

# **VCBF Mid-cap Growth Fund**

Interim Financial Statements

For the six-month period ended 30 June 2024



# Vietcombank Fund Management Company Limited

## VCBF Mid-cap Growth Fund

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# Vietcombank Fund Management Company Limited

## VCBF Mid-cap Growth Fund

### GENERAL INFORMATION

#### THE FUND

VCBF Mid-cap Fund (“the Fund”) was established as an open-ended fund in Vietnam pursuant to Initial Public Offering Certificate No.152/GCN-UBCK dated 24 August 2021 and Public Fund Establishment Registration Certificate No. 48/GCN-UBCK dated 2 December 2021 granted by the State Securities Commission (“SSC”). As such, the Fund was licensed to operate for an indefinite period.

Total number of initial distributed fund units was 15,299,243.34 fund units amounting to VND152,992,433,400 and accounting for 305.98% 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 VND404,044,313,600 at par value, equivalent to 40,404,431.36 fund units.

The Fund’s investment objective is primarily to gain medium to long term capital appreciation by allocating a majority proportion to stocks of mid-cap companies and high-growth potential enterprises.

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”).

#### 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:

<u>Name</u>	<u>Position</u>	<u>Date of appointment/resignation</u>
Mr. Mac Quang Huy	Chairman, independent member	Appointed on 2 December 2021
Ms. Nguyen Thi Thuy	Independent member	Appointed on 2 December 2021
Ms. Vu Ngoc Quynh	Member	Appointed on 21 November 2023

# Vietcombank Fund Management Company Limited

## VCBF Mid-cap Growth 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 Mid-cap Growth Fund

### REPORT OF THE BOARD OF REPRESENTATIVES

The Board of Representatives of VCBF Mid-cap Growth 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 Mid-cap Growth Fund

### REPORT OF THE FUND MANAGEMENT COMPANY

#### I. GENERAL INFORMATION OF THE FUND

##### 1. Investment objective

VCBF Mid-cap Growth Fund (“the Fund”) was established as an open-ended fund in Vietnam pursuant to Initial Public Offering Certificate No. 152/GCN-UBCK dated 24 August 2021 and Public Fund Establishment Registration Certificate No. 48/GCN-UBCK dated 2 December 2021 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 gain medium to long term capital appreciation by allocating a majority proportion to stocks of mid-cap companies and high-growth potential enterprises.

##### 2. Operating efficiency

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 is 16.86% and 11.10%, respectively, as compared to 31 December 2023.

##### 3. Investment strategy

The Fund will follow a disciplined investment strategy to achieve the Fund’s investment objectives and will invest in a diversified portfolio of stocks that satisfy the conditions in the Asset Allocation section to reduce risk for the Fund. Mid-cap stocks are typically characterized by low liquidity. The Fund will carefully consider this risk in stock selection and the discount required for low-liquid stocks. Mid-cap companies are defined as companies whose capitalization falls within the capitalization of stocks in the VN MID-CAP index basket.

The Fund’s asset allocation as follows:

Type of investment	Risk level	% of NAV
Shares of mid-cap companies and high-growth potential enterprises	High	The majority proportion
Bonds	Low	Hardly However, the Fund can consider investing in bonds arising from the execution of the right to buy shares held with a maximum proportion of 10% of the Fund’s total asset value.
Cash	Mostly risk free	Uninvested amount

##### 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 issued 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):** High.

# Vietcombank Fund Management Company Limited

## VCBF Mid-cap Growth Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

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

#### 7. Operating duration

The Fund began its operation from the date of Public Fund Establishment Registration Certificate No. 48/GCN-UBCK dated 2 December 2021 granted by the State Securities Commission ("SSC"). The Fund was licensed to operate for an indefinite period.

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

Total net asset value: Vietnam Dong 500,767,150,832.

Number of fund units: 40,404,431.36 fund units.

#### 9. Benchmark index

Benchmark of the Fund is the change in VN MID-CAP index.

#### 10. Dividend Policy

The distribution of the Fund's profits to the fund unit holders shall be approved by the Board of Representatives in compliance with the Fund's Charter as proposed by the Fund Management Company. Profit distribution is determined based on the audited financial statements confirming that there is sufficient such profit for distribution.

The Fund Management Company is required to deduct all taxes, fees and charges as stipulated by the law before distributing profits to the fund unit holders.

The Fund's profits shall not be distributed in case that after the distribution either:

- The Fund has inadequate financial capacity to fulfill tax and financial obligations, assets obligations, maturing borrowings as stipulated by the law; or
- Net asset value of the Fund is under the minimum set by the law.

#### 11. Net profit distributed 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> (%)
Stock portfolio	91.05	97.40	91.03
Other assets	8.95	2.60	8.97
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

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Vietcombank Fund Management Company Limited  
VCBF Mid-cap Growth 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)	500,767,150,832	297,489,465,924	261,707,453,027
2	Total outstanding fund units ("unit")	40,404,431.36	30,596,108.38	27,848,226.89
3	NAV per fund unit	12,393.86	9,723.11	9,397.63
4	Maximum NAV per fund unit during the reporting period	12,823.33	9,852.25	10,754.48
5	Minimum NAV per fund unit during the reporting period	10,605.26	8,034.19	8,984.13
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)	16.86	20.97	-6.02
9.1	Capital growth (%) per fund unit (change due to price fluctuation) (b)	17.06	20.34	-5.96
9.2	Earnings growth (%) per fund unit (based on realized income) (b)	-0.20	0.63	-0.06
10	Gross distribution per fund unit (c)	-	-	-
11	Net distribution per fund unit (c)	-	-	-
12	Ex-date of distribution (c)	-	-	-
13	Expense ratio (%)	2.35	2.38	2.63
14	Turnover ratio of investment portfolio (%)	26.32	4.73	100.96

(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.

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Vietcombank Fund Management Company Limited  
 VCBF Mid-cap Growth 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)	16.86	11.10
1 year (from 30 June 2023 to 30 June 2024)	27.47	30.34
Since inception	23.94	-7.65
Since inception (annually compounded return)	8.68	-3.04

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	16.86	31.95	-20.18

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# Vietcombank Fund Management Company Limited

## VCBF Mid-cap Growth 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 Mid-cap Growth Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

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

#### 2. Stock Market

The Vietnamese stock market was off to a good start in 2024 as the VN-Index increased remarkably by 13.6% in 1Q 2024. The VN-Index rally was driven by favorable domestic and global factors. Domestically, the State Bank of Vietnam continued its expansionary monetary policy, maintaining low deposit rates between 4.7% and 5.5%, which made equities more attractive to investors seeking higher returns. Commercial banks lowered lending rates to attract qualified clients, boosting consumption and investments. The overall economic recovery and improved corporate earnings outlook also contributed to the positive market sentiment. Furthermore, the government's efforts to upgrade the Vietnamese stock market to emerging market status and favorable global factors, including the projected rate cuts by the US Federal Reserve, added to investor optimism.

However, in 2Q 2024, the VN-Index experienced significant volatility and ended the period with a 3.0% decline quarter-on-quarter. This decline was driven by concerns over potential changes in high-ranking government officials, pressures on exchange rates and interest rates, significant foreign outflows, and declines in global markets. Despite these fluctuations, with encouraging 1Q corporates' performance, the index managed a 10.2% gain for the first half of the year.

Liquidity remained high throughout the first half of 2024, with the combined average daily trading value (ADTV) for HSX, HNX, and UPCOM reaching US\$972.65 million, a 68.1% increase year-on-year. The low interest rate environment and an improved macroeconomic backdrop bolstered investor sentiment and trading activities. Retail investors, who accounted for over 90% of total trading value, were particularly active, spurred by securities brokerage firms that expanded their capital base for margin lending and offered competitive commissions.

Foreign investors continued to net sell Vietnamese equities, intensifying in the second quarter with net outflows totaling US\$1.6 billion to bring the total outflows for the first half of 2024 to US\$2.1 billion, mirroring trends in other regional markets such as Thailand's SET, the Philippines' PCOMP, and Indonesia's JCI, which saw significant net selling.

In 1H 2024, the best performing sector was Information Technology (+53.2%), primarily driven by FPT Corporation (HSX: FPT), which saw a 57.2% increase thanks to its remarkable record in delivering sustainable earnings growth and positive sentiments resulting from announced cooperation with NVIDIA. The Consumer Discretionary sector also stood out, posting a remarkable total return of 33.9%, fueled by market expectations of a robust earnings recovery of companies in the sector.

