</b>		-	-
<b>30</b>	<b>VI. PROFIT BEFORE TAX</b>		<b>3,755,354,537</b>	<b>3,207,364,155</b>
31	6.1 Realized profit		3,832,710,252	3,164,681,792
32	6.2 Unrealized (loss)/profit	5	(77,355,715)	42,682,363
<b>40</b>	<b>VII. CORPORATE INCOME TAX EXPENSE</b>		-	-
<b>41</b>	<b>VIII. PROFIT AFTER TAX</b>		<b>3,755,354,537</b>	<b>3,207,364,155</b>

Ms. Le Van  
Head of Department - Fund Accounting and  
Asset Portfolio

Mr. Vu Quang Dong  
Chief Executive Officer

Ms. Duong Thi Hong Nam  
Preparer

Ms. Tran Thi Ha Linh  
Chief Accountant

Hanoi, Vietnam

14 August 2023

Vietcombank Fund Management Company Limited  
VCBF Fixed Income Fund

INTERIM STATEMENT OF FINANCIAL POSITION  
as at 30 June 2023

B02g-QM

Code	ITEMS	Notes	30 June 2023 VND	31 December 2022 VND
<b>100</b>	<b>I. ASSETS</b>			
<b>110</b>	<b>1. Cash and cash equivalents</b>	<b>4</b>	<b>2,538,753,870</b>	<b>6,685,243,389</b>
111	1.1 Cash at banks for operation of the Fund		571,627,920	582,087,224
112	1.2 Deposits with terms under three (3) months		1,967,125,950	6,103,156,165
<b>120</b>	<b>2. Net investments</b>		<b>85,637,394,015</b>	<b>81,032,606,619</b>
121	2.1 Investments	5	85,637,394,015	81,032,606,619
<b>130</b>	<b>3. Receivables</b>		<b>2,170,032,648</b>	<b>2,400,303,376</b>
133	3.1 Receivables, accrual for interest and dividends income from investments		2,170,032,648	2,400,303,376
134	3.1.1 <i>Receivables for interest and dividend income from investments</i>		-	138,000,000
136	3.1.2 <i>Accruals for interest and dividend income from investments</i>	6	2,170,032,648	2,262,303,376
<b>100</b>	<b>TOTAL ASSETS</b>		<b>90,346,180,533</b>	<b>90,118,153,384</b>
<b>300</b>	<b>II. LIABILITIES</b>			
313	1. Payables to Distributors	7	4,504,668	41,693,845
314	2. Tax and payables to the State		7,482,508	9,536,320
316	3. Accrued expenses	8	99,003,288	71,280,000
317	4. Payables to fund unit holders for fund units subscription	9	252,863,826	24,433,177
319	5. Fund management fee payable	10	84,448,749	62,826,545
320	6. Other payables		4,958,904	7,500,000
<b>300</b>	<b>TOTAL LIABILITIES</b>		<b>453,261,943</b>	<b>217,269,887</b>
<b>400</b>	<b>III. NET ASSET VALUE ATTRIBUTABLE TO HOLDERS OF FUND UNITS</b>		<b>89,892,918,590</b>	<b>89,900,883,497</b>
411	1. Contributed capital		70,314,443,000	73,343,825,900
412	1.1 Capital from subscription	11	115,948,154,000	110,841,803,500
413	1.2 Capital from redemption	11	(45,633,711,000)	(37,497,977,600)
414	2. Capital premium		(273,318,964)	460,617,580
420	3. Retained earnings	12	19,851,794,554	16,096,440,017
<b>430</b>	<b>IV. NET ASSET VALUE PER FUND UNIT</b>	<b>11</b>	<b>12,784.41</b>	<b>12,257.45</b>

Vietcombank Fund Management Company Limited  
VCBF Fixed Income Fund

INTERIM STATEMENT OF FINANCIAL POSITION (continued)  
as at 30 June 2023

B02g-QM

**OFF BALANCE SHEET ITEM**

Code	ITEMS	Notes	30 June 2023 Fund units	31 December 2022 Fund units
004	1. Number of outstanding fund units	19	7,031,444.30	7,334,382.59



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14 August 2023

Vietcombank Fund Management Company Limited  
VCBF Fixed Income Fund

INTERIM STATEMENT OF CHANGES IN NET ASSET VALUE,  
TRANSACTIONS OF FUND UNITS  
for the six-month period ended 30 June 2023

B03g-QM

No.	ITEMS	For the six-month period ended 30 June 2023 VND	For the six-month period ended 30 June 2022 VND
<b>I</b>	<b>Beginning balance of the Fund's Net Asset Value (NAV)</b>	<b>89,900,883,497</b>	<b>90,742,562,006</b>
<b>II</b>	<b>Changes in NAV during the period</b>	<b>3,755,354,537</b>	<b>3,207,364,155</b>
	<i>In which:</i>		
II.1	- Changes in NAV arising from market fluctuation and the Fund's investment activities during the period	3,755,354,537	3,207,364,155
<b>III</b>	<b>Changes in NAV due to redemption of and subscription for fund units</b>	<b>(3,763,319,444)</b>	<b>(2,796,167,266)</b>
	<i>In which:</i>		
III.1	- Proceeds from additional subscription of fund units	6,404,911,670	10,224,054,514
III.2	- Payments on redemption of fund units	(10,168,231,114)	(13,020,221,780)
<b>IV</b>	<b>Ending balance of the Fund's NAV</b>	<b>89,892,918,590</b>	<b>91,153,758,895</b>



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14 August 2023

Vietcombank Fund Management Company Limited  
VCBF Fixed Income Fund

INTERIM STATEMENT OF INVESTMENT PORTFOLIO  
as at 30 June 2023

B04g-QM

No.	Items	Quantity	Market price as at 30 June 2023 VND	Total value VND	Proportion to the Fund's total assets as at 30 June 2023 (%)
<b>I</b>	<b>Bonds</b>			<b>74,637,394,015</b>	<b>82.61</b>
1	Listed bonds			<b>74,637,394,015</b>	<b>82.61</b>
1.1	CTD122015	11	999,815,730.000	10,997,973,030	12.17
1.2	GEG121022	119,589	101,349.863	12,120,328,766	13.41
1.3	MML121021	123,000	100,201.930	12,324,837,390	13.64
1.4	MSN120007	106,720	100,535.192	10,729,115,690	11.88
1.5	TNG122017	134,000	96,962.712	12,993,003,408	14.38
1.6	VHM121025	100,000	97,302.611	9,730,261,100	10.77
1.7	VIC121005	56,905	100,902.814	5,741,874,631	6.36
<b>II</b>	<b>Other assets</b>			<b>2,170,032,648</b>	<b>2.40</b>
1	Accrued interest income from bonds			1,875,251,767	2.08
2	Accrued interest income from certificates of deposit			292,030,137	0.32
3	Accrued interest income from term deposits			2,750,744	0.00
<b>III</b>	<b>Cash</b>			<b>13,538,753,870</b>	<b>14.99</b>
1	Cash at banks			2,538,753,870	2.81
1.1	- Demand deposits			571,627,920	0.63
1.2	- Deposits with terms under three (3) months			1,967,125,950	2.18
2	Certificates of deposit			11,000,000,000	12.18
<b>IV</b>	<b>Total investment portfolio</b>			<b>90,346,180,533</b>	<b>100.00</b>

  
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14 August 2023

Vietcombank Fund Management Company Limited  
VCBF Fixed Income Fund

INTERIM STATEMENT OF CASH FLOWS  
for the six-month period end 30 June 2023

BM05g-QM

Code	ITEMS	Notes	For the six-month period ended 30 June 2023 VND	For the six-month period ended 30 June 2022 VND
	<b>I. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
01	<b>1. Profit before tax</b>		<b>3,755,354,537</b>	<b>3,207,364,155</b>
02	<b>2. Adjustments to reconcile profit before tax:</b>		<b>75,537,907</b>	<b>(40,799,623)</b>
	<i>In which:</i>			
03	Unrealized loss/(gain) from	5	77,355,715	(42,682,363)
04	revaluation of investments		(1,817,808)	1,882,740
04	Accrued expenses			
05	<b>3. Profit from investing activities before adjustments in working capital</b>		<b>3,830,892,444</b>	<b>3,166,564,532</b>
20	Increase in investments		(4,682,143,111)	(10,064,376,057)
07	Decrease/(increase) in accrued interest income from investments		230,270,728	(220,566,238)
11	(Decrease)/increase in payables to Distributors		(37,189,177)	1,566,476
13	(Decrease)/increase in tax and payables to the State		(2,053,812)	7,643,360
14	Increase in payables to fund unit holders for fund units subscriptions		228,430,649	39,400,000
15	Increase in payables to fund unit holders for fund units redemption		-	616,930,102
16	Increase in other payables		27,000,000	27,000,000
17	Increase/(decrease) in fund management fee payables		21,622,204	(431,845)
19	<b>Net cash flows used in investing activities</b>		<b>(383,170,075)</b>	<b>(6,426,269,670)</b>
	<b>II. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	1. Proceeds from subscription of fund units	11	6,404,911,670	10,224,054,514
32	2. Payments on redemption of fund units	11	(10,168,231,114)	(13,020,221,780)
30	<b>Net cash from used in financing activities</b>		<b>(3,763,319,444)</b>	<b>(2,796,167,266)</b>
40	<b>III. Net decrease in cash and cash equivalents during the period</b>		<b>(4,146,489,519)</b>	<b>(9,222,436,936)</b>



