

VCBF Fixed Income Fund

Financial statements

For the year ended 31 December 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 31 December 2023, the Fund's contributed capital is VND106,395,767,200 at par value, equivalent to 10,639,576.72 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, 15th 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" or "VCBF").

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 year and at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment/resignation</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 Resignation on 21 November 2023
Ms. Vu Ngoc Quynh	Member	Appointed on 21 November 2023

LEGAL REPRESENTATIVE

The legal representative of the Fund Management Company during the year 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 Fund Representative Board of VCBF Fixed Income Fund (“the Fund”) is pleased to present this report and the financial statements of the Fund for the year ended 31 December 2023.

THE BOARD OF MANAGEMENT OF THE FUND MANAGEMENT COMPANY’S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Management of Vietcombank Fund Management Company Limited (“the Fund Management Company”) is responsible for the financial statements of each financial year which give a true and fair view of the financial position, investment portfolio of the Fund and of the results of its operations, its changes in net asset value, transactions of fund units and its cash flows for the year. In preparing those 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 financial statements; and
- ▶ prepare the 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 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 financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

The Fund Representative Board hereby approved the accompanying financial statements based on the confirmation of the Board of Management of the Fund Management Company. The financial statements give a true and fair view of the financial position, investment portfolio of the Fund as at 31 December 2023 and of the results of its operations, its changes in net asset value, transactions of fund units and its cash flows for the year 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’ financial statements.

On behalf of the Board of Representatives:



Mr. Mac Quang Huy
Chairman

Ho Chi Minh City, Vietnam

29 March 2024

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

2. The Fund performance summary

According to the audited financial statements of the Fund, as at 31 December 2023, the change in net asset value (“NAV”) of the Fund and change of benchmark index are 9.88% and 4.78%, 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: 143,304,007,478 Vietnam dong.
- Number of fund units: 10,639,576.72 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 year, the Fund has not distributed profit.

II. OPERATING FIGURES

1. Assets portfolio

<i>Assets portfolio</i>	<i>31 December 2023 (%)</i>	<i>31 December 2022 (%)</i>	<i>31 December 2021 (%)</i>
Bonds portfolio	58.97	84.37	57.19
Other assets	41.03	15.63	42.81
Total	100.00	100.00	100.00

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

II. OPERATING FIGURES (continued)

2. Key performance indicators

No.	Items	31 December 2023	31 December 2022	31 December 2021
1	Net asset value (NAV) of the Fund (VND)	143,304,007,478	89,900,883,497	90,742,562,006
2	Total outstanding fund units	10,639,576.72	7,334,382.59	7,937,677.65
3	NAV per fund unit	13,468.95	12,257.45	11,431.87
4	Maximum NAV per fund unit during the year	13,472.25	12,257.45	11,431.87
5	Minimum NAV per fund unit during the year	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 year (a)	Not applicable	Not applicable	Not applicable
8	Minimum closing price of a fund unit during the year (a)	Not applicable	Not applicable	Not applicable
9	Total growth (%) per fund unit	9.88	7.22	5.50
9.1	Capital growth (%) per fund unit (change due to price fluctuation) (b)	1.07	-0.62	-0.40
9.2	Earnings growth (%) per fund unit (based on realized income) (b)	8.81	7.84	5.90
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 (%)	1.35	1.23	1.43
14	Turnover ratio of investment portfolio (%)	20.87	33.98	31.44

(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.

(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>
1 year (from 1 January 2023 to 31 December 2023)	9.88	4.78
3 years (from 1 January 2021 to 31 December 2023)	24.30	9.50
3 years (annually compounded return)	7.52	3.07
Since inception	34.69	15.23
Since inception (annually compounded return)	7.01	3.28

4. Annual growth rate

<i>Item</i>	<i>2023 (%)</i>	<i>2022 (%)</i>	<i>2021 (%)</i>
Growth of NAV (%) per fund unit	9.88	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 YEAR

1. Macroeconomics overview

Vietnam's GDP growth accelerated in the 4Q 2023, thus pushed the annual GDP growth to 5.05%, in line with updated expectations and the low-case guidance of Ministry of Planning & Investment at the end of the 3Q:

- ▶ GDP grew by 6.7% yoy in the 4Q 2023, the fastest pace in the 4Q since a growth of 7.0% recorded in 4Q 2019. However, the 5.05% recorded in 2023 is the third-lowest GDP growth over the last 12 years, and is only higher than two Covid-19 years. The Industry & Construction (+7.4% yoy in 4Q and +3.7% yoy for 2023) recovered from 9M 2023 but is still far below the average of 6.7% in the five years 2018-2022. Of which, Manufacturing grew by 3.6% yoy, Construction did well at 7.1% growth as a result of increasing public investment while Mining & Extraction contracted by 3.2% for 2023.
- ▶ The Services sector (42.5% of GDP) was the main driver, growing by 6.8% yoy and contributing 62.3% to the total growth against a third of that in the previous five years.
- ▶ Real retail sales grew strongly by 7.2% yoy in 4Q and by 9.6% yoy for 12M 2023.
- ▶ The PMI slightly recovered in December 2023 to 48.9 but remained in contracting territory throughout the year except for brief expansions in August and February.
- ▶ Exports grew 2.3% qoq in 4Q 2023 but have contracted by 4.6% for the year. Imports dropped by 9.2% yoy for 12M 2023. Trade surplus therefore surged to USD28.3bn for 12M 2023 (+133.1% yoy).
- ▶ Domestic inflation was under control, with the CPI of 3.3% on average for 12M 2023, well under the upper boundary of 4.5%, with core inflation easing to under 3.0%.
- ▶ FDI disbursements grew 3.5% yoy to the highest amount on record with FDI approvals of USD28.1bn, the highest since December 2017. 78% of FDI disbursements are for manufacturing projects which will bolster growth in the short to medium term.
- ▶ The exchange rate has remained stable over the year as pressure on the VN Dong eased and gained 16bps over the 4Q after losing 3.0% against the US Dollar in 3Q, supported by the record high merchandise trade surplus, strong FDI disbursements and the falling service trade deficit. The budget position of the Government remains very sturdy. Despite a decline of 5.4% in revenues and a 10.9% increase in expenditures, the budget deficit of VND14.1trn was very modest.

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

III. MARKET UPDATE DURING THE YEAR (continued)

2. Bond Market

VND283.3 trillion G-Bonds were issued in 2023, satisfying around 70.8% of State Treasury's whole year's initial issuance plan of VND400 trillion. By the end of 2023, 3-5YR G-Bonds yield at ~1.55%, 10-15YR G-Bonds at 2.23%-2.43%, a decline of 310bps and ~250bps from end of 2022 respectively. Super long 20-30YR G-Bonds also experienced a drop of 225-250bps throughout 2023 and ended the year at 2.9%-3.0%.