Conversely, the Real Estate sector (-6.1%) was the worst-performing one, primarily attributed to the subdued share price performances of major companies within the sector, notably Nova Land Group (HSX: NVL), Vingroup (HSX: VIC) and its affiliated entities including Vinhomes (HSX: VHM) and Vincom Retail (HSX: VRE), amid concerns surrounding the group's financial leverage. The Consumer Staples sector (+2.5%) was the second worst-performing sector, mainly due to weak share price performances of the largest companies in the sector such as Vietnam Dairy Products JSC (HSX: VNM, -1.8%) and Saigon Beer Alcohol Beverage Corporation (HSX: SAB, -2.5%).

By market capitalization, in the 1H, the VN30 Index, which tracks the performance of large-cap stocks, recorded the largest gain of 13.0%. The VN70 Index, which tracks the performance of mid-cap stocks, experienced an increase of 11.1%, while the VN50 Index, representing small-cap stocks, saw a relatively modest gain of 9.4%.

Vietcombank Fund Management Company Limited  
VCBF Mid-cap Growth Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

**IV. KEY PERFORMANCE INDICATORS**

**1. Key performance indicators**

<i>Items</i>	<i>1 year up to the reporting date (%)</i>	<i>From establishment up to the reporting date (%)</i>
Earnings growth per fund unit (a)	-0.32	Not applicable
Capital growth per fund unit (a)	27.79	Not applicable
Annual growth per fund unit	27.47	8.68
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	500,767,150,832	297,489,465,924	68.33
NAV per fund unit	12,393.86	9,723.11	27.47



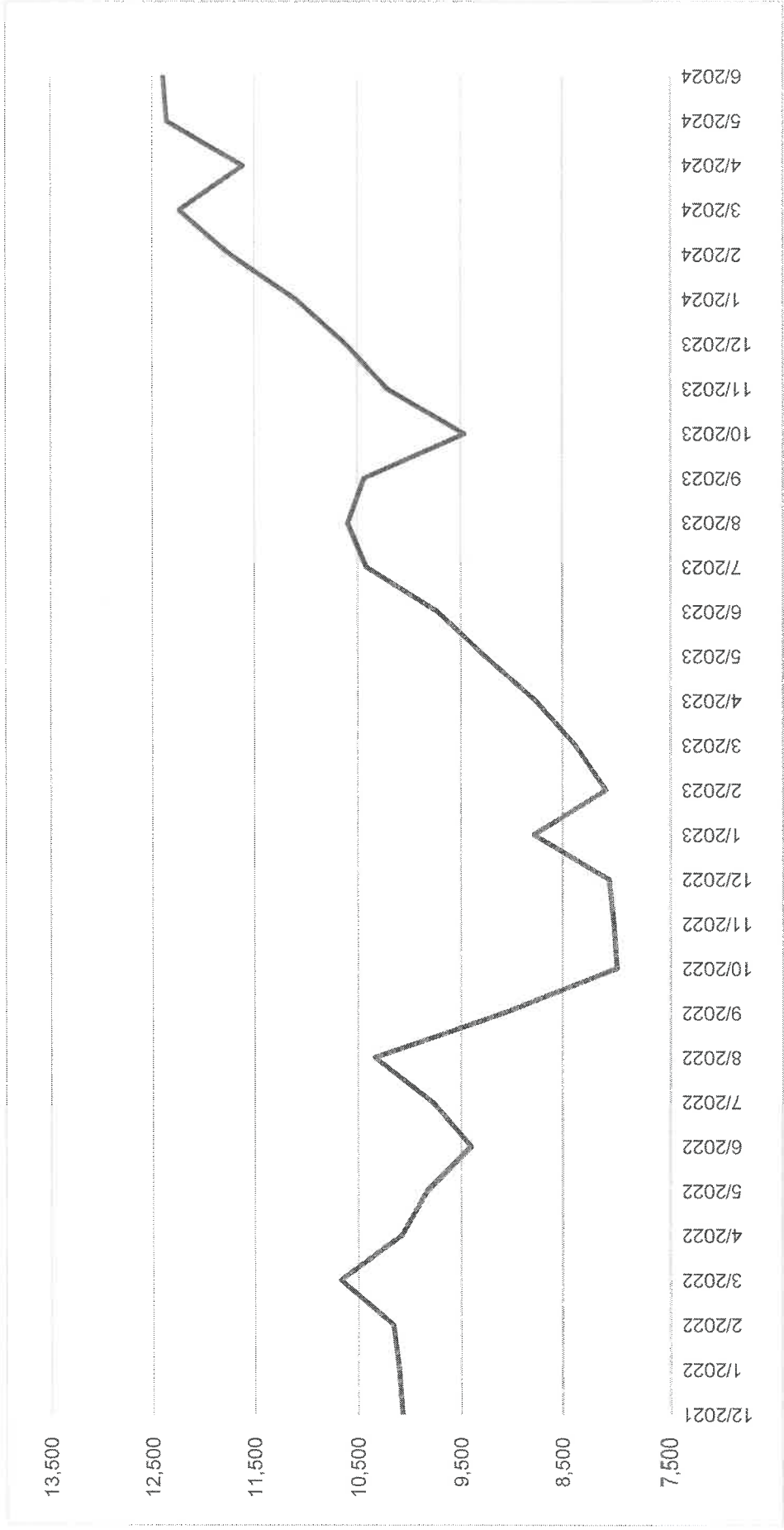
Vietcombank Fund Management Company Limited  
 VCBF Mid-cap Growth Fund

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 Mid-cap Growth 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	9,864	6,369,363.05	15.77
From 5,000 to 10,000	514	3,735,193.14	9.24
From 10,000 to 50,000	531	11,054,080.95	27.36
From 50,000 to 500,000	102	11,339,241.46	28.06
Over 500,000	6	7,906,552.76	19.57
<b>Total</b>	<b>11,017</b>	<b>40,404,431.36</b>	<b>100.00</b>

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

### V. MARKET OUTLOOK

The Vietnamese economy posted a higher-than-expected growth in 1H 2024 thanks to strong recoveries of exports and services. Domestic consumption has also recovered but slowly as evidenced by the moderate real retail sales growth of 5.7% in 6M 2024 (6M 2023: +8.8% YoY). Thus, maintaining an accommodative monetary policy to support growth would remain the priority of the Government. The effort has been challenged by the 4.3% depreciation of VND in the 1H. The risk is expected to fade in the 2H. The robust FDI disbursements and spendings of foreign tourists will support the VND. Besides, machineries and input materials accounted for approximately 94% of imports in 6M 2024, promising export growth and consequently higher USD supply. The intervention of SBV in the OMO market has significantly narrowed down the USD-VND gap, which also supports the VND. Interest rate cuts in the US will bring substantial relief to the domestic currency market. The most recent inflation and labour market data in the US raises hopes for rate cut in 2024. The Personal Consumption Expenditure Index in June decelerated to 2.5% YoY increase while unemployment has been trending upward (June 2024: 4.1%, December 2023: 3.7%). That said, it is uncertain when the Fed starts to cut rate.

Given the sluggish credit demand, banks are highly likely to maintain the current low lending rates to attract qualified borrowers. Deposit rates have been picking up slightly recently as interbank rates have gone up after the SBV withdrew surplus liquidity. Deposit rates could go up further when credit growth gathers pace but significant changes in 2024 are not warranted as business activities remain stagnant. The low deposit and lending rates will certainly continue to boost consumption and investments.

On the fiscal side, public investment continues to be a key focus of the Government. Capital disbursements seem to slow down with Prime Minister's plan completion of 29.4% in 6M 2024 (6M 2023: 30.5%). That said, construction progress is expected to speed up in the 2H as the Government remains highly committed to accomplishing public investment target. Besides, the Government recently approved an extension of the current deduction of value added tax of 2% to the end of 2024.

# Vietcombank Fund Management Company Limited

## VCBF Mid-cap Growth Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

### V. MARKET OUTLOOK (continued)

The tourism sector continues to recover with more than 8.8 million international arrivals in 6M 2024, which surpasses the pre-Covid level by 4.1%, contributing meaningfully to the economic growth in the 1H and on track to accomplish this year target of 17 to 18 million (2023: 12.6 million). Last but not least, FDI capitals, especially to the manufacturing sector, have been robust and that would eventually create additional demand in the labor market and incremental exports. Additionally, the recovery of industrial production in the 1H would benefit consumption once consumers are more confident about their jobs.

