

VCBF Fixed Income Fund

Interim Financial statements

For the six-month period ended 30 June 2024



Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

CONTENT

| | <i>Pages</i> |
|---|--------------|
| General information | 1 - 2 |
| Report of the Board of Representatives | 3 |
| Report of the Fund Management Company | 4 - 11 |
| Report of the Supervisory Bank | 12 |
| Report on review of interim financial statements | 13 - 14 |
| Interim income statement | 15 |
| Interim statement of financial position | 16 - 17 |
| Interim statement of changes in net asset value, transactions of fund units | 18 |
| Statement of investment portfolio | 19 |
| Interim statement of cash flows | 20 - 21 |
| Notes to the interim financial statements | 22 - 52 |

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

GENERAL INFORMATION

THE FUND

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

Total number of initial distributed fund units was 5,658,181.28 fund units amounting to VND56,581,812,800 and accounting for 113.16% of 5,000,000 fund units expected to be offered at par value of VND10,000 per fund unit. As at 30 June 2024, the Fund’s contributed capital is VND194,743,788,600 at par value, equivalent to 19,474,378.86 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 11 July 2024 (initial registration on 2 December 2005) and acts as the authorized representative of the Fund and is entrusted to exercise ownership rights over the Fund’s assets in a truthful and prudent manner. The Fund Management Company complies with legal regulations and its own charter, manages the Fund’s assets in accordance with the provisions outlined in the Charter of the Fund, adheres to professional ethics, voluntarism, fairness, honesty, and acts in the best interests of the Fund.

BOARD OF REPRESENTATIVES

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

| <i>Name</i> | <i>Position</i> | <i>Date of appointment</i> |
|---------------------|------------------------------|-------------------------------|
| Mr. Mac Quang Huy | Chairman, independent member | Appointed on 9 August 2019 |
| Ms. Nguyen Thi Thuy | Independent member | Appointed on 9 August 2019 |
| Ms. Vu Ngoc Quynh | Member | Appointed on 21 November 2023 |

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

GENERAL INFORMATION (continued)

LEGAL REPRESENTATIVE

The legal representative of the Fund Management Company during the period and as of the date of this report is as follows:

| <u>Name</u> | <u>Position</u> | <u>Date of appointment/resignation</u> |
|-------------------------|--|--|
| Ms. Nguyen Thi Hang Nga | Chief Executive Officer of Vietcombank Fund Management Company Limited – the Fund Management Company | Appointed on 17 April 2024 |
| Mr. Vu Quang Dong | Chief Executive Officer of Vietcombank Fund Management Company Limited – the Fund Management Company | Appointed on 15 July 2017 Resigned on 17 April 2024 |

AUDITORS

The auditors of the Fund are Ernst & Young Vietnam Limited

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Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

REPORT OF THE BOARD OF REPRESENTATIVES

The Board of Representatives of VCBF Fixed Income Fund (“the Fund”) is pleased to present this report and the financial statements of the Fund for the six-month period ended 30 June 2024.

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

The Board of Management of Vietcombank Fund Management Company Limited (“the Fund Management Company”) is responsible for the interim financial statements of each financial period which give a true and fair view of the interim financial position, investment portfolio of the Fund as at 30 June 2024 and of the interim results of its operations, its changes in net asset value, transactions of fund units and its interim cash flows for the period. In preparing those interim financial statements, the Board of Management of the Fund Management Company is required to:

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

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

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

APPROVAL OF THE FINANCIAL STATEMENTS

The Board of Representatives hereby approved the accompanying interim financial statements based on the confirmation of the Board of Management of the Fund Management Company. The interim financial statements give a true and fair view of the interim financial position, investment portfolio of the Fund as at 30 June 2024 and of the interim results of its operations, its interim changes in net asset value, interim transactions of fund units and its interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds and the statutory requirements relevant to the preparation and presentation of open-ended funds’ financial statements.

On behalf of the Board of Representatives:



Mr. Mac Quang Huy
Chairman

Ho Chi Minh City, Vietnam

14 August 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 reviewed interim financial statements of the Fund, as at 30 June 2024, the change in net asset value (“NAV”) per fund unit and benchmark index are 3.75% and 1.13%, respectively, as compared to 31 December 2023.

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 indefinite period.

8. The Fund’s scale as at the reporting date

- Total net asset value: Vietnam Dong 272,129,765,595.
- Number of fund units: 19,474,378.86 fund units.

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

I. GENERAL INFORMATION OF THE FUND (continued)

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

10. Dividend policy

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

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

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

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

11. Net profit distribution per fund unit

During the period, the Fund has not distributed profit.

II. OPERATING FIGURES

1. Assets portfolio

| <i>Assets portfolio</i> | <i>30 June 2024</i> (%) | <i>30 June 2023</i> (%) | <i>30 June 2022</i> (%) |
|-------------------------|----------------------------|----------------------------|----------------------------|
| Bonds portfolio | 80.40 | 82.61 | 78.36 |
| Other assets | 19.60 | 17.39 | 21.64 |
| 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 | 30 June 2024 | 30 June 2023 | 30 June 2022 |
|-----|--|-----------------|----------------|----------------|
| 1 | Net asset value (NAV) of the Fund (VND) | 272,129,765,595 | 89,892,918,590 | 91,153,758,895 |
| 2 | Total outstanding fund units ("unit") | 19,474,378.86 | 7,031,444.30 | 7,694,346.48 |
| 3 | NAV per fund unit | 13,973.73 | 12,784.41 | 11,846.84 |
| 4 | Maximum NAV per fund unit during the reporting period | 14,004.94 | 12,829.51 | 11,876.65 |
| 5 | Minimum NAV per fund unit during the reporting period | 13,469.44 | 12,226.87 | 11,435.65 |
| 6 | Closing price of a fund unit at the reporting date (a) | Not applicable | Not applicable | Not applicable |
| 7 | Maximum closing price of a fund unit during the reporting period (a) | Not applicable | Not applicable | Not applicable |
| 8 | Minimum closing price of a fund unit during the reporting period (a) | Not applicable | Not applicable | Not applicable |
| 9 | Total growth (%) per fund unit (b) | 3.75 | 4.30 | 3.63 |
| 9.1 | Capital growth (%) per fund unit (change due to price fluctuation) (b) | 0.16 | -0.17 | 0.05 |
| 9.2 | Earnings growth (%) per fund unit (based on realized income) (b) | 3.59 | 4.47 | 3.58 |
| 10 | Gross distribution per fund unit (c) | - | - | - |
| 11 | Net distribution per fund unit (c) | - | - | - |
| 12 | Ex-date of distribution (c) | - | - | - |
| 13 | Expense ratio (%) | 0.79 | 1.48 | 1.38 |
| 14 | Turnover ratio of investment portfolio (%) | 67.49 | 21.29 | 30.09 |

(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 distributed profits.