Regarding private placement activities, VND296.7 trillion were successfully issued in 2023, 10.7% higher than that of 2022. Banks accounted for 54.7% and real estate developers for 26.4%. In the public offering markets, VND42.2 trillion were offered to the market and VND25.1 trillion were issued in 2023, which indicates a success rate of 59.1%. Yields continued to decline in line with deposit rates. Biggest drops were recorded for commercial banks' bonds, where 3YR senior bonds issued by tier 2 banks offered 5.0%-5.8%, 8YR junior bonds issued by tier 1 banks offered 6.15%-6.25%. However, issuance coupons declined mainly as a result of lower benchmark rates, which are normally 12M deposit rates applied to retail clients of Big 4 banks. Spreads dropped less by around 20bps from beginning of the year. Yields of real estate developers bond continued to be within 10-12%, and those of other sectors were 9.5%-11% depending on their risk profiles. This indicates a drop of 200-300bps from end of last year.

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 reporting date (%)</i>	<i>From establishment up to the reporting date (%)</i>
Earnings growth per fund unit (a)	8.81	Not applicable
Capital growth per fund unit (a)	1.07	Not applicable
Annual growth per fund unit	9.88	7.01
Growth of the restructuring portfolio	Not applicable	Not applicable
Change in market price per 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>31 December 2023 VND</i>	<i>31 December 2022 VND</i>	<i>Changing rate (%)</i>
NAV of the Fund	143,304,007,478	89,900,883,497	59.40
NAV per fund unit	13,468.95	12,257.45	9.88

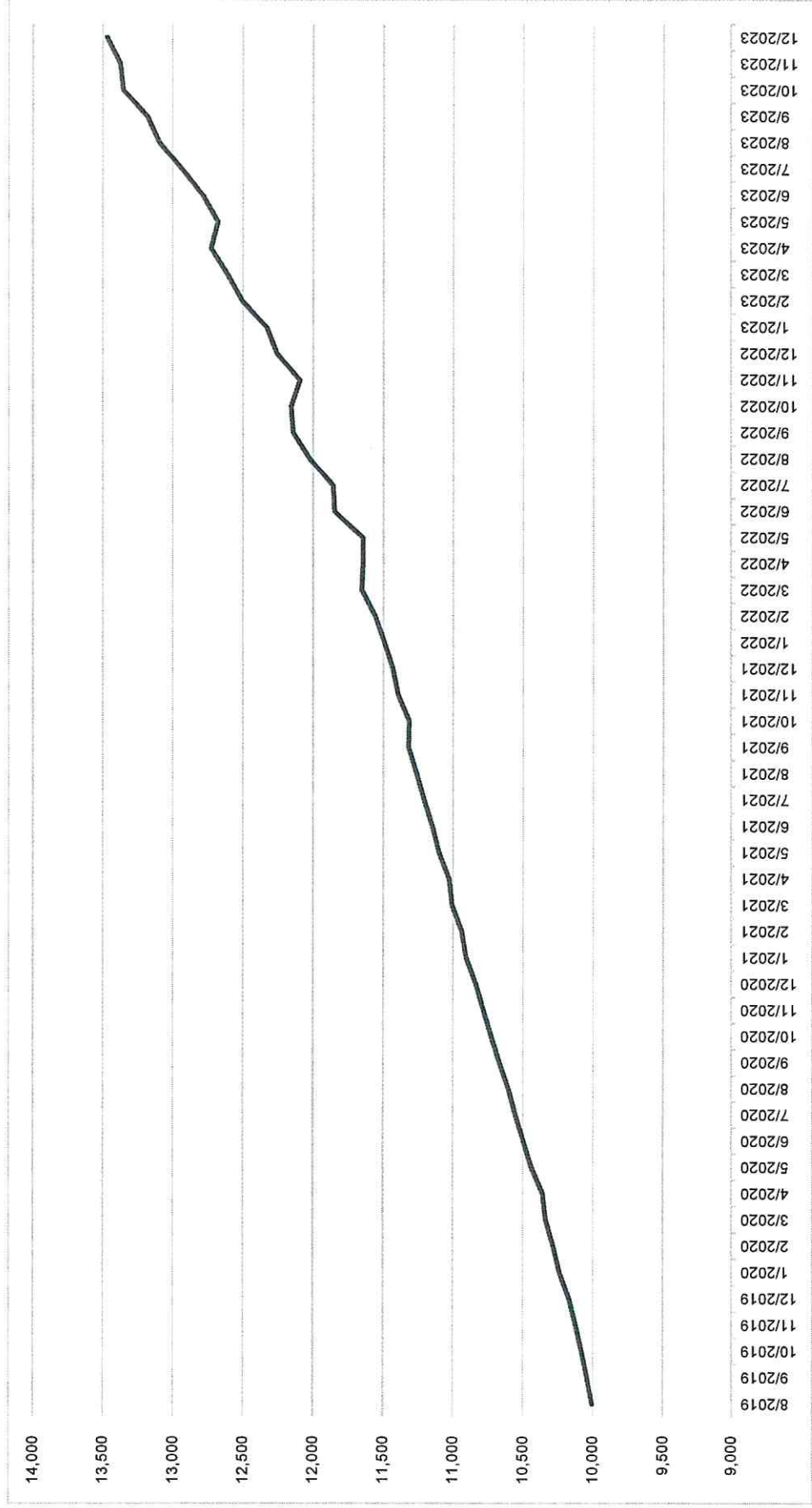
Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

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:



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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 31 December 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	1,987	828,768.60	7.79
From 5,000 to 10,000	60	439,433.12	4.13
From 10,000 to 50,000	51	1,093,783.75	10.28
From 50,000 to 500,000	14	1,777,319.27	16.70
Over 500,000	2	6,500,271.98	61.10
Total	2,114	10,639,576.72	100.00

3. Sunk cost and diminution: None

V. MARKET OUTLOOK

Looking into 2024, the Vietnamese economy is set to further recover as major tailwinds remain largely intact while headwinds are expected to subside. The Government would continue to pursue expansive monetary policy to support growth, especially as the US Dollar looks benign given the prospect of interest rate cuts of the Fed and domestic inflation is in check. Commercial banks would be highly likely to maintain low deposit rates amid abundant liquidity and sluggish credit demand. Lending rates thus would remain at supportive levels and that benefits consumption and investment.