In light of that, we expect bright outlooks for the Vietnamese economy and stock market in 2H 2024. Indeed, large-cap companies in the VN30 Index targeted a median earnings growth of 15.6% YoY in 2024. In terms of market consensus, earnings of companies in the VN-Index are forecast to grow by 27.8% YoY. The stock market valuation thus looks more attractive on the forward basis with the index's forward P/E of 11.9x, considerably lower than the average level in the last 10 years of 15.8x. Besides, deposit rates would remain low as analyzed above and that benefits demand for risk assets including equities.

However, risks should not be overlooked. It is important to note that the US economy is still in tightening territory while inflation remains above the Fed's target of +2.0% YoY. Geopolitical tensions have not shown signs of easing and still pose challenges to global economic growth and risks to inflation, especially in case of escalation. Besides, several stocks, especially those with strong fundamentals, have performed remarkably well and hence the stock prices have mostly fully reflected the companies' intrinsic worth. Therefore, we see opportunities in select companies. As history shows, quality of business and valuation are the most critical factors for success in investing. We thus believe our time-tested approach of building diversified portfolios of high-quality companies at justified valuations will continue to generate attractive risk-adjusted returns to our investors.

### VI. OTHER INFORMATION

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



Ms. Nguyen Thi Hang Nga  
Chief Executive Officer

Hanoi, Vietnam

14 August 2024

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## SUPERVISORY BANK'S REPORT

We, appointed as the Supervisory Bank of VCBF Mid-Cap Growth Fund ("the Fund") for the period from 01<sup>st</sup> January 2024 to 30<sup>th</sup> 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 01<sup>st</sup> January 2024 to 30<sup>th</sup> June 2024, the Fund's investment portfolio complied with investment limits under prevailing regulations for open-end fund, Fund Charter, Fund Prospectus and other relevant regulations.
- b) Assets Valuation and Pricing of the Fund units were carried out in accordance with Fund Charter, Fund Prospectus, Valuation Manual approved by Board of Representatives of the Fund and other prevailing regulations.
- c) Fund subscriptions and redemptions were carried out in accordance with Fund Charter, Fund Prospectus and other prevailing regulations.
- d) For the period from 01<sup>st</sup> January 2024 to 30<sup>th</sup> 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: 12906604/68500632-SX

## REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To: **The Investors of VCBF Mid-cap Growth Fund**

We have reviewed the accompanying interim financial statements of VCBF Mid-cap Growth Fund (“the Fund”) prepared on 14 August 2024 as set out on pages 17 to 56, 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 statement of cash flows and the notes thereto.

### *The Board of Management of the Fund Management Company’s responsibility*

The Board of Management of Vietcombank Fund Management Company Limited as the Fund Management Company is responsible for the preparation and fair presentation of these 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 interim financial statements 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.

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### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the interim financial position, investment portfolio of the Fund as at 30 June 2024, and of the interim results of its operations, interim changes in its net asset value, transactions of fund units and its interim cash flows for the six-months period then ended in accordance 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.

**Ernst & Young Vietnam Limited**



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

Ho Chi Minh City, Vietnam

14 August 2024

2024/08/14

Vietcombank Fund Management Company Limited  
VCBF Mid-cap Growth Fund

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

B01g-QM

Code	ITEMS	Notes	For the six-month period ending 30 June 2024 VND	For the six-month period ending 30 June 2023 VND
<b>01</b>	<b>I. INCOME FROM INVESTING ACTIVITIES</b>		<b>63,753,203,036</b>	<b>55,462,871,905</b>
02	1.1 Dividend		4,049,130,900	4,829,574,800
03	1.2 Interest income	15	54,652,736	2,641,805
04	1.3 Gain on investment trading	16	5,052,427,767	591,703,605
05	1.4 Unrealized gain on revaluation of investments	5	54,596,991,633	50,038,951,695
<b>10</b>	<b>II. EXPENSES FROM INVESTING ACTIVITIES</b>		<b>152,240,271</b>	<b>18,696,484</b>
11	2.1 Transaction expenses for investment trading	17	152,240,271	18,696,484
<b>20</b>	<b>III. OPERATING EXPENSES</b>		<b>4,690,267,630</b>	<b>3,231,088,860</b>
20.1	3.1 Fund management fee	25.1	3,891,773,607	2,572,024,854
20.2	3.2 Custody fee	18	102,486,212	82,396,144
20.3	3.3 Supervisory fee	25.2	105,979,401	105,600,000
20.4	3.4 Fund administration fee	25.2	224,400,000	202,889,723
20.5	3.5 Transfer agent fee		66,000,000	66,000,000
20.7	3.6 General Meeting expense		157,745,987	62,465,947
20.8	3.7 Audit fee		70,890,492	73,323,288
20.10	3.8 Other operating expenses	19	70,991,931	66,388,904
<b>23</b>	<b>IV. NET INCOME FROM INVESTING ACTIVITIES</b>		<b>58,910,695,135</b>	<b>52,213,086,561</b>
<b>24</b>	<b>V. OTHER INCOME AND EXPENSES</b>		-	-
<b>30</b>	<b>VI. PROFIT BEFORE TAX</b>		<b>58,910,695,135</b>	<b>52,213,086,561</b>
31	5.1 Realized profit		4,313,703,502	2,174,134,866
32	5.2 Unrealized profit	5	54,596,991,633	50,038,951,695
<b>40</b>	<b>VII. CORPORATE INCOME TAX EXPENSE</b>		-	-
<b>41</b>	<b>VIII. PROFIT AFTER TAX</b>		<b>58,910,695,135</b>	<b>52,213,086,561</b>



Ms. Le Van  
Head of Operations Department



Ms. Nguyen Minh Hang  
Preparer



Ms. Nguyen Thi Hang Nga  
Chief Executive Officer



Ms. Tran Thi Ha Linh  
Chief Accountant

Hanoi, Vietnam

14 August 2024

Vietcombank Fund Management Company Limited  
VCBF Mid-cap Growth Fund

INTERIM STATEMENT OF FINANCIAL POSITION  
as at 30 June 2024

B02g-QM

Code	ITEMS	Notes	30 June 2024 VND	31 December 2023 VND
<b>100</b>	<b>I. ASSETS</b>			
<b>110</b>	<b>1. Cash and cash equivalents</b>	<b>4</b>	<b>45,065,734,354</b>	<b>5,210,236,036</b>
111	1.1 Cash at banks for operation of the Fund		37,040,994,628	3,180,493,294
112	1.2 Deposits with terms under three (3) months		8,024,739,726	2,029,742,742
<b>120</b>	<b>2. Net investments</b>		<b>461,591,582,400</b>	<b>318,536,178,000</b>
121	2.1 Investments	5	461,591,582,400	318,536,178,000
121.1	2.1.1 Listed shares		461,591,582,400	318,307,770,500
121.2	2.1.2 Right to buy shares		-	228,407,500
<b>130</b>	<b>3. Receivables</b>		<b>306,921,713</b>	<b>384,704,748</b>
133	3.1 Receivables, accrual for interest and dividends income from investments		306,921,713	384,704,748
136	3.1.1 Accruals for interest and dividend income from investments	6	306,921,713	384,704,748
<b>100</b>	<b>TOTAL ASSETS</b>		<b>506,964,238,467</b>	<b>324,131,118,784</b>
<b>300</b>	<b>II. LIABILITIES</b>			
312	1. Payables for trading securities	7	3,600,201,889	-
313	2. Payables to Distributors	8	385,827,820	-
314	3. Tax and payables to the State		35,252,092	-
316	4. Accrued expenses	9	97,890,492	71,280,000
317	5. Payables to fund unit holder for fund units subscription	10	1,197,867,536	724,413,453
318	6. Payables to fund unit holder for fund units redemption	11	15,102,448	-
319	7. Fund management fee payable	12	859,972,680	342,488,744
320	8. Other payables		4,972,678	-
<b>300</b>	<b>TOTAL LIABILITIES</b>		<b>6,197,087,635</b>	<b>1,138,182,197</b>
<b>400</b>	<b>III. NET ASSET VALUE ATTRIBUTABLE TO FUND UNIT HOLDERS</b>			
			<b>500,767,150,832</b>	<b>322,992,936,587</b>
411	1. Contributed capital		404,044,313,600	304,540,394,500
412	1.1 Capital from subscription	13	595,937,322,600	440,692,717,100
413	1.2 Capital from redemption	13	(191,893,009,000)	(136,152,322,600)
414	2. Capital premium		19,462,679,197	103,079,187
420	3. Retained earnings	14	77,260,158,035	18,349,462,900
<b>430</b>	<b>IV. NET ASSET VALUE PER FUND UNIT</b>	<b>13</b>	<b>12,393.86</b>	<b>10,605.91</b>

