

VCBF Tactical Balanced Fund

Financial statements

For the year ended 31 December 2023



Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

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Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

GENERAL INFORMATION

THE FUND

VCBF Tactical Balanced Fund (“the Fund”) was established as an open-ended fund in Vietnam pursuant to Initial Public Offering Certificate No. 44/GCN-UBCK dated 16 September 2013 and Public Fund Establishment Registration Certificate No. 07/GCN-UBCK dated 24 December 2013 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 6,042,661.45 fund units amounting to VND60,426,614,500 and accounting for 120.85% of 5,000,000 fund units expected to be offered at par value of VND10,000 per fund unit. As at 31 December 2023, the Fund’s contributed capital is VND80,081,612,900 at par value, equivalent to 8,008,161.29 fund units.

The Fund’s investment objective is to provide long-term total returns via growth of capital and current income by investing in shares and high-quality fixed income instruments.

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

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

SUPERVISORY AND CUSTODIAN BANK

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

FUND MANAGEMENT COMPANY

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

BOARD OF REPRESENTATIVES

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

<u>Name</u>	<u>Position</u>	<u>Date of appointment/resignation</u>
Mr. Mac Quang Huy	Chairman, independent member	Appointed on 19 June 2019
Ms. Nguyen Thi Thuy	Independent member	Appointed on 15 March 2017
Mr. Pham Ngoc Ninh	Member	Appointed on 1 October 2016 Resigned on 21 November 2023
Ms. Vu Ngoc Quynh	Member	Appointed on 21 November 2023

LEGAL REPRESENTATIVE

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

AUDITORS

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

Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

REPORT OF THE BOARD OF REPRESENTATIVES

The Fund Representative Board of VCBF Tactical Balanced Fund ("the Fund") is pleased to present this report and the financial statements of the Fund for the year ended 31 December 2023.

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

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

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

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

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

APPROVAL OF THE FINANCIAL STATEMENTS

The Fund Representative Board hereby approved the accompanying financial statements based on the confirmation of the Board of Management of the Fund Management Company. The financial statements give a true and fair view of the financial position, investment portfolio of the Fund as at 31 December 2023 and of the results of its operations, its changes in net asset value, transactions of fund units and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds and the statutory requirements relevant to the preparation and presentation of open-ended funds' financial statements.

On behalf of the Board of Representatives:



Mr. Mac Quang Huy
Chairman

Ho Chi Minh City, Vietnam

29 March 2024

Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

REPORT OF THE FUND MANAGEMENT COMPANY

I. GENERAL INFORMATION OF THE FUND

1. Investment objective

VCBF Tactical Balanced Fund (“the Fund”) was established as an open-ended fund in Vietnam pursuant to Initial Public Offering Certificate No. 44/GCN-UBCK dated 16 September 2013 and Public Fund Establishment Registration Certificate No. 07/GCN-UBCK dated 24 December 2013 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 to provide long-term total returns via growth of capital and current income by investing in shares and high-quality fixed income instruments.

2. Operating efficiency

According to the audited financial statements of the Fund, at 31 December 2023, the change in net asset value (“NAV”) per fund unit and benchmark index is 16.94% and 8.49% respectively, as compared to 31 December 2022.

3. Investment strategy

The Fund has flexibility in asset allocation taking either defensive or aggressive investment strategy depending on opportunities available at various points in time. Allocation can vary substantially depending upon the perception of the Fund Management Company, the intention being at all times to seek to protect the interest of the investors.

The Fund’s asset allocation is as follows:

<i>Type of investment</i>	<i>Risk level</i>	<i>% of NAV</i>
Equities	From medium to high	50.00%
Fixed-income assets (include deposit on Fund settlement account at Supervisory Bank)	From low to medium	50.00%

The asset allocation will vary from the allocation given above by $\pm 25.0\%$ (plus or minus twenty five per cent) subject to availability of investment opportunities and the investment team’s assessment of risk and return of those opportunities across the asset classes. Typically a higher allocation to fixed income is adopted when the macro-economic conditions warrant a defensive position. Alternatively, a higher allocation to equities is adopted when macro-economic conditions warrant an aggressive position.

The Fund invests mainly in securities with large and medium market capitalization listed on the Ho Chi Minh Stock Exchange (HSX) and Ha Noi Stock Exchange (HNX). Large and medium market capitalization securities are securities with market capitalization larger than or equal to the market capitalization of smallest market capitalization stock in the VN100 Index listed on HSX.

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 providing guidance on operation and management of securities investment 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):** Medium to high.

Vietcombank Fund Management Company Limited

VCBF Tactical Balanced 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. 07/GCN-UBCK dated 24 December 2013 granted by the State Securities Commission ("SSC"). The Fund was licensed to operate for an indefinite period.

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

Total net asset value: Viet Nam dong 211,145,924,718.

Number of fund units: 8,008,161.29 fund units.

9. Benchmark index

A blended benchmark which has a return is an equally weighted average of VN Index return and 10 (ten) year Vietnam Government bond yield, which is equaling to 50.0% (fifty per cent) multiplied by the VN Index return plus 50.0% (fifty per cent) multiplied by the 10 (ten) year Vietnam Government bond yield. The 10 (ten) year Vietnam Government bond yield is obtained from Reuters or Bloomberg at the beginning of each year.

10. Dividend Policy

The distribution of the Fund's profits to the fund unit holders shall be approved by the General Meeting of Investors or 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 year, the Fund has not distributed profit.

II. OPERATING FIGURES

1. Assets portfolio

<i>Assets portfolio</i>	<i>31 December 2023 (%)</i>	<i>31 December 2022 (%)</i>	<i>31 December 2021 (%)</i>
Securities portfolio	96.28	96.07	85.83
Other assets	3.72	3.93	14.17
Total	100.00	100.00	100.00

Vietcombank Fund Management Company Limited
VCBF Tactical Balanced Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

II. OPERATING FIGURES (continued)

2. Key performance indicators

No	Items	31 December 2023	31 December 2022	31 December 2021
1	Net asset value (NAV) of the Fund (VND)	221,145,924,718	212,659,619,655	251,122,968,217
2	Total outstanding fund units ("unit")	8,008,161.29	9,005,105.61	9,359,793.61
3	NAV per fund unit	27,615.06	23,615.44	26,829.96
4	Maximum NAV per fund unit during the year	28,698.29	28,297.48	27,193.79
5	Minimum NAV per fund unit during the year	23,604.47	21,785.75	21,075.90
6	Closing price of a fund unit at the reporting date (a)	Not applicable	Not applicable	Not applicable
7	Maximum closing price of a fund unit during the year (a)	Not applicable	Not applicable	Not applicable
8	Minimum closing price of a fund unit during the year (a)	Not applicable	Not applicable	Not applicable
9	Total growth (%) per fund unit (b)	16.94	-11.98	25.70
9.1	Capital growth (%) per fund unit (change due to price fluctuation during the year) (b)	14.31	-13.96	23.63
9.2	Earnings growth (%) per fund unit (based on realized income during the year) (b)	2.63	1.98	2.07
10	Gross distribution per fund unit (c)	Not applicable	Not applicable	Not applicable
11	Net distribution per fund unit (c)	Not applicable	Not applicable	Not applicable
12	Ex-date of distribution (c)	Not applicable	Not applicable	Not applicable
13	Expenses ratio (%)	2.12	1.97	2.15
14	Turnover rate of investment portfolio during the year (%)	11.87	24.29	27.96

(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 applied dividend policy.

Vietcombank Fund Management Company Limited
VCBF Tactical Balanced Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

II. OPERATING FIGURES (continued)

3. Growth over periods

<i>Period</i>	<i>Growth of NAV per fund unit (%)</i>	<i>Benchmark index of the Fund (%)</i>
1 year (from 1 January 2023 to 31 December 2023)	16.94	8.49
3 years (from 1 January 2021 to 31 December 2023)	29.38	9.33
3 years (annually compounded return)	8.97	3.02
Since inception	176.18	102.92
Since inception (annually compounded return)	10.67	7.31

4. Annual growth rate

<i>Item</i>	<i>2023 (%)</i>	<i>2022 (%)</i>	<i>2021 (%)</i>
Growth of NAV (%) per fund unit	16.94	-11.98	25.70

17/12/2023

Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

III. MARKET UPDATE DURING THE YEAR

1. Macroeconomics overview

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

- ▶ GDP grew by 6.7% yoy in the 4Q 2023, the fastest pace in the 4Q since a growth of 7.0% recorded in 4Q 2019. However, the 5.05% recorded in 2023 is the third-lowest GDP growth over the last 12 years, and is only higher than two Covid-19 years. The Industry & Construction (+7.4% yoy in 4Q and +3.7% yoy for 2023) recovered from 9M 2023 but is still far below the average of 6.7% in the five years 2018-2022. Of which, Manufacturing grew by 3.6% yoy, Construction did well at 7.1% growth as a result of increasing public investment while Mining & Extraction contracted by 3.2% for 2023.
- ▶ The Services sector (42.5% of GDP) was the main driver, growing by 6.8% yoy and contributing 62.3% to the total growth against a third of that in the previous five years
- ▶ Real retail sales grew strongly by 7.2% yoy in 4Q and by 9.6% yoy for 12M 2023.
- ▶ The PMI slightly recovered in December 2023 to 48.9 but remained in contracting territory throughout the year except for brief expansions in August and February.
- ▶ Export grew 2.3% qoq in 4Q 2023 but have contracted by 4.6% for the year. Imports dropped by 9.2% yoy for 12M 2023. Trade surplus therefore surged to USD28.3bn for 12M 2023 (+133.1% yoy).
- ▶ Domestic inflation was under control, with the CPI of 3.3% on average for 12M 2023, well under the upper boundary of 4.5%, with core inflation easing to under 3.0%.
- ▶ FDI disbursements grew 3.5% yoy to the highest amount on record with FDI approvals of USD28.1bn, the highest since December 2017. 78% of FDI disbursements are for manufacturing projects which will bolster growth in the short to medium term.