On the fiscal side, public investment continues to be a key focus of the Government. More importantly, disbursements in this year will have broader economic impact as various major projects start constructions after completed site clearance in last year. The tourism sector was an important economic growth driver in 2023 and could reach higher potential thanks to efforts of the Government such as offering e-visas and multiple-entry visas to attract international tourists. Last but not least, FDI capitals, especially to the manufacturing sector (2023: US\$23.5bn, or 64.2% of total registered FDI and +39.9% YoY), have been robust and that would eventually benefit the labor market and exports.

In terms of headwinds, sluggish global demand especially in 1H 2024, as a consequence of tightening policies of world major central banks, remains the key challenge for Vietnam. In the US and EU, price pressures have cooled off remarkably but the most updated core CPI in December 2023 are still well above the central banks' targets of 2.0% increase. Therefore, monetary policies in the US and EU would remain tight in a considerable period of time. While that could lead to a recession, hopes for soft-landing scenario have also been emerging as the economies are resilient. For 2024, the Fed expects the US economy to expand by 1.4% (2023: +2.5%) while the ECB forecasts the EU's economy to grow by 0.8% (2023: +0.5%). China, the third largest export market of Vietnam, also shows economic resilience though 2024 GDP growth is expected to slow to 4.6% from 5.2% in 2023. As a whole, major export markets of Vietnam will see subdued growth in 2024 and exports are expected to gradually recover from the low base in 2023 and with additional values from new FDI projects as mentioned above.

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

V. MARKET OUTLOOK (continued)

Barring a possible recession in the US, we expect brighter outlooks for the Vietnamese economy and stock market. Earnings of companies in the VNIndex is expected to recover in 2024 for low base effect and higher economic growth and specifically by 26.9% YoY, according to Bloomberg consensus as of 10 Jan 2024. Earnings growth will make stock valuation more attractive with the VNIndex's forward P/E of 12.5x¹, considerably lower than the median in the last 10 years of 16.6x. Besides, the current low deposit rates will lift demand for risk assets including equities. It is also worth to note that the Government has been persistent to promote the Vietnamese stock market to emerging market status and that will continue to support investor sentiment.

That said, the pace and extent of earnings recovery would vary across companies and the stock market upgrade would benefit companies differently. Besides, several stocks performed remarkably well last year and thus the positive factors might have been largely factored in stock prices. Therefore, while we see a bright outlook for the stock market in 2024, we see opportunities in select companies and believe our approach of diversifying portfolios and making conviction-led decisions from bottom-up and fundamental analysis will continue to generate attractive risk-adjusted returns to our investors.

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.



CÔNG TY
TNHH
QUẢN LÝ
QUỸ ĐẦU TƯ
CHỨNG KHOÁN
VIETCOMBANK

Mr. Vu Quang Dong
Chief Executive Officer

Hanoi, Vietnam

29 March 2024

¹ Bloomberg, 10.01.2024

11/21/2024 10:31 AM



SUPERVISORY BANK'S REPORT

We, appointed as the Supervisory Bank of VCBF Fixed Income Fund (“the Fund”) for the period from 01st January 2023 to 31st December 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 01st January 2023 to 31st December 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 01st January 2023 to 31st December 2023, the Fund did not pay dividend to Fund Unit Holders.

SUPERVISORY BANK REPRESENTATIVE



Nguyen Thuy Linh

Senior Manager, Supervisory Services Operations

SUPERVISORY BANK OFFICER

Vu Minh Hien

Manager, Supervisory Services Operations

Reference: 12841689/66979134

INDEPENDENT AUDITORS' REPORT

To: The Investors of VCBF Fixed Income Fund

We have audited the accompanying financial statements of VCBF Fixed Income Fund ("the Fund") prepared on 29 March 2024 as set out on pages 16 to 56, which comprise the statement of financial position, the statement of investment portfolio as at 31 December 2023, the income statement, the statement of changes in net asset value, transactions of fund units and the cash flow statement for the year then ended and the notes thereto.

The 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 these 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' financial statements, and for such internal control as the Board of Management determines is necessary to enable the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management of the Fund Management Company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position and investment portfolio of the Fund as at 31 December 2023, and of the results of its operations, its changes in net asset value, transactions of fund units and its cash flows for the year then ended in accordance with the 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' financial statements.

Ernst & Young Vietnam Limited



Nguyen Phuong Nga
Deputy General Director
Audit Practicing Registration
Certificate No. 0763-2024-004-1



A handwritten signature in blue ink, appearing to read 'Quynh'.

Nguyen Thi Quynh
Auditor
Audit Practicing Registration
Certificate No.: 4207-2022-004-1

Ho Chi Minh City, Vietnam

29 March 2024

15/03/2024

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

INCOME STATEMENT
for the year ended 31 December 2023

B01-QM

Code	ITEMS	Notes	Current year VND	Previous year VND
01	I. INCOME FROM INVESTING ACTIVITIES		10,520,125,769	7,429,573,501
03	1.1 Interest income	13	9,558,612,169	7,975,391,255
04	1.2 Loss from investments trading	14	(129,390,577)	(202,592,910)
05	1.3 Unrealized gain/(loss) on revaluation of investments	5	1,090,904,177	(343,224,844)
10	II. EXPENSES FROM INVESTING ACTIVITIES	15	5,272,303	10,872,777
11	2.1 Transaction expenses for investment trading		4,942,303	10,872,777
15	2.2 Other expenses from investing activities		330,000	-
20	III. OPERATING EXPENSES		1,321,272,407	1,106,656,960
20.1	3.1 Fund management fee	23.1	98,298,524	90,614,872
20.2	3.2 Custody fee	16	141,080,108	181,041,540
20.3	3.3 Supervisory fee	23.2	211,200,000	196,900,000
20.4	3.4 Fund administration fee	23.2	426,800,000	211,200,000
20.5	3.5 Transfer agency services fee		132,000,000	132,000,000
20.7	3.6 General Meeting expense		31,763,275	20,846,448
20.8	3.7 Audit fee		143,880,000	141,240,000
20.10	3.8 Other operating expenses	17	136,250,500	132,814,100
23	IV. NET INCOME FROM INVESTING ACTIVITIES		9,193,581,059	6,312,043,764
30	V. PROFIT BEFORE TAX		9,193,581,059	6,312,043,764
31	5.1 Realized profit		8,102,676,882	6,655,268,608
32	5.2 Unrealized profit/(loss)	5	1,090,904,177	(343,224,844)
40	VI. COPORATE INCOME TAX EXPENSE		-	-
41	VII. PROFIT AFTER TAX		9,193,581,059	6,312,043,764