Vietcombank Fund Management Company Limited  
 VCBF Mid-cap Growth Fund

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

B02g-QM

**OFF BALANCE SHEET ITEM**

Code	ITEM	Notes	30 June 2024 Fund units	31 December 2023 Fund units
004	1. Number of outstanding fund units	21	40,404,431.36	30,454,039.45

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

HHH

Vietcombank Fund Management Company Limited  
VCBF Mid-cap Growth Fund

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

B03g-QM

Code	ITEMS	For the six-month period ending 30 June 2024 VND	For the six-month period ending 30 June 2023 VND
<b>I</b>	<b>Beginning balance of the Fund's Net Asset Value (NAV)</b>	<b>322,992,936,587</b>	<b>255,876,261,450</b>
<b>II</b>	<b>Changes in NAV during the period</b>	<b>58,910,695,135</b>	<b>52,213,086,561</b>
	<i>In which:</i>		
II.1	- Changes in NAV arising from market fluctuation and the Fund's investment activities during the period	58,910,695,135	52,213,086,561
<b>III</b>	<b>Changes in NAV due to redemption and subscription for fund units</b>	<b>118,863,519,110</b>	<b>(10,599,882,087)</b>
	<i>In which:</i>		
III.1	- Proceeds from additional subscription of fund units	184,427,142,679	21,418,519,741
III.2	- Payment on redemption of fund units	(65,563,623,569)	(32,018,401,828)
<b>IV</b>	<b>Ending balance of the Fund's NAV</b>	<b>500,767,150,832</b>	<b>297,489,465,924</b>



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 Mid-cap Growth 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 (%)
<b>I</b>	<b>Listed shares</b>			<b>461,591,582,400</b>	<b>91.05</b>
1	ACB	621,775	23,800	14,798,245,000	2.92
2	BVH	255,000	46,000	11,730,000,000	2.31
3	BWE	496,860	45,700	22,706,502,000	4.48
4	CTD	282,933	70,100	19,833,603,300	3.91
5	DBD	342,862	40,000	13,714,480,000	2.71
6	DGW	122,000	61,200	7,466,400,000	1.47
7	FPT	202,446	130,500	26,419,203,000	5.21
8	GMD	182,000	83,000	15,106,000,000	2.98
9	HAX	952,487	16,150	15,382,665,050	3.03
10	HCM	702,735	26,200	18,411,657,000	3.63
11	HPG	286,110	28,300	8,096,913,000	1.60
12	IJC	681,000	14,550	9,908,550,000	1.95
13	LHG	410,800	37,400	15,363,920,000	3.03
14	MBB	1,128,020	22,200	25,042,044,000	4.94
15	MCM	208,800	40,850	8,529,480,000	1.68
16	MIG	524,316	22,300	11,692,246,800	2.31
17	MSB	704,100	14,300	10,068,630,000	1.99
18	MSH	191,200	48,000	9,177,600,000	1.81
19	MWG	250,000	62,400	15,600,000,000	3.08
20	NLG	374,900	41,400	15,520,860,000	3.06
21	NTC	66,700	214,500	14,307,150,000	2.82
22	PNJ	264,733	95,500	25,282,001,500	4.99
23	QNS	313,900	49,000	15,381,100,000	3.03
24	REE	78,775	62,600	4,931,315,000	0.97
25	SAS	10,900	35,500	386,950,000	0.08
26	SCS	13,135	86,000	1,129,610,000	0.22
27	SGN	65,000	81,600	5,304,000,000	1.05
28	STB	1,354,800	28,800	39,018,240,000	7.70
29	TDM	238,150	49,000	11,669,350,000	2.30
30	THG	181,365	41,350	7,499,442,750	1.48
31	TLG	168,300	52,000	8,751,600,000	1.73
32	VIB	721,000	21,000	15,141,000,000	2.99
33	VTP	219,528	83,000	18,220,824,000	3.59

Vietcombank Fund Management Company Limited  
VCBF Mid-cap Growth Fund

STATEMENT OF INVESTMENT PORTFOLIO (continued)  
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 (%)
<b>II</b>	<b>Other assets</b>			<b>306,921,713</b>	<b>0.06</b>
1	Dividend receivables			285,500,000	0.06
2	Accrued interest income from term deposits			21,421,713	0.00
<b>III</b>	<b>Cash</b>			<b>45,065,734,354</b>	<b>8.89</b>
1	Cash at banks			45,065,734,354	8.89
1.1	- Demand deposits			37,040,994,628	7.31
1.2	- Deposits with terms under three (3) months			8,024,739,726	1.58
<b>IV</b>	<b>Total investment portfolio</b>			<b>506,964,238,467</b>	<b>100.00</b>



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 Mid-cap Growth Fund

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

B05g-QM

Code	ITEMS	Notes	For the six-month period ending 30 June 2024 VND	For the six-month period ending 30 June 2023 VND
	<b>I. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
01	1. Profit before corporate income tax		58,910,695,135	52,213,086,561
02	2. Adjustments for decrease in net asset value from investing activities:		(54,592,408,463)	(50,040,769,503)
	<i>In which:</i>			
03	Unrealized gain from revaluation of investments	5	(54,596,991,633)	(50,038,951,695)
04	Accrued expenses		4,583,170	(1,817,808)
05	3. Profit from investing activities before adjustments in working capital		4,318,286,672	2,172,317,058
20	(Increase)/decrease in investments		(88,458,412,767)	9,499,831,395
07	Decrease/(increase) in accrued interest income from investments		77,783,035	(1,126,124,800)
10	Increase in payables for trading securities		3,600,201,889	-
11	Increase in payables to Distributors		385,827,820	81,975,932
13	Increase in tax and payables to the State		35,252,092	17,019,857
14	Increase in payables to fund unit holders for fund units subscription		473,454,083	208,803,156
15	Increase in payables to fund unit holders for fund units redemption		15,102,448	-
16	Increase in other payables		27,000,000	27,000,000
17	Increase in fund management fee payables		517,483,936	134,965,511
19	<b>Net cash flows (used in)/from investing activities</b>		<b>(79,008,020,792)</b>	<b>11,015,788,109</b>
	<b>II. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	1. Proceeds from subscription of fund units	13	184,427,142,679	21,418,519,741
32	2. Payments on redemption of fund units	13	(65,563,623,569)	(32,018,401,828)
30	<b>Net cash from/(used in) financing activities</b>		<b>118,863,519,110</b>	<b>(10,599,882,087)</b>
40	<b>III. NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>		<b>39,855,498,318</b>	<b>415,906,022</b>

Vietcombank Fund Management Company Limited  
VCBF Mid-cap Growth Fund

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

B05g-QM

Code	ITEMS	Notes	For the six-month period ending 30 June 2024 VND	For the six-month period ending 30 June 2023 VND
<b>50</b>	<b>IV. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>4</b>	<b>5,210,236,036</b>	<b>5,607,053,966</b>
51	Cash at banks at the beginning of the period:		5,210,236,036	5,607,053,966
52	- Cash at banks for the Fund's operation		4,485,822,583	5,367,133,966
	<i>In which:</i>			
	<i>Demand deposit for the Fund's operation</i>		2,456,079,841	5,367,133,966
	<i>Deposits with terms under three (3) months</i>		2,029,742,742	-
53	- Deposits of fund unit holders for fund unit subscription and redemption		724,413,453	239,920,000
<b>55</b>	<b>V. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>4</b>	<b>45,065,734,354</b>	<b>6,022,959,988</b>
56	Cash at banks at the end of the period:		45,065,734,354	6,022,959,988
57	- Cash at banks for the Fund's operation		43,852,764,370	5,574,236,832
	<i>In which:</i>			
	<i>Demand deposits for the Fund's operation</i>		35,828,024,644	5,574,236,832
	<i>Deposits with terms under three (3) months</i>		8,024,739,726	-
58	- Deposits of fund unit holders for fund unit subscription and redemption		1,212,969,984	448,723,156
<b>60</b>	<b>VI. NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>		<b>39,855,498,318</b>	<b>415,906,022</b>

Ms. Le Van  
Head of Operations Department



Ms. Nguyen Minh Hang  
Preparer



Ms. Nguyen Thi Hang Nga  
Chief Executive Officer



Ms. Tran Thi Ha Linh  
Chief Accountant

Hanoi, Vietnam

14 August 2024

# Vietcombank Fund Management Company Limited

## VCBF Mid-cap Growth 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 Mid-cap Growth Fund (“the Fund”) was established as an open-ended fund in Vietnam pursuant to Initial Public Offering Certificate No. 152/GCN-UBCK dated 24 August 2021 and Public Fund Establishment Registration Certificate No. 48/GCN-UBCK dated 2 December 2021 granted by the State Securities Commission (“SSC”). As such, the Fund was licensed to operate for an indefinite period.