Vietcombank Fund Management Company Limited
 VCBF Fixed Income Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

II. OPERATING FIGURES (continued)

3. Growth over periods

| <i>Period</i> | <i>Growth of NAV per fund unit (%)</i> | <i>Benchmark index of the Fund (%)</i> |
|--|--|--|
| 6 months (from 1 January 2024 to 30 June 2024) | 3.75 | 1.13 |
| 1 year (from 30 June 2023 to 30 June 2024) | 9.30 | 3.57 |
| 3 years (from 30 June 2021 to 30 June 2024) | 25.33 | 9.47 |
| 3 years (annually compounded return) | 7.82 | 3.06 |
| Since inception | 39.74 | 16.53 |
| Since inception (annually compounded return) | 7.07 | 3.17 |

4. Annual growth rate

| <i>Item</i> | <i>From 1 January 2024 to 30 June 2024 (%)</i> | <i>2023 (%)</i> | <i>2022 (%)</i> |
|-----------------------------|--|---------------------|---------------------|
| Growth of NAV per fund unit | 3.75 | 9.88 | 7.22 |

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Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

III. MARKET UPDATE DURING THE PERIOD

1. Macroeconomics overview

Vietnam's GDP growth accelerated and exceeded expectations with 6.93% YoY growth in the 2Q and 6.42% YoY for the 1H 2024. The Government's target of 6.0-6.5% YoY for 2024 is now more likely to be achieved:

- ▶ In the Industrial & Construction sector (contributing 36.4% of GDP, growing 7.5% YoY compared to 1.1% in 1H 2023), the Manufacturing sub-sector was the key driver, growing by 8.7% YoY in 1H 2024 against 0.4% in 1H 2023. The Construction sub-sector grew by 7.3% (2023: 6.3%), while Mining & Extraction worsened to -7.2% from -1.4% recorded in the same period last year due to falling crude oil and natural gas output.
- ▶ The Services sector (43.4% of GDP) remained robust and grew by 7.1% YoY in 2Q and 6.6% YoY for 6M 2024 to contribute 49.8% of GDP growth.
- ▶ The Agricultural, Forestry & Fisheries sector (11.6% of GDP) grew by 3.4% YoY and contributing 6.0% to GDP growth.
- ▶ Nominal retail sales growth improved to 1.2% QoQ in 2Q and grew by 8.6% YoY for 6M 2024.
- ▶ The PMI rose sharply to 54.7 points in June with substantial increases in both output and new orders, which grew by the fastest pace since the PMI was launched in 2011.
- ▶ Exports also recorded higher orders and grew by 5.4% QoQ and 14.9% YoY for 6M 2024 across almost all export categories, led by cameras (+50.7% YoY), computers & electronics (+31.5% YoY) and agricultural products (+25.6% YoY).
- ▶ Inflation has edged up to 1.4% YTD and 4.4% YoY in 2Q from 1.1% YTD and 3.8% YoY in the 1Q, mainly due to rising food prices (notably rising rice and pork prices) as well as higher housing and electricity costs. However, the inflation is expected to remain within the 4.0-4.5% upper range set by the Government.

The VND continued to slide by almost 2.0% MoM against the US Dollar in April until it was steadied by the SBV for the rest of the 2Q, bringing depreciation to 4.3% YTD and 7.3% YoY. Pressure on the exchange rate is expected to continue as long as the USD and VND interest rate differential remains negative. The SBV has benefited from good FDI inflows (disbursement of US\$10.8bn in 1H 2024), the high trade balance (US\$11.8bn) as well as the services trade deficit remaining manageable at US\$4.9bn.

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

III. MARKET UPDATE DURING THE PERIOD (continued)

2. Bond Market

By the end of June, the State Treasury successfully issued VND156.5 trillion G-Bonds, completing 39.1% of the annual issuance plan. By the end of June, 5YR tenors were trading at 1.98%, 45bps higher than at the end December 2023. 10-15YR tenors were trading within the range of 2.78%-2.95%, which translates to an increase of around 55bps from end of 4Q last year. Yields of 20-30YR G-Bonds also moved up, but within a thin range of around 20bps within the first six months of the year.

Regarding corporate private placement activities, total issuance volume reached VND129 trillion, nearly double that of 6M 2023. Banks continued to be the dominant issuers, accounting for 67% of the total issuance volume 1H 2024. In the public offering markets, VND16.8 trillion were offered to the market and VND16.7 trillion were issued in the 1H 2024, which indicates a success rate of 99.4%. With the rising trend of mobilization rates and higher interbank rates, issuance coupons of banks' bonds have also been rising. Senior 3YR bonds offered by Tier 2 commercial banks offered coupons of 5.4%-5.6% by the end of June, compared to 3.7%-3.9% in April, but not much different from what recorded by end of 2023. Yields of 7YR junior bonds stayed flat, ranging between 5.8% for bonds issued by Tier 1 commercial banks, 6.2% for Tier 2 banks and 7.5% for Tier 3 banks. Yields of real estate bonds continue to range within the 10-12% range.

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) | 7.85 | Not applicable |
| Capital growth per fund unit (a) | 1.45 | Not applicable |
| Annual growth per fund unit | 9.30 | 7.07 |
| 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>30 June 2024 VND</i> | <i>30 June 2023 VND</i> | <i>Changing rate (%)</i> |
|-------------------|-------------------------|-------------------------|--------------------------|
| NAV of the Fund | 272,129,765,595 | 89,892,918,590 | 202.73 |
| NAV per fund unit | 13,973.73 | 12,784.41 | 9.30 |

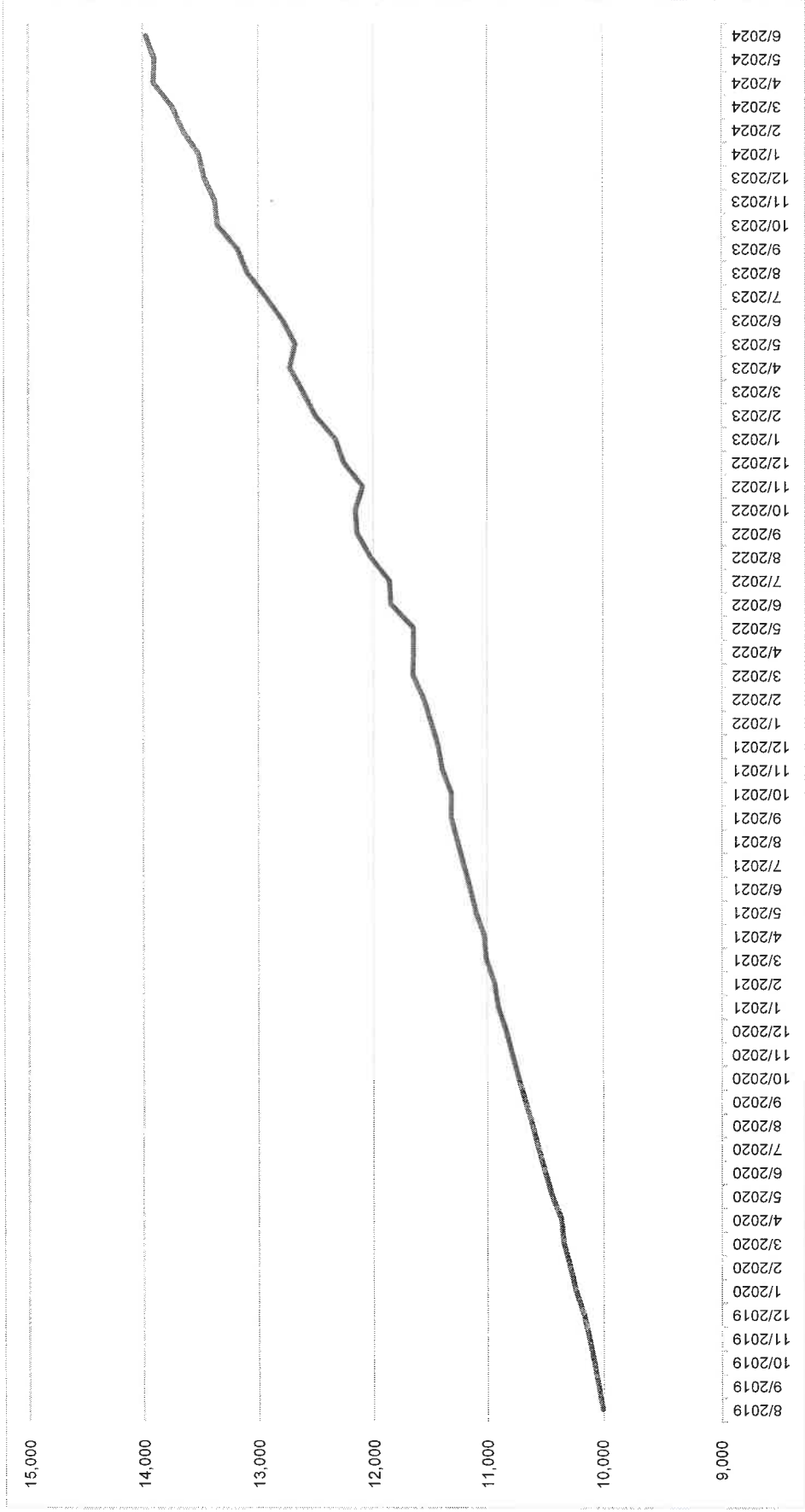
Vietcombank Fund Management Company Limited
 VCBF Fixed Income Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