Vietcombank Fund Management Company Limited  
VCBF Fixed Income Fund

INTERIM STATEMENT OF CASH FLOW (continued)  
for the six-month period ended 30 June 2023

B05g-QM

	ITEMS	Notes	For the six-month period ended 30 June 2023 VND	For the six-month period ended 30 June 2022 VND
50	<b>IV. Cash and cash equivalents at the beginning of the period</b>	<b>4</b>	<b>6,685,243,389</b>	<b>22,050,764,085</b>
51	Cash at banks at the beginning of the period:		6,685,243,389	22,050,764,085
52	- Cash at banks for the Fund's operation		6,660,810,212	22,039,264,085
	<i>In which:</i>			
	<i>Deposits with terms under three (3) months</i>		6,103,156,165	21,931,578,846
	<i>Demand deposit for the Fund's operation</i>		557,654,047	107,685,239
53	- Cash at bank of fund unit holders for subscriptions		24,433,177	11,500,000
55	<b>V. Cash and cash equivalents at the end of the period</b>	<b>4</b>	<b>2,538,753,870</b>	<b>12,828,327,149</b>
56	Cash at banks at the end of the period:		2,538,753,870	12,828,327,149
57	- Cash at banks for the Fund's operation		2,285,890,044	12,442,047,335
	<i>In which:</i>			
	<i>Deposits with terms under three (3) months</i>		1,967,125,950	11,539,611,042
	<i>Demand deposits for the Fund's operation</i>		318,764,094	902,436,293
58	- Cash at banks for fund unit holders for subscriptions		252,863,826	386,279,814
60	<b>VI. Net increase in cash and cash equivalents during the period</b>		<b>(4,146,489,519)</b>	<b>(9,222,436,936)</b>

  
Ms. Le Van  
Head of Department - Fund Accounting and  
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Mr. Vu Quang Dong  
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Ms. Duong Thi Hong Nam  
Preparer

  
Ms. Tran Thi Ha Linh  
Chief Accountant

Hanoi, Vietnam

14 August 2023



# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
as at 30 June 2023 and for the six-month period then ended

BM06g-QM

### 1. THE FUND'S OPERATIONS

#### 1.1 General information

##### **The Fund**

VCBF Fixed Income Fund ("the Fund") was established as an open-ended fund in Vietnam pursuant to Initial Public Offering Certificate No. 24/GCN-UBCK dated 10 May 2019 and Public Fund Establishment Registration Certificate No. 40/GCN-UBCK dated 9 August 2019 granted by the State Securities Commission ("SSC"). As such, the Fund was licensed to operate for an indefinite period.

The Fund has no employee and is managed by Vietcombank Fund Management Company Limited ("the Fund Management Company").

The Fund is located at Vietcombank Fund Management Company Limited, 15<sup>th</sup> Floor, Vietcombank Tower, 198 Tran Quang Khai Street, Ly Thai To Ward, Hoan Kiem District, Hanoi.

##### **Supervisory and Custodian Bank**

The Supervisory and Custodian Bank of the Fund is Standard Chartered Bank (Vietnam) Limited. The Supervisory and Custodian Bank was appointed by the General Meeting of Investors to carry out the depository of securities, economic contracts and related documents of assets of the Fund as well as supervise the Fund's activities. Rights and obligations of the Supervisory and Custodian Bank are stipulated in the Charter of the Fund.

##### **Fund Management Company**

The Fund Management Company was established in accordance with License No. 06/UBCK-GPHĐQLQ dated 2 December 2005, and subsequent adjustment licenses issued by the State Securities Commission. The most recent adjustment was granted under License No. 28/GPĐC-UBCK dated 25 April 2023. The Fund Management Company has been issued a Business Registration Certificate with the number 0101842669 by the Hanoi Department of Planning and Investment, most recently on 5 June 2023 (initial registration on 2 December 2005) and acts as the authorized representative of the Fund and is entrusted to exercise ownership rights over the Fund's assets in a truthful and prudent manner. The Fund Management Company complies with legal regulations and its own charter, manages the Fund's assets in accordance with the provisions outlined in the Charter of the Fund, adheres to professional ethics, voluntarism, fairness, honesty, and acts in the best interests of the Fund.

#### 1.2 The Fund's operations

##### **Capital**

Total number of initial distributed fund units was 5,658,181.28 units amounting to VND56,581,812,800 and accounting for 113.16% of 5,000,000 fund units expected to be offered at par value of VND10,000 per fund unit. As at 30 June 2023, the Fund's contributed capital is VND 70,314,443,000 at par, equivalent to 7,031,444.30 fund units.

##### **Investment objectives**

The Fund's investment objective is primarily to preserve initial capital and to provide regular income by investing in fixed income assets. The fixed income assets of the Fund will consist mainly of Vietnam Government bonds, municipal bonds, Government guaranteed bonds, and corporate bonds. In case of the investment environment is temporarily not suitable for the above fixed assets, the Fund may invest in other fixed income assets. Amendments of the Fund's Investment Objectives requires approval voting by Fund Unit Holders as specified in the Fund's Charter; if approved, the Prospectus will be updated.

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

BM06g-QM

### 1. THE FUND'S OPERATIONS (continued)

#### 1.2 *The Fund's operations* (continued)

##### **Investment strategy**

The Fund complies with a disciplinary investment strategy for the purpose of generating frequent income. The Fund will maintain a diversified portfolio of fixed income assets, mainly Vietnam Government bonds, Government-backed bonds, municipal bonds and high credit quality corporate bonds. Based on assessments of the macroeconomic situation and interest rate trends, the Fund Management Company will allocate assets appropriately to achieve the Fund's objectives.

##### **NAV valuation period ("NAV")**

NAV will be computed for every Trading Day of the Fund or the date which NAV is valued for the purpose of reporting (weekly, monthly, quarterly, yearly) or other purposes.

##### **Trading day**

Fund units may be traded on every Tuesday, Thursday that is a Business Day. If Tuesday, Thursday are not Business Day, the Trading Date shall be the Tuesday, Thursday next week.

##### **Investment restrictions**

The investments of the Fund shall be diversified and fulfil conditions under the prevailing Law. The investment portfolio of Fund shall have to comply with the following principles and limits:

- a) Not to invest in securities of an issuer which is more than 10% of total value of outstanding securities issued by that issuer, except for Government's debt instruments;
- b) Not to invest more than 20% of the Fund's total asset value in circulating securities and the following assets (if any) of an issuer, except for Government's debt instruments:
  - i. Deposits at commercial banks in accordance with banking law;
  - ii. Money market instruments including valuable papers, transferable instruments in accordance with relevant laws and regulations;
- c) Not to invest more than 30% of the Fund's total asset value in the following assets which are issued by companies in the group having ownership relationship belonging to these cases: parent company, subsidiary company; companies owning more than 35% of each other's shares and contributed capital; group of subsidiaries having the same parent company. In which, the investment in derivatives is calculated by the committed value of the contract determined according to the provisions in Appendix 14 issued together with Circular No. 98/2020/TT-BTC guiding the operation and management of securities investment fund:
  - i. Deposits at commercial banks in accordance with banking law;
  - ii. Money market instruments including valuable papers, transferable instruments in accordance with relevant laws and regulations;
  - iii. Shares listed, shares registered for trading, bonds listed on the Stock Exchange, public fund certificates;

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

BM06g-QM

### 1. THE FUND'S OPERATIONS (continued)

#### 1.2 The Fund's operations (continued)

- iv. Shares offered for the first time to the public, bonds offered to the public; corporate bonds issued privately by a listed organization with a payment guarantee of a credit institution or a repurchase commitment of the issuer at least one (01) time in twelve (12) months and each time commit to buy back at least 30% of the issuance value. The investment in these assets must be approved in writing by the Board of Fund Representatives on the type, code of securities, quantity, transaction value, and time of implementation; and have sufficient documents proving the payment guarantee or documents of the issuer's commitment to buy back;
- v. Derivative securities are listed and traded on the Stock Exchange and are only for the purpose of hedging risks for the underlying securities that the Fund is holding;
- d) Not to invest more than 10% of the Fund's total asset value in assets that are shares offered for the first time to the public, bonds offered to the public; corporate bonds issued privately by a listed organization with a payment guarantee of a credit institution or a repurchase commitment of the issuer at least one (01) time in twelve (12) months and each time commit to buy back at least 30% of the value of the issuance;
- e) At any time, the total value of commitments in derivative securities transactions, outstanding borrowings and payables of the Fund shall not exceed the net asset value of the Fund;
- f) Not to invest in Fund Certificates of VCBF - FIF;
- g) Only invest in other public fund certificates, public securities investment companies managed by other fund management companies and ensure the following restrictions:
  - i. Not to invest in more than 10% of the total outstanding fund certificates of a public fund, outstanding shares of a public securities investment company;
  - ii. Not to invest more than 20% of the fund's total asset value in fund certificates of a public fund, shares of a public securities investment company;
  - iii. Not to invest more than 30% of the total asset value of the fund in public fund certificates, shares of public securities investment companies;
- h) Do not directly invest in real estate, precious stones, precious metals;
- i) The Fund may only invest in deposits and certificates of deposit issued by credit institutions on the list approved by the Fund Representative Board.