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

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

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

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

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

The Fund Management Company was established in accordance with License No. 06/UBCK-GPHĐQLQ dated 2 December 2005, and subsequent adjustment licenses issued by the State Securities Commission. The most recent adjustment was granted under License No. 28/GPĐC-UBCK dated 25 April 2023. The Fund Management Company has been issued a Business Registration Certificate with the number 0101842669 by the Hanoi Department of Planning and Investment, most recently on 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 15,299,243.34 fund units amounting to VND152,992,433,400 and accounting for 305.98% 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 VND404,044,313,600 at par value, equivalent to 40,404,431.36 fund units.

##### **Investment objectives**

The Fund’s investment objective is mainly to increase the principal portion in the medium and long term by allocating a majority proportion to stocks of mid-cap companies and high-growth potential enterprises. Adjustment of the Fund’s investment objectives is required to be approved by Fund Units Holders in accordance with the Fund Charter, and if approved, these adjustments will be updated in the Fund’s Prospectus.

# Vietcombank Fund Management Company Limited

## VCBF Mid-cap Growth 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 will mainly invest in a diversified portfolio of listed stocks which satisfies the regulations on Asset allocation to minimize risks for the Fund.

The Fund will combine both a growth investment strategy and a value investment strategy. In its search for traits of sustainable growth, the Fund assesses long-term market opportunities and the competitiveness of each industry to target industry leaders and companies with the potential to become industry leaders. In evaluating a company's value, the Fund will consider whether the security's price fully reflects the correlation between sustainable growth opportunities with business risks and financial risks.

The Fund will use a bottom-up approach, that is, from analyzing the fundamentals of a company to selecting investment stocks and selecting companies in a variety of industries. The Fund's industry weight in the Fund's portfolio is the result of company fundamental analysis and may therefore differ from industry weight in the benchmark index.

##### **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 fulfill conditions under the prevailing Law. The investment portfolio of the Fund shall have to comply with the following principles and limits:

- a) Except deposits on the Fund's demand account opened at the Supervisory Bank, the Fund shall not invest more than 49% of the Fund's total asset value in the following assets: deposits at commercial banks in accordance with banking law; money market instruments including valuable papers, transferable instruments in accordance with relevant laws and regulations;
- b) 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;
- c) 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;

# Vietcombank Fund Management Company Limited

## VCBF Mid-cap Growth 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)

- d) 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;
  - 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;
- e) 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;
- f) Total value of major investments in the Fund's investment portfolio shall not exceed 40% of the Fund's total asset value. In which, the Fund's major investment is one of the following assets (except certificates of deposit) issued by an issuer and its value takes from 5% or more of the Fund's total asset value:
- i. Money market instruments including valuable papers, transferable instruments in accordance with relevant laws and regulations;
  - ii. Shares listed, shares registered for trading, bonds listed on the Stock Exchange, public fund certificates;
  - iii. 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;
  - iv. Rights arising in connection with securities held by the Fund;

# Vietcombank Fund Management Company Limited

## VCBF Mid-cap Growth 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)

- g) 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;
- h) Not to invest in Fund Certificates of VCBF – MGF.
- i) Only invest in other public fund certificates, public securities investment companies managed by other fund management companies and ensure the following restrictions:
  - 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;
  - 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;
  - Not to invest more than 30% of the Fund's total asset value in public fund certificates, shares of public securities investment companies;
- j) Do not directly invest in real estate, precious stones, precious metals;
- k) It must hold securities of at least 06 issuers, except for bond funds;
- l) The Fund 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 three (3) months from the date the deviation arises.

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.

# Vietcombank Fund Management Company Limited

## VCBF Mid-cap Growth Fund

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

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

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

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

Within five (5) 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 OF 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 interim 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 Mid-cap Growth Fund

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

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### 2. BASIS FOR PREPARATION OF 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 Mid-cap Growth Fund

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

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### 3. SUMMARY OF 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 recorded in "Accruals for interest and dividend income from investments" in the statement of financial position.

##### *Subsequent recognition*

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

- ▶ Certificates of deposit and deposits with terms over three (3) months are measured at fair value;
- ▶ Listed and 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 deposits, bonds and other debt instruments are recorded in "Receivables, accrual 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 Guidelines 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.

Vietcombank Fund Management Company Limited  
VCBF Mid-cap Growth Fund

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

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

3.4 *Investments* (continued)

*Principles of valuation*

No.	Type of asset	Principles on the market's transaction valuation
<b>Cash and cash equivalents, money market instruments</b>		
1.	Cash (VND)	Cash balance on date before the Valuation Day.
2.	Foreign currency	The value is convertible into VND according to prevailing exchange rate at credit institutions are permitted to do business in foreign exchange on the date prior to the Valuation Day.
3.	Term deposit	Deposit value plus accumulated interest as of the date prior to the Valuation Day.
4.	Treasury bills, transferable deposit certificates, and other money market instruments	Purchase price plus accumulated interest as of the date prior to the Valuation Day.
5.	Non-interest instruments including treasury bills, bonds, valuable papers and any instruments of the like kind	Quoted price posted on the transaction system of the Stock Exchange; in the absence of the quoted price, the price is determined according to the discounted cash flows model in reliance on the bid-awarding interest rate or another rate designated by the Fund Representative Board and the time period of holding such instruments (detailed in the Valuation Guidelines).
<b>Bonds</b>		
6.	Listed bonds	<ul style="list-style-type: none"> <li>- Weighted average quoted price (clean price) on the transaction system (or otherwise called according to the regulations adopted by the Stock Exchange) of ordinary transaction made on the latest trading date before the Valuation Day plus accrued interest;</li> <li>- In case of no transaction in more than 15 days until the Valuation Day (not including the Valuation Day); or in other cases detailed in the Valuation Guidelines, it shall be one of the following prices: <ul style="list-style-type: none"> <li>+ Price determined by the other methods which are approved by the Fund Representative Board (detailed in the Valuation Guidelines); or</li> <li>+ Purchase price plus accumulated interest; or</li> <li>+ Par value plus accumulated interest.</li> </ul> </li> </ul> <p>In case a bond is delisted due to its reaching maturity, the price will be par value plus accumulated interest.</p>

Vietcombank Fund Management Company Limited  
VCBF Mid-cap Growth Fund

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

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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
<b>Bonds (continued)</b>		
7.	Unlisted bonds	<ul style="list-style-type: none"> <li>- Quoted clean price (if any) on quotation systems plus accumulated interest as of the date prior to the Valuation Day; or</li> <li>- Price determined by the other methods which are approved by the Fund Representative Board (detailed in the Valuation Guidelines); or</li> <li>- Purchase price plus accumulated interest; or</li> <li>- Par value plus accumulated interest;</li> </ul> <p>In case of government bond/government-backed bond/municipal bond that has been successfully bid but not been listed, the price will be determined by purchase price plus accumulated interest.</p>
<b>Shares</b>		
8.	Shares listed or registered for trading	<ul style="list-style-type: none"> <li>- Closing price (or otherwise called according to the regulations adopted by the Stock Exchange) of the latest trading date before the Valuation Day.</li> <li>- In case of no transaction in more than 15 days until the Valuation Day (not including the Valuation Day); or no transactions since the date when shares are approved for listing until the Valuation Day, it shall be one of the following prices: <ul style="list-style-type: none"> <li>+ Price determined by the other methods which are approved by the Fund Representative Board (detailed in the Valuation Guidelines); or</li> <li>+ Purchase price; or</li> <li>+ Book value.</li> </ul> </li> </ul> <p>In case the share is in the process to change the Stock Exchange, the price shall be the closing price of the latest trading date on the former Stock Exchange.</p>
9.	Shares are suspended to transact, or cancelled listing or cancelled transaction registration	<p>It shall be one of the following prices:</p> <ul style="list-style-type: none"> <li>- Price determined by the other methods which are approved by the Fund Representative Board (detailed in the Valuation Guidelines); or</li> <li>- Book value; or</li> <li>- Face value.</li> </ul>
10.	Shares of organizations falling into winding-up or bankruptcy	<p>It shall be one of the following prices:</p> <ul style="list-style-type: none"> <li>- 80% (eighty percent) of liquidating value of such shares on the latest date of preparing balance sheet prior to the Valuation Day; or</li> <li>- Price determined by the other methods which are approved by the Fund Representative Board.</li> </ul>