IV. KEY PERFORMANCE INDICATORS (continued)

1. Key performance indicators (continued)

Chart below shows monthly NAV per unit of the Fund:



Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

IV. KEY PERFORMANCE INDICATORS (continued)

2. Statistical information on Fund Unit Holders as at 30 June 2024

| <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 | 4,198 | 2,165,220.63 | 11.11 |
| From 5,000 to 10,000 | 170 | 1,224,875.60 | 6.29 |
| From 10,000 to 50,000 | 182 | 3,980,003.68 | 20.44 |
| From 50,000 to 500,000 | 43 | 4,763,228.98 | 24.46 |
| Over 500,000 | 2 | 7,341,049.97 | 37.70 |
| Total | 4,595 | 19,474,378.86 | 100.00 |

3. Sunk cost and diminution: None

V. MARKET OUTLOOK

With SBV's OMO intervention, the VND-USD negative interest rate gap has closed down to nearly 0.0% from -2.4% by end of 1Q and -4.1% by end of last year. Together with USD selling by SBV, VND- USD exchange rate was quite stable during June with depreciation of around 0.02%, compared to DXY strengthening of 1.1%. Although the currency depreciation pressures sustain, intensities are expected to alleviate in the second half of the year, taking into account several factors including stronger exports (especially from local business) and more certain rate cut pathway of the U.S Federal Reserve. Pressures for rate rise are consequently expected to abate. However, credit disbursement picked up strongly in the final week of June, which is forecasted to further gather pace under strong economic momentum in the second half of the year. This would negatively affect the demand for G-Bonds. From the supply side, State Treasury might get a bit more aggressive with issuance plan and thus accept higher yields. Thus, G-Bond yields are expected to rise in the 2H of the year, but not too significantly.

Regarding the corporate bond market, private placement activities are expected to continue to accelerate, especially in the banking group. However, public offering activities will continue to be limited with only some offerings mainly by commercial banks. Deposit rates of banks are expected to continue rising in the second half of the year, which shall raise the coupon rates of corporate bonds accordingly. However, bond yields are forecasted to remain stable in the 2H of the year.

VI. OTHER INFORMATION

Information of the fund management personnel, Board of Representatives and Board of Management of the Fund Management Company has been fully presented in the Fund Prospectus.


 MS. Nguyen Thi Hang Nga
 Chief Executive Officer

Hanoi, Vietnam

14 August 2024



SUPERVISORY BANK'S REPORT

We, appointed as the Supervisory Bank of VCBF Fixed Income Fund ("the Fund") for the period from 01st January 2024 to 30th June 2024, 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 2024 to 30th June 2024, 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 2024 to 30th June 2024, 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: 12841689/68277648-SX

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

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

We have reviewed the accompanying interim financial statements of VCBF Fixed Income Fund ("the Fund") prepared on 14 August 2024 as set out on pages 15 to 52, which comprise the interim statement of financial position, the statement of investment portfolio as at 30 June 2024, the interim income statement, the interim statement of changes in net asset value, transactions of fund units and the interim cash flow statement for the six-month period then ended and the notes thereto.

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

Auditors' responsibility

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

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

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the interim financial position and investment portfolio of the Fund as at 30 June 2024, and of the interim results of its operations, changes in its net asset value, transactions of fund units and its interim cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds and the statutory requirements relevant to preparation and presentation of open-ended funds' interim financial statements.

Ernst & Young Vietnam Limited



Vũ Tiên Dung

Deputy General Director
Audit Practicing Registration
Certificate No. 3221-2020-004-1

Ho Chi Minh City, Vietnam

14 August 2024

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

INTERIM INCOME STATEMENT
for the six-month period ended 30 June 2024

B01g-QM

| Code | ITEMS | Notes | For the six-month period ended 30 June 2024 VND | For the six-month period ended 30 June 2023 VND |
|-----------|--|-----------|---|---|
| 01 | I. INCOME FROM INVESTING ACTIVITIES | | 8,510,432,111 | 4,416,796,206 |
| 03 | 1.1 Interest income | 14 | 8,431,901,577 | 4,558,594,701 |
| 04 | 1.2 Loss from investments trading | 15 | (25,656,326) | (64,442,780) |
| 05 | 1.3 Unrealized gain/(loss) on revaluation of investments | 5 | 104,186,860 | (77,355,715) |
| 10 | II. EXPENSES FROM INVESTING ACTIVITIES | 16 | 25,465,749 | 2,946,178 |
| 11 | 2.1 Transaction expenses for investment trading | | 25,465,749 | 2,616,178 |
| 15 | 2.2 Other expenses from investing activities | | - | 330,000 |
| 20 | III. OPERATING EXPENSES | | 831,223,899 | 658,495,491 |
| 20.1 | 3.1 Fund management fee | 24.1 | 150,557,185 | 44,266,372 |
| 20.2 | 3.2 Custody fee | 17 | 73,189,608 | 68,423,902 |
| 20.3 | 3.3 Supervisory fee | 24.2 | 105,600,000 | 105,600,000 |
| 20.4 | 3.4 Fund administration fee | 24.2 | 224,400,000 | 202,400,000 |
| 20.5 | 3.5 Transfer agent fee | | 66,000,000 | 66,000,000 |
| 20.7 | 3.6 General Meeting expense | | 69,310,936 | 30,168,025 |
| 20.8 | 3.7 Audit fee | | 70,890,492 | 73,323,288 |
| 20.10 | 3.8 Other operating expenses | 18 | 71,275,678 | 68,313,904 |
| 23 | IV. NET INCOME FROM INVESTING ACTIVITIES | | 7,653,742,463 | 3,755,354,537 |
| 24 | V. OTHER INCOME AND EXPENSES | | - | - |
| 30 | VI. PROFIT BEFORE TAX | | 7,653,742,463 | 3,755,354,537 |
| 31 | 6.1 Realized profit | | 7,549,555,603 | 3,832,710,252 |
| 32 | 6.2 Unrealized profit/(loss) | 5 | 104,186,860 | (77,355,715) |
| 40 | VII. CORPORATE INCOME TAX EXPENSE | | - | - |
| 41 | VIII. PROFIT AFTER TAX | | 7,653,742,463 | 3,755,354,537 |