The Fund's investment structure may only exceed that of other mentioned in Clauses (a), (b), (c), (d), and (g) above and only for the following reasons:

- a. Changes in market prices of assets in the fund's investment portfolio;
- b. Fulfilment of legitimate payments of the Fund, including execution of transaction orders of fund unit holders;
- c. Separation, splitting, merger and acquisition activities of issuers of securities held by the Fund;
- d. The fund is newly licensed for establishment, or due to fund separation, fund consolidation or merger, the operation time is less than six (06) months from the date of issuance of the fund establishment certificate or the fund amendment establishment certificate; or
- e. The Fund is in the process of dissolution.

In case of deviation from the investment limits for the reasons specified at (a), (b), (c), (d) above, the Fund Management Company is obliged to notify to the State Securities Commission and adjust the portfolio structure to meet the investment limits as prescribed within 3 (three) months from the date the deviation arises.

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

BM06g-QM

### 1. THE FUND'S OPERATIONS (continued)

#### 1.2 *The Fund's operations* (continued)

##### **Investment restrictions** (continued)

If the excess investments are caused by the Fund Management Company's failure to comply with the investment limits prescribed by law or the Fund's Charter, the Fund Management Company shall adjust the investment portfolio within fifteen (15) days from the occurrence of such excess. The Fund Management Company shall pay compensation (if any) for any damage incurred by the Fund and incur all costs arising from the adjustment of the investment portfolio. Any profits earned will be accounted for as the Fund's profits.

Within 05 working days from the completion of the adjustment of the investment portfolio, the Fund Management Company shall disclose information as prescribed and notify SSC of the investments exceeding the limits, causes, time of occurrence or detection of the excess investment, damage and compensation to the fund (if any) or profits earned by the fund (if any), remedial measures, implementation period and results.

### 2. BASIS FOR PREPARATION THE INTERIM FINANCIAL STATEMENTS

#### 2.1 *Accounting standards and system*

The interim financial statements of the Fund are prepared in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds as per Circular No. 198/2012/TT-BTC ("Circular 198") dated 15 November 2012 stipulating the accounting system applicable to open-ended funds, Circular No. 98/2020/TT-BTC ("Circular 98") dated 16 November 2020 providing guidance on operation and management of securities investment funds and Circular No. 181/2015/TT-BTC dated 13 November 2015 stipulating the accounting system applicable to Exchange Traded Fund issued by the Ministry of Finance and Vietnamese Accounting Standard No. 27 - Interim Financial Reporting.

The interim financial statements are prepared based on historical cost, except for investments measured at fair value (*Note 3.3*).

Accordingly, the accompanying interim financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the interim financial position and investment portfolio of the Fund as at 30 June 2023, interim income statement, the changes in net asset value, transactions of fund units and interim cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

According to Circular 198, the Fund's financial statements include the following reports:

1. The interim income statement
2. The interim statement of financial position
3. The interim statement of changes in net asset value, transactions of fund units
4. Statement of investment portfolio
5. The interim statement of cash flow
6. Notes to the interim financial statements.

#### 2.2 *Registered accounting documentation system*

The Fund's applied accounting documentation system is the General Journal system.



# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

BM06g-QM

## **2. BASIS FOR PREPARATION THE INTERIM FINANCIAL STATEMENTS (continued)**

### **2.3 Fiscal year**

The Fund's fiscal year starts on 1 January and ends on 31 December.

The Fund also prepares the interim financial statements for the six-month period ended 30 June to submit to the regulatory bodies to meet requirements of Circular 198 and Circular 96/2020/TT-BTC issued by the Ministry of Finance on 16 November 2020.

### **2.4 Accounting currency**

The interim financial statements are prepared in Vietnam Dong ("VND") which is also the Fund's accounting currency.

### **2.5 Compliance statement**

The Board of Management of the Fund Management Company affirms these interim financial statements comply with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds and the statutory requirements relevant to preparation and presentation of open-ended funds' interim financial statements.

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Accounting estimates**

The preparation of the interim financial statements is compiled in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds and statutory requirements relevant to preparation and presentation of open-ended funds' interim financial statements which requires the Board of Management of the Fund Management Company make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosures of contingent assets and liabilities as at the date of the interim financial statements as well as the reported amount of revenues and expenses during the reporting period. Though these accounting estimates are based on the best knowledge of the Board of Management of the Fund Management Company, the actual results may differ.

### **3.2 Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks for the Fund's operation, cash of fund unit holders for fund units subscription and redemption, blocked deposits and term deposits at banks with an original maturity of less than three (3) months from transaction dates and short-term investments with maturity of less than three (3) months that are liquid and readily convertible into known amounts of cash, subject to an insignificant risk of change in value and used for the purpose of meeting commitments of short-term cash payment rather than investment purpose or others.

### **3.3 Investments**

The Fund's investments include investments in listed bonds, unlisted bonds, term deposits coming due in more than three (3) months and certificates of deposit.

#### *Classification*

Listed securities purchased under trading purpose are classified as trading securities.

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

BM06g-QM

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 *Investments* (continued)

##### *Initial recognition*

Purchase price of bonds, certificates of deposit and bank deposits, excluding accrued interest (clean price), are recorded in "*Investments*". The accrued interest not yet entitled to receive up to the acquisition date are recorded in "*Accruals for interest and dividend income from investments*" in the interim statement of financial position.

##### *Subsequent recognition*

Investments presented in "*Investments*" in the interim statement of financial position are subsequently measured based on the following principles:

- Certificates of deposit and deposits with terms over three (3) months are measured at fair value;
- Listed, unlisted securities and other assets, are measured at fair value.

Net profit from investments after the date of acquisition is recognized in the interim income statement.

The accumulated interest receivables from deposits, treasury bills, bank bills, commercial papers, transferable certificates of deposit, bonds and other debt instruments are recorded in "*Receivables, accruals for interest and dividend income from investments*" in the interim statement of financial position.

##### *Revaluation for NAV determination*

Investments are revaluated on valuation date at fair value. Revaluation method is regulated in the Valuation Guideline in accordance with the asset valuation method as set out in the Fund's Charter and Circular No. 98/2020/TT-BTC ("Circular 98") dated 16 November 2020 providing guidance on operation and management of securities investment funds and is approved by the Board of Representatives and the Supervisory Bank. The gain or loss arising from the revaluation of investments are recognized in the interim income statement in accordance with Circular No. 198/2012/TT-BTC dated 15 November 2012 stipulating the accounting system applicable to open-ended funds issued by the Ministry of Finance.

##### *Principles of valuation*

No.	Type of asset	Principles on the market's transaction valuation
<b>Cash and cash equivalents, money market instruments</b>		
1.	Cash (VND)	Cash balance on date before the Valuation Day.
2.	Foreign currency	The value is convertible into VND according to prevailing exchange rate at credit institutions are permitted to do business in foreign exchange on the date prior to the Valuation Day.
3.	Term deposit	Deposit value plus accumulated interest as of the date prior to the Valuation Day.