Ms. Le Van
Head of Operations Department



Ms. Duong Thi Hong Nam
Preparer



Mr. Vu Quang Dong
Chief Executive Officer



Ms. Tran Thi Ha Linh
Chief Accountant

Hanoi, Vietnam

29 March 2024

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

STATEMENT OF FINANCIAL POSITION
as at 31 December 2023

B02-QM

Code	ITEMS	Notes	31 December 2023 VND	31 December 2022 VND
100	I. ASSETS			
110	1. Cash and cash equivalents	4	58,547,552,909	6,685,243,389
111	1.1 Cash at banks for operation of the Fund		11,097,051,006	582,087,224
112	1.2 Deposits with terms under three (3) months		47,450,501,903	6,103,156,165
120	2. Net investments		87,090,789,921	81,032,606,619
121	2.1 Investments	5	87,090,789,921	81,032,606,619
130	3. Receivables		2,056,680,177	2,400,303,376
133	3.1 Receivables, accrual for interest and dividends income from investments		2,056,680,177	2,400,303,376
134	3.1.1 Receivables for interest and dividend income from investments		-	138,000,000
136	3.1.2 Accruals for interest and dividend income from investments	6	2,056,680,177	2,262,303,376
100	TOTAL ASSETS		147,695,023,007	90,118,153,384
300	II. LIABILITIES			
313	1. Payables to Distributors	7	-	41,693,845
314	2. Tax and payables to the State		-	9,536,320
316	3. Accrued expenses	8	71,280,000	71,280,000
317	4. Payables to fund unit holders for fund units subscription	9	4,232,293,850	24,433,177
318	5. Payables to fund unit holders for fund units redemption	10	67,441	-
319	6. Fund management fee payable	11	87,374,238	62,826,545
320	7. Other payables		-	7,500,000
300	TOTAL LIABILITIES		4,391,015,529	217,269,887
400	III. NET ASSET VALUE ATTRIBUTABLE TO FUND UNITS HOLDERS		143,304,007,478	89,900,883,497
411	1. Contributed capital		106,395,767,200	73,343,825,900
412	1.1 Capital from subscription	12	160,812,538,200	110,841,803,500
413	1.2 Capital from redemption	12	(54,416,771,000)	(37,497,977,600)
414	2. Capital premium		11,618,219,202	460,617,580
420	3. Retained earnings	13	25,290,021,076	16,096,440,017
430	IV. NET ASSET VALUE PER FUND UNIT	12	13,468.95	12,257.45

Vietcombank Fund Management Company Limited
 VCBF Fixed Income Fund

STATEMENT OF FINANCIAL POSITION (continued)
 as at 31 December 2023

B02-QM

OFF BALANCE SHEET ITEM

Code	ITEMS	Notes	31 December 2023 Fund units	31 December 2022 Fund units
004	1. Number of outstanding fund units	20	10,639,576.72	7,334,382.59

Ms. Le Van
 Head of Operations Department



Mr. Vu Quang Dong
 Chief Executive Officer

Ms. Duong Thi Hong Nam
 Preparer

Ms. Tran Thi Ha Linh
 Chief Accountant

Hanoi, Vietnam

29 March 2024

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

STATEMENT OF CHANGES IN NET ASSET VALUE,
TRANSACTIONS OF FUND UNITS
for the year ended 31 December 2023

B03-QM

Code	ITEMS	Current year VND	Previous year VND
I	Beginning balance of the Fund's Net Asset Value (NAV)	89,900,883,497	90,742,562,006
II	Changes in NAV during the year	9,193,581,059	6,312,043,764
	<i>In which:</i>		
II.1	- Changes in NAV arising from market fluctuation and the Fund's investment activities during the year	9,193,581,059	6,312,043,764
III	Changes in NAV due to redemption and subscription for fund units	44,209,542,922	(7,153,722,273)
	<i>In which:</i>		
III.1	- Proceeds from additional subscription of fund units	66,013,662,410	20,355,957,535
III.2	- Payment on redemption of fund units	(21,804,119,488)	(27,509,679,808)
IV	Ending balance of the Fund's NAV	143,304,007,478	89,900,883,497

Ms. Le Van
Head of Operations Department



Mr. Vb Quang Dong
Chief Executive Officer

Ms. Duong Thi Hong Nam
Preparer

Ms. Tran Thi Ha Linh
Chief Accountant

Hanoi, Vietnam

29 March 2024

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

STATEMENT OF INVESTMENT PORTFOLIO
as at 31 December 2023

B04-QM

No.	Items	Quantity	Market price as at 31 December 2023 VND	Total value VND	Proportion to the Fund's total assets as at 31 December 2023 (%)
I	Bonds			87,090,789,921	58.97
1	Listed bonds			77,090,789,921	52.19
1.1	- CTD122015	16	1,009,867,680.000	16,157,882,880	10.95
1.2	- GEG121022	119,589	103,360.780	12,360,812,319	8.37
1.3	- MML121021	123,000	99,000.411	12,177,050,553	8.24
1.4	- MSN121013	20,000	100,000.000	2,000,000,000	1.35
1.5	- TNG122017	134,000	101,658.329	13,622,216,086	9.22
1.6	- VHM121025	100,000	100,646.476	10,064,647,600	6.81
1.7	- VIC121005	106,905	100,165.385	10,708,180,483	7.25
2	Unlisted bond			10,000,000,000	6.78
2.1	- VDS12306	50	100,000,000.000	5,000,000,000	3.39
2.2	- VDSH2324004	50	100,000,000.000	5,000,000,000	3.39
II	Other assets			2,056,680,177	1.39
1	Accrued interest income from bonds			1,988,791,811	1.35
2	Accrued interest income from term deposits			67,888,366	0.04
III	Cash			58,547,552,909	39.64
1	Cash at banks			58,547,552,909	39.64
1.1	- Demand deposits			11,097,051,006	7.51
1.2	- Deposits with terms under three (3) months			47,450,501,903	32.13
IV	Total investment portfolio			147,695,023,007	100.00