Vietcombank Fund Management Company Limited  
VCBF Mid-cap Growth Fund

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

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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
<b>Shares (continued)</b>		
11.	Stocks, other contributed capital	<ul style="list-style-type: none"> <li>- Average price of successful transactions on the latest trading date before the Valuation Day which are provided by 03 quotation providers that are not the related persons of VCBF.</li> <li>- In case of no full quotation of three (03) quotation providers, use one of following prices:               <ul style="list-style-type: none"> <li>+ Price determined by the other methods which are approved by the Fund Representative Board (detailed in the Valuation Guidelines); or</li> <li>+ Purchase price/ contributed capital value; or</li> <li>+ Book value.</li> </ul> </li> </ul>
12.	Right issue to buy share	<p>Value of the right = Max {0; (Price of shares – Issuing price) x conversion rate}</p> <p><i>In which:</i></p> <p>Conversion rate = Number of shares entitled to buy/ Number of rights.</p>
<b>Other assets</b>		
13.	Listed fund certificates	<ul style="list-style-type: none"> <li>- Closed price (or otherwise called according to the regulations adopted by the Stock Exchange) on the latest trading date prior to the Valuation Day.</li> <li>- In case of no transaction in more than fifteen (15) days until the Valuation Day (not including the Valuation Day), which shall be one of the following prices in priority order:               <ul style="list-style-type: none"> <li>+ Price of NAV per fund unit which are approved by the Fund Management Company on the latest trading date prior to the Valuation Day;</li> <li>+ Price determined by the other methods which are approved by the Fund Representative Board.</li> </ul> </li> </ul>

CÔNG TY CỔ PHẦN  
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 FUND MANAGEMENT

Vietcombank Fund Management Company Limited  
VCBF Mid-cap Growth Fund

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

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**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
<b>Other assets</b> (continued)		
14.	Unlisted fund certificates	<ul style="list-style-type: none"> <li>- Price of NAV per fund unit which are approved by the Fund Management Company on the latest trading date prior to the Valuation Day;</li> <li>- In case the NAV price cannot be determined, price determined by the other methods which are approved by the Fund Representative Board.</li> </ul>
15.	Other permitted investment assets	<p>Average price of successful transactions on the latest trading date before the Valuation Day which are provided by quotation providers.</p> <p>In case of no quotations, price determined by the other methods which are approved by the Fund Representative Board.</p>

*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 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 value of assets owned by the Fund after deducting related liabilities (such as management fee, supervisory fee, custody fee, fund administration fee, transfer agent fee and other payables) on the date 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 Mid-cap Growth Fund

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

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### 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 advice from the Supervisory Bank and an allocation table of valid receipts from fund units subscription (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 from 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 cumulatively incurred from revaluation of the Fund's investments during the period.

At the end of the period, the Fund calculates 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 according to Prospectus, Authorized Decision of the Fund Representatives Board (in the latest period), Resolution by the General Meeting of Investors in compliance with the Fund's Charter and prevailing securities laws.

# Vietcombank Fund Management Company Limited

## VCBF Mid-cap Growth Fund

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

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### 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 receivable 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 or income of the 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 overdue debts 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.

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# Vietcombank Fund Management Company Limited

## VCBF Mid-cap Growth Fund

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

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

#### 3.9 Expenses (continued)

##### 3.9.1 Investment portfolio management fee (continued)

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

Management fee is calculated at the maximum of 1.9% per annum based on NAV. This fee is recognized as the Fund's expenses at each valuation period and paid monthly to the Fund Management Company. The specific price of fund management services will be announced by VCBF from time to time on its website.

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

From 1 July 2022 to 31 January 2023, fund administration fee is calculated at 0.05% per annum based on 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 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 the obligation to pay the Supervisory Bank a transaction 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 Mid-cap Growth Fund

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

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### 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 an increase in investment by value of received stock dividends.

##### *Interest (include interests from deposits, certificates of deposit and bonds)*

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

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

Income from securities trading activities is recognized into the income statement when the Fund receives the 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 investors in the following transactions:

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

When the Fund pays dividends to 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 pays dividends to its institutional unit holders, regardless of domestic or foreign, Fund Management Company is required to withhold the corporate income tax at 20% of distributed profit (except for distributed profit portions already imposed with corporate income tax in the previous stage and bond interest 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 the personal income tax equal to 5% of distributed profit.

# Vietcombank Fund Management Company Limited

## VCBF Mid-cap Growth Fund

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

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### 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 of transactions relating to fund units redemption from individuals (domestic or foreign) and from institutions classified as foreign in accordance with the 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, 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 unit holders since these domestic organizations shall be responsible for their income tax declaration and payment.

#### 3.12 Related parties

Parties/individuals are considered being 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 the Fund Management Company, members of Fund Representatives Board, family members of those individuals or parties, or related companies with those individuals are considered as related parties to the Fund. The substance of each party's relationship is more important than its legal form.

#### 3.13 Off balance sheet items

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

#### 3.14 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, receivables, listed securities, unlisted securities, and other investments, accrued interest and dividends receivable, interest from investment activities and other receivables.

# Vietcombank Fund Management Company Limited

## VCFB Mid-cap Growth Fund

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

#### 3.14 *Financial instruments* (continued)

*Financial instruments – initial recognition and presentation* (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 for 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 is 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 stated in Circular No. 198/2012/TT-BTC dated 15 November 2012 stipulating the accounting systems applicable to open-ended funds, which are not presented in these interim financial statements, are considered to be nil balance.

### 4. CASH AND CASH EQUIVALENTS

	<i>30 June 2024</i>	<i>31 December 2023</i>
	<u>VND</u>	<u>VND</u>
Demand deposit at Supervisory and Custodian Bank for the Fund's operation	35,828,024,644	2,456,079,841
Deposits with terms under three (3) months	8,024,739,726	2,029,742,742
Deposit of fund unit holders for fund units subscription and redemption	1,212,969,984	724,413,453
	<u><b>45,065,734,354</b></u>	<u><b>5,210,236,036</b></u>

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5. INVESTMENTS

	Cost VND	Market value or fair value VND	Revaluation difference			Fair value VND
			Increase VND	Decrease VND	Net increase VND	
<b>30 June 2024</b>						
Listed Shares	393,049,547,355	461,591,582,400	75,539,725,045	(6,997,690,000)	68,542,035,045	461,591,582,400
	<b>393,049,547,355</b>	<b>461,591,582,400</b>	<b>75,539,725,045</b>	<b>(6,997,690,000)</b>	<b>68,542,035,045</b>	<b>461,591,582,400</b>
<b>31 December 2023</b>						
Listed Shares	304,591,134,588	318,307,770,500	35,210,576,412	(21,493,940,500)	13,716,635,912	318,307,770,500
Right to buy shares (*)	-	228,407,500	228,407,500	-	228,407,500	228,407,500
	<b>304,591,134,588</b>	<b>318,536,178,000</b>	<b>35,438,983,912</b>	<b>(21,493,940,500)</b>	<b>13,945,043,412</b>	<b>318,536,178,000</b>
<b>Impact of the revaluation difference on investments in the interim income statement</b>					<b>54,596,991,633</b>	

(\*) The purchase right of TDM securities of Thu Dau Mot Water Joint Stock Company according to the announcement number 2017/TB-SGDHCM dated 21 December 2023. Accordingly, the right to purchase shares for existing shareholders at the ratio of 10:1 (1 share entitled to 10 rights, 10 rights can buy 1 new share). The time to purchase shares is from 9 January 2024 to 7 February 2024. At the date of this report, the Fund has purchased all shares equivalent to purchase rights owned on 31 December 2023.