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 *Investments* (continued)

*Principles of valuation* (continued)

No.	Type of asset	Principles on the market's transaction valuation
<b>Cash and cash equivalents, money market instruments</b> (continued)		
4.	Treasury bills, transferable deposit certificates, and other money market instruments	Purchase price plus accumulated interest as of the date prior to the Valuation Day.
5.	Non-interest instruments including treasury bills, bonds, valuable papers and any instruments of the like kind	Quoted price posted on the transaction system of the Stock Exchange; in the absence of the quoted price, the price is determined according to the discounted cash flows model in reliance on the bid-awarding interest rate or another rate designated by the Fund Representative Board and the time period of holding such instruments (detailed in the Valuation Guidelines).
<b>Bonds</b>		
6.	Listed bonds	<ul style="list-style-type: none"> <li>- Weighted average quoted price (clean price) on the transaction system (or otherwise called according to the regulations adopted by the Stock Exchange) of ordinary transaction made on the latest trading date before the Valuation Day plus accrued interest;</li> <li>- In case of no transaction in more than 15 days until the Valuation Day (not including the Valuation Day); or no transactions since the date when bonds are approved for listing until the Valuation Day; or in case of abnormal fluctuation in the bond price (detailed in the Valuation Guidelines), it shall be one of the following prices: <ul style="list-style-type: none"> <li>+ Price determined by the other methods which are approved by the Fund Representative Board (detailed in the Valuation Guidelines); or</li> <li>+ Purchase price plus accumulated interest; or</li> <li>+ Par value plus accumulated interest.</li> </ul> </li> </ul> <p>In case a bond is delisted due to its reaching maturity, the price will be par value plus accumulated interest.</p>
7.	Unlisted bonds	<ul style="list-style-type: none"> <li>- Quoted clean price (if any) on quotation systems plus accumulated interest as of the date prior to the Valuation Day; or</li> <li>- Price determined by the other methods which are approved by the Fund Representative Board (detailed in the Valuation Guidelines); or</li> <li>- Purchase price plus accumulated interest; or</li> <li>- Par value plus accumulated interest;</li> </ul> <p>In case of government bond/ government-backed bond/ municipal bond that has been successfully bid but not been listed, the price will be determined by purchase price plus accumulated interest.</p>

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 *Investments* (continued)

*Principles of valuation* (continued)

No.	Type of asset	Principles on the market's transaction valuation
<b>Shares</b>		
8.	Shares listed or registered for trading	<ul style="list-style-type: none"> <li>- Closing price (or otherwise called according to the regulations adopted by the Stock Exchange) of the latest trading date before the Valuation Day.</li> <li>- In case of no transaction in more than 15 days until the Valuation Day (not including the Valuation Day); or no transactions since the date when shares are approved for listing until the Valuation Day, it shall be one of the following prices: <ul style="list-style-type: none"> <li>+ Price determined by the other methods which are approved by the Fund Representative Board (detailed in the Valuation Guidelines); or</li> <li>+ Purchase price; or</li> <li>+ Book value.</li> </ul> </li> </ul> <p>In case the share is in the process to change the Stock Exchange, the price shall be the closing price of the latest trading date on the former Stock Exchange.</p>
9.	Shares are suspended to transact, or cancelled listing or cancelled transaction registration	<p>It shall be one of the following prices:</p> <ul style="list-style-type: none"> <li>- Price determined by the other methods which are approved by the Fund Representative Board (detailed in the Valuation Guidelines); or</li> <li>- Book value; or</li> <li>- Face value.</li> </ul>
10.	Shares of organizations falling into winding-up or bankruptcy	<p>It shall be one of the following prices:</p> <ul style="list-style-type: none"> <li>- 80% (eighty percent) of liquidating value of such shares on the latest date of preparing balance sheet prior to the Valuation Day; or</li> <li>- Price determined by the other methods which are approved by the Fund Representative Board</li> </ul>
11.	Stocks, other contributed capital.	<ul style="list-style-type: none"> <li>- Average price of successful transactions on the latest trading date before the Valuation Day which are provided by 03 quotation providers that are not the related persons of VCBF.</li> <li>- In case of no full quotation of three (03) quotation providers, use one of following prices: <ul style="list-style-type: none"> <li>+ Price determined by the other methods which are approved by the Fund Representative Board (detailed in the Valuation Guidelines); or</li> <li>+ Purchase price/ contributed capital value; or</li> <li>+ Book value.</li> </ul> </li> </ul>



# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESs (continued)

#### 3.3 *Investments* (continued)

*Principles of valuation* (continued)

No.	Type of asset	Principles on the market's transaction valuation
<b>Shares</b> (continued)		
12.	Right issue to buy share	Value of the right = Max {0; (Price of shares – Issuing price) x conversion rate} In which: Conversion rate = Number of shares entitled to buy/ Number of rights.
<b>Derivative securities</b>		
13.	Listed derivative securities	Closed price (or otherwise called according to the regulations adopted by the Stock Exchange) of the latest trading date before the Valuation Day.
14.	Listed derivative securities without transaction in more than 15 days until the Valuation Day (not including the Valuation Day)	Price determined by the methods which are approved by the Fund Representative Board (detailed in the Valuation Guidelines).
<b>Other assets</b>		
15.	Other permitted investment assets	Average price of successful transactions on the latest trading date before the Valuation Day which are provided by quotation providers. In case of no quotations, price determined by the other methods which are approved by the Fund Representative Board.

#### *Derecognition*

Securities investments are derecognized when the rights to receive cash flows from those investments in securities are terminated or the Fund does not hold almost risks and benefits associated with ownership of securities.

Gain/(loss) from sale of investments is the difference between the selling price and cost of investments calculated by using the weighted average method at the date of transaction.

#### 3.4 *Net asset value and net asset value per fund unit*

Net asset value is the total market value of assets held by the Fund after deducting its related liabilities (such as management fee, supervisory fee, custody fee, fund administration fee, transfer agent fee and other payables) on the date immediately preceding the valuation day.

Net asset value per fund unit is calculated by dividing net asset value by the total number of fund units outstanding as at the latest trading day preceding the valuation day and is rounded down to two (2) decimal.

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.5 *Contributed capital and capital premium*

##### 3.5.1 *Contributed capital*

The Fund's units with discretionary dividends are classified as contributed capital, which includes capital from subscription and capital from redemption .

Capital from subscription reflects initial and supplementary capital contribution. Based on the result of releasing eligible blocked capital contribution and the confirmation of valid capital contribution from transfer agents (for initial offering), or credit advices from the Supervisory Bank attached with a detailed list of valid proceeds from subscriptions (for subsequent offerings), the Fund Management Company recognizes capital from subscription.

Capital from redemption reflects repurchases of fund units from Fund Unit Holders. Based on confirmation of transfer agents attached with a summary of fund units redemption orders, the Fund Management Company recognizes capital from redemption.

Difference between capital from subscription and capital from redemption is contributed capital.

Capital premium includes premium of capital from subscription and premium of capital from redemption.

- ▶ Premium of capital subscription is the difference between subscription price and face value .
- ▶ Premium of capital from redemption is the difference between redemption price and face value.

##### 3.5.2 *Retained earnings*

Retained earnings reflect undistributed gain/loss as at the reporting date, which includes realized profit and unrealized profit.

Realized profit is the difference between the Fund's total income and expense cumulatively incurred the period.

Unrealized profit is the difference between total gain and loss cumulatively incurred from revaluation of the Fund's investments in the period.

At the end of the fiscal year, the Fund calculates its realized and unrealized profit during the period and records them in "*Retained earnings*".

##### 3.5.3 *Profit/assets distributed to Fund Unit Holders*

This account reflects the profit/assets distributed to Fund Unit Holders during the period and the transfer of distributed profit amount to "Retained earnings" at the end of the period .

The open-ended fund recognizes the profit/assets distributed to Fund Unit Holders in accordance with Fund Prospectus, Authorized Decision of the Board of Representative (in the latest period), Resolution by the General Meeting of Investors in compliance with the Fund Charter and prevailing securities laws.

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.6 *Receivables*

Receivables are presented in the interim financial statements as the carrying value of receivables from sales of investments, dividends and interest income from investments and other receivables.

Provision for doubtful debts is set up based on the aging schedule of overdue debts or expected losses which may occur in case where a debt has not been due for payment, but an economic organization has become bankrupt or liquidated; or individual debtor is missing, ran away, being prosecuted, under a trial or serving a sentence or dead. Provision expense is recognized into expense of the interim income statement. Provision for receivables from sales of securities is recognized as expense increased during the period. Provision for receivables from dividends, coupons and deposit interest is recognized as income decreased during the period.

The Fund has made provision for doubtful receivables in accordance with Circular No. 48/2019/TT-BTC modified by Circular No. 24/2022/TT -BTC as follows:

<i>Overdue period</i>	<i>Provision rate</i>
From six (6) months to under one (1) year	30%
From one (1) year to under two (2) years	50%
From two (2) years to under three (3) years	70%
From three (3) years and above	100%

#### 3.7 *Payables and accrued expenses*

Payables and accrued expenses are presented in the interim financial statements at cost, relating to payables for redemption of fund units, payables for trading securities, remuneration payables to the Fund Representatives Board, payables to the Fund Management Company and the Supervisory Bank and other payables.

#### 3.8 *Expenses*

The Fund's expenses are recognized on an accrual basis. The major expenses of the Fund are as below:

##### 3.8.1 *Management fee of public securities investment fund*

Management fee of public securities investment fund includes fund management fee, fund administration fee and transfer agency service fee. According to Circular No. 102/2021/TT-BTC dated 17 November 2021 prescribing prices of securities services applied in securities trading organizations and commercial banks participating in Vietnam's securities market, the Fund is required to pay total management fee of public securities investment fund to the Fund Management Company at a maximum rate of 2% of the Fund's NAV.

##### *(i) Fund management fee*

Management fee is calculated at maximum 0.9%NAV per annum, recognized as the Fund's expenses at each valuation period and paid monthly to the Fund Management Company. The specific fund management service fee will be announced by VCBF from time to time on its website.