Ms. Le Van
Head of Operations Department


Ms. Nguyen Thi Hang Nga
Chief Executive Officer


Ms. Nguyen Minh Hang
Preparer


Ms. Tran Thi Ha Linh
Chief Accountant

Hanoi, Vietnam

14 August 2024

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

INTERIM STATEMENT OF FINANCIAL POSITION
as at 30 June 2024

B02g-QM

| Code | ITEMS | Notes | 30 June 2024 VND | 31 December 2023 VND |
|------------|---|-----------|------------------------|-------------------------|
| 100 | I. ASSETS | | | |
| 110 | 1. Cash and cash equivalents | 4 | 47,814,209,632 | 58,547,552,909 |
| 111 | 1.1 Cash at banks for operation of the Fund | | 5,132,394,295 | 11,097,051,006 |
| 112 | 1.2 Deposits with terms under three (3) months | | 42,681,815,337 | 47,450,501,903 |
| 120 | 2. Net investments | | 220,155,229,454 | 87,090,789,921 |
| 121 | 2.1 Investments | 5 | 220,155,229,454 | 87,090,789,921 |
| 130 | 3. Receivables | | 5,875,337,653 | 2,056,680,177 |
| 133 | 3.1 Receivables, accrual for interest and dividends income from investments | | 5,875,337,653 | 2,056,680,177 |
| 136 | 3.1.1 Accruals for interest and dividend income from investments | 6 | 5,875,337,653 | 2,056,680,177 |
| 100 | TOTAL ASSETS | | 273,844,776,739 | 147,695,023,007 |
| 300 | II. LIABILITIES | | | |
| 313 | 1. Payables to Distributors | 7 | 118,775,275 | - |
| 314 | 2. Tax and payables to the State | | 31,427,166 | - |
| 316 | 3. Accrued expenses | 8 | 97,890,492 | 71,280,000 |
| 317 | 4. Payables to fund unit holders for fund units subscription | 9 | 1,340,618,999 | 4,232,293,850 |
| 318 | 5. Payable to fund unit holders for fund units redemption | 10 | - | 67,441 |
| 319 | 6. Fund management fee payable | 11 | 121,326,534 | 87,374,238 |
| 320 | 7. Other payables | | 4,972,678 | - |
| 300 | TOTAL LIABILITIES | | 1,715,011,144 | 4,391,015,529 |
| 400 | III. NET ASSET VALUE ATTRIBUTABLE TO FUND UNITS HOLDERS | | 272,129,765,595 | 143,304,007,478 |
| 411 | 1. Contributed capital | | 194,743,788,600 | 106,395,767,200 |
| 412 | 1.1 Capital from subscription | 12 | 282,455,394,800 | 160,812,538,200 |
| 413 | 1.2 Capital from redemption | 12 | (87,711,606,200) | (54,416,771,000) |
| 414 | 2. Capital premium | | 44,442,213,456 | 11,618,219,202 |
| 420 | 3. Retained earnings | 13 | 32,943,763,539 | 25,290,021,076 |
| 430 | IV. NET ASSET VALUE PER FUND UNIT | 12 | 13,973.73 | 13,468.95 |

Vietcombank Fund Management Company Limited
 VCBF Fixed Income Fund

INTERIM STATEMENT OF FINANCIAL POSITION (continued)
 as at 30 June 2024

B02g-QM

OFF BALANCE SHEET ITEM

| Code | ITEMS | Notes | 30 June 2024 Fund units | 31 December 2023 Fund units |
|------|-------------------------------------|-------|----------------------------|--------------------------------|
| 004 | 1. Number of outstanding fund units | 20 | 19,474,378.86 | 10,639,576.72 |

Ms. Le Van
 Head of Operations Department



Ms. Nguyen Thi Hang Nga
 Chief Executive Officer

Ms. Nguyen Minh Hang
 Preparer

Ms. Tran Thi Ha Linh
 Chief Accountant

Hanoi, Vietnam

14 August 2024

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Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

INTERIM STATEMENT OF CHANGES IN NET ASSET VALUE,
TRANSACTIONS OF FUND UNITS
for six-month period ended 30 June 2024

B03g-QM

| Code | ITEMS | For the six-month period ended 30 June 2024 VND | For the six-month period ended 30 June 2023 VND |
|-------|---|--|--|
| I | Beginning balance of the Fund's Net Asset Value (NAV) | 143,304,007,478 | 89,900,883,497 |
| II | Changes in NAV during the period | 7,653,742,463 | 3,755,354,537 |
| | <i>In which:</i> | | |
| II.1 | - Changes in NAV arising from market fluctuation and the Fund's investment activities during the period | 7,653,742,463 | 3,755,354,537 |
| III | Changes in NAV due to redemption and subscription for fund units | 121,172,015,654 | (3,763,319,444) |
| | <i>In which:</i> | | |
| III.1 | - Proceeds from additional subscription of fund units | 166,998,618,620 | 6,404,911,670 |
| III.2 | - Payment on redemption of fund units | (45,826,602,966) | (10,168,231,114) |
| IV | Ending balance of the Fund's NAV | 272,129,765,595 | 89,892,918,590 |



Ms. Le Van
Head of Operations Department



Ms. Nguyen Thi Hang Nga
Chief Executive Officer



Ms. Nguyen Minh Hang
Preparer



Ms. Tran Thi Ha Linh
Chief Accountant

Hanoi, Vietnam

14 August 2024

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

STATEMENT OF INVESTMENT PORTFOLIO
as at 30 June 2024

B04g-QM

| No. | Items | Quantity | Market price as at 30 June 2024 VND | Total value VND | Proportion to the Fund's total assets as at 30 June 2024 (%) |
|------------|--|----------|--|------------------------|--|
| I | Bonds | | | 220,155,229,454 | 80.40 |
| 1 | Listed bonds | | | 210,155,229,454 | 76.74 |
| 1.1 | - BID121028 | 150,000 | 101,873.617 | 15,281,042,550 | 5.58 |
| 1.2 | - CTD122015 | 44 | 1,007,863,260.000 | 44,345,983,440 | 16.19 |
| 1.3 | - GEG121022 | 169,589 | 102,670.973 | 17,411,867,640 | 6.36 |
| 1.4 | - MML121021 | 253,000 | 99,276.644 | 25,116,990,932 | 9.17 |
| 1.5 | - MSN123008 | 380,000 | 100,421.224 | 38,160,065,120 | 13.93 |
| 1.6 | - TNG122017 | 270,829 | 101,897.493 | 27,596,796,132 | 10.08 |
| 1.7 | - VHM121025 | 420,000 | 100,577.342 | 42,242,483,640 | 15.43 |
| 2 | Unlisted bonds | | | 10,000,000,000 | 3.66 |
| 2.1 | - VDS12306 | 50 | 100,000,000.000 | 5,000,000,000 | 1.83 |
| 2.2 | - VDS12307 | 50 | 100,000,000.000 | 5,000,000,000 | 1.83 |
| II | Other assets | | | 5,875,337,653 | 2.15 |
| 1 | Accrued interest income from bonds | | | 5,779,579,810 | 2.11 |
| 2 | Accrued interest income from term deposits | | | 95,757,843 | 0.04 |
| III | Cash | | | 47,814,209,632 | 17.45 |
| 1 | Cash at banks | | | 47,814,209,632 | 17.45 |
| 1.1 | - Demand deposits | | | 5,132,394,295 | 1.86 |
| 1.2 | - Deposits with terms under three (3) months | | | 42,681,815,337 | 15.59 |
| IV | Total investment portfolio | | | 273,844,776,739 | 100.00 |