Ms. Le Van
Head of Operations Department

Mr. Vu Quang Dong
Chief Executive Officer

Ms. Duong Thi Hong Nam
Preparer

Ms. Tran Thi Ha Linh
Chief Accountant

Hanoi, Vietnam

29 March 2024

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

STATEMENT OF CASH FLOW
for the year ended 31 December 2023

B05-QM

Code	ITEMS	Notes	Current year VND	Previous year VND
	I. CASH FLOWS FROM INVESTING ACTIVITIES			
01	1. Profit before tax		9,193,581,059	6,312,043,764
02	2. Adjustments for (decrease)/ increase in net asset value from investing activities:		(1,098,404,177)	349,404,844
	<i>In which:</i>			
03	Unrealized (gain)/loss from revaluation of investments	5	(1,090,904,177)	343,224,844
04	Accrued expenses		(7,500,000)	6,180,000
05	3. Profit from investing activities before adjustments in working capital		8,095,176,882	6,661,448,608
20	(Increase) in investments		(4,967,279,125)	(14,381,259,461)
07	Decrease/(increase) in accrued interest income from investments		343,623,199	(531,587,033)
11	(Decrease)/increase in payables to Distributors		(41,693,845)	32,873,781
13	(Decrease)/increase in tax and payables to the State		(9,536,320)	7,513,528
14	Increase in payables to fund unit holders for fund units subscriptions		4,207,860,673	12,933,177
15	Increase in payables to fund unit holders for fund units redemption		67,441	-
17	Increase/(decrease) in fund management fee payables		24,547,693	(13,721,023)
19	Net cash flows from/(used in) investing activities		7,652,766,598	(8,211,798,423)
	II. CASH FLOWS FROM FINANCING ACTIVITIES			
31	1. Proceeds from subscription of fund units	12	66,013,662,410	20,355,957,535
32	2. Payments on redemption of fund units	12	(21,804,119,488)	(27,509,679,808)
30	Net cash from from/(used in) financing activities		44,209,542,922	(7,153,722,273)
40	III. Net increase/(decrease) in cash and cash equivalents during the year		51,862,309,520	(15,365,520,696)

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

STATEMENT OF INVESTMENT PORTFOLIO
as at 31 December 2023

B04-QM

Code	ITEMS	Notes	Current year VND	Previous year VND
50	IV. Cash and cash equivalents at beginning of year	4	6,685,243,389	22,050,764,085
51	Cash at banks at beginning of year:		6,685,243,389	22,050,764,085
52	- Cash at banks for the Fund's operation <i>In which:</i>		6,660,810,212	22,039,264,085
	<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	V. Cash and cash equivalents at end of year	4	58,547,552,909	6,685,243,389
56	Cash at banks at the end of year:		58,547,552,909	6,685,243,389
57	- Cash at banks for the Fund's operation <i>In which:</i>		54,315,191,618	6,660,810,212
	<i>Deposits with terms under three (3) months</i>		47,450,501,903	6,103,156,165
	<i>Demand deposits for the Fund's operation</i>		6,864,689,715	557,654,047
58	- Cash at banks for fund unit holders for subscriptions		4,232,361,291	24,433,177
60	VI. Net increase/(decrease) in cash and cash equivalents during the year		51,862,309,520	(15,365,520,696)



Ms. Le Van
Head of Operations Department



Mr. Vu Quang Dong
Chief Executive Officer



Ms. Duong Thi Hong Nam
Preparer



Ms. Tran Thi Ha Linh
Chief Accountant

Hanoi, Vietnam

29 March 2024

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2023 and for the year then ended

B06-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 0.

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, 15th 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 31 December 2023, the Fund's contributed capital is VND 106,395,767,200 at par, equivalent to 10,639,576.72 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 FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B06-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 next Tuesday, Thursday which are business days.

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 FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B06-QM

1. THE FUND'S OPERATIONS (continued)

1.2 *The Fund's operations* (continued)

Investment restrictions (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 FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B06-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 FINANCIAL STATEMENTS

2.1 *Accounting standards and system*

The 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.

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

Accordingly, the accompanying 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 financial position and investment portfolio, result of operations, changes in net asset value, transactions of fund units and 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 income statement
2. The statement of financial position
3. The statement of changes in net asset value, transactions of fund units
4. The statement of investment portfolio
5. The statement of cash flow
6. Notes to the 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 FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B06-QM

2. BASIS FOR PREPARATION THE 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 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 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' financial statements.

3. SUMMARY SIGNIFICANT ACCOUNTING POLICIES

3.1 *Accounting estimates*

The preparation of the 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' 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 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 units holders for purchasing fund units waiting for allotment, 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, deposits with terms over 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 FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B06-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 statement of financial position.

Subsequent recognition

Investments presented in "*Investments*" in the 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 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 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 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
Cash and cash equivalents, money market instruments		
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 FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B06-QM

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
Cash and cash equivalents, money market instruments (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).
Bonds		
6.	Listed bonds	<ul style="list-style-type: none"> - 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; - 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"> + Price determined by the other methods which are approved by the Fund Representative Board (detailed in the Valuation Guidelines); or + Purchase price plus accumulated interest; or + Par value plus accumulated interest. <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"> - Quoted clean price (if any) on quotation systems plus accumulated interest as of the date prior to the Valuation Day; or - Price determined by the other methods which are approved by the Fund Representative Board (detailed in the Valuation Guidelines); or - Purchase price plus accumulated interest; or - Par value plus accumulated interest; <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 FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

B06-QM

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
Shares		
8.	Shares listed or registered for trading	<ul style="list-style-type: none"> - Closing price (or otherwise called according to the regulations adopted by the Stock Exchange) of the latest trading date before the Valuation Day. - 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"> + Price determined by the other methods which are approved by the Fund Representative Board (detailed in the Valuation Guidelines); or + Purchase price; or + Book value. <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"> - Price determined by the other methods which are approved by the Fund Representative Board (detailed in the Valuation Guidelines); or - Book value; or - Face value.
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"> - 80% (eighty percent) of liquidating value of such shares on the latest date of preparing balance sheet prior to the Valuation Day; or - Price determined by the other methods which are approved by the Fund Representative Board.
11.	Stocks, other contributed capital.	<ul style="list-style-type: none"> - 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. - In case of no full quotation of three (03) quotation providers, use one of following prices: <ul style="list-style-type: none"> + Price determined by the other methods which are approved by the Fund Representative Board (detailed in the Valuation Guidelines); or + Purchase price/ contributed capital value; or + Book value.

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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
Shares (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.
Derivative securities		
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).
Other assets		
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 agency services 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.

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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 year 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 year and the transfer of distributed profit amount to "Retained earnings" at the end of the year .

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Receivables*

Receivables are presented in the 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 income statement. Provision for receivables from sales of securities is recognized as expense increased during the year. Provision for receivables from dividends, coupons and deposit interest is recognized as income decreased during the year.

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:

<u>Overdue period</u>	<u>Provision rate</u>
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 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.

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VCBF Fixed Income Fund

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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.

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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 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 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 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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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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 distributors, 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 financial statements, are considered to be nil balance.