The exchange rate has remained stable over the year as pressure on the VN Dong eased and gained 16bps over the 4Q after losing 3.0% against the US Dollar in 3Q, supported by the record high merchandise trade surplus, strong FDI disbursements and the falling service trade deficit. The budget position of the Government remains very sturdy. Despite a decline of 5.4% in revenues and a 10.9% increase in expenditures, the budget deficit of VND14.1trn was very modest.

Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

III. MARKET UPDATE DURING THE YEAR (continued)

2. Bond market

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

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

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Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

III. MARKET UPDATE DURING THE YEAR (continued)

3. Stock market

Despite high volatility over quarters, VNIndex (VNI) managed to increase by 12.2% in 2023, which is much better than the plummet of 32.8% in 2022 and surpassing other regional indices, including the Thai Set Index (-15.2%), Indonesia JCI Index (+6.2%), the Philippines PCOMP Index (-1.8%), and Malaysia FBMEMAS Index (+1.1%). The strong performance of the VNI is mainly attributable to Government's relentless efforts in solving obstacles to corporate bond and real estate markets and pushing public investments to accommodate economic growth. And the most notably, the Government switched to loosening monetary policy early in the year, which led to remarkable redundant liquidity in the banking system and record-low interest rates, a development that surprised the market and drove investment demand in risky assets as stocks.

Total market turnover reached approximately US\$182.2bn in 2023, indicating a 14.8% decline compared to that in 2022, which was mainly due to slump liquidity in the 1H. The market liquidity significantly improved in 2H.

Except for the first quarter of net purchase, foreign investors continued their net selling trend in the last three quarter of the year, with the outflow value accelerating to US\$654.5 million in 4Q. Accumulative net selling in 2023 reached US\$943.7 million, almost offset all the net purchase of US\$1.2bn posted in 2022..

During 2023, 9/12 sectors delivered positive returns and six of them outperformed the index return in 2023, of which the top performers were the Information Technologies and the Materials sectors. On the contrary, Non-discretionary Consumption and Real Estate are the worst performing ones during the year.

As regards performance by market capitalization, mid-cap and small-cap stocks outperformed in 2023 with VN70 Index leading the market with an impressive gain of 32.2%, followed by VN30 Index with a return of 28.9%, supported by retail investors while VN100 Index only recorded a modest increase of 12.6%, due to selling pressures from foreign investors and disappointed earnings recorded by many large-cap companies, particularly in real estate and consumption sectors.

Vietcombank Fund Management Company Limited
VCBF Tactical Balanced 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)	2.63	Not applicable
Capital growth per fund unit (a)	14.31	Not applicable
Annual growth per fund unit	16.94	10.67
Growth of the restructuring portfolio	Not applicable	Not applicable
Change in market price of a fund unit	Not applicable	Not applicable

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

Change in NAV:

<i>Items</i>	<i>31 December 2023 VND</i>	<i>31 December 2022 VND</i>	<i>Changing rate (%)</i>
NAV of the Fund	221,145,924,718	212,659,619,655	3.99
NAV per fund unit	27,615.06	23,615.44	16.94

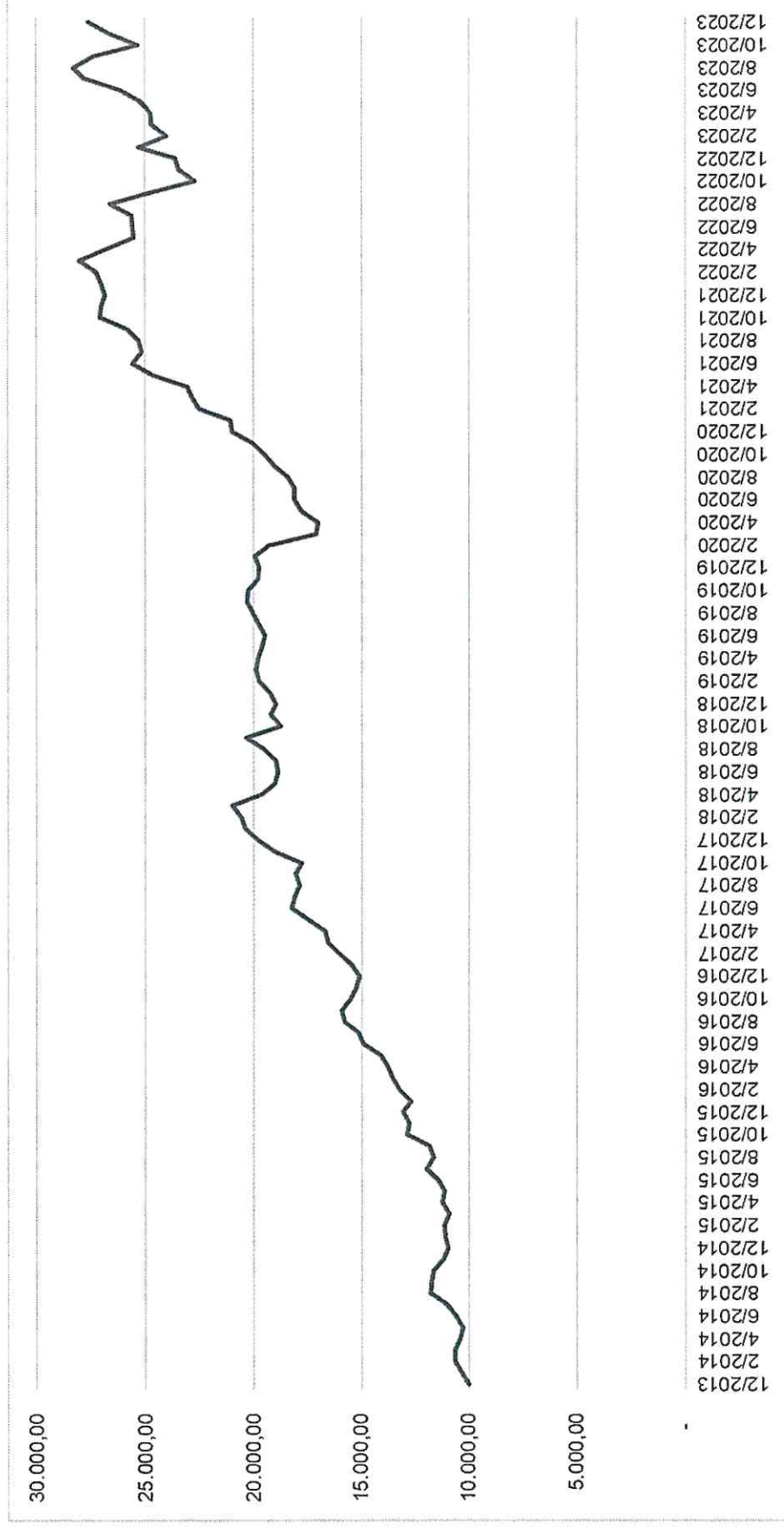
Vietcombank Fund Management Company Limited
 VCBF Tactical Balanced Fund

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 Tactical Balanced Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

IV. KEY PERFORMANCE INDICATORS (continued)

2. Statistical information on Fund Unit Holders as at 31 December 2023

<i>Holding scale (fund units)</i>	<i>Number of fund unit holders</i>	<i>Number of fund units held</i>	<i>Holding percentage (%)</i>
Under 5,000	2,550	1,505,651.32	18.80
From 5,000 to 10,000	111	762,054.82	9.52
From 10,000 to 50,000	69	1,347,495.19	16.83
From 50,000 to 500,000	5	558,932.08	6.98
Over 500,000	2	3,834,027.88	47.88
Total	2,737	8,008,161.29	100.00

3. *Sunk cost and diminution:* None

V. MARKET OUTLOOK

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

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

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

Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

V. MARKET OUTLOOK (continued)

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

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

VI. OTHER INFORMATION

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



Mr. Vũ Quang Đông
Chief Executive Officer

Hanoi, Vietnam

29 March 2024

¹ Bloomberg, 10.01.2024



SUPERVISORY BANK'S REPORT

We, appointed as the Supervisory Bank of VCBF Tactical Balanced Fund ("the Fund") for the period from 01st January 2023 to 31st December 2023, recognize that the Fund operated and was managed in the following matters:

- a) During our supervision of the Fund's investments and asset transactions for the period from 01st January 2023 to 31st December 2023, the Fund's investment portfolio deviated from investment limits under the prevailing regulations for open-end fund, Fund Charter, Fund Prospectus and other relevant regulations, details as below:
- Point e, Clause 04, Article 35, Circular 98/2020/TT-BTC dated 16th November 2020 providing guidance on operation and management of securities investment funds ("Circular 98") and Article 10, Fund Charter regulate that the structure of the investment portfolio of an open-end fund must ensure the following investment limit: "Total value of major investments in the fund's investment portfolio shall not exceed 40% of total value of its assets, except bond funds." In case of deviation, the Fund Management Company has to adjust the Fund's investment portfolio in conformity with the prevailing regulations within the regulated recovery timeframe.