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.8 Expenses (continued)

##### 3.8.1 Management fee of public securities investment fund (continued)

###### (ii) Fund administration fee

Before 1 July 2022, fund administration fee is calculate at 0.04% per annum based on the NAV, with the minium of VND18,000,000 per month. From 1 July 2022 to 31 January 2023, fund administration fee is calculate at 0.05% per annum based on the NAV, with the minium of VND11,000,000 per month. From 1 February 2023, fund administration fee is calculate at 0.05% per annum based on the NAV, with the minium of VND31,000,000 per month. The fee is exclusive of value-added-tax. The fund administration fee is recognized as the Fund's expenses at each valuation period and paid monthly to the fund administration service provider.

###### (iii) Transfer agent fee

Transfer agent fee is VND10,000,000 per month. The fee is exclusive value-added tax. The transfer agency agent service fee is recognized as the Fund's expenses at each valuation period and paid monthly to the transfer agent service provider.

##### 3.8.2 Supervisory fee

Supervisory fee is calculated at 0.04% per annum based on the NAV, with the minium of VND18,000,000 per month for the period before 1 July 2022, with the minium of VND11,000,000 per month for the period from 1 July 2022 to 30 November 2022, with the minium of VND16,000,000 per month from 1 December 2022. The fee is exclusive of value-added-tax. Supervisory fee is recognized as the Fund's expenses at each valuation period and paid monthly to the Supervisory Bank.

##### 3.8.3 Custody fee

Before 1 July 2022, custody fee is calculated at 0.04% per annum based NAV with the minium of VND18,000,000 per month. After 1 July 2022, custody fee is calculated at 0.03% per annum based NAV with the minium of VND11,000,000 per month. The fee does not include amount payable to the Viet Nam Securities Depository, transactions fee and registered fee. Custody fee is record as the Fund's expense at each valuation period and paid monthly to the Supervisory Bank.

##### 3.8.4 Transaction fee

The Fund has an obligation to pay to the Supervisory Bank a fee of VND220,000 per transaction.

##### 3.8.5 Financial reporting fee

From 1 July 2022, the service fee for fund's financial statement preparation is VND 36,000,000 per year, equivalent to VND 3,000,000 per month. The fee is exclusive of value-added tax. Financial reporting fee is recorded as the Fund's expense at each valuation period and paid monthly to the Supervisory Bank

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.9 Revenue recognition

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

##### *Dividends*

Dividend income is recognized when the Fund's entitlement as an investor to receive the dividend is established.

When being entitled to shares dividends, the Fund records number of shares entitled to receive and does not recognize the increase in investment going with received stock dividends.

##### *Interest (including the interest from deposits, certificates of deposit and bonds)*

Revenue is recognized on an accrual basis (taking into account the effective yield on the asset) unless collectability is in doubt.

##### *Income from securities trading activities*

Income from securities trading activities is recognized into the interim income statement when the Fund receives deal confirmations, which are certified by the Supervisory Bank (for listed securities) and when assets transfer contracts are settled (for unlisted securities).

#### 3.10 Tax

Under the Vietnamese current regulations, the Fund is not subject to corporate income tax. However, the Fund is required to withhold income tax of individual and institutional unit holders participating in the following transactions:

##### *Dividend payments to fund unit holders*

When the Fund pays dividends to its fund unit holders, the Fund Management Company must comply with regulations on tax deduction and tax payment in accordance with Circular No. 78/2014/TT-BTC dated 18 June 2014, Circular No. 111/2013/TT-BTC dated 15 August 2013 issued by the Ministry of Finance, Circular No. 92/2015/TT-BTC dated 15 June 2015 guiding the implementation of value added tax and personal income tax applicable to resident individuals conducting business activities; guiding the implementation of a number of amendments and supplements to personal income tax as provided for in the Law amending and supplementing a number of articles of Tax Laws No. 71/2014/QH13 and Decree No. 12/2015/ND-CP dated 12 February 2015 of the Government detailing the implementation of the law amending and supplementing some articles of the tax law and amending and supplementing some articles of the tax decrees, Circular No. 96/2015/TT-BTC dated 22 June 2015 guiding corporate income tax in the Decree No. 12/2015/ND-CP dated 12 February 2015 issued by the Government detailing the implementation of the law amending and supplementing a number of articles of the tax laws and amending and supplementing a number of articles of the tax decrees and amending and supplementing a number of articles of Circular No. 78/2014/TT-BTC dated 18 June 2014, Circular No. 119/2014/TT-BTC dated 25 August 2014, Circular No. 151/2014/TT-BTC dated 10 October 2014 issued by the Ministry of Finance, Official Letter No. 10945/BTC-TCT dated 19 August 2010 on tax policy for dividends to institutional unit holders.

When the Fund pay dividends to its institutional unit holders, regardless of domestic or foreign, Fund Management Company is required to withhold an amount of corporate income tax equal to 20% of distributed profit (except for distributed profit portions already imposed to corporate income tax in the previous stages and interest income collected from tax-free bonds in accordance with the current regulations). In addition, when the Fund pays dividends to its individual unit holders; it is required to withhold an amount of the personal income tax equal to 5% of distributed profit.



# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.10 Tax (continued)

##### *Fund units redemption*

The Fund Management Company is required to withhold, declare and pay income tax for repurchase from individuals (domestic or foreign) and from institutions classified as foreign in accordance with regulations on foreign exchange control. The applied tax rate for securities transfer transactions is 0.1% of transfer value in accordance with Circular No. 111/2013/TT-BTC dated 15 August 2013, Circular No. 78/2014/TT-BTC dated 18 June 2014, Circular No. 103/2014/TT-BTC dated 6 August 2014 issued by the Ministry of Finance, Circular No. 92/2015/TT-BTC dated 15 June 2015, Circular 25/2018/TT-BTC dated 16 March 2018 and supplementing, amending Circulars issued by Ministry of Finance.

The Fund Management Company does not withhold income tax of domestic institutional investors since these domestic organizations shall be responsible for their income tax declaration and payment.

#### 3.11 Related parties

Parties/individuals are considered to be related if one party has the ability, directly or indirectly, to control other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Other investment funds under the management of the same Fund Management Company, shareholders of the Fund Management Company, the key management personnel such as General Director of Fund Management Company, members of Board of Representatives, close members of the family of any such individual or joint-venture parties or joint-venture companies related to these individuals are considered as related parties to the Fund. In the consideration of relationship of each related party, the substance of each party's relationship is more important than its legal form.

#### 3.12 Off balance sheet items

Off balance sheet items stated in Circular No. 198/2012/TT-BTC dated 15 November 2012 issued by the Ministry of Finance on accounting regime applicable to open-ended funds are presented in the relevant notes in these interim financial statements.

#### 3.13 Financial instruments

##### *Financial instruments – initial recognition and presentation*

##### Financial assets

Financial assets within the scope of Circular No. 210 /2009/TT-BTC dated 6 November 2009 issued by the Ministry of Finance providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") are classified, for disclosures in the notes to the financial statements, as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets as appropriate. The Fund determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at cost plus directly attributable transaction costs.

The Fund's financial assets include cash, short-term deposits, listed securities, unlisted securities, certificates of deposit and other investments, accrued interest and dividends receivable, interest from investment activities and other receivables.

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.13 *Financial instruments* (continued)

##### Financial liabilities

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the financial statements, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost as appropriate. The Fund determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at cost net of directly attributable transaction costs.

The Fund's financial liabilities include payables to distribution agents, accrued expenses, payables to Fund Unit Holders for fund unit subscription and redemption, payables of fund management services and other payables.

##### *Financial instruments – subsequent re-measurement*

There is currently no guidance in Circular 210 in relation to subsequent re-measurement of financial instruments. The Fund used methods and assumptions presented at Note 22 to estimate the fair value of financial instruments.

##### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### 3.14 *Nil balance*

Items or balance stipulated in Circular No. 198/2012/TT-BTC dated 15 November 2012 regarding the accounting standards and systems for open-ended funds, which are not presented in these interim financial statements, are considered to be nil balance.