4. CASH AND CASH EQUIVALENTS

	<i>Ending balance</i>	<i>Beginning balance</i>
	<u>VND</u>	<u>VND</u>
Demand deposit at Supervisory and Custodian Bank for the Fund's operation	6,864,689,715	557,654,047
Deposit of Fund Unit Holders for fund units subscription	4,232,361,291	24,433,177
Deposits with terms under three (3) months in VNE	<u>47,450,501,903</u>	<u>6,103,156,165</u>
	<u>58,547,552,909</u>	<u>6,685,243,389</u>

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
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5. INVESTMENTS

	Cost VND	Market value or fair value VND		Revaluation difference			Fair value VND
		Increase VND	Decrease VND	Net increase/(decrease) VND			
31 December 2023							
Listed Corporate bonds (a)	76,495,462,001	77,090,789,921	753,825,313	(158,497,393)	595,327,920	77,090,789,921	
Unlisted Corporate bonds (b)	10,000,000,000	10,000,000,000	-	-	-	10,000,000,000	
	86,495,462,001	87,090,789,921	753,825,313	(158,497,393)	595,327,920	87,090,789,921	
31 December 2022							
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	
	81,528,182,876	81,032,606,619	389,775,511	(885,351,768)	(495,576,257)	81,032,606,619	
Impact of the revaluation difference on investments in the income statement					1,090,904,177		

(a) Listed corporate bonds are issued by Cotecons Construction Joint Stock Company, Gia Lai Electricity Joint Stock Company, Masan MeatLife Corporation, TNG Investment and Trading JSC, Vinhomes Joint Stock Company and Vingroup Joint Stock Company, having maturity from 3-5 years, interest rate ranging from 9.275%/p.a. to 13.780%, interest paid every 3 months or every 6 months

Bonds issued by Masan Group Corporation, with a term of 3 years, an interest rate of 10.10%/p.a, interest paid semi-annually. These bonds issued by Masan Group Corporation were delisted from 27 December 2023 due to expiry, falling into the case of delisting as prescribed at point a, clause 5, Article 120 of Decree 155/2020/ND-CP detailing the implementation of a number of articles of the Securities Law on 31 December 31 2020. As of 14 January 2024, the Fund had settled all these bonds and fully collected the bond principal and interest.

(b) Unlisted corporate bonds issued by Rong Viet Securities Joint Stock Company, with a term of 1 year from the issuing date, interest rates ranging from 9.20%/p.a to 9.50%/p.a, interest paid monthly.

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6. RECEIVABLES AND ACCRUED DIVIDENDS, INTEREST FROM INVESTMENTS

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Interest receivable from bonds	1,988,791,811	2,168,256,491
Interest receivable from term deposits	67,888,366	9,909,899
Interest receivable from certificates of deposit	-	84,136,986
	<u>2,056,680,177</u>	<u>2,262,303,376</u>

7. PAYABLES TO DISTRIBUTORS

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Payables to Fund Management Company	-	<u>41,693,845</u>

8. ACCRUED EXPENSES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Audit fee	<u>71,280,000</u>	<u>71,280,000</u>

9. PAYABLES TO FUND UNIT HOLDERS FOR FUND UNITS SUBSCRIPTION

This refers to payables to fund units holder for fund units subscriptions which are waiting for allotment.

10. PAYABLES TO FUND UNIT HOLDER FOR FUND UNITS REDEMPTION

This refers to payables to fund units holder for fund units redemption which are waiting for settlement.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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11. FUND MANAGEMENT FEE PAYABLE

	<i>Ending balance</i> VND	<i>Beginning balance</i> 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	10,374,238	7,606,545
Payable of custodian service - transaction fee	-	220,000
	<u>87,374,238</u>	<u>62,826,545</u>

12. STATEMENT OF CHANGES IN OWNERS' EQUITY

	<i>Beginning balance</i> VND	<i>Movement</i> <i>during the year</i> VND	<i>Ending balance</i> VND
Subscription capital			
Number of fund units ("unit")	11,084,180.35	4,997,073.47	16,081,253.82
Subscription capital at par value	110,841,803,500	49,970,734,700	160,812,538,200
Capital premium	6,083,398,939	16,042,927,710	22,126,326,649
Total subscription capital	116,925,202,439	66,013,662,410	182,938,864,849
Redemption capital			
Number of fund units ("unit")	(3,749,797.76)	(1,691,879.34)	(5,441,677.10)
Redemption capital at par value	(37,497,977,600)	(16,918,793,400)	(54,416,771,000)
Capital premium	(5,622,781,359)	(4,885,326,088)	(10,508,107,447)
Total redemption capital	(43,120,758,959)	(21,804,119,488)	(64,924,878,447)
Number of outstanding fund units ("unit")	<u>7,334,382.59</u>	<u>3,305,194.13</u>	<u>10,639,576.72</u>
Outstanding share capital	<u>73,804,443,480</u>	<u>44,209,542,922</u>	<u>118,013,986,402</u>
Retained earnings	<u>16,096,440,017</u>	<u>9,193,581,059</u>	<u>25,290,021,076</u>
NAV	<u>89,900,883,497</u>		<u>143,304,007,478</u>
NAV per fund unit	<u>12,257.45</u>		<u>13,468.95</u>

13. RETAINED EARNINGS

	<i>Current year</i> VND	<i>Previous year</i> VND
Realized profit	24,694,693,156	16,592,016,274
Unrealized gain/(loss)	595,327,920	(495,576,257)
	<u>25,290,021,076</u>	<u>16,096,440,017</u>

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14. INTEREST INCOME

	<i>Current year</i> VND	<i>Previous year</i> VND
Interest from bonds	8,468,650,910	7,426,886,946
Interest from certificates of deposit	583,290,411	415,000,000
Interest from term deposits	505,343,946	132,222,077
Interest from demand deposits	1,326,902	1,282,232
	9,558,612,169	7,975,391,255

15. LOSS FROM INVESTMENT TRADING

	<i>Current year</i>		
	<i>Total trading amount during the year VND</i>	<i>Weighted average cost at the end of the trading date VND</i>	<i>Loss on investment trading during the year VND</i>
Listed bond	24,926,800,000	25,056,190,577	(129,390,577)
Certificate of deposit	11,000,000,000	11,000,000,000	-
	35,926,800,000	36,056,190,577	(129,390,577)
	<i>Previous year</i>		
	<i>Total trading amount during the year VND</i>	<i>Weighted average cost at the end of the trading date VND</i>	<i>Loss on investment trading during the year VND</i>
Listed bond	28,999,200,000	29,201,792,910	(202,592,910)