Ms. Le Van
Head of Operations Department



Ms. Nguyen Thi Hang Nga
Chief Executive Officer

Ms. Nguyen Minh Hang
Preparer

Ms. Tran Thi Ha Linh
Chief Accountant

Hanoi, Vietnam

14 August 2024

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

INTERIM STATEMENT OF CASH FLOW
for the six-month period ended 30 June 2024

B05g-QM

| Code | ITEMS | Notes | For the six-month period ended 30 June 2024 VND | For the six-month period ended 30 June 2023 VND |
|------|--|-------|--|--|
| | I. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| 01 | 1. Profit before corporate income tax | | 7,653,742,463 | 3,755,354,537 |
| 02 | 2. Adjustments for (decrease)/increase in net asset value from investing activities: | | (99,603,690) | 75,537,907 |
| | <i>In which:</i> | | | |
| 03 | Unrealized (gain)/loss from revaluation of investments | 5 | (104,186,860) | 77,355,715 |
| 04 | Accrued expenses | | 4,583,170 | (1,817,808) |
| 05 | 3. Profit from investing activities before adjustments in working capital | | 7,554,138,773 | 3,830,892,444 |
| 20 | Increase in investments | | (132,960,252,673) | (4,682,143,111) |
| 07 | (Increase)/decrease in accrued interest income from investments | | (3,818,657,476) | 230,270,728 |
| 11 | Increase/(decrease) in payables to Distributors | | 118,775,275 | (37,189,177) |
| 13 | Increase/(decrease) in tax and payables to the State | | 31,427,166 | (2,053,812) |
| 14 | (Decrease)/increase in payables to fund unit holders for fund units subscriptions | | (2,891,674,851) | 228,430,649 |
| 15 | Decrease in payables to fund unit holders for fund units redemption | | (67,441) | - |
| 16 | Increase in other payables | | 27,000,000 | 27,000,000 |
| 17 | Increase in fund management fee payables | | 33,952,296 | 21,622,204 |
| 19 | Net cash flows used in investing activities | | (131,905,358,931) | (383,170,075) |
| | II. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 31 | 1. Proceeds from subscription of fund units | 12 | 166,998,618,620 | 6,404,911,670 |
| 32 | 2. Payments on redemption of fund units | 12 | (45,826,602,966) | (10,168,231,114) |
| 30 | Net cash from from/(used in) financing activities | | 121,172,015,654 | (3,763,319,444) |
| 40 | III. NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD | | (10,733,343,277) | (4,146,489,519) |

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

INTERIM STATEMENT OF CASH FLOW (continued)
For the six-month period ended 30 June 2024

B05g-QM

| Code | ITEMS | Notes | For the six-month period ended 30 June 2024 VND | For the six-month period ended 30 June 2023 VND |
|-----------|--|----------|---|---|
| 50 | IV. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 4 | 58,547,552,909 | 6,685,243,389 |
| 51 | Cash at banks at the beginning of the period: | | 58,547,552,909 | 6,685,243,389 |
| 52 | - Cash at banks for the Fund's operation | | 54,315,191,618 | 6,660,810,212 |
| | <i>In which:</i> | | | |
| | <i>Deposits with terms under three (3) months</i> | | 47,450,501,903 | 6,103,156,165 |
| | <i>Demand deposit for the Fund's operation</i> | | 6,864,689,715 | 557,654,047 |
| 53 | - Cash at bank of fund unit holders for subscription and redemption | | 4,232,361,291 | 24,433,177 |
| 55 | V. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 4 | 47,814,209,632 | 2,538,753,870 |
| 56 | Cash at banks at the end of the period: | | 47,814,209,632 | 2,538,753,870 |
| 57 | - Cash at banks for the Fund's operation | | 46,473,590,633 | 2,285,890,044 |
| | <i>In which:</i> | | | |
| | <i>Deposits with terms under three (3) months</i> | | 42,681,815,337 | 1,967,125,950 |
| | <i>Demand deposits for the Fund's operation</i> | | 3,791,775,296 | 318,764,094 |
| 58 | - Deposits of fund units holders for fund unit subscription and redemption | | 1,340,618,999 | 252,863,826 |
| 60 | VI. NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD | | (10,733,343,277) | (4,146,489,519) |



Ms. Le Van
Head of Operations Department



Ms. Nguyen Thi Hang Nga
Chief Executive Officer



Ms. Nguyen Minh Hang
Preparer



Ms. Tran Thi Ha Linh
Chief Accountant

Hanoi, Vietnam

14 August 2024

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS
as at 30 June 2024 and for the six-month period then ended

B06g-QM

1. THE FUND'S OPERATIONS

1.1 *General information*

The Fund

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

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

The Fund is located at Vietcombank Fund Management Company Limited, 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 11 July 2024 (initial registration on 2 December 2005) and acts as the authorized representative of the Fund and is entrusted to exercise ownership rights over the Fund's assets in a truthful and prudent manner. The Fund Management Company complies with legal regulations and its own charter, manages the Fund's assets in accordance with the provisions outlined in the Charter of the Fund, adheres to professional ethics, voluntarism, fairness, honesty, and acts in the best interests of the Fund.

1.2 *The Fund's operations*

Capital

Total number of initial distributed fund units was 5,658,181.28 units amounting to VND56,581,812,800 and accounting for 113.16% of 5,000,000 fund units expected to be offered at par value of VND10,000 per fund unit. As at 30 June 2024, the Fund's contributed capital is VND 194,743,788,600 at par, equivalent to 19,474,378.86 fund units.

Investment objectives

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

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-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 INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-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 exceed investment restrictions that mentioned in Clauses (a), (b), (c), (d), (e), (f) and (i) above and only for the following reasons:

- (i) Changes in market prices of assets in the Fund's investment portfolio;
- (ii) Fulfilment of legitimate payments of the Fund, including execution of transaction orders of fund unit holders;
- (iii) Separation, splitting, merger and acquisition activities of issuers of securities held by the Fund;
- (iv) 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
- (v) The Fund is in the process of dissolution.

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

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-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 five (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 FOR THE INTERIM FINANCIAL STATEMENTS

2.1 *Accounting standards and system*

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

The interim financial statements are prepared based on historical cost, except for investments measured at fair value (*Note 3.4*).

Accordingly, the accompanying interim financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the interim financial position and investment portfolio of the Fund as at 30 June 2024, interim income statement, 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 interim income statement
2. The interim statement of financial position
3. The interim statement of changes in net asset value, transactions of fund units
4. Statement of investment portfolio
5. The interim statement of cash flow
6. Notes to the interim financial statements.

2.2 *Registered accounting documentation system*

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

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

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

2.3 *Fiscal year*

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

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

2.4 *Accounting currency*

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

2.5 *Compliance statement*

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

3. SUMMARY SIGNIFICANT ACCOUNTING POLICIES

3.1 *Changes in accounting policies and disclosures*

The accounting policies adopted by the Fund in preparation of the interim financial statements are consistent with those followed in the preparation of the Fund's interim financial statements for the six-month period ended 30 June 2023 and the Fund's financial statements for the year ended 31 December 2023.

3.2 *Accounting estimates*

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

3.3 *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.

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

3. SUMMARY SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 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.

Initial recognition

Investments are initially recognized at cost that includes only purchase price without any attributable transaction costs.

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 recognized in "Accruals dividends and accrued interest receivable from term deposits" in the interim statement of financial position.

Subsequent recognition

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

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

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

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

Revaluation for NAV calculation

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

Principles of valuation

| No. | Type of asset | Principles on the market's transaction valuation |
|--|------------------|---|
| 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. |

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

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

3.4 *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) | | |
| 3. | Term deposit | Deposit value plus accumulated interest as of the date prior to the Valuation Day. |
| 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 in other cases 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 INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

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

3.4 *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. |

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *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.