From valuation date 17th January 2023 to valuation date 02nd February 2023, at valuation date 21st February 2023, at valuation date 23rd February 2023, at valuation date 30th March 2023, from valuation date 04th April 2023 to valuation date 13th April 2023, from 27th April 2023 to 04th May 2023, at valuation date 11th May 2023, at valuation date 16th May 2023, and from valuation date 23rd May 2023 to valuation date 10th August 2023, the Fund's investment in major investments deviated from the limit of 40% of the Fund's total asset value due to price fluctuation of the assets in the Fund's investment portfolio and making payments of the Fund as prescribed by law, including implementation of trading orders of investors affected to the total value of major investments in the Fund's investment portfolio.

The Fund Management Company adjusted the Fund's investment portfolio to comply with the prevailing regulations within the regulated recovery timeframe.

As at other valuation dates from 01st January 2023 to 31st December 2023, the Fund's investment portfolio complied with Point e, Clause 04, Article 35, Circular 98 and Article 10, Fund Charter.

- b) Assets Valuation and Pricing of the Fund units were carried out in accordance with Fund Charter, Fund Prospectus, Valuation Manual approved by Board of Representatives of the Fund and other prevailing regulations.
- c) Fund subscriptions and redemptions were carried out in accordance with Fund Charter, Fund Prospectus, and other prevailing regulations.





d) For the period from 01st January 2023 to 31st December 2023, the Fund did not pay dividend to Fund Unit Holders.

SUPERVISORY BANK REPRESENTATIVE

SUPERVISORY BANK OFFICER



Nguyen Thuy Linh

Senior Manager, Supervisory Services Operations

Vu Minh Hien

Manager, Supervisory Services Operations



Reference: 61141024/66976362

INDEPENDENT AUDITORS' REPORT

To: The Investors of VCBF Tactical Balanced Fund

We have audited the accompanying financial statements of VCBF Tactical Balanced Fund ("the Fund") as prepared on 29 March 2024 and set out on pages 18 to 61, which comprise the statement of financial position, the statement of investment portfolio as at 31 December 2023, the income statement, the statement of changes in net asset value, transactions of fund units and the statement of cash flows for the year then ended and the notes thereto.

The Board of Management of the Fund Management Company's responsibility

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position, investment portfolio of the Fund as at 31 December 2023, and of the results of its operations, its changes in net asset value, transactions of fund units and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds and the statutory requirements relevant to the preparation and presentation of open-ended funds' financial statements.

Ernst & Young Vietnam Limited



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



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

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

Ho Chi Minh City, Vietnam

29 March 2024

Vietcombank Fund Management Company Limited
VCBF Tactical Balanced Fund

INCOME STATEMENT
for the year ended 31 December 2023

B01-QM

Code	ITEMS	Notes	Current year VND	Previous year VND
01	I. INCOME/(LOSS) FROM INVESTING ACTIVITIES		37,932,671,602	(26,164,457,496)
02	1.1 Dividend		2,699,964,460	3,394,662,501
03	1.2 Interest income	14	6,791,596,708	6,465,330,414
04	1.3 Gain from investment trading	15	2,556,912,612	13,722,311,417
05	1.4 Unrealized gain/(loss) on revaluation of investments	5	25,884,197,822	(49,746,761,828)
10	II. EXPENSES FROM INVESTING ACTIVITIES		42,672,870	90,037,209
11	2.1 Transaction expenses for investment trading	16	42,672,870	89,007,887
15	2.2 Other investment expenses		-	1,029,322
20	III. OPERATING EXPENSES		4,419,300,052	4,720,975,075
20.1	3.1 Fund management fee	24.1	3,163,301,168	3,663,117,377
20.2	3.2 Custody fee	17	161,824,663	206,857,363
20.3	3.3 Supervisory fee	24.2	211,200,000	196,900,000
20.4	3.4 Fund administration fee	24.2	426,800,000	211,200,000
20.5	3.5 Transfer agent fee		132,000,000	132,000,000
20.7	3.6 General Meeting expenses		49,466,721	39,062,900
20.8	3.7 Audit fee		143,880,000	141,240,000
20.10	3.8 Other operating expenses	18	130,827,500	130,597,435
23	IV. NET INCOME FROM INVESTING ACTIVITIES		33,470,698,680	(30,975,469,780)
30	V. PROFIT/(LOSS) BEFORE TAX		33,470,698,680	(30,975,469,780)
31	6.1 Realized profit		7,586,500,858	18,771,292,048
32	6.2 Unrealized profit/(loss)	5	25,884,197,822	(49,746,761,828)
40	VI. COPORATE INCOME TAX EXPENSE		-	-
41	VII. PROFIT/(LOSS) AFTER TAX		33,470,698,680	(30,975,469,780)

Ms. Le Van
Head of Operations Department

CÔNG TY TNHH QUẢN LÝ QUỸ ĐẦU TƯ CHỨNG KHOÁN VIETCOMBANK

Mr. Vu Quang Dong
Chief Executive Officer

Ms. Vu Thi Thanh Mai
Preparer

Ms. Tran Thi Ha Linh
Chief Accountant

Hanoi, Vietnam

29 March 2024

Vietcombank Fund Management Company Limited
VCBF Tactical Balanced Fund

STATEMENT OF FINANCIAL POSITION
as at 31 December 2023

B02-QM

Code	ITEMS	Notes	Ending balance VND	Beginning balance VND
100	I. ASSETS			
110	1. Cash and cash equivalents	4	6,606,265,359	1,295,752,028
111	1.1 Cash at bank for operation of the Fund		2,592,128,373	1,295,752,028
112	1.2 Deposits with terms under three (3) months		4,014,136,986	-
120	2. Net investments		213,920,775,789	210,020,063,996
121	2.1 Investments	5	213,920,775,789	210,020,063,996
130	3. Receivables		1,658,597,000	2,090,678,645
133	3.1 Receivables, accrual for interest and dividends income from investments		1,658,597,000	2,090,678,645
136	3.1.1 Accruals for interest and dividend income from investments	6	1,658,597,000	2,090,678,645
100	TOTAL ASSETS		222,185,638,148	213,406,494,669
300	II. LIABILITIES			
313	1. Payables to distributors	7	-	106,334,569
314	2. Tax and payables to the State Budget		-	6,389,486
316	3. Accrued expenses	8	71,280,000	71,280,000
317	4. Payables to fund unit holders for fund units subscription	9	490,254,063	88,637,700
318	5. Payables to fund unit holders for fund units redemption	10	124,494,491	124,494,491
319	6. Fund management service fee payables	11	353,684,876	342,238,768
320	7. Other payables		-	7,500,000
300	TOTAL LIABILITIES		1,039,713,430	746,875,014
400	III. NET ASSET VALUE ATTRIBUTABLE TO FUND UNIT HOLDERS			
			221,145,924,718	212,659,619,655
411	1. Contributed capital		80,081,612,900	90,051,056,100
412	1.1 Capital from subscription	12	316,143,984,200	306,147,281,500
413	1.2 Capital from redemption	12	(236,062,371,300)	(216,096,225,400)
414	2. Capital premium		(6,775,452,131)	8,239,498,286
420	3. Retained earnings	13	147,839,763,949	114,369,065,269
430	IV. NET ASSET VALUE PER FUND UNIT	12	27,615.06	23,615.44

Vietcombank Fund Management Company Limited
 VCBF Tactical Balanced Fund

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

B02-QM

OFF BALANCE SHEET ITEM

Code	ITEM	Notes	Ending balance	Beginning balance
004	1. Number of outstanding fund units	20	8,008,161.29	9,005,105.61