16. TRANSACTION EXPENSES FOR INVESTMENT TRADING

	<i>Current year</i> VND	<i>Previous year</i> VND
Transaction expenses for buying investments	4,927,303	9,250,275
Transaction expenses for selling investments	-	1,613,502
Other expenses from investment trading	330,000	-
Offset expense	15,000	9,000
	5,272,303	10,872,777

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16. TRANSACTION EXPENSES FOR INVESTMENT TRADING (continued)

In 2023, the Fund's transactions are mainly conducted through the following securities companies:

No.	Name of securities companies (2)	Relationship with the Fund Management Company (3)	Trading rate of the Fund at each securities company			Average trading fee (%)	Average trading fee on market (%)
			Trading value of the Fund during the year VND (4)	Total trading value of the Fund during the year (*) VND (5)	Trading rate of the Fund at each securities company during the year (%) (6)=(4)/(5)		
1	BIDV Securities Joint Stock Company	Not related	14,076,005,865	41,161,978,604	34.21	0.02	0.00 - 0.45
2	Viet Dragon Securities Corporation	Not related	2,064,240,000	41,161,978,604	5.01	0.02	0.00 - 0.45
3	Vietcap Securities Joint Stock Company (Formerly Viet Capital Securities Joint Stock Company)	Not related	9,012,330,000	41,161,978,604	21.89	0.02	0.00 - 0.45
4	Trading unlisted securities		16,009,402,739	41,161,978,604	38.89	Not applicable	Not applicable
	Total		41,161,978,604		100.00		

(*) Total trading value of the Fund comprises of total trading value of unlisted bonds, certificate of deposit and off-market transactions.

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17. CUSTODY FEE

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
	<u> </u>	<u> </u>
Custodian service - safe custody fee	132,000,000	174,000,000
Custodian service - transaction fee	7,700,000	5,720,000
Custodian service - depository fee paid to the Viet Nam Securities Depository and Clearing Corporation	1,380,108	1,321,540
	<u>141,080,108</u>	<u>181,041,540</u>

18. OTHER OPERATING EXPENSES

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
	<u> </u>	<u> </u>
Remuneration of the Fund Representatives Board	120,000,000	120,000,000
Bank charges	8,750,500	5,314,100
Annual fee for the State Securities Commission	7,500,000	7,500,000
	<u>136,250,500</u>	<u>132,814,100</u>

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
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19. NET ASSET VALUE (continued)

Net asset value for the year ended 31 December 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 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)
Last period of April 2023	90,169,253,985	7,085,571.63	12,725.75	56.88
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
Last period of May 2023	90,704,330,167	7,154,257.57	12,678.37	13.17
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)
Last period of June 2023	89,892,918,590	7,031,444.30	12,784.41	25.69

Vietcombank Fund Management Company Limited
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NOTES TO THE FINANCIAL STATEMENTS (continued)
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19. NET ASSET VALUE (continued)

Net asset value for the year ended 31 December 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 July 2023	90,209,895,208	7,031,444.30	12,829.49	45.08
Second period of July 2023	90,353,013,749	7,052,914.50	12,810.73	(18.76)
Third period of July 2023	91,024,497,201	7,053,633.91	12,904.62	93.89
Fourth period of July 2023	91,033,333,127	7,032,711.30	12,944.27	39.65
Fifth period of July 2023	90,971,424,742	7,042,354.11	12,917.75	(26.52)
Sixth period of July 2023	90,881,626,579	7,044,190.90	12,901.64	(16.11)
Seventh period of July 2023	90,916,395,395	7,051,432.51	12,893.32	(8.32)
Eighth period of July 2023	90,600,962,300	7,045,689.91	12,859.06	(34.26)
Last period of July 2023	91,205,165,456	7,052,272.17	12,932.73	73.67
First period of August 2023	91,759,091,680	7,064,460.26	12,988.83	56.10
Second period of August 2023	92,027,055,947	7,078,401.78	13,001.10	12.27
Third period of August 2023	92,096,312,089	7,089,648.97	12,990.24	(10.86)
Fourth period of August 2023	92,935,340,748	7,138,509.38	13,018.87	28.63
Fifth period of August 2023	93,159,772,855	7,152,950.02	13,023.96	5.09
Sixth period of August 2023	99,909,930,746	7,676,664.13	13,014.75	(9.21)
Seventh period of August 2023	105,565,423,202	8,100,353.79	13,032.19	17.44
Eighth period of August 2023	106,457,537,557	8,150,585.67	13,061.33	29.14
Ninth period of August 2023	107,137,762,051	8,171,336.08	13,111.41	50.08
Last period of August 2023	107,109,151,742	8,180,091.89	13,093.88	(17.53)
First period of September 2023	107,205,559,984	8,180,091.89	13,105.66	11.78
Second period of September 2023	107,421,154,929	8,184,020.00	13,125.71	20.05
Third period of September 2023	107,833,255,600	8,201,778.13	13,147.54	21.83
Fourth period of September 2023	108,851,163,243	8,264,577.90	13,170.80	23.26
Fifth period of September 2023	108,891,240,526	8,248,848.57	13,200.78	29.98
Sixth period of September 2023	109,038,066,411	8,273,667.48	13,178.92	(21.86)
Seventh period of September 2023	108,596,689,736	8,271,033.80	13,129.76	(49.16)
Eighth period of September 2023	106,874,558,697	8,136,385.52	13,135.38	5.62
Last period of September 2023	107,586,936,127	8,162,164.15	13,181.17	45.79

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

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19. NET ASSET VALUE (continued)

Net asset value for the year ended 31 December 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 October 2023	107,612,297,289	8,162,164.15	13,184.28	3.11
Second period of October 2023	108,165,326,869	8,195,569.31	13,198.02	13.74
Third period of October 2023	107,924,224,412	8,143,298.37	13,253.13	55.11
Fourth period of October 2023	108,933,576,509	8,210,519.24	13,267.56	14.43
Fifth period of October 2023	109,508,200,692	8,238,971.65	13,291.48	23.92
Sixth period of October 2023	109,830,484,211	8,289,541.21	13,249.28	(42.20)
Seventh period of October 2023	110,150,366,945	8,303,550.25	13,265.45	16.17
Eighth period of October 2023	110,474,164,214	8,321,044.74	13,276.47	11.02
Ninth period of October 2023	110,717,855,476	8,309,624.58	13,324.05	47.58
Last period of October 2023	111,102,900,019	8,321,136.18	13,351.89	27.84
First period of November 2023	111,090,196,321	8,321,136.18	13,350.36	(1.53)
Second period of November 2023	112,400,429,134	8,406,428.75	13,370.77	20.41
Third period of November 2023	112,736,831,982	8,447,010.63	13,346.35	(24.42)
Fourth period of November 2023	113,648,973,159	8,560,182.22	13,276.46	(69.89)
Fifth period of November 2023	113,907,185,781	8,585,769.77	13,266.97	(9.49)
Sixth period of November 2023	115,432,951,979	8,673,449.23	13,308.77	41.80
Seventh period of November 2023	116,117,898,497	8,719,615.41	13,316.86	8.09
Eighth period of November 2023	117,201,401,699	8,752,261.43	13,390.98	74.12
Ninth period of November 2023	116,492,703,648	8,690,172.19	13,405.10	14.12
Last period of November 2023	115,371,826,587	8,627,321.47	13,372.84	(32.26)