3.5 *Net asset value and net asset value per fund unit*

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

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

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Contributed capital and capital premium*

3.6.1 *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.

3.6.2 *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 during the period.

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

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

3.6.3 *Profit/assets distributed to Fund Unit Holders*

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

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

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 *Receivables*

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

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

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

| <u>Overdue period</u> | <u>Provision rate</u> |
|--|-----------------------|
| From over 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% |

3.8 *Payables and accrued expenses*

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

3.9 *Expenses*

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

3.9.1 *Management fee of public securities investment fund*

Management fee of public securities investment fund includes fund management fee, fund administration fee and transfer agent 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% per annum based on NAV, recognized as the Fund's expenses at each valuation period and paid monthly to the Fund Management Company. The specific fund management service fee will be announced by VCBF from time to time on its website.

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Expenses (continued)

3.9.1 Management fee of public securities investment fund (continued)

(ii) Fund administration fee

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

3.9.2 Supervisory fee

Supervisory fee is calculated at 0.04% per annum based on NAV, with the minimum of VND16,000,000 per month. 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.

3.9.3 Custody fee

Custody fee is calculated at 0.03% per annum based on NAV with the minimum of VND11,000,000 per month. The fee does not include amount payable to the Viet Nam Securities Depository and Clearing Corporation, transactions fee and registered fee. Custody fee is recognized as the Fund's expense at each valuation period and paid monthly to the Supervisory Bank.

3.9.4 Transaction fee

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

3.9.5 Financial reporting fee

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 recognized as the Fund's expense at each valuation period and paid monthly to the Supervisory Bank.



Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Revenue recognition

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

Dividends

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

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

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

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

Income from securities trading activities

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

3.11 Tax

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

Dividend payments to fund unit holders

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

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

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 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.

3.12 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 Chief Executive Officer 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.

3.13 Off balance sheet items

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

3.14 Financial instruments

Financial instruments – initial recognition and presentation

Financial assets

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

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

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

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 *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 fee 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.

3.15 *Nil balance*

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

4. CASH AND CASH EQUIVALENTS

| | <u>30 June 2024</u> VND | <u>31 December 2023</u> VND |
|---|------------------------------|--------------------------------|
| Demand deposit at Supervisory and Custodian Bank for the Fund's operation | 3,791,775,296 | 6,864,689,715 |
| Deposit of Fund Unit Holders for fund units subscription and redemption | 1,340,618,999 | 4,232,361,291 |
| Deposits with terms under three (3) months | <u>42,681,815,337</u> | <u>47,450,501,903</u> |
| | <u>47,814,209,632</u> | <u>58,547,552,909</u> |

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

5. INVESTMENTS

| | Cost VND | Market value or fair value VND | Revaluation difference | | Fair value VND |
|--|------------------------|--------------------------------------|------------------------|----------------------|------------------------|
| | | | Increase VND | Decrease VND | |
| 30 June 2024 | | | | | |
| Listed Corporate bonds (a) | 209,455,714,674 | 210,155,229,454 | 1,038,097,684 | (338,582,904) | 210,155,229,454 |
| Unlisted Corporate bonds (b) | 10,000,000,000 | 10,000,000,000 | - | - | 10,000,000,000 |
| | 219,455,714,674 | 220,155,229,454 | 1,038,097,684 | (338,582,904) | 220,155,229,454 |
| 31 December 2023 | | | | | |
| Listed Corporate bonds | 76,495,462,001 | 77,090,789,921 | 753,825,313 | (158,497,393) | 77,090,789,921 |
| Unlisted Corporate bonds | 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) | 87,090,789,921 |
| Impact of the revaluation difference on investments in the income statement | | | | 104,186,860 | |

(a) Listed corporate bonds are issued by Coteccons Construction Joint Stock Company, Gia Lai Electricity Joint Stock Company, Masan MeatLife Corporation, Masan Group Corporation, TNG Investment and Trading JSC, Vinhomes Joint Stock Company and Bank for Investment and Development of Vietnam having maturity from 3-8 years, interest rate ranging from 6.20% p.a. to 12.78% p.a, interest paid every 3 months, every 6 months or annually.

(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.

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

6. RECEIVABLES AND ACCRUED DIVIDENDS, INTEREST FROM INVESTMENTS

| | <i>30 June 2024</i> VND | <i>31 December 2023</i> VND |
|-------------------------------------|-----------------------------|--------------------------------|
| Accrued interest from bonds | 5,779,579,810 | 1,988,791,811 |
| Accrued interest from term deposits | 95,757,843 | 67,888,366 |
| | <u>5,875,337,653</u> | <u>2,056,680,177</u> |

7. PAYABLES TO DISTRIBUTORS

| | <i>30 June 2024</i> VND | <i>31 December 2023</i> VND |
|-------------------------------------|----------------------------|--------------------------------|
| Payables to Fund Management Company | <u>118,775,275</u> | <u>-</u> |

8. ACCRUED EXPENSES

| | <i>30 June 2024</i> VND | <i>31 December 2023</i> VND |
|---|----------------------------|--------------------------------|
| Audit fee | 70,890,492 | 71,280,000 |
| Remuneration of the Fund Representatives Board | 27,000,000 | - |
| | <u>97,890,492</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 subscription which are waiting for allotment.

10. PAYABLES TO FUND UNIT HOLDERS FOR FUND UNITS REDEMPTION

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

11/18/2024

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

11. FUND MANAGEMENT FEE PAYABLE

| | 30 June 2024 VND | 31 December 2023 VND |
|---|---------------------|-------------------------|
| Payable for fund management fee | 43,886,534 | 10,374,238 |
| Payable for fund administration fee | 37,400,000 | 37,400,000 |
| Payable for supervisory fee | 17,600,000 | 17,600,000 |
| Payable for transfer agent fee | 11,000,000 | 11,000,000 |
| Payable for custody fee - safekeeping fee | 11,000,000 | 11,000,000 |
| Payable for custody fee - transaction fee | 440,000 | - |
| | 121,326,534 | 87,374,238 |

12. STATEMENT OF CHANGES IN OWNERS' EQUITY

| | <i>For the six-month period ended 30 June 2024</i> | | |
|--|--|--|------------------------------|
| | <i>Beginning balance</i> VND | <i>Movement</i> <i>during the period</i> VND | <i>Ending balance</i> VND |
| Subscription capital | | | |
| Number of fund units ("unit") | 16,081,253.82 | 12,164,285.66 | 28,245,539.48 |
| Subscription capital at par value | 160,812,538,200 | 121,642,856,600 | 282,455,394,800 |
| Capital premium | 22,126,326,649 | 45,355,762,020 | 67,482,088,669 |
| Total subscription capital | 182,938,864,849 | 166,998,618,620 | 349,937,483,469 |
| Redemption capital | | | |
| Number of fund units ("unit") | (5,441,677.10) | (3,329,483.52) | (8,771,160.62) |
| Redemption capital at par value | (54,416,771,000) | (33,294,835,200) | (87,711,606,200) |
| Capital premium | (10,508,107,447) | (12,531,767,766) | (23,039,875,213) |
| Total redemption capital | (64,924,878,447) | (45,826,602,966) | (110,751,481,413) |
| Number of outstanding fund units ("unit") | 10,639,576.72 | 8,834,802.14 | 19,474,378.86 |
| Outstanding share capital | 118,013,986,402 | 121,172,015,654 | 239,186,002,056 |
| Retained earnings | 25,290,021,076 | 7,653,742,463 | 32,943,763,539 |
| NAV | 143,304,007,478 | | 272,129,765,595 |
| NAV per fund unit | 13,468.95 | | 13,973.73 |