### 4. CASH AND CASH EQUIVALENTS

	<i>30 June 2023</i> VND	<i>31 December 2022</i> VND
Demand deposit at Supervisory and Custodian Bank for the Fund's operation	318,764,094	557,654,047
Deposit of Fund Unit Holders for fund units subscription	252,863,826	24,433,177
Deposits with terms under three (3) months in VND	1,967,125,950	6,103,156,165
	<b>2,538,753,870</b>	<b>6,685,243,389</b>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

5. INVESTMENTS

	Cost VND	Market value or fair value VND	Revaluation difference			Fair value VND
			Increase VND	Decrease VND	Net increase/(decrease) VND	
<b>30 June 2023</b>						
Listed Corporate bonds (a)	75,210,325,987	74,637,394,015	140,501,592	(713,433,564)	(572,931,972)	74,637,394,015
Certificates of deposit (b)	11,000,000,000	11,000,000,000	-	-	-	11,000,000,000
	<b>86,210,325,987</b>	<b>85,637,394,015</b>	<b>140,501,592</b>	<b>(713,433,564)</b>	<b>(572,931,972)</b>	<b>85,637,394,015</b>
<b>31 December 2022</b>						
Listed Corporate bonds	76,528,182,876	76,032,606,619	389,775,511	(885,351,768)	(495,576,257)	76,032,606,619
Certificates of deposit	5,000,000,000	5,000,000,000	-	-	-	5,000,000,000
	<b>81,528,182,876</b>	<b>81,032,606,619</b>	<b>389,775,511</b>	<b>(885,351,768)</b>	<b>(495,576,257)</b>	<b>81,032,606,619</b>
<b>Impact of the revaluation difference on investments in the interim income statement</b>					<b>(77,355,715)</b>	

- a) Listed corporate bonds are issued by Cotecons Construction Joint Stock Company, Gia Lai Electricity Joint Stock Company, Masan MeatLife Corporation, Masan Group Joint Stock Company, TNG Investment and Trading JSC, Vinhomes Joint Stock Company and Vingroup Joint Stock Company, having maturity from 3-5 years, interest rate ranging from 9.50%/p.a. to 15.780%, interest paid every 3 months or every 6 months
- b) Certificates of deposit issued by Home Credit Vietnam One-member Finance Company Limited with a 3-years term, interest rate of 8.30% per annum, and by Bank for Investment and Development of Vietnam, with a 6-months term, interest rate of 8.80% per annum.



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**6. RECEIVABLES AND ACCRUED DIVIDENDS, INTEREST FROM INVESTMENTS**

	<i>30 June 2023</i> VND	<i>31 December 2022</i> VND
Interest receivable from bonds	1,875,251,767	2,168,256,491
Interest receivable from certificates of deposit	292,030,137	84,136,986
Interest receivable from term deposits	2,750,744	9,909,899
	<b>2,170,032,648</b>	<b>2,262,303,376</b>

**7. PAYABLES TO DISTRIBUTORS**

	<i>30 June 2023</i> VND	<i>31 December 2022</i> VND
Payables to Fund Management Company	4,504,668	41,693,845

**8. ACCRUED EXPENSES**

	<i>30 June 2023</i> VND	<i>31 December 2022</i> VND
Audit fee	72,003,288	71,280,000
Remunerations of Fund 's Board of Representatives	27,000,000	-
	<b>99,003,288</b>	<b>71,280,000</b>

**9. PAYABLES TO FUND UNIT HOLDERS FOR FUND UNITS SUBSCRIPTION**

	<i>30 June 2023</i> VND	<i>31 December 2022</i> VND
Payables to fund units holders for fund units subscription which are waiting for allotment	252,863,826	24,433,177

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10. FUND MANAGEMENT FEE PAYABLE

	30 June 2023 VND	31 December 2022 VND
Payable of fund administration fee	37,400,000	15,400,000
Payable of supervisory fee	17,600,000	17,600,000
Payable of transfer agent fee	11,000,000	11,000,000
Payable of custodian service - safekeeping fee	11,000,000	11,000,000
Payable of fund management fee	7,448,749	7,606,545
Payable of custodian service - transaction fee	-	220,000
	<b>84,448,749</b>	<b>62,826,545</b>

11. STATEMENT OF CHANGES IN OWNERS' EQUITY

	For the six-month period ended 30 June 2023		
	Beginning balance VND	Movement during the period VND	Ending balance VND
<b>Subscription capital</b>			
Number of fund units ("unit")	11,084,180,35	510,635,05	11,594,815,40
Subscription capital at par value	110,841,803,500	5,106,350,500	115,948,154,000
Capital premium	6,083,398,939	1,298,561,170	7,381,960,109
Total subscription capital	116,925,202,439	6,404,911,670	123,330,114,109
<b>Redemption capital</b>			
Number of fund units ("unit")	(3,749,797,76)	(813,573,34)	(4,563,371,10)
Redemption capital at par value	(37,497,977,600)	(8,135,733,400)	(45,633,711,000)
Capital premium	(5,622,781,359)	(2,032,497,714)	(7,655,279,073)
Total redemption capital	(43,120,758,959)	(10,168,231,114)	(53,288,990,073)
<b>Number of outstanding fund units ("unit")</b>	<b>7,334,382,59</b>	<b>(302,938,29)</b>	<b>7,031,444,30</b>
<b>Outstanding share capital</b>	<b>73,804,443,480</b>	<b>(3,763,319,444)</b>	<b>70,041,124,036</b>
<b>Retained earnings</b>	<b>16,096,440,017</b>	<b>3,755,354,537</b>	<b>19,851,794,554</b>
<b>NAV</b>	<b>89,900,883,497</b>		<b>89,892,918,590</b>
<b>NAV per fund unit</b>	<b>12,257.45</b>		<b>12,784.41</b>

12. RETAINED EARNINGS

	30 June 2023 VND	31 December 2022 VND
Realized profit	20,424,726,526	16,592,016,274
Unrealized loss	(572,931,972)	(495,576,257)
	<b>19,851,794,554</b>	<b>16,096,440,017</b>

Vietcombank Fund Management Company Limited  
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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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**13. INTEREST INCOME**

	<i>For the six-month period ended 30 June 2023 VND</i>	<i>For the six-month period ended 30 June 2022 VND</i>
Interest from bonds	3,991,273,763	3,498,798,962
Interest from certificates of deposit	405,421,919	205,794,521
Interest from term deposits	161,479,967	79,320,390
Interest from demand deposits	419,052	583,062
	<b>4,558,594,701</b>	<b>3,784,496,935</b>

**14. LOSS FROM INVESTMENT TRADING**

<i>For the six-month period ended 30 June 2023</i>		
<i>Total trading amount during the period VND</i>	<i>Weighted average cost at the end of the trading date VND</i>	<i>Loss on investment trading during the period VND</i>
Listed bond	14,254,800,000	14,319,242,780
		(64,442,780)
<i>For the six-month period ended 30 June 2022</i>		
<i>Total trading amount during the period VND</i>	<i>Weighted average cost at the end of the trading date VND</i>	<i>Gain on investment trading during the period VND</i>
Unlisted bond	7,000,000,000	7,000,000,000
		-

**15. TRANSACTION EXPENSES FOR INVESTMENT TRADING**

	<i>For the six-month period ended 30 June 2023 VND</i>	<i>For the six-month period ended 30 June 2022 VND</i>
Transaction expenses for buying investments	2,601,178	4,417,477
Other expenses from investment trading	330,000	-
Offset expense	15,000	-
	<b>2,946,178</b>	<b>4,417,477</b>

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**16. CUSTODY FEE**

	<i>For the six-month period ended 30 June 2023 VND</i>	<i>For the six-month period ended 30 June 2022 VND</i>
Custodian service - safe custody fee	66,000,000	108,000,000
Custodian service - transaction fee	1,760,000	880,000
Custodian service - depository fee paid to the Vietnam Securities Depository	663,902	595,184
	<b>68,423,902</b>	<b>109,475,184</b>

**17. OTHER OPERATING EXPENSES**

	<i>For the six-month period ended 30 June 2023 VND</i>	<i>For the six-month period ended 30 June 2022 VND</i>
Remuneration of the Fund Representatives Board	60,000,000	60,000,000
Annual fee for the State Securities Commission	4,958,904	2,479,452
Bank charges	3,355,000	3,708,100
	<b>68,313,904</b>	<b>66,187,552</b>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

18. NET ASSET VALUE

Net asset value for the six-month period ended 30 June 2023:

Period of NAV	NAV VND	Number of fund units	NAV per fund unit VND	Increase/(decrease) of NAV per fund unit VND
<b>Last period of December 2022</b>	<b>89,900,883,497</b>	<b>7,334,382.59</b>	<b>12,257.45</b>	
First period of January 2023	89,803,639,527	7,334,382.59	12,244.19	(13.26)
Second period of January 2023	89,698,667,025	7,336,188.75	12,226.87	(17.32)
Third period of January 2023	89,804,458,019	7,335,140.63	12,243.04	16.17
Fourth period of January 2023	89,982,787,983	7,336,806.29	12,264.57	21.53
Fifth period of January 2023	90,265,509,343	7,336,461.97	12,303.68	39.11
Sixth period of January 2023	85,066,141,914	6,926,170.80	12,281.84	(21.84)
Seventh period of January 2023	85,209,615,751	6,927,090.84	12,300.92	19.08
Eighth period of January 2023	85,382,334,792	6,927,090.84	12,325.85	24.93
<b>Last period of January 2023</b>	<b>85,430,848,712</b>	<b>6,928,782.93</b>	<b>12,329.84</b>	<b>3.99</b>
First period of February 2023	85,438,173,701	6,928,782.93	12,330.90	1.06
Second period of February 2023	85,372,515,175	6,923,621.07	12,330.61	(0.29)
Third period of February 2023	85,560,901,390	6,928,741.23	12,348.69	18.08
Fourth period of February 2023	86,243,534,582	6,928,946.29	12,446.84	98.15
Fifth period of February 2023	88,998,388,475	7,145,339.19	12,455.44	8.60
Sixth period of February 2023	88,823,674,940	7,145,142.70	12,431.33	(24.11)
Seventh period of February 2023	88,832,410,356	7,145,359.80	12,432.18	0.85
Eighth period of February 2023	89,031,957,558	7,146,465.93	12,458.17	25.99
<b>Last period of February 2023</b>	<b>89,556,612,827</b>	<b>7,161,504.01</b>	<b>12,505.27</b>	<b>47.10</b>