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
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19. NET ASSET VALUE (continued)

Net asset value for the year ended 31 December 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 December 2023	115,554,514,447	8,627,321.47	13,394.01	21.17
Second period of December 2023	117,194,247,225	8,726,703.56	13,429.38	35.37
Third period of December 2023	117,232,263,162	8,745,938.40	13,404.19	(25.19)
Fourth period of December 2023	118,393,210,575	8,810,690.67	13,437.44	33.25
Fifth period of December 2023	120,005,590,222	8,966,996.94	13,383.03	(54.41)
Sixth period of December 2023	120,499,733,692	8,992,567.07	13,399.92	16.89
Seventh period of December 2023	121,570,759,874	9,023,784.56	13,472.25	72.33
Eighth period of December 2023	122,327,814,254	9,084,989.40	13,464.82	(7.43)
Last period of December 2023	143,304,007,478	10,639,576.72	13,468.95	4.13
Average NAV for the year	98,289,477,009			
Change maximum NAV per fund unit during the year				(126.71)
Change minimum NAV per fund unit during the year				(0.29)

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
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20. OFF BALANCE SHEET ITEM

Number of outstanding fund units

By duration that the fund units could be redeemable:

	<i>Ending balance (fund units)</i>	<i>Beginning balance (fund units)</i>
Up to one year	<u>10,639,576.72</u>	<u>7,334,382.59</u>

21. FINANCIAL RATIOS TO MEASURE THE OPERATING EFFECTIVENESS OF THE FUND

	<i>Current year (%)</i>	<i>Previous year (%)</i>
Expense ratio	1.35	1.23
Turnover ratio of investment portfolio	20.87	33.98

21.1 Expense ratio

Expense ratio is the performance ratio of operating expense of the Fund per one unit of net asset value.

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

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

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 Fund Unit Holders or income tax paid during the year (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.

21.2 Turnover ratio

Turnover ratio of investment portfolio is the number of trading cycles of investment assets of the Fund in one (1) year.

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

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

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
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22. 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:

22.1 *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 31 December 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 VND77,090,789,921. A decrease of 10% in these securities' market price could have an impact of approximately VND7,709,078,992 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 VND7,709,078,992.

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

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22. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

22.2 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.

22.3 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

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23. SUPPLEMENTARY DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amount and fair value of financial instruments of the Fund at 31 December 2023 are presented as follows:

	31 December 2023		31 December 2022	
	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
Financial assets				
Cash and cash equivalents	58,547,552,909	58,547,552,909	6,685,243,389	6,685,243,389
Net investments	87,090,789,921	87,090,789,921	81,032,606,619	81,032,606,619
- Corporate bonds	87,090,789,921	87,090,789,921	76,032,606,619	76,032,606,619
- Certificates of deposit	-	-	5,000,000,000	5,000,000,000
Receivables	2,056,680,177	2,056,680,177	2,400,303,376	2,400,303,376
	147,695,023,007	147,695,023,007	90,118,153,384	90,118,153,384
Financial liabilities				
Payables to Distributors	-	-	41,693,845	41,693,845
Accrued payables	71,280,000	71,280,000	71,280,000	71,280,000
Payables to fund unit holders for fund units subscription	4,232,293,850	4,232,293,850	24,433,177	24,433,177
Payables to fund unit holders for fund units redemption	67,441	67,441	-	-
Fund management fee payable	87,374,238	87,374,238	62,826,545	62,826,545
Other payables	-	-	7,500,000	7,500,000
	4,391,015,529	4,391,015,529	207,733,567	207,733,567

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 is re-valued using the valuation method stated in Note 3.3.

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VCBF Fixed Income Fund

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24. RELATED PARTIES AND OTHER KEY CONTRACTS

24.1 Related parties

a) *The Fund Management Company*

The significant transactions in the year was as follow:

	<i>Current year VND</i>	<i>Previous year VND</i>
Fund management fee	<u>98,298,524</u>	<u>90,614,872</u>

The outstanding balance at the end of year was as follow:

	<i>Current year VND</i>	<i>Previous year VND</i>
Fund management fee payable	<u>10,374,238</u>	<u>7,606,545</u>

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>Current year VND</i>	<i>Previous year VND</i>
Remunerations of the Fund Representatives Board	<u>120,000,000</u>	<u>120,000,000</u>

Balance of the remunerations of the Fund Representatives Board was nil as at year-end.

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Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
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24. RELATED PARTIES AND OTHER KEY CONTRACTS (continued)

24.1 Related parties (continued)

c) Fund units held by the related parties

The fund units held by the related parties were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>31 December 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	46.99	5,413,870.24	73.81
Other related parties		227,268.11	2.14	260,702.58	3.55
		5,227,268.35	49.13	5,674,572.82	77.36

24.2 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 minimum 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
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24. RELATED PARTIES AND OTHER KEY CONTRACTS (continued)

24.2 Other key contracts (continued)

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

	<i>Current year</i> VND	<i>Previous year</i> VND
	<hr/>	<hr/>
Supervisory fee	211,200,000	196,900,000
Custody fee - safekeeping fee	132,000,000	174,000,000
Custody fee - transaction fee	7,700,000	5,720,000
Fund administration service	426,800,000	211,200,000
Interests from demand deposit	1,326,902	1,282,232
Bank charges	8,750,500	4,214,100

The outstanding balance was as follow::

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
	<hr/>	<hr/>
Demand deposit	11,097,051,006	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 fee	37,400,000	15,400,000

Vietcombank Fund Management Company Limited
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25. EVENTS AFTER THE BALANCE SHEET DATE

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

Ms. Le Van
Head of Operations Department

Mr. Vũ Quang Đông
Chief Executive Officer

Ms. Duong Thi Hong Nam
Preparer

Ms. Tran Thi Ha Linh
Chief Accountant

Hanoi, Vietnam

29 March 2024