13. RETAINED EARNINGS

| | 30 June 2024 VND | 31 December 2023 VND |
|-------------------|-----------------------|-------------------------|
| Realized profit | 32,244,248,759 | 24,694,693,156 |
| Unrealized profit | 699,514,780 | 595,327,920 |
| | 32,943,763,539 | 25,290,021,076 |

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

14. INTEREST INCOME

| | <i>For the six-month period ended 30 June 2024</i> | <i>For the six-month period ended 30 June 2023</i> |
|---------------------------------------|--|--|
| | VND | VND |
| Interest from bonds | 7,915,778,719 | 3,991,273,763 |
| Interest from term deposits | 511,697,400 | 161,479,967 |
| Interest from demand deposits | 4,425,458 | 419,052 |
| Interest from certificates of deposit | - | 405,421,919 |
| | 8,431,901,577 | 4,558,594,701 |

15. LOSS FROM INVESTMENT TRADING

| | <i>For the six-month period ended 30 June 2024</i> | | |
|------------------------|---|---|---|
| | <i>Total trading amount during the period</i> | <i>Weighted average cost at the end of the trading date</i> | <i>Loss on investment trading during the period</i> |
| | VND | VND | VND |
| Listed corporate bonds | 12,690,500,000 | 12,716,156,326 | (25,656,326) |
| | <i>For the six-month period ended 30 June 2023</i> | | |
| | <i>Total trading amount during the period</i> | <i>Weighted average cost at the end of the trading date</i> | <i>Loss on investment trading during the period</i> |
| | VND | VND | VND |
| Listed corporate bonds | 14,254,800,000 | 14,319,242,780 | (64,442,780) |

16. TRANSACTION EXPENSES FOR INVESTMENT TRADING

| | <i>For the six-month period ended 30 June 2024</i> | <i>For the six-month period ended 30 June 2023</i> |
|---|--|--|
| | VND | VND |
| Transaction expenses for buying investments | 25,465,749 | 2,601,178 |
| Other transaction expenses | - | 330,000 |
| Offset expense | - | 15,000 |
| | 25,465,749 | 2,946,178 |

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

17. CUSTODY FEE

| | <i>For the six-month period ended 30 June 2024 VND</i> | <i>For the six-month period ended 30 June 2023 VND</i> |
|--|--|--|
| Custody fee - safekeeping fee | 66,000,000 | 66,000,000 |
| Custody fee - transaction fee | 6,160,000 | 1,760,000 |
| Custody fee - depository fee paid to the Viet Nam Securities Depository and Clearing Corporation | 1,029,608 | 663,902 |
| | <u>73,189,608</u> | <u>68,423,902</u> |

18. OTHER OPERATING EXPENSES

| | <i>For the six-month period ended 30 June 2024 VND</i> | <i>For the six-month period ended 30 June 2023 VND</i> |
|---|--|--|
| Remuneration of the Fund Representatives Board | 60,000,000 | 60,000,000 |
| Bank charges | 6,303,000 | 3,355,000 |
| Annual fee for the State Securities Commission | 4,972,678 | 4,958,904 |
| | <u>71,275,678</u> | <u>68,313,904</u> |

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

19. NET ASSET VALUE (continued)

Net asset value for the year ended 30 June 2024 (continued):

| Period of NAV | NAV VND | Number of fund units | NAV per fund unit VND | Increase/(decrease) of NAV per fund unit VND |
|----------------------------------|------------------------|-------------------------|--------------------------|--|
| First period of March 2024 | 188,727,605,183 | 13,812,003.98 | 13,664.02 | 6.88 |
| Second period of March 2024 | 189,065,461,185 | 13,839,726.94 | 13,661.06 | (2.96) |
| Third period of March 2024 | 190,688,422,754 | 13,911,667.83 | 13,707.08 | 46.02 |
| Fourth period of March 2024 | 201,314,746,574 | 14,679,630.93 | 13,713.88 | 6.80 |
| Fifth period of March 2024 | 206,236,854,206 | 14,994,921.58 | 13,753.78 | 39.90 |
| Sixth period of March 2024 | 208,236,760,926 | 15,206,153.93 | 13,694.24 | (59.54) |
| Seventh period of March 2024 | 216,594,459,794 | 15,757,431.60 | 13,745.54 | 51.30 |
| Eighth period of March 2024 | 221,692,881,574 | 16,122,443.81 | 13,750.57 | 5.03 |
| Last period of March 2024 | 224,155,059,807 | 16,302,552.34 | 13,749.69 | (0.88) |
| First period of April 2024 | 224,197,346,014 | 16,302,552.34 | 13,752.28 | 2.59 |
| Second period of April 2024 | 224,844,016,055 | 16,374,699.06 | 13,731.18 | (21.10) |
| Third period of April 2024 | 224,453,336,778 | 16,287,614.26 | 13,780.61 | 49.43 |
| Fourth period of April 2024 | 226,806,538,806 | 16,453,841.60 | 13,784.41 | 3.80 |
| Fifth period of April 2024 | 229,640,055,585 | 16,594,809.04 | 13,838.06 | 53.65 |
| Sixth period of April 2024 | 231,682,600,737 | 16,737,253.34 | 13,842.33 | 4.27 |
| Seventh period of April 2024 | 232,263,054,712 | 16,772,051.97 | 13,848.21 | 5.88 |
| Last period of April 2024 | 234,814,178,658 | 16,883,618.09 | 13,907.81 | 59.60 |
| First period of May 2024 | 234,862,272,799 | 16,883,618.09 | 13,910.66 | 2.85 |
| Second period of May 2024 | 238,894,159,692 | 17,153,728.89 | 13,926.66 | 16.00 |
| Third period of May 2024 | 245,188,146,714 | 17,623,970.71 | 13,912.19 | (14.47) |
| Fourth period of May 2024 | 248,306,432,382 | 17,840,673.38 | 13,917.99 | 5.80 |
| Fifth period of May 2024 | 250,781,833,323 | 18,086,561.01 | 13,865.64 | (52.35) |
| Sixth period of May 2024 | 253,502,328,691 | 18,282,543.58 | 13,865.81 | 0.17 |
| Seventh period of May 2024 | 256,314,846,551 | 18,468,254.07 | 13,878.67 | 12.86 |
| Eighth period of May 2024 | 258,690,258,697 | 18,550,176.62 | 13,945.43 | 66.76 |
| Ninth period of May 2024 | 260,497,825,340 | 18,734,843.72 | 13,904.45 | (40.98) |
| Last period of May 2024 | 263,421,672,948 | 18,950,279.41 | 13,900.67 | (3.78) |