Ms. Le Van
 Head of Operations Department



Mr. Vu Quang Dong
 Chief Executive Officer

Ms. Vu Thi Thanh Mai
 Preparer

Ms. Tran Thi Ha Linh
 Chief Accountant

Hanoi, Vietnam

29 March 2024

Vietcombank Fund Management Company Limited
VCBF Tactical Balanced Fund

STATEMENT OF CHANGES IN NET ASSET VALUE, TRANSACTIONS OF FUND UNITS B03-QM
for the year ended 31 December 2023

No.	ITEMS	Current year VND	Previous year VND
I	Beginning balance of the Fund's Net Asset Value (NAV)	212,659,619,655	251,122,968,217
II	Changes in NAV during the year	33,470,698,680	(30,975,469,780)
	<i>In which</i>		
II.1	- Changes in NAV arising from market fluctuation and the Fund's investment activities during the year	33,470,698,680	(30,975,469,780)
III	Changes in NAV due to redemption and subscription of fund units	(24,984,393,617)	(7,487,878,782)
	<i>In which</i>		
III.1	- Proceeds from additional subscription of fund units	26,489,212,423	38,756,954,171
III.2	- Payments on redemption of fund units	(51,473,606,040)	(46,244,832,953)
IV	Ending balance of the Fund's NAV	221,145,924,718	212,659,619,655

Ms. Le Van
Head of Operations Department



Mr. Vu Quang Dong
Chief Executive Officer

Ms. Vu Thi Thanh Mai
Preparer

Ms. Tran Thi Ha Linh
Chief Accountant

Hanoi, Vietnam

29 March 2024

Vietcombank Fund Management Company Limited
VCBF Tactical Balanced Fund

STATEMENT OF INVESTMENT PORTFOLIO
as at 31 December 2023

B04-QM

No.	Items	Quantity	Market price as at 31 December 2023 VND	Total value VND	Proportion to the Fund's total assets as at 31 December 2023 (%)
I	Listed shares			153,500,200,600	69.09
1	ACB	266,392	23,900	6,366,768,800	2.87
2	ACV	40,800	66,000	2,692,800,000	1.21
3	BID	142,783	43,400	6,196,782,200	2.79
4	BVH	138,190	39,500	5,458,505,000	2.46
5	BWE	109,620	41,200	4,516,344,000	2.03
6	CTD	96,000	68,800	6,604,800,000	2.97
7	CTG	218,047	27,100	5,909,073,700	2.66
8	FPT	165,588	96,100	15,913,006,800	7.16
9	GMD	25,000	70,500	1,762,500,000	0.79
10	HCM	151,200	34,200	5,171,040,000	2.33
11	HPG	287,334	27,950	8,030,985,300	3.61
12	MBB	549,138	18,650	10,241,423,700	4.61
13	MWG	187,480	42,800	8,024,144,000	3.61
14	NCT	25,400	88,200	2,240,280,000	1.01
15	NLG	157,706	36,650	5,779,924,900	2.60
16	PNJ	56,638	86,000	4,870,868,000	2.19
17	PVS	161,745	38,000	6,146,310,000	2.77
18	QNS	112,300	45,800	5,143,340,000	2.32
19	SAB	19,800	63,000	1,247,400,000	0.56
20	STB	421,400	27,950	11,778,130,000	5.30
21	TCB	35,000	31,800	1,113,000,000	0.50
22	VHM	133,816	43,200	5,780,851,200	2.60
23	VIC	73,000	44,600	3,255,800,000	1.47
24	VNM	85,948	67,600	5,810,084,800	2.62
25	VRE	182,500	23,300	4,252,250,000	1.91
26	VTP	161,578	56,900	9,193,788,200	4.14

Vietcombank Fund Management Company Limited
VCBF Tactical Balanced Fund

STATEMENT OF INVESTMENT PORTFOLIO (continued)
as at 31 December 2023

B04-QM

No.	Items	Quantity	Market price as at 31 December 2023 VND	Total value VND	Proportion to the Fund's total assets as at 31 December 2023 (%)
II	Bonds				
1	Listed bonds			50,420,575,189	22.69
1.1	CTD122015	10	1,006,567,720.000	10,065,677,200	4.53
1.2	GEG121022	70.000	103,360.780	7,235,254,600	3.26
1.3	MML121021	150.000	99,000.411	14,850,061,650	6.68
1.4	MSN121013	50.000	100,000.000	5,000,000,000	2.25
1.5	TNG122017	36.000	101,658.329	3,659,699,844	1.65
1.6	VHM121025	50.000	100,646.476	5,032,323,800	2.26
1.7	VIC121005	45.700	100,165.385	4,577,558,095	2.06
2	Unlisted bonds			10,000,000,000	4.50
2.1	VDS12306	50	100,000,000.000	5,000,000,000	2.25
2.2	VDSH2324004	50	100,000,000.000	5,000,000,000	2.25
III	Other assets			1,658,597,000	0.75
1	Dividend receivables			42,974,000	0.02
2	Accrued interest income from bonds			1,603,613,582	0.72
3	Accrued interest from certificates of deposits			12,009,418	0.01
IV	Cash			6,606,265,359	2.97
1	Cash at bank			6,606,265,359	2.97
	<i>In which</i>				
1.1	- Demand deposits			2,592,128,373	1.17
1.2	- Cash equivalents			4,014,136,986	1.80
V	Total investment portfolio			222,185,638,148	100.00

Ms. Le Van
Head of Operations Department



Mr. Vu Quang Dong
Chief Executive Officer

Ms. Vu Thi Thanh Mai
Preparer

Ms. Tran Thi Ha Linh
Chief Accountant

Hanoi, Vietnam

29 March 2024

Vietcombank Fund Management Company Limited
VCBF Tactical Balanced Fund

STATEMENT OF CASH FLOW
for the year ended 31 December 2023

B05-QM

<i>Cod e</i>	<i>ITEMS</i>	<i>Notes</i>	<i>Current year VND</i>	<i>Previous year VND</i>
	I. CASH FLOWS FROM INVESTING ACTIVITIES			
01	1. Profit/(loss) before corporate income tax		33,470,698,680	(30,975,469,780)
02	2. Adjustments for (decrease)/increase in net asset value from investing activities		(25,891,697,822)	49,752,941,828
	<i>In which:</i>			
03	Unrealized (gain)/loss from revaluation of investments	5	(25,884,197,822)	49,746,761,828
04	Accrued expenses		(7,500,000)	6,180,000
05	3. Profit from investing activities before adjustments in working capital		7,579,000,858	18,777,472,048
20	Decrease/(increase) in investments		21,983,486,029	(38,353,592,129)
07	Decrease/(increase) in accrued interest income from investments		432,081,645	(345,218,412)
11	(Decrease) in payables to distributors		(106,334,569)	(9,118,173)
13	(Decrease) in tax and payables to the State Budget		(6,389,486)	(6,475,707)
14	Increase/(decrease) in payables to fund unit holders for fund unit subscription		401,616,363	(199,192,077)
17	Increase/(decrease) in fund management service fee payables		11,446,108	(50,159,453)
19	Net cash flows from/(used in) investing activities		30,294,906,948	(20,186,283,903)
	II. CASH FLOWS FROM FINANCING ACTIVITIES			
31	1. Proceeds from subscription of fund units	12	26,489,212,423	38,756,954,171
32	2. Payments on redemption of fund units	12	(51,473,606,040)	(46,244,832,953)
30	Net cash used in financing activities		(24,984,393,617)	(7,487,878,782)
40	III. Net increase/(decrease) in cash and cash equivalents during the year		5,310,513,331	(27,674,162,685)

Vietcombank Fund Management Company Limited
VCBF Tactical Balanced Fund

STATEMENT OF CASH FLOW (continued)
for the year ended 31 December 2023

B05-QM

Code	ITEMS	Notes	Current year VND	Previous year VND
50	IV. Cash and cash equivalents at the beginning of year	4	1,295,752,028	28,969,914,713
51	Cash at bank at the beginning of year:		1,295,752,028	28,969,914,713
52	- Cash at bank for the Fund's operation		1,082,619,837	28,557,590,445
	<i>In which:</i>			
	<i>Deposits with terms under three (3) months</i>		-	23,426,209,248
	<i>Demand deposits for the Fund's operation</i>		1,082,619,837	5,131,381,197
53	- Cash at bank of fund unit holders for subscriptions		213,132,191	412,324,268
55	V. Cash and cash equivalents at the end of year	4	6,606,265,359	1,295,752,028
56	Cash at bank at end of year		6,606,265,359	1,295,752,028
57	- Cash at bank for the Fund's operation		5,991,516,805	1,082,619,837
	<i>In which:</i>			
	<i>Deposits with terms under three (3) months</i>		4,014,136,986	-
	<i>Demand deposits for operation of the Fund</i>		1,977,379,819	1,082,619,837
58	- Deposits of fund unit holders for fund unit subscription and redemption		614,748,554	213,132,191
60	VI. Net cash and cash equivalents during the year		5,310,513,331	(27,674,162,685)



Ms. Le Van
Head of Operations Department



Mr. Vu Quang Dong
Chief Executive Officer



Ms. Vu Thi Thanh Mai
Preparer



Ms. Tran Thi Ha Linh
Chief Accountant

Hanoi, Vietnam

29 March 2024

Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

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

B06-QM

1. THE FUND'S OPERATIONS

1.1 *General information*

The Fund

VCBF Tactical Balanced Fund ("the Fund") was established as an open-ended fund in Vietnam pursuant to Initial Public Offering Certificate No. 44/GCN-UBCK dated 16 September 2013 and Public Fund Establishment Registration Certificate No. 07/GCN-UBCK dated 24 December 2013 granted by the State Securities Commission ("SSC"). As such, the Fund was licensed to operate for an indefinite period.