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

### 18. NET ASSET VALUE (continued)

Net asset value for the six-month period ended 30 June 2023 (continued):

Period of NAV	NAV VND	Number of fund units	NAV per fund unit VND	Increase/(decrease) of NAV per fund unit VND
First period of March 2023	89,575,113,029	7,161,504.01	12,507.86	2.59
Second period of March 2023	89,449,064,188	7,163,259.82	12,487.20	(20.66)
Third period of March 2023	89,482,401,856	7,167,663.29	12,484.18	(3.02)
Fourth period of March 2023	89,211,751,342	7,168,805.23	12,444.43	(39.75)
Fifth period of March 2023	89,582,496,244	7,170,746.71	12,492.77	48.34
Sixth period of March 2023	89,896,504,735	7,175,704.23	12,527.89	35.12
Seventh period of March 2023	89,851,060,295	7,174,720.07	12,523.28	(4.61)
Eighth period of March 2023	90,333,917,848	7,173,500.02	12,592.72	69.44
Ninth period of March 2023	90,281,981,809	7,179,266.58	12,575.37	(17.35)
<b>Last period of March 2023</b>	<b>90,556,934,133</b>	<b>7,181,400.97</b>	<b>12,609.92</b>	<b>34.55</b>
First period of April 2023	90,651,785,002	7,181,400.97	12,623.13	13.21
Second period of April 2023	90,698,330,642	7,187,386.68	12,619.09	(4.04)
Third period of April 2023	90,471,901,423	7,153,959.09	12,646.41	27.32
Fourth period of April 2023	89,549,657,003	7,084,047.78	12,641.02	(5.39)
Fifth period of April 2023	89,553,952,230	7,098,329.05	12,616.20	(24.82)
Sixth period of April 2023	89,481,086,036	7,076,926.71	12,644.06	27.86
Seventh period of April 2023	89,789,493,172	7,081,369.79	12,679.67	35.61
Eighth period of April 2023	89,750,233,319	7,084,306.98	12,668.87	(10.80)
<b>Last period of April 2023</b>	<b>90,169,253,985</b>	<b>7,085,571.63</b>	<b>12,725.75</b>	<b>56.88</b>
First period of May 2023	90,237,033,937	7,085,571.63	12,735.32	9.57
Second period of May 2023	89,337,631,558	7,085,443.79	12,608.61	(126.71)
Third period of May 2023	89,635,637,819	7,102,249.40	12,620.73	12.12
Fourth period of May 2023	89,390,579,256	7,107,606.07	12,576.74	(43.99)
Fifth period of May 2023	89,246,726,317	7,112,849.11	12,547.25	(29.49)
Sixth period of May 2023	89,775,625,083	7,117,746.29	12,612.92	65.67
Seventh period of May 2023	90,038,132,405	7,119,029.89	12,647.52	34.60
Eighth period of May 2023	90,602,943,876	7,153,691.88	12,665.20	17.68
<b>Last period of May 2023</b>	<b>90,704,330,167</b>	<b>7,154,257.57</b>	<b>12,678.37</b>	<b>13.17</b>



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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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**18. NET ASSET VALUE (continued)**

Net asset value for the six-month period ended 30 June 2023 (continued):

<i>Period of NAV</i>	<i>NAV VND</i>	<i>Number of fund units</i>	<i>NAV per fund unit VND</i>	<i>Increase/(decrease) of NAV per fund unit VND</i>
First period of June 2023	91,492,692,431	7,157,098.23	12,783.48	105.11
Second period of June 2023	91,902,495,630	7,178,868.71	12,801.80	18.32
Third period of June 2023	91,974,958,467	7,178,428.24	12,812.68	10.88
Fourth period of June 2023	90,475,733,889	7,060,422.53	12,814.49	1.81
Fifth period of June 2023	89,863,879,765	7,004,462.56	12,829.51	15.02
Sixth period of June 2023	89,866,967,998	7,006,463.33	12,826.29	(3.22)
Seventh period of June 2023	89,698,008,012	7,010,585.35	12,794.65	(31.64)
Eighth period of June 2023	89,544,468,333	7,018,290.19	12,758.72	(35.93)
<b>Last period of June 2023</b>	<b>89,892,918,590</b>	<b>7,031,444.30</b>	<b>12,784.41</b>	<b>25.69</b>
Average NAV for the period	<b>89,257,541,594</b>			
Change in NAV per fund unit – maximum:				(126.71)
Change in NAV per fund unit – minimum:				(0.29)

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2022 and for the six-month period then ended

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### 19. OFF BALANCE SHEET ITEM

#### *Number of outstanding fund units*

By duration that the fund units could be redeemable:

	<i>30 June 2023 (fund units)</i>	<i>31 December 2022 (fund units)</i>
Up to one year	7,031,444.30	7,334,382.59

### 20. FINANCIAL RATIOS TO MEASURE THE OPERATING EFFECTIVENESS OF THE FUND

	<i>For the six-month period ended 30 June 2023 (%)</i>	<i>For the six-month period ended 30 June 2022 (%)</i>
Expense ratio	1.48	1.38
Turnover ratio of investment portfolio	21.29	30.09

#### 20.1 *Expense ratio*

Expense ratio is the performance ratio of operating expense of the Fund per one unit of net asset value. As at the date of the interim financial statements, this ratio shall be annualized by multiplying the six-month ratio by 2.

The expense ratio of the Fund is determined by the following formula:

$$\text{Expense ratio (\%)} = \frac{\text{Total operating expense} * 100 (\%)}{\text{Average net asset value (NAV) in the period}}$$

The following expenses are excluded from total operating expenses for expense ratio calculation purposes:

- Interest expense;
- Gain or loss arising from foreign exchange differences (realized and unrealized);
- Deductible personal income tax of investors or income tax paid during the period (corporate income tax), including foreign contractor withholding tax;
- Transaction costs on buying, selling fund units and other related expense; and
- Dividends and other distribution amounts paid to the fund unit holders.

#### 20.2 *Turnover ratio*

Turnover ratio of investment portfolio is the number of trading cycles of investment assets of the Fund in one (1) period. As at the date of the interim financial statements, this ratio shall be annualized by multiplying the six-month ratio by 2.

The turnover ratio of the Fund is determined by the following formula:

$$\text{Turnover ratio (\%)} = \frac{(\text{Total purchase value in the period} + \text{Total sales value in the period})/2 * 100(\%)}{\text{Average net asset value (NAV) in the period}}$$

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

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### 21. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to market risk, credit risk and liquidity risk. The process of risk management is critical to the Fund's continuing profitability. The Fund Management Company has designed a risk control system to ensure a sufficient balance between expected cost of risk and risk management cost. The Board of Management of the Fund Management Company continuously monitors the process of risk management to ensure a sufficient balance between risk and risk control.

The Board of Management of the Fund Management Company has reviewed and decided to apply the following risk management policies for the above risks:

#### 21.1 *Market risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises four types of risk: interest rate risk, currency risk, price risk and other price risk, such as security price risk. Financial instruments affected by market risk include deposits and securities investments.

##### *(i) Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market's interest rate. Market risk due to interest rate fluctuation primarily relates to cash, bank deposits, certificates of deposit and corporate bonds. These assets are highly liquid in nature and the Fund holds these assets not for speculative purposes.

The Fund Management Company manages interest rate risk by looking at the competitive structure of the market to obtain rates which are favorable for its purposes within its risk management limits.

The Fund Management Company believes that interest rate risk does not have any impact on the Fund's operations.

The Fund do not apply sensitive to interest analysis because investment portfolio of the Fund comprising of fixed income assets which has low interest rate risk and the Fund solely invests in corporate bonds and certificates of deposit have a stable interest rate at the reporting date.

##### *(ii) Currency risk*

Foreign currency risk is the risk that the value of financial instruments will fluctuate because of changes in foreign exchange rates.

The Fund was incorporated and operates in Vietnam, as such, its reporting and transaction currency is denominated in VND, the Fund is not exposed to foreign currency risk as at 30 June 2023.

##### *(iii) Price risk*

The Fund's listed bonds are exposed to market price risk arising from uncertainties about future prices of investing bonds. The Fund manages price risk by placing a limit on bonds investments. In addition, the investment committee manages and approves bonds investment decision.