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

B06g-QM

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

19. NET ASSET VALUE (continued)

Net asset value for the year ended 30 June 2024 (continued):

| <i>Period of NAV</i> | <i>NAV VND</i> | <i>Number of fund units</i> | <i>NAV per fund unit VND</i> | <i>Increase/(decrease) of NAV per fund unit VND</i> |
|---|------------------------|---------------------------------|----------------------------------|---|
| First period of June 2024 | 263,887,679,089 | 18,950,279.41 | 13,925.26 | 24.59 |
| Second period of June 2024 | 264,308,840,742 | 18,992,108.24 | 13,916.77 | (8.49) |
| Third period of June 2024 | 265,733,555,716 | 19,010,986.62 | 13,977.89 | 61.12 |
| Fourth period of June 2024 | 267,381,972,756 | 19,091,970.11 | 14,004.94 | 27.05 |
| Fifth period of June 2024 | 267,427,526,780 | 19,144,683.50 | 13,968.76 | (36.18) |
| Sixth period of June 2024 | 266,411,653,963 | 19,097,296.23 | 13,950.22 | (18.54) |
| Seventh period of June 2024 | 269,278,898,030 | 19,246,953.59 | 13,990.72 | 40.50 |
| Eighth period of June 2024 | 271,118,452,528 | 19,390,400.32 | 13,982.09 | (8.63) |
| Last period of June 2024 | 272,129,765,595 | 19,474,378.86 | 13,973.73 | (8.36) |
| Average NAV for the period | 215,855,872,447 | | | |
| Change in NAV per fund unit during the period - maximum | | | | 66.76 |
| Change in NAV per fund unit during the period - minimum | | | | 0.17 |

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

20. OFF BALANCE SHEET ITEM

Number of outstanding fund units

By duration that the fund units could be redeemable:

| | <i>30 June 2024</i> <i>(fund units)</i> | <i>31 December 2023</i> <i>(fund units)</i> |
|----------------|--|--|
| Up to one year | 19,474,378.86 | 10,639,576.72 |

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

| | <i>For the six-month</i> <i>period ended</i> <i>30 June 2024</i> <i>(%)</i> | <i>For the six-month</i> <i>period ended</i> <i>30 June 2023</i> <i>(%)</i> |
|--|--|--|
| Expense ratio | 0.79 | 1.48 |
| Turnover ratio of investment portfolio | 67.49 | 21.29 |

21.1 Expense ratio

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

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

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

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

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

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. As at the date of the interim financial statements, this ratio shall be annualized by multiplying the six-month ratio by 2.

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

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

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

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 does 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 which have a stable interest rate at the reporting date.

(ii) Currency risk

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

The Fund was incorporated and operates in Vietnam, as such, its reporting and transaction currency is denominated in VND, the Fund is not exposed to foreign currency risk as at 30 June 2024.

(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 VND210,155,229,454. A decrease of 10% in these securities' market price could have an impact of approximately VND21,015,522,945 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 VND21,015,522,945.

Vietcombank Fund Management Company Limited

VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

23. SUPPLEMENTARY DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES

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

| | 30 June 2024 | | 31 December 2023 | |
|---|------------------------|------------------------|------------------------|------------------------|
| | Carrying amount VND | Fair value VND | Carrying amount VND | Fair value VND |
| Financial assets | | | | |
| Cash and cash equivalents | 47,814,209,632 | 47,814,209,632 | 58,547,552,909 | 58,547,552,909 |
| Net investments | 220,155,229,454 | 220,155,229,454 | 87,090,789,921 | 87,090,789,921 |
| - Corporate bonds | 220,155,229,454 | 220,155,229,454 | 87,090,789,921 | 87,090,789,921 |
| Receivables | 5,875,337,653 | 5,875,337,653 | 2,056,680,177 | 2,056,680,177 |
| | 273,844,776,739 | 273,844,776,739 | 147,695,023,007 | 147,695,023,007 |
| Financial liabilities | | | | |
| Payables to Distributors | 118,775,275 | 118,775,275 | - | - |
| Accrued payables | 97,890,492 | 97,890,492 | 71,280,000 | 71,280,000 |
| Payables to fund unit holders for fund units subscription | 1,340,618,999 | 1,340,618,999 | 4,232,293,850 | 4,232,293,850 |
| Payable to fund unit holders for fund units redemption | - | - | 67,441 | 67,441 |
| Fund management fee payable | 121,326,534 | 121,326,534 | 87,374,238 | 87,374,238 |
| Other payables | 4,972,678 | 4,972,678 | - | - |
| | 1,683,583,978 | 1,683,583,978 | 4,391,015,529 | 4,391,015,529 |

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, accrued payables, payables to fund unit holders for fund units subscription, payables to fund unit holders for fund units redemption, payables to fund management fee, 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 are re-valued using the valuation method stated in Note 3.4.

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

24. RELATED PARTIES AND OTHER KEY CONTRACTS

24.1 Related parties

a) *The Fund Management Company*

The significant transactions in the period was as follows:

| | <i>For the six-month period ended 30 June 2024 VND</i> | <i>For the six-month period ended 30 June 2023 VND</i> |
|---------------------|--|--|
| Fund management fee | <u>150,557,185</u> | <u>44,266,372</u> |

The outstanding balance at the end of the period was as follows:

| | <i>30 June 2024 VND</i> | <i>31 December 2023 VND</i> |
|-----------------------------|-----------------------------|---------------------------------|
| Fund management fee payable | <u>43,886,534</u> | <u>10,374,238</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>For the six-month period ended 30 June 2024 VND</i> | <i>For the six-month period ended 30 June 2023 VND</i> |
|---|--|--|
| Remunerations of the Fund Representatives Board | <u>60,000,000</u> | <u>60,000,000</u> |

The outstanding balance at the end of the period was as follows:

| | <i>30 June 2024 VND</i> | <i>31 December 2023 VND</i> |
|---|-----------------------------|---------------------------------|
| Remunerations of the Fund Representatives Board payable | <u>27,000,000</u> | <u>-</u> |

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

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>30 June 2024</i> | | <i>31 December 2023</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 | 25.67 | 5,000,000.24 | 46.99 |
| Other related parties | | 272,332.79 | 1.40 | 227,268.11 | 2.14 |
| | | 5,272,333.03 | 27.07 | 5,227,268.35 | 49.13 |

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 with the minimum fee is VND16,000,000 per month, exclusive of value-added tax. Custody fee is equivalent to 0.03%NAV per annum, with a minimum of VND11,000,000 per month.

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. From 1 July 2022 to 31 January 2023 the fee equivalent to 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 of NAV with the minimum fee is VND31,000,000 per month, exclusive of value-added tax.

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

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

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

24. RELATED PARTIES AND OTHER KEY CONTRACTS (continued)

24.2 Other key contracts (continued)

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

| | <i>For the six-month period ended 30 June 2024 VND</i> | <i>For the six-month period ended 30 June 2023 VND</i> |
|-------------------------------|--|--|
| Fund administration fee | 224,400,000 | 202,400,000 |
| Supervisory fee | 105,600,000 | 105,600,000 |
| Custody fee - safekeeping fee | 66,000,000 | 66,000,000 |
| Bank charges | 6,303,000 | 3,355,000 |
| Custody fee - transaction fee | 6,160,000 | 1,760,000 |
| Interests from demand deposit | 4,425,458 | 419,052 |

The outstanding balance at the end of the period was as follows:

| | <i>30 June 2024 VND</i> | <i>31 December 2023 VND</i> |
|--|-----------------------------|---------------------------------|
| Demand deposit | 5,132,394,295 | 11,097,051,006 |
| Payable of Fund administration fee | 37,400,000 | 37,400,000 |
| Payable of Supervisory fee | 17,600,000 | 17,600,000 |
| Payable of Custody fee - safekeeping fee | 11,000,000 | 11,000,000 |
| Payable of Custody fee - transaction fee | 440,000 | - |

Vietcombank Fund Management Company Limited
VCBF Fixed Income Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B06g-QM

25. EVENTS AFTER THE BALANCE SHEET DATE

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



Ms. Le Van
Head of Operations Department



Ms. Nguyen Thi Hang Nga
Chief Executive Officer



Ms. Nguyen Minh Hang
Preparer



Ms. Tran Thi Ha Linh
Chief Accountant



Hanoi, Vietnam
14 August 2024