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

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

Supervisory and Custodian Bank

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

Fund Management Company

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

1.2 *The Fund's operations*

Capital

Total number of initial distributed fund units was 6,042,661.45 fund units amounting to VND60,426,614,500 and accounting for 120.85% of 5,000,000 fund units expected to be offered at par value of VND10,000 per fund unit. As at 31 December 2023, the Fund's contributed capital is VND 80,081,612,900 at par value, equivalent to 8,008,161.29 fund units.

Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

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

B06-QM

1. THE FUND'S OPERATIONS (continued)

1.2 *The Fund's operations* (continued)

Investment objectives

The Fund's investment objective is to deliver long-term returns through growth in principal and income by investing in good credit-quality stocks and fixed income assets. Fixed income assets with good credit quality include bank deposits, valuable papers, Vietnamese government bonds, municipal bonds, government guaranteed bonds, and bonds businesses and other types of fixed income assets. Corporate bonds are considered for investment only when they meet a number of safety requirements and legal regulations. Adjustment of the Fund's investment objectives is required to be approved by Investors in accordance with the Fund's Charter, and if approved, these adjustments will be updated in the Fund's Prospectus.

Investment strategy

The Fund will mainly invest in Vietnamese Government bonds, local government bonds, Government guaranteed bonds, and corporate bonds. Corporate bonds are considered for investment only if they are issued by companies with high credit quality and/or bonds guaranteed by reputable banks and satisfy the legal requirements.

The Fund invests mainly in a diversified portfolio of listed stocks with large and medium market capitalization listed on HSX and HNX. Large and medium market capitalization securities are securities with market capitalization larger than or equal to the market capitalization of smallest market capitalization stock in the VN100 Index listed on HSX.

The Fund will combine both a growth investment strategy and a value investment strategy. In its search for traits of sustainable growth, VCBF 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, VCBF 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 a company's fundamentals 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 Frequency

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

Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

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

B06-QM

1. THE FUND'S OPERATIONS (continued)

1.2 *The Fund's operations* (continued)

Investment restrictions

The investment 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;
- 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;
 - v. Derivative securities are listed and traded on the Stock Exchange and are only for the purpose of hedging risks for the underlying securities that the Fund is holding;

Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

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

B06-QM

1. THE FUND'S OPERATIONS (continued)

1.2 *The Fund's operations* (continued)

Investment restrictions (continued)

- 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. 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;
- 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 ;
- 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 - TBF.
- i) Only invest in other public fund certificates, public securities investment companies managed by other fund management companies and ensure the following restrictions:
 - i. Not invest in more than 10% of the total outstanding fund certificates of a public fund, outstanding shares of a public securities investment company;
 - ii. Not to invest more than 20% of the Fund's total asset value in fund certificates of a public fund, shares of a public securities investment company;
 - iii. Not to invest more than 30% of the 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;
- l) The Fund only invest in deposits and certificates of deposit issued by credit institutions on the list approved by the Fund Representative Board.

Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

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

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1. THE FUND'S OPERATIONS (continued)

1.2 *The Fund's operations* (continued)

Investment restrictions (continued)

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 for any damage incurred by the Fund and incur all costs arising from the adjustment of the investment portfolio. Any profits earned will be accounted for as the Fund's profits.

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

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

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

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

Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

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

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2. BASIS OF PREPARATION

2.1 *Accounting standards and system* (continued)

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

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

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

2.2 *Registered accounting documentation system*

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

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 Fund maintains its accounting records in Vietnam Dong ("VND") which is also the Fund's accounting currency.

2.5 *Compliance statement*

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

Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

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

3.1 *Accounting estimates*

The preparation of the financial statements is complied 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 which requires the Board of Management of the Fund Management Company make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosures of contingent assets and liabilities as at the date of the financial statements as well as the reported amount of revenues and expenses during the financial year. Though these accounting estimates are based on the best knowledge of the Board of Management of the Fund Management Company, the actual results may differ.

3.2 *Cash and cash equivalents*

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

3.3 *Investments*

The Fund's investments include investments in listed shares, listed and unlisted bonds, certificates of deposit and deposits with terms over three (3) months.

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 "*Accrued dividends, interest not yet entitled to receive*" in the statement of financial position.

Vietcombank Fund Management Company Limited
VCBF Tactical Balanced Fund

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 *Investments* (continued)

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.

Gain or loss from investments after the date of acquisition is recognized in the income statement.

The accumulated interest receivables from deposits, treasury bills, bank bills, commercial papers, transferable certificates of deposits, bonds and other debt instruments are recorded in “*Receivables, accrual for interest and dividends income from investments*” in the statement of financial position.

Revaluation for NAV calculation

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

Principles of valuation

No.	Type of asset	Principles on the market’s transaction valuation
Cash and cash equivalents, money market instruments		
1.	Cash (VND)	Cash balance on date before the Valuation Day.
2.	Foreign currency	The value is convertible into VND according to prevailing exchange rate at credit institutions, in which the Fund’s foreign currency are held, 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.

Vietcombank Fund Management Company Limited
VCBF Tactical Balanced Fund

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Investments (continued)

Principles of valuation (continued)

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

Vietcombank Fund Management Company Limited
VCBF Tactical Balanced Fund

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 *Investments* (continued)

Principles of valuation (continued)

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

Vietcombank Fund Management Company Limited
VCBF Tactical Balanced Fund

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 *Investments* (continued)

Principles of valuation (continued)

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

Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 *Investments* (continued)

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.

3.4 *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) decimal.

3.5 *Contributed capital and capital premium*

3.5.1 *Contributed capital*

The fund 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 redemption 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.

Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

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

3.5 *Contributed capital and capital premium* (continued)

3.5.2 *Retained earnings*

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

Realized profit is the difference between the Fund's total income and expense during the year.

Unrealized profit is the difference between total gain and loss arising from revaluation of the Fund's investments during the year.

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

3.5.3 *Profit/Assets distributed to fund unit holders*

This account reflects the profit/assets distributed to fund unit holders during the year and the transfer of distributed profit amount to "*Retained earnings*" at the end of the year.

The open-ended fund recognizes the profit/assets distributed to fund unit holders in 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.

3.6 *Receivables*

Receivables are presented in the 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 year. Provision for receivables from dividends, coupons and deposit interest is recognized as income decreased during the year.

The Fund has made provision for overdue debts in accordance with Circular No 48/2019/TT-BTC, amended by Circular 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%

3.7 *Payables and accrued expenses*

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

Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Expenses

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

3.8.1 Management fee of public securities investment fund

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

(i) Fund management fee

Management fee is calculated at the maximum of 1.5% per annum over the Fund's 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

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

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.

3.8.2 Supervisory fee

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

3.8.3 Custody fee

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

3.8.4 Transaction fee

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

Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8.5 *Financial reporting fee*

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

3.9 *Revenue recognition*

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

Dividends

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

Dividend in shares, the Fund recognizes number of shares received, and does not recognize value of shares.

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).

3.10 *Tax*

Under the Vietnamese current regulations, the Fund is not subject to corporate income tax. However, the Fund is required to withhold income tax of individual and institutional 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.

Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

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

3.10 Tax (continued)

Dividend payments to Fund unit holder (continued)

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.

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.

3.11 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 General Director 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.

3.12 Off balance sheet items

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

Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

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

3.13 *Financial instruments*

Financial instruments – initial recognition and presentation

Financial assets

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

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

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

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. Accordingly, the financial instruments are subsequently re-measured at cost.

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.