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

	<i>30 June 2024</i>	<i>31 December 2023</i>
	<i>VND</i>	<i>VND</i>
Accrued dividends	285,500,000	379,800,000
Accrued interest from term deposits	21,421,713	4,904,748
	<b><u>306,921,713</u></b>	<b><u>384,704,748</u></b>

**7. PAYABLES FOR TRADING SECURITIES**

	<i>30 June 2024</i>	<i>31 December 2023</i>
	<i>VND</i>	<i>VND</i>
Payables for trading securities	<b><u>3,600,201,889</u></b>	<u>-</u>

**8. PAYABLES TO DISTRIBUTORS**

	<i>30 June 2024</i>	<i>31 December 2023</i>
	<i>VND</i>	<i>VND</i>
Payables to Fund Management Company	<b><u>385,827,820</u></b>	<u>-</u>

**9. ACCRUED EXPENSES**

	<i>30 June 2024</i>	<i>31 December 2023</i>
	<i>VND</i>	<i>VND</i>
Audit fee	70,890,492	71,280,000
Remuneration of Fund Representatives Board	27,000,000	-
	<b><u>97,890,492</u></b>	<b><u>71,280,000</u></b>

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

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

**11. PAYABLES TO FUND UNIT HOLDERS FOR FUND UNITS REDEMPTION**

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

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**12. FUND MANAGEMENT FEE PAYABLE**

	<i>30 June 2024</i>	<i>31 December 2023</i>
	<i>VND</i>	<i>VND</i>
Payable for fund management fee	774,151,332	264,388,744
Payable for fund administration fee	37,400,000	37,400,000
Payable for supervisory fee	17,937,905	17,600,000
Payable for custody fee - safekeeping fee	12,223,443	11,000,000
Payable for transfer agent fee	11,000,000	11,000,000
Payable for custody fee - transaction fee	7,260,000	1,100,000
	<b>859,972,680</b>	<b>342,488,744</b>

**13. STATEMENT OF CHANGES IN OWNERS' EQUITY**

	<i>For the six-month period ended 30 June 2024</i>		
	<i>Beginning balance</i>	<i>Movement</i>	<i>Ending balance</i>
	<i>VND</i>	<i>during the period</i>	<i>VND</i>
	<i>VND</i>	<i>VND</i>	<i>VND</i>
<b>Subscription capital</b>			
Number of fund units ("unit")	44,069,271.71	15,524,460.55	59,593,732.26
Subscription capital at par value	440,692,717,100	155,244,605,500	595,937,322,600
Capital premium	(3,318,505,796)	29,182,537,179	25,864,031,383
Total subscription capital	437,374,211,304	184,427,142,679	621,801,353,983
<b>Redemption capital</b>			
Number of fund units ("unit")	(13,615,232.26)	(5,574,068.64)	(19,189,300.90)
Redemption capital at par value	(136,152,322,600)	(55,740,686,400)	(191,893,009,000)
Capital premium	3,421,584,983	(9,822,937,169)	(6,401,352,186)
Total redemption capital	(132,730,737,617)	(65,563,623,569)	(198,294,361,186)
<b>Number of outstanding fund units ("unit")</b>	<b>30,454,039.45</b>	<b>9,950,391.91</b>	<b>40,404,431.36</b>
<b>Outstanding contributed capital</b>	<b>304,643,473,687</b>	<b>118,863,519,110</b>	<b>423,506,992,797</b>
<b>Retained earnings</b>	<b>18,349,462,900</b>	<b>58,910,695,135</b>	<b>77,260,158,035</b>
<b>NAV</b>	<b>322,992,936,587</b>		<b>500,767,150,832</b>
<b>NAV per fund unit</b>	<b>10,605.91</b>		<b>12,393.86</b>

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**14. RETAINED EARNINGS**

	<i>30 June 2024</i>	<i>31 December 2023</i>
	VND	VND
Realized profit	8,718,122,990	4,404,419,488
Unrealized profit	68,542,035,045	13,945,043,412
	<b>77,260,158,035</b>	<b>18,349,462,900</b>

**15. 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 term deposits	41,512,494	-
Interest from demand deposits	13,140,242	2,641,805
	<b>54,652,736</b>	<b>2,641,805</b>

**16. GAIN 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>Gain on investment trading during the period</i>
	VND	VND	VND
Listed shares	<b>12,492,240,000</b>	<b>7,439,812,233</b>	<b>5,052,427,767</b>
	<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>Gain on investment trading during the period</i>
	VND	VND	VND
Listed shares	<b>11,494,560,000</b>	<b>10,902,856,395</b>	<b>591,703,605</b>

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**17. TRANSACTION EXPENSES FOR INVESTMENT TRADING**

	<i>For the six-month period ended 30 June 2024 VND</i>	<i>For the six-month period ended 30 June 2023 VND</i>
Transaction expenses for buying investments	133,457,511	2,104,537
Transaction expenses for selling investments	18,738,360	16,533,507
Other transaction expenses	44,400	58,440
	<b><u>152,240,271</u></b>	<b><u>18,696,484</u></b>

**18. 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	67,906,546	66,000,000
Custody fee - transaction fee	19,580,000	2,640,000
Custody fee - depository fee paid to the Viet Nam Securities Depository and Clearing Corporation	14,999,666	13,756,144
	<b><u>102,486,212</u></b>	<b><u>82,396,144</u></b>

**19. 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
Annual fee for the State Securities Commission	4,972,678	4,958,904
Bank charges	6,019,253	1,430,000
	<b><u>70,991,931</u></b>	<b><u>66,388,904</u></b>



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**20. NET ASSET VALUE**

Net asset value for the period ended 30 June 2024:

Period of NAV	NAV VND	Number of fund units	NAV per fund unit VND	Increase/(decrease) of NAV per fund unit VND
<b>Last period of December 2023</b>	<b>322,992,936,587</b>	<b>30,454,039,45</b>	<b>10,605.91</b>	
First period of January 2024	322,973,179,521	30,454,039,45	10,605.26	(0.65)
Second period of January 2024	323,835,290,437	30,214,032,04	10,718.04	112.78
Third period of January 2024	327,346,159,441	30,310,615,34	10,799.72	81.68
Fourth period of January 2024	328,458,980,967	30,466,142,39	10,781.11	(18.61)
Fifth period of January 2024	325,557,472,068	30,507,954.14	10,671.23	(109.88)
Sixth period of January 2024	329,424,559,189	30,450,343.43	10,818.41	147.18
Seventh period of January 2024	332,980,932,338	30,191,605.28	11,028.92	210.51
Eighth period of January 2024	332,930,532,479	30,195,449.95	11,025.85	(3.07)
Ninth period of January 2024	337,966,304,099	30,364,425.06	11,130.33	104.48
<b>Last period of January 2024</b>	<b>338,212,941,777</b>	<b>30,493,261.08</b>	<b>11,091.39</b>	<b>(38.94)</b>
First period of February 2024	345,966,508,652	30,567,840.52	11,317.98	226.59
Second period of February 2024	352,491,408,215	30,836,605.01	11,430.94	112.96
Third period of February 2024	354,930,831,465	30,986,543.04	11,454.35	23.41
Fourth period of February 2024	364,812,839,447	31,648,975.78	11,526.84	72.49
Fifth period of February 2024	366,914,342,649	31,867,216.32	11,513.84	(13.00)
Sixth period of February 2024	375,043,751,244	32,160,553.86	11,661.60	147.76
<b>Last period of February 2024</b>	<b>380,051,864,604</b>	<b>32,412,548.01</b>	<b>11,725.45</b>	<b>63.85</b>
First period of March 2024	386,764,967,488	32,412,548.01	11,932.56	207.11
Second period of March 2024	391,965,610,365	33,025,743.51	11,868.48	(64.08)
Third period of March 2024	388,342,951,695	33,216,478.29	11,691.27	(177.21)
Fourth period of March 2024	409,190,105,704	33,837,567.58	12,092.77	401.50
Fifth period of March 2024	405,761,924,271	34,053,459.71	11,915.43	(177.34)
Sixth period of March 2024	411,317,515,772	34,147,868.70	12,045.18	129.75
Seventh period of March 2024	411,870,701,026	34,285,020.19	12,013.13	(32.05)
Eighth period of March 2024	421,444,161,499	34,577,495.28	12,188.39	175.26
<b>Last period of March 2024</b>	<b>424,928,366,340</b>	<b>34,748,094.32</b>	<b>12,228.82</b>	<b>40.43</b>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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### 20. NET ASSET VALUE (continued)