At the reporting date, the exposure to the Fund's listed bonds at fair value was VND74,637,394,015. A decrease of 10% in these securities' market price could have an impact of approximately VND 7,463,739,401 depending on whether or not the decline is significant or prolonged. An increase of 10% in the market price of the listed bonds would increase the Fund's operating results by VND 7,463,739,401.

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

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### **21. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)**

#### **21.2 Credit risk**

Credit risk is the risk that the counterparty participates to a financial instrument or customer contract will cause a financial loss for the Fund by failing to discharge an obligation as commitment. These credit exposures exist within financial relationships including deposits with banks, corporate bonds, certificate of deposit and other financial instruments.

The Fund places balances of certificates of deposits, corporate bonds and bank deposits with well-known banks, credit institutions and economic organization in Vietnam. Credit risk posing to balances of certificates of deposit, corporate bonds, bank deposits and economic organization is managed by the Fund's investment management department in accordance with the Fund's policy. The Fund evaluates the concentration of credit risk in respect to bank deposits and certificates of deposit is very low.

It is the Fund's policy to enter into financial instruments with reputable counterparties. The Investment management Department closely monitors the creditworthiness of the Fund's counterparties by reviewing their financial health, credit worthiness, financial statements and press releases on a regular basis.

#### **21.3 Liquidity risk**

The liquidity risk is the risk that the Fund will encounter difficulty in meeting financial obligations due to shortage of capital. The Fund's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and financial liabilities.

The Fund invests primarily in securities market and other financial instruments, which are under normal market conditions, are easily convertible to cash. The Fund monitors liquidity risk by maintaining sufficient amount of cash and cash equivalents for the Fund's operation and to mitigate the effect of fluctuations in cash flows.

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2022 and for the six-month period then ended

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### 22. SUPPLEMENTARY DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amount and fair value of financial instruments of the Fund at the reporting date of the interim financial statement are presented as follows:

	30 June 2023		31 December 2022	
	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
<b>Financial assets</b>				
Cash and cash equivalents	2,538,753,870	2,538,753,870	6,685,243,389	6,685,243,389
Net investments	85,637,394,015	85,637,394,015	81,032,606,619	81,032,606,619
- <i>Corporate bonds</i>	74,637,394,015	74,637,394,015	76,032,606,619	76,032,606,619
- <i>Certificates of deposit</i>	11,000,000,000	11,000,000,000	5,000,000,000	5,000,000,000
Receivables	2,170,032,648	2,170,032,648	2,400,303,376	2,400,303,376
	<b>90,346,180,533</b>	<b>90,346,180,533</b>	<b>90,118,153,384</b>	<b>90,118,153,384</b>
<b>Financial liabilities</b>				
Payables to Distributors	4,504,668	4,504,668	41,693,845	41,693,845
Accrued payables	99,003,288	99,003,288	71,280,000	71,280,000
Payables to fund unit holders for fund units subscription	252,863,826	252,863,826	24,433,177	24,433,177
Fund management fee payable	84,448,749	84,448,749	62,826,545	62,826,545
Other payables	4,958,904	4,958,904	7,500,000	7,500,000
	<b>445,779,435</b>	<b>445,779,435</b>	<b>207,733,567</b>	<b>207,733,567</b>

The fair values of the financial assets and liabilities represent the amounts at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced sales or liquidation.

The following methods and assumptions are being used to estimate the fair values:

- Fair values of receivables, payables to Distributors and Fund Management Companies, accrued payables, payables of subscription to the investors, payables to fund management services, other payables were equal to their book values due mainly to the short-term maturities of these instruments.
- Fair value of cash and cash equivalents, corporate bonds, certificates of deposits and term-deposit is re-valued using the valuation method stated in Note 3.3.

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

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### 23. RELATED PARTIES AND OTHER KEY CONTRACTS

#### 23.1 Related parties

##### a) The Fund Management Company

The significant transactions during the period was as follow:

	<i>For the six-month period ended 30 June 2023 VND</i>	<i>For the six-month period ended 30 June 2022 VND</i>
Fund management fee	44,266,372	44,605,194

The outstanding balance at the six-month period ended was as follow:

	<i>30 June 2023 VND</i>	<i>31 December 2022 VND</i>
Fund management fee payable	7,448,749	7,606,545

##### b) Remunerations of the Fund Representatives Board

Other than the remunerations, there are no other transactions or contracts to which the Fund and any member of the Fund Representatives Board is a party where a member of Fund Representatives Board has a material interest. Remunerations of the Fund Representatives Board are recognized as expenses of the Fund.

	<i>For the six-month period ended 30 June 2023 VND</i>	<i>For the six-month period ended 30 June 2022 VND</i>
Remunerations of the Fund Representatives Board	60,000,000	60,000,000

The outstanding balance at the six-month period ended was as follow:

	<i>30 June 2023 VND</i>	<i>31 December 2022 VND</i>
Remunerations of the Fund Representatives Board	27,000,000	-



# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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### 23. RELATED PARTIES AND OTHER KEY CONTRACTS (continued)

#### 23.1 *Related parties* (continued)

##### c) *Fund units held by the related parties*

Detail of fund units held by the related parties were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>30 June 2023</i>		<i>31 December 2022</i>	
		<i>Fund units held by</i>	<i>Holding percentage (%)</i>	<i>Fund units held by</i>	<i>Holding percentage (%)</i>
Vietcombank Fund Management Company Limited	Fund Management Company	5,000,000.24	71.11	5,413,870.24	73.81
Other related parties		200,371.25	2.85	260,702.58	3.55
		<b>5,200,371.49</b>	<b>73.96</b>	<b>5,674,572.82</b>	<b>77.36</b>

#### 23.2 *Other key contracts*

##### *Supervisory Bank*

According to the supervisory and custodian contract signed with Standard Chartered Bank (Vietnam) Limited ("Supervisory Bank"), the Fund has the obligation to pay the Supervisory Bank a supervisory fee equivalent to 0.04% per annum of NAV at the date prior to the Valuation Day with the minimum fee is VND18,000,000 per month for the period before 1 July 2022, VND11,000,000 per month for from 1 July 2022 to 30 November 2022 and VND16,000,000 for the period from 1 December 2022, exclusive of value-added tax. Custody fee is equivalent to 0.04% per annum of NAV with the minimum fee is VND18,000,000 per month for the period before 1 July 2022, and then it is calculated at 0.03%NAV per annum, with a minimum of VND11,000,000 per month for the period after 1 July 2022.

The Custodian Bank is also an organization providing fund administration services. The Fund has the obligation to pay the Supervisory Bank a fund administration fee equivalent to 0.04% per annum of NAV with the minimum fee is VND18,000,000 per month for the period before 1 July 2022; from 1 July 2022 to 31 January 2023 the fee equivalent to at 0.05% per annum of NAV with the minimum fee is VND11,000,000 per month; from 1 February 2023 the fee equivalent to 0.05% per annum off NAV with the minium fee is VND31,000,000 per month, exclusive of value-added tax.

From 1 July 2022, the service fee for preparing financial statement for the fund is VND36,000,000 per year, equivalent to VND3,000,000 per month. The fee is exclusive of the value-added-tax. The service fee for preparing financial statement for the fund recognized as the Fund's expenses at each valuation period and paid monthly to the Supervisory Bank.

Besides, the Fund has the obligation to pay Supervisory Bank transaction fee of VND220,000 per transaction.

# Vietcombank Fund Management Company Limited

## VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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### 23. RELATED PARTIES AND OTHER KEY CONTRACTS (continued)

#### 23.2 Other key contracts (continued)

Details of service fees and income in the period are as follows:

	<i>For the six-month period ended 30 June 2023 VND</i>	<i>For the six-month period ended 30 June 2022 VND</i>
Custody fee - safekeeping fee	66,000,000	108,000,000
Fund administration service	202,400,000	118,800,000
Supervisory fee	105,600,000	118,800,000
Custody fee - transaction fee	1,760,000	880,000
Interests from demand deposit	419,052	583,062
Bank charges	3,355,000	2,608,100

The outstanding balance at the six-month period ended was as follow:

	<i>30 June 2023 VND</i>	<i>31 December 2022 VND</i>
Demand deposit	571,627,920	582,087,224
Payable of Supervisory service	17,600,000	17,600,000
Payable of Custody fee - safekeeping fee	11,000,000	11,000,000
Payable of Custody fee - transaction fee	-	220,000
Payable of of Fund administration service	37,400,000	15,400,000

Vietcombank Fund Management Company Limited  
VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

BM06g-QM

**24. EVENTS AFTER THE BALANCE SHEET DATE**

There is no matter or circumstance that has arisen since the interim balance sheet date that requires adjustment or disclosure in the interim financial statements of the Fund.



Ms. Le Van  
Head of Department - Fund Accounting and  
Asset Portfolio



Mr. Vu Quang Dong  
Chief Executive Officer



Ms. Duong Thi Hong Nam  
Preparer



Ms. Tran Thi Ha Linh  
Chief Accountant

Hanoi, Vietnam

14 August 2023