3.14 *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 financial statements, are considered to be nil balance.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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4. CASH AND CASH EQUIVALENTS

	<i>Ending balance</i> <u>VND</u>	<i>Beginning balance</i> <u>VND</u>
Demand deposit at Supervisory and Custodian Bank for the Fund's operation	1,977,379,819	1,082,619,837
Deposits with terms under three (3) months	4,014,136,986	-
Deposit of fund unit holders for fund units subscription and redemption	614,748,554	213,132,191
	<u>6,606,265,359</u>	<u>1,295,752,028</u>

Vietcombank Fund Management Company Limited
VCBF Tactical Balanced Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
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5. INVESTMENTS

	Cost VND	Market value or fair value VND	Revaluation difference		Revaluation value VND
			Increase VND	Decrease VND	
31 December 2023					
Listed Shares	120,388,801,379	153,500,200,600	44,924,674,465	(11,813,275,244)	153,500,200,600
Listed Corporate bonds (a)	50,518,358,495	50,420,575,189	337,379,017	(435,162,323)	50,420,575,189
Unlisted Corporate bonds (b)	10,000,000,000	10,000,000,000	-	-	10,000,000,000
	180,907,159,874	213,920,775,789	45,262,053,482	(12,248,437,567)	213,920,775,789
31 December 2022					
Listed Shares	134,806,433,504	142,333,311,900	24,977,940,431	(17,451,062,035)	142,333,311,900
Listed Corporate bonds	63,084,212,399	62,686,752,096	240,063,180	(637,523,483)	62,686,752,096
Certificates of deposit	5,000,000,000	5,000,000,000	-	-	5,000,000,000
	202,890,645,903	210,020,063,996	25,218,003,611	(18,088,585,518)	210,020,063,996
				25,884,197,822	

Impact of the revaluation difference on investments in the income statement

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

The bonds issued by Masan Group Corporation, with a term of 3 years, an interest rate of 10.10% per annum, and interest payments every 6 months. These bonds issued by Masan Group Corporation were delisted from trading since December 27, 2023, due to reaching maturity, falling under the case of delisting as stipulated in point a, clause 5, Article 120 of Decree No. 155/2020/ND-CP detailing the implementation of certain provisions of the Securities Law dated December 31, 2020. By January 14, 2024, the Fund had fully settled these bonds, receiving the principal and interest in full.

(b) Bonds issued by Dragon Vietnam Securities Joint Stock Company, with a term of 1 year from the issue date, interest rates of 9.20% per annum and 9.50% per annum, with monthly interest payments.

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6. RECEIVABLES AND ACCRUED DIVIDENDS, INTEREST FROM INVESTMENTS

	<i>Ending balance</i> <u>VND</u>	<i>Beginning balance</i> <u>VND</u>
Accrued interest income from bonds	1,603,613,582	1,809,214,459
Accrued dividends	42,974,000	197,327,200
Accrued interest from term deposits	12,009,418	-
Accrued interest from certificates of deposit	-	84,136,986
	<u>1,658,597,000</u>	<u>2,090,678,645</u>

7. PAYABLES TO DISTRIBUTORS

	<i>Ending balance</i> <u>VND</u>	<i>Beginning balance</i> <u>VND</u>
Payables to Fund Management Company	-	106,334,569

8. ACCRUED EXPENSES

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

9. PAYABLES TO FUND UNIT HOLDERS FOR FUND UNITS SUBSCRIPTION

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

10. PAYABLES TO FUND UNIT 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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11. FUND MANAGEMENT FEE PAYABLE

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Payable to fund management fee	276,024,876	282,838,768
Payable to fund administration fee	37,400,000	15,400,000
Payable to supervisory fee	17,600,000	17,600,000
Payable to transfer agent fee	11,000,000	11,000,000
Payable to custody fee – Safekeeping fee	11,000,000	11,000,000
Payable to custody fee – Transaction fee	660,000	4,400,000
	353,684,876	342,238,768

12. STATEMENT OF CHANGES IN OWNERS' EQUITY

	<i>Beginning balance</i> VND	<i>Movement during</i> <i>the year</i> VND	<i>Ending balance</i> VND
Subscription capital			
Number of fund units ("unit")	30,614,728.15	999,670.27	31,614,398.42
Subscription capital at par value	306,147,281,500	9,996,702,700	316,143,984,200
Capital premium of subscription capital	214,938,352,479	16,492,509,723	231,430,862,202
Total subscription capital	521,085,633,979	26,489,212,423	547,574,846,402
Redemption capital			
Number of fund units ("unit")	(21,609,622.54)	(1,996,614.59)	(23,606,237.13)
Redemption capital at par value	(216,096,225,400)	(19,966,145,900)	(236,062,371,300)
Capital premium of redemption capital	(206,698,854,193)	(31,507,460,140)	(238,206,314,333)
Total redemption capital	(422,795,079,593)	(51,473,606,040)	(474,268,685,633)
Number of outstanding fund units ("unit")	9,005,105.61	(996,944.32)	8,008,161.29
Outstanding contributed capital	98,290,554,386	(24,984,393,617)	73,306,160,769
Retained earnings	114,369,065,269	33,470,698,680	147,839,763,949
NAV	212,659,619,655		221,145,924,718
NAV per fund unit	23,615.44		27,615.06

13. RETAINED EARNINGS

	<i>Current year</i> VND	<i>Previous year</i> VND
Realized profit	114,826,148,034	107,239,647,176
Unrealized profit	33,013,615,915	7,129,418,093
	147,839,763,949	114,369,065,269

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14. INTEREST INCOME

	<i>Current year</i> VND	<i>Previous year</i> VND
Interest income from bonds	6,336,113,757	5,957,771,348
Interest from certificates of deposit	330,863,014	415,000,000
Interest from term deposits	122,365,625	88,149,547
Interest from demand deposits	2,254,312	4,409,519
	6,791,596,708	6,465,330,414

15. GAIN FROM INVESTMENT TRADING

	<i>Current year</i>		
	<i>Total trading amount during the year</i> VND	<i>Weighted average cost at the end of the trading date</i> VND	<i>Gain on investment trading during the year</i> VND
Share	22,924,129,600	20,396,352,125	2,527,777,475
Listed corporate bonds	17,620,000,000	17,590,864,863	29,135,137
Certificates of deposit	5,000,000,000	5,000,000,000	-
	45,544,129,600	42,987,216,988	2,556,912,612
	<i>Previous year</i>		
	<i>Total trading amount during the year</i> VND	<i>Weighted average cost at the end of the trading date</i> VND	<i>Gain/(loss) on investment trading during the year</i> VND
Share	30,145,831,000	16,219,800,417	13,926,030,583
Listed corporate bonds	33,700,000,000	33,903,719,166	(203,719,166)
	63,845,831,000	50,123,519,583	13,722,311,417

16. TRANSACTION EXPENSES FOR INVESTMENT TRADING

	<i>Current year</i> VND	<i>Previous year</i> VND
Transaction expenses for selling investments	32,685,929	34,081,275
Transaction expenses for buying investments	9,764,695	54,875,972
Other transaction expenses	222,246	50,640
	42,672,870	89,007,887

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16. TRANSACTION EXPENSES FOR INVESTMENT TRADING (continued)

For the year ended 31 December 2023, the Fund's transactions were mainly conducted through the following securities companies:

No	Name of securities companies	Relationship with the Fund Management Company	Trading rate of the Fund at each securities company			Average trading fee (%)	Average trading fee on market (%)
			Trading value of the Fund during the year VND	Total trading value of the Fund during the year VND (*)	Trading rate of the Fund at each securities company during the year (%)		
(1)	(2)	(3)	(4)	(5)	(6)=(4)/(5)	(7)	(8)
1	Viet Dragon Securities Corporation	Not related	16,986,635,000	50,383,189,600	33.71	0.14	0.00 - 0.45
2	SSI Securities Corporation	Not related	5,531,790,000	50,383,189,600	10.98	0.15	0.00 - 0.45
3	BIDV Securities Joint Stock Company	Not related	5,160,600,000	50,383,189,600	10.24	0.02	0.00 - 0.45
4	Vietcombank Securities Co., Ltd	Related party	2,528,895,000	50,383,189,600	5.02	0.15	0.00 - 0.45
5	Vietcap Securities Joint Stock Company (Formerly Viet Capital Securities Joint Stock Company)	Not related	2,128,495,000	50,383,189,600	4.22	0.15	0.00 - 0.45
6	Ho Chi Minh City Securities Corporation	Not related	1,252,830,000	50,383,189,600	2.49	0.15	0.00 - 0.45
7	MB Securities Joint Stock Company	Not related	474,204,600	50,383,189,600	0.94	0.10	0.00 - 0.45
8	Trading unlisted securities	Not related	16,319,740,000	50,383,189,600	32.39	Not applicable	Not applicable
	Total		50,383,189,600		100.00		

(*) Total trading value of the Fund comprises of total trading value of shares, certificates of deposit, listed bonds, unlisted bonds.