Net asset value for the period 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 April 2024	424,808,802,890	34,748,094.32	12,225.38	(3.44)
Second period of April 2024	428,721,514,681	35,366,249.71	12,122.33	(103.05)
Third period of April 2024	417,581,463,281	35,529,999.75	11,752.92	(369.41)
Fourth period of April 2024	425,329,495,674	35,884,806.29	11,852.63	99.71
Fifth period of April 2024	415,156,108,256	36,171,815.44	11,477.33	(375.30)
Sixth period of April 2024	413,327,033,933	36,574,177.10	11,301.06	(176.27)
Seventh period of April 2024	427,441,556,593	36,961,097.66	11,564.63	263.57
<b>Last period of April 2024</b>	<b>430,603,812,355</b>	<b>37,098,111.40</b>	<b>11,607.16</b>	<b>42.53</b>
First period of May 2024	430,578,235,385	37,098,111.40	11,606.47	(0.69)
Second period of May 2024	441,580,211,099	37,227,300.75	11,861.73	255.26
Third period of May 2024	447,472,643,694	37,374,832.42	11,972.56	110.83
Fourth period of May 2024	448,959,012,050	37,699,460.47	11,908.89	(63.67)
Fifth period of May 2024	458,070,480,362	37,839,635.71	12,105.57	196.68
Sixth period of May 2024	465,987,683,538	37,966,338.80	12,273.70	168.13
Seventh period of May 2024	469,849,930,836	38,170,572.58	12,309.21	35.51
Eighth period of May 2024	474,821,638,182	38,634,142.80	12,290.20	(19.01)
Ninth period of May 2024	477,111,163,947	38,679,187.14	12,335.08	44.88
<b>Last period of May 2024</b>	<b>477,812,647,282</b>	<b>38,681,213.12</b>	<b>12,352.57</b>	<b>17.49</b>
First period of June 2024	485,092,686,253	38,681,213.12	12,540.78	188.21
Second period of June 2024	491,745,939,861	39,131,838.29	12,566.38	25.60
Third period of June 2024	496,382,335,235	39,110,135.44	12,691.91	125.53
Fourth period of June 2024	504,461,334,751	39,339,338.72	12,823.33	131.42
Fifth period of June 2024	496,041,533,337	39,322,036.93	12,614.84	(208.49)
Sixth period of June 2024	505,237,325,865	39,578,440.80	12,765.46	150.62
Seventh period of June 2024	495,965,213,573	39,780,052.78	12,467.68	(297.78)
Eighth period of June 2024	503,089,261,289	40,173,869.04	12,522.79	55.11
<b>Last period of June 2024</b>	<b>500,767,150,832</b>	<b>40,404,431.36</b>	<b>12,393.86</b>	<b>(128.93)</b>
Average NAV in the period	<b>411,809,849,803</b>			
Change in NAV per fund unit during the period – maximum				401.50
Change in NAV per fund unit during the period - minimum				(0.65)

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**21. 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	<b>40,404,431.36</b>	<b>30,454,039.45</b>

**22. FINANCIAL RATIOS TO MEASURE THE OPERATING EFFECTIVENESS OF THE FUND**

	<i>For the six-month</i> <i>period ended 30</i> <i>June 2024</i> <i>VND</i>	<i>For the six-month</i> <i>period ended 30</i> <i>June 2023</i> <i>VND</i>
Expense ratio	2.35	2.38
Turnover ratio of investment portfolio	26.32	4.73

**22.1 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.

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### 22. FINANCIAL RATIOS TO MEASURE THE OPERATING EFFECTIVENESS OF THE FUND (continued)

#### 22.2 *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

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

### 23. 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:

#### 23.1 *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.

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### 23. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### 23.1 *Market risk* (continued)

##### (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 shares are exposed to market price risk arising from uncertainties about future prices of investing shares. The Fund manages price risk by placing a limit on shares investments.

At the reporting date, the exposure to the Fund's listed shares and right issue to buy shares at fair value was VND461,591,582,400. A decrease of 10% in these securities' price could have an impact of approximately VND46,159,158,240 on the Fund's operating results, depending on whether or not the decline is significant or prolonged. An increase of 10% in the price of the listed securities would increase the Fund's operating results VND46,159,158,240.

#### 23.2 *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 bank deposits with well-known banks in Vietnam. Credit risk posing to balances of bank deposits 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 deposits at banks 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.

#### 23.3 *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 investing a reasonable proportion in stocks with high liquidity. The liquidity of a stock is assessed based on the number of days required to liquidate the entire stock holding of the Fund, assuming that the Fund's transactions account for 10% of the market's transactions.

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

The carrying amount and fair value of financial instruments of the Fund at 30 June 2024 are presented as follows:

	30 June 2024		31 December 2023	
	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
<b>Financial assets</b>				
Cash and cash equivalents	45,065,734,354	45,065,734,354	5,210,236,036	5,210,236,036
Net investments	461,591,582,400	461,591,582,400	318,536,178,000	318,536,178,000
- Listed shares	461,591,582,400	461,591,582,400	318,307,770,500	318,307,770,500
- Right to buy shares	-	-	228,407,500	228,407,500
Receivables	306,921,713	306,921,713	384,704,748	384,704,748
	<b>506,964,238,467</b>	<b>506,964,238,467</b>	<b>324,131,118,784</b>	<b>324,131,118,784</b>
<b>Financial liabilities</b>				
Payables for trading securities	3,600,201,889	3,600,201,889	-	-
Payables to Distributors	385,827,820	385,827,820	-	-
Accrued payables	97,890,492	97,890,492	71,280,000	71,280,000
Payables to fund unit holders for fund units subscription	1,197,867,536	1,197,867,536	724,413,453	724,413,453
Payables to fund unit holders for fund units redemption	15,102,448	15,102,448	-	-
Fund management fee payable	859,972,680	859,972,680	342,488,744	342,488,744
Other payables	4,972,678	4,972,678	-	-
	<b>6,161,835,543</b>	<b>6,161,835,543</b>	<b>1,138,182,197</b>	<b>1,138,182,197</b>

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

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

- Fair values of receivables, payables to Distributors, accrued payables, payables for trading securities, payables to fund unit holder for fund unit 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, shares, share bonuses and term deposits with terms of over three (3) months are re-valued using the valuation method stated in Note 3.4.

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

**25.1 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	<b><u>3,891,773,607</u></b>	<b><u>2,572,024,854</u></b>

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	<b><u>774,151,332</u></b>	<b><u>264,388,744</u></b>

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	<b><u>60,000,000</u></b>	<b><u>60,000,000</u></b>

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

	<i>30 June 2024 VND</i>	<i>31 December 2023 VND</i>
Payables to the Fund Representatives Board	<b><u>27,000,000</u></b>	<b><u>-</u></b>

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**25. RELATED PARTIES AND OTHER KEY CONTRACTS** (continued)

**25.1 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	4,861,250.92	12.03	4,861,250.92	15.96
Other related parties		542,798.90	1.34	470,012.33	1.55
		<b>5,404,049.82</b>	<b>13.37</b>	<b>5,331,263.25</b>	<b>17.51</b>

**25.2 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 at 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.



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

**25.2 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</i>	<i>For the six-month period ended 30 June 2023</i>
	<u>VND</u>	<u>VND</u>
Fund administration fee	224,400,000	202,889,723
Supervisory fee	105,979,401	105,600,000
Custody fee - safekeeping fee	67,906,546	66,000,000
Custody fee - transaction fee	19,580,000	2,640,000
Interests from demand deposit	13,140,242	2,641,805
Bank charges	6,019,253	1,430,000

The outstanding balance was as follows:

	<i>30 June 2024</i>	<i>31 December 2023</i>
	<u>VND</u>	<u>VND</u>
Demand deposit	37,040,994,628	3,180,493,294
Payable of Supervisory fee	17,937,905	17,600,000
Payable of Custody fee - safekeeping fee	12,223,443	11,000,000
Payable of Custody fee - transaction fee	7,260,000	1,100,000
Payable of Fund administration fee	37,400,000	37,400,000

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

There is no matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the 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