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17. CUSTODY FEE

	<i>Current year</i> VND	<i>Previous year</i> VND
Custody fee - safekeeping fee	132,000,000	174,000,000
Custody fee - transaction fee	15,950,000	20,570,000
Custody fee - paid to Vietnam Securities Depository and Clearing Corporation	13,874,663	12,287,363
	161,824,663	206,857,363

18. OTHER OPERATING EXPENSES

	<i>Current year</i> VND	<i>Previous year</i> VND
Remuneration of Fund Representatives Board	120,000,000	120,000,000
Annual fee for State Securities Commission	7,500,000	7,500,000
Bank charges	3,327,500	3,097,435
	130,827,500	130,597,435

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19. NET ASSET VALUE

Net asset value for the period ended 31 December 2023:

<i>Period of NAV</i>	<i>NAV VND</i>	<i>Number of fund units</i>	<i>NAV per fund unit VND</i>	<i>Increase/(decrease) of NAV per fund unit VND</i>
Last period of 12/2022	212,659,619,655	9,005,105.61	23,615.44	
First period of January 2023	212,560,782,879	9,005,105.61	23,604.47	(10,97)
Second period of January 2023	217,252,310,116	9,003,609.25	24,129.46	524,99
Third period of January 2023	218,129,961,600	9,006,241.14	24,219.86	90,40
Fourth period of January 2023	219,087,786,293	9,008,393.83	24,320.40	100,54
Fifth period of January 2023	220,627,976,825	9,012,307.97	24,480.74	160,34
Sixth period of January 2023	225,838,774,268	9,018,095.22	25,042.84	562,10
Seventh period of January 2023	226,899,682,279	9,020,046.46	25,155.04	112,20
Eighth period of January 2023	226,922,858,798	9,020,046.46	25,157.61	2,57
Last period of January 2023	227,975,397,666	9,019,951.98	25,274.56	116,95
First period of February 2023	223,325,656,404	9,019,951.98	24,759.07	(515,49)
Second period of February 2023	223,895,268,512	9,026,412.66	24,804.45	45,38
Third period of February 2023	198,784,887,292	8,108,929.97	24,514.31	(290,14)
Fourth period of February 2023	196,735,265,133	8,112,235.12	24,251.67	(262,64)
Fifth period of February 2023	196,979,848,827	8,113,545.24	24,277.90	26,23
Sixth period of February 2023	203,054,469,013	8,116,288.56	25,018.14	740,24
Seventh period of February 2023	199,118,684,493	8,120,364.46	24,520.90	(497,24)
Eighth period of February 2023	193,904,282,208	8,107,562.13	23,916.47	(604,43)
Last period of February 2023	194,726,510,981	8,106,168.55	24,022.01	105,54
First period of March 2023	197,542,273,356	8,106,168.55	24,369.37	347,36
Second period of March 2023	195,602,304,414	8,109,273.21	24,120.81	(248,56)
Third period of March 2023	197,935,794,463	8,103,029.08	24,427.38	306,57
Fourth period of March 2023	197,079,242,278	8,106,282.51	24,311.91	(115,47)
Fifth period of March 2023	198,876,870,576	8,107,511.04	24,529.95	218,04
Sixth period of March 2023	194,529,589,955	8,106,754.54	23,995.98	(533,97)
Seventh period of March 2023	196,132,831,227	8,096,930.28	24,223.10	227,12
Eighth period of March 2023	197,778,277,095	8,095,177.89	24,431.61	208,51
Ninth period of March 2023	197,801,394,523	8,086,952.25	24,459.32	27,71
Last period of March 2023	199,539,218,539	8,076,676.79	24,705.60	246,28

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19. NET ASSET VALUE (continued)

Net asset value for the period ended 31 December 2023 (continued):

Period of NAV	NAV VND	Number of fund units	NAV per fund unit VND	Increase/(decrease) of NAV per fund unit VND
First period of April 2023	201,661,548,178	8,076,676.79	24,968.38	262,78
Second period of April 2023	201,862,748,445	8,067,684.95	25,021.14	52,76
Third period of April 2023	200,496,090,947	8,069,140.14	24,847.26	(173,88)
Fourth period of April 2023	201,223,552,699	8,076,280.15	24,915.37	68,11
Fifth period of April 2023	199,573,952,176	8,076,381.08	24,710.81	(204,56)
Sixth period of April 2023	199,255,167,737	8,066,746.38	24,700.80	(10,01)
Seventh period of April 2023	199,476,096,108	8,064,435.99	24,735.28	34,48
Eighth period of April 2023	198,776,656,764	8,064,165.18	24,649.37	(85,91)
Last period of April 2023	199,381,963,307	8,064,943.24	24,722.05	72,68
First period of May 2023	199,406,216,494	8,064,943.24	24,725.06	3,01
Second period of May 2023	199,292,608,945	8,069,576.76	24,696.78	(28,28)
Third period of May 2023	200,557,327,784	8,074,033.31	24,839.79	143,01
Fourth period of May 2023	201,962,041,418	8,075,725.04	25,008.53	168,74
Fifth period of May 2023	201,654,907,750	8,072,462.30	24,980.59	(27,94)
Sixth period of May 2023	203,162,432,514	8,067,332.64	25,183.34	202,75
Seventh period of May 2023	201,826,429,663	8,054,994.99	25,056.05	(127,29)
Eighth period of May 2023	203,045,382,903	8,054,759.49	25,208.12	152,07
Last period of May 2023	203,000,114,983	8,053,215.91	25,207.33	(0,79)
First period of June 2023	205,524,239,752	8,055,071.26	25,514.88	307,55
Second period of June 2023	206,976,517,517	8,048,870.97	25,714.97	200,09
Third period of June 2023	207,700,392,622	8,054,933.87	25,785.48	70,51
Fourth period of June 2023	207,139,659,665	8,053,608.88	25,720.10	(65,38)
Fifth period of June 2023	207,468,476,993	8,056,341.70	25,752.19	32,09
Sixth period of June 2023	210,293,031,222	8,069,736.17	26,059.46	307,27
Seventh period of June 2023	211,866,870,869	8,072,771.19	26,244.62	185,16
Eighth period of June 2023	212,904,013,703	8,079,380.26	26,351.52	106,90
Last period of June 2023	211,250,053,259	8,082,337.13	26,137.24	(214,28)

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19. NET ASSET VALUE (continued)

Net asset value for the period ended 31 December 2023 (continued):

Period of NAV	NAV VND	Number of fund units	NAV per fund unit VND	Increase/(decrease) of NAV per fund unit VND
First period of July 2023	212,096,544,398	8,082,337.13	26,241.98	104,74
Second period of July 2023	213,285,891,381	8,089,998.47	26,364.14	122,16
Third period of July 2023	215,980,933,386	8,097,380.68	26,672.93	308,79
Fourth period of July 2023	217,536,480,601	8,080,982.33	26,919.55	246,62
Fifth period of July 2023	218,964,462,371	8,075,593.12	27,114.35	194,80
Sixth period of July 2023	218,280,514,976	8,073,264.79	27,037.45	(76,90)
Seventh period of July 2023	219,946,105,417	8,024,437.62	27,409.53	372,08
Eighth period of July 2023	219,843,331,249	8,028,733.60	27,382.06	(27,47)
Last period of July 2023	221,390,370,994	7,969,329.96	27,780.29	398,23
First period of August 2023	219,394,917,542	7,946,758.63	27,608.10	(172,19)
Second period of August 2023	222,833,622,491	7,954,665.04	28,012.94	404,84
Third period of August 2023	222,655,872,055	7,964,163.33	27,957.22	(55,72)
Fourth period of August 2023	222,770,854,438	7,955,880.69	28,000.77	43,55
Fifth period of August 2023	218,669,634,119	7,764,970.91	28,161.03	160,26
Sixth period of August 2023	211,440,679,983	7,769,340.70	27,214.75	(946,28)
Seventh period of August 2023	210,162,426,010	7,759,442.81	27,084.73	(130,02)
Eighth period of August 2023	215,092,256,541	7,758,467.87	27,723.54	638,81
Ninth period of August 2023	218,537,037,259	7,760,683.13	28,159.51	435,97
Last period of August 2023	219,760,535,975	7,770,501.96	28,281.38	121,87
First period of September 2023	219,785,321,190	7,770,501.96	28,284.57	3,19
Second period of September 2023	223,167,283,552	7,776,325.54	28,698.29	413,72
Third period of September 2023	220,681,754,987	7,804,788.68	28,275.17	(423,12)
Fourth period of September 2023	223,442,168,975	7,818,289.62	28,579.41	304,24
Fifth period of September 2023	221,999,482,117	7,823,274.40	28,376.79	(202,62)
Sixth period of September 2023	224,202,718,904	7,832,046.52	28,626.32	249,53
Seventh period of September 2023	214,678,198,070	7,836,369.15	27,395.11	(1,231.21)
Eighth period of September 2023	215,266,336,488	7,843,693.21	27,444.51	49,40
Last period of September 2023	214,998,135,970	7,854,277.01	27,373.38	(71,13)

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19. NET ASSET VALUE (continued)

Net asset value for the period ended 31 December 2023 (continued):

Period of NAV	NAV VND	Number of fund units	NAV per fund unit VND	Increase/(decrease) of NAV per fund unit VND
First period of October 2023	215,126,768,587	7,854,277.01	27,389.76	16,38
Second period of October 2023	212,460,177,562	7,872,085.12	26,989.05	(400,71)
Third period of October 2023	215,510,021,504	7,879,748.56	27,349.86	360,81
Fourth period of October 2023	218,073,734,638	7,888,614.80	27,644.10	294,24
Fifth period of October 2023	216,633,015,036	7,890,524.59	27,454.83	(189,27)
Sixth period of October 2023	210,883,677,271	7,896,267.18	26,706.75	(748,08)
Seventh period of October 2023	210,010,752,682	7,889,320.75	26,619.62	(87,13)
Eighth period of October 2023	211,272,782,955	7,903,517.42	26,731.48	111,86
Ninth period of October 2023	203,710,817,617	7,913,159.17	25,743.29	(988,19)
Last period of October 2023	200,407,151,288	7,917,273.22	25,312.64	(430,65)
First period of November 2023	201,813,231,148	7,917,273.22	25,490.24	177,60
Second period of November 2023	209,913,817,627	7,938,526.62	26,442.41	952,17
Third period of November 2023	213,919,199,798	7,950,967.73	26,904.80	462,39
Fourth period of November 2023	213,566,500,895	7,981,239.61	26,758.56	(146,24)
Fifth period of November 2023	215,751,567,345	7,979,503.41	27,038.21	279,65
Sixth period of November 2023	213,658,684,108	7,985,861.25	26,754.62	(283,59)
Seventh period of November 2023	215,436,952,762	7,988,803.42	26,967.36	212,74
Eighth period of November 2023	211,344,956,558	7,984,471.08	26,469.49	(497,87)
Ninth period of November 2023	213,886,612,837	7,987,305.27	26,778.31	308,82
Last period of November 2023	212,261,686,488	7,969,013.87	26,635.87	(142,44)
First period of December 2023	215,607,468,226	7,969,013.87	27,055.72	419,85
Second period of December 2023	216,206,343,604	7,964,018.79	27,147.89	92,17
Third period of December 2023	216,348,694,779	7,968,840.74	27,149.33	1,44
Fourth period of December 2023	215,076,613,935	7,969,092.21	26,988.84	(160,49)
Fifth period of December 2023	212,473,511,053	7,979,179.67	26,628.49	(360,35)
Sixth period of December 2023	215,011,941,403	7,984,233.13	26,929.56	301,07
Seventh period of December 2023	218,468,044,852	7,985,567.78	27,357.85	428,29
Eighth period of December 2023	219,603,557,344	7,992,819.52	27,475.10	117,25
Last period of December 2023	221,145,924,718	8,008,161.29	27,615.06	139,96
Average NAV for the year	210,844,044,309			
Change in NAV per fund unit during the year – maximum:				(1,231.21)
Change in NAV per fund unit during the year – minimum:				(0.79)

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

Number of outstanding fund units

By duration that the fund units could be redeemable:

	<i>Ending balance (fund units)</i>	<i>Beginning balance (fund units)</i>
Up to one year	8,008,161.29	9,005,105.61

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

	<i>Current year (%)</i>	<i>Previous year (%)</i>
Expense ratio	2.12	1.97
Turnover ratio of investment portfolio	11.87	24.29

21.1 Expense ratio

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

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

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

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

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

21.2 Turnover ratio

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

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

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

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22. FINANCIAL RISK 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 risk management policies for the above risks as follows:

22.1 Market risk

Market risk is the risk that the fair value or 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 shares 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 of future cash flows of a financial instrument will fluctuate due to the changes in market interest rates. 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 they are not held for speculative purposes.

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

The Fund Management Company believes that interest rate risk does not have any impact on the Fund's operations. The Fund does not apply sensitive to interest analysis because investment portfolio of the Fund comprising of fixed income assets which has low interest rate risk and the Fund solely invests in corporate bonds and certificates of deposit have a stable interest rate at the reporting date.

(ii) Currency risk

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

The Fund was incorporated and operates in Vietnam, as such reporting and transaction currency is denominated in VND. The Fund is not exposed to foreign currency as at 31 December 2023.

(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. Fund's Investment Committee manages and approves bonds investment decision.

At the reporting date, the exposure to the Fund's listed securities and right issue to buy shares at fair value was VND 203,920,775,789. A decrease of 10% in these securities' price could have an impact of approximately VND 20,392,077,579 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 by VND 20,392,077,579.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

22.2 *Credit risk*

Credit risk is the risk that the counterparty 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, certificates of deposit and other financial instruments.

The Fund places balances of certificates of deposit and bank deposits with well-known banks and credit institutions in Vietnam. Credit risk posing to balances of certificates of deposit and 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 bank deposits and certificates of deposit is very low. It is the Fund's policy to enter into financial instruments with reputable counterparties. The Investment management department closely monitors the creditworthiness of the Fund's counterparties by reviewing their credit worthiness, financial statements and press releases on a regular basis.

22.3 *Liquidity risk*

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

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

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23. SUPPLEMENTARY DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES

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

	Ending balance		Beginning balance	
	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
Financial assets				
Cash and cash equivalents	6,606,265,359	6,606,265,359	1,295,752,028	1,295,752,028
Net investments	213,920,775,789	213,920,775,789	210,020,063,996	210,020,063,996
- Listed shares	153,500,200,600	153,500,200,600	142,333,311,900	142,333,311,900
- Corporate bonds	60,420,575,189	60,420,575,189	62,686,752,096	62,686,752,096
- Certificates of deposit	-	-	5,000,000,000	5,000,000,000
Receivables	1,658,597,000	1,658,597,000	2,090,678,645	2,090,678,645
	222,185,638,148	222,185,638,148	213,406,494,669	213,406,494,669
Financial liabilities				
Payables to distributors	-	-	106,334,569	106,334,569
Accrued expenses	71,280,000	71,280,000	71,280,000	71,280,000
Payables to fund unit holders for fund units subscription	490,254,063	490,254,063	88,637,700	88,637,700
Payables to fund unit holders for fund units redemption	124,494,491	124,494,491	124,494,491	124,494,491
Fund management fee payables	353,684,876	353,684,876	342,238,768	342,238,768
Other payables	-	-	7,500,000	7,500,000
	1,039,713,430	1,039,713,430	740,485,528	740,485,528

The fair values of the financial assets and liabilities represent the amounts at which the financial 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 value of receivables, payables to Distributors, accrued payables, payables of subscription to the fund unit holders, payables of repurchasing to fund unit holders, payables to fund management services, other payables were equal to their book values due mainly to the short-term maturities of these instruments.
- Fair value of cash and cash equivalents, shares, corporate bonds and certificate of deposit is re-valued using the valuation method stated in Note 3.3.

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

24.1 Related parties

a) *The Fund Management Company*

The significant transaction during the year was as follow:

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
Fund management fee	<u>3,163,301,168</u>	<u>3,663,117,377</u>

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

	<i>Ending balance</i> <i>VND</i>	<i>Beginning balance</i> <i>VND</i>
Fund management fee payable	<u>276,024,876</u>	<u>282,838,768</u>

b) *Remunerations of the Fund Representatives Board*

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

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

The outstanding balance of Remunerations of the Fund Representatives Board is nil at year end.

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 VCBF Tactical Balanced Fund

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

24.1 Related parties (continued)

c) *Fund units held by the related parties*

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

<i>Related parties</i>	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Fund units held by</i>	<i>Holding percentage (%)</i>	<i>Fund units held by</i>	<i>Holding percentage (%)</i>
Franklin Templeton Capital Holdings Private Limited	2,500,000.00	31.22	2,500,000.00	27.76
Vietcombank Fund Management Company Limited	1,334,027.88	16.66	1,334,027.88	14.81
Other related parties	156,297.44	1.95	80,012.37	0.89
	3,990,325.32	49.83	3,914,040.25	43.46

Relationship
 Owner holding 49% of charter capital of Fund Management Company
 Fund Management Company

Vietcombank Fund Management Company Limited

VCBF Tactical Balanced Fund

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24. RELATED PARTIES AND OTHER KEY CONTRACTS (continued)

24.2 Other key contracts

Supervisory Bank

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

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

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

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

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

	<i>Current year</i> VND	<i>Previous year</i> VND
Fund administration fee	426,800,000	211,200,000
Supervisory fee	211,200,000	196,900,000
Custody fee - safekeeping fee	132,000,000	174,000,000
Custody fee - transaction fee	15,950,000	20,570,000
Interests from demand deposit	2,254,312	4,409,519
Bank charges	3,327,500	3,096,500

The outstanding balance was as follow:

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Demand deposit	2,592,128,373	1,295,752,028
Payable of Supervisory fee	17,600,000	17,600,000
Payable of fund administration fee	37,400,000	15,400,000
Payable of Custody fee - safekeeping fee	11,000,000	11,000,000
Payable of Custody fee - transaction fee	660,000	4,400,000

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25. EVENTS AFTER THE BALANCE SHEET DATE

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

Ms. Le Van
Head of Operations Department



Mr. Vu Quang Dong
Chief Executive Officer

Ms. Vu Thi Thanh Mai
Preparer

Ms. Tran Thi Ha Linh
Chief Accountant



Hanoi, Vietnam

29 March 2024