

# **Fides VN Bond Fund**

Interim financial statements

for the period from 4 January 2022 (the date of establishment) to 30 June 2022



Fides (Vietnam) Fund Management Joint Stock Company  
Fides VN Bond Fund

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# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

### GENERAL INFORMATION

#### THE FUND

Fides VN Bond Fund ("the Fund") was established as an open-ended fund in Vietnam pursuant to Initial Public Offering Certificate No. 204/GCN-UBCK dated 30 September 2021 and Public Fund Establishment Registration Certificate No. 01/GCN-UBCK dated 4 January 2022 granted by the State Securities Commission. The Fund was licensed to operate for an indefinite period.

Total number of initial distributed fund units was 8,031,600 units amounting to VND80,316,000,000 and accounting for 160.63% of 5,000,000 fund units expected to be offered at par value of VND10,000 per fund unit. As at 30 June 2022, the Fund's contributed capital is VND80,314,000,000 at par, equivalent to 8,031,400 fund units.

The Fund's main investment objective is seeking capital growth and income for investors by investing in fixed income and high credit quality assets.

The Fund is located at Fides (Vietnam) Fund Management Joint Stock Company, Room P1404, 14<sup>th</sup> Floor, Empress Tower, 138 - 142 Hai Ba Trung Street, Da Kao Ward, District 1, Ho Chi Minh City.

The Fund has no employee and is managed by Fides (Vietnam) Fund Management Joint Stock Company ("the Fund Management Company").

#### SUPERVISORY AND CUSTODIAN BANK

The Supervisory and Custodian Bank of the Fund is Shinhan 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. 43/UBCK-GP issued by the State Securities Commission on 11 November 2008 and Amendment License No. 106/GPDC-UBCK issued by the State Securities Commission on 26 November 2021 and is the authorized representative of the Fund, on behalf of the Fund to execute the ownership towards the assets of the Fund in an honest and careful manner. The Fund Management Company complies with the provisions of law and the charter of the Fund Management Company and manages the Fund's assets as stipulated in the Charter of the Fund in compliance with the rules of professional ethics, voluntariness, fairness, honesty and for the best interests of the Fund.

#### FUND REPRESENTATIVE BOARD

The members of the Fund Representative Board during the period and at the date of this report are:

| <i>Name</i>          | <i>Position</i>              | <i>Date of appointment</i> |
|----------------------|------------------------------|----------------------------|
| Mr. Phan Hoang Son   | Chairman, independent member | 16 December 2021           |
| Ms. Le Phuc Yen      | Independent member           | 16 December 2021           |
| Mr. Nguyen Trung Hoa | Independent member           | 16 December 2021           |

#### LEGAL REPRESENTATIVE

The legal representative of the Fund Management Company during the period and at the date of this report is Mr. Kim Kwang Hyuk, Chief Executive Officer of Fides (Vietnam) Fund Management Joint Stock Company.

#### AUDITORS

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

# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

### REPORT OF THE FUND REPRESENTATIVE BOARD

The Fund Representative Board of Fides VN Bond Fund ("the Fund") is pleased to present this report and the interim financial statements of the Fund for the period from 4 January 2022 (the date of establishment) to 30 June 2022.

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

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

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

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

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

#### APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The Fund Representative Board hereby approved the accompanying interim financial statements based on the confirmation of the Board of Management of the Fund Management Company. The interim financial statements give a true and fair view of the interim financial position, interim investment portfolio of the Fund as at 30 June 2022 and of the interim results of its operations, its changes in net asset value, transactions of fund units and its interim cash flows for the period from 4 January 2022 (the date of establishment) to 30 June 2022 in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds and the statutory requirements relevant to the preparation and presentation of open-ended funds' interim financial statements.

On behalf of the Fund Representative Board:

  
\_\_\_\_\_  
Mr. Phan Hoang Son  
Chairman

Ho Chi Minh City, Vietnam

10 August 2022

# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

### REPORT OF THE FUND MANAGEMENT COMPANY

#### I. GENERAL INFORMATION OF THE FUND

##### 1. Investment objective

Fides VN Bond Fund ("the Fund") was established as an open-ended fund in Vietnam pursuant to Initial Public Offering Certificate No. 204/GCN-UBCK dated 30 September 2021 and Public Fund Establishment Registration Certificate No. 01/GCN-UBCK dated 4 January 2022 granted by the State Securities Commission. The Fund was licensed to operate for an indefinite period.

The Fund's main investment objective is seeking capital growth and income for investors by investing in fixed income and high credit quality assets.

##### 2. The Fund performance summary

According to the reviewed interim financial statement of the Fund, as at 30 June 2022, the changes in net asset value ("NAV") of the Fund is 2.01% compared to ones as of 4 January 2022 (the date of establishment).

##### 3. Investment strategy

The Fund asset allocation is flexible, suitable with the defensive or offensive investment strategy depending on the available investment opportunities at various times. Asset allocation may vary significantly depending on the Fund Management Company outlook, with the goal of protecting the interests of the investors throughout the operating time.

The above-mentioned asset allocation depends on the available investment opportunities and the assessment of investment team regarding the risks and returns on these available investment asset classes.

The Fund will mainly invest in Vietnam Government bonds, municipal bonds, Government guaranteed bonds, listed corporate bonds, public fund certificates, and corporate bonds issued by listed issuers with payment guarantees of credit institutions or repurchase commitments by issuers. In addition, the Fund may consider investing a certain proportion in a portfolio of large capitalization and high liquidity stocks listed on the HSX and/or HNX exchanges.

##### 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 guiding the operation and management of securities investment funds.

##### 5. Recommended holding duration of Fund units: Medium to long term.

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

##### 7. Operating duration

The Fund began its operation from the date of Public Fund Establishment Registration Certificate No. 01/GCN-UBCK dated 4 January 2022 granted by the State Securities Commission. The Fund was licensed to operate for an unlimited duration.

##### 8. Size of the Fund at the reporting date

- Total net asset value: VND81,924,959,125
- Number of fund units: 8,031,400.00 fund units

# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

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

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

##### 9. Dividend distribution policies of the Fund

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

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

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

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

##### 10. Net earnings distribution per fund unit

During the period, the Fund has not yet made earnings distribution.

#### II. OPERATING FIGURES

##### 1. Asset portfolio

| <i>Assets portfolio</i>           | <i>30 June 2022<br/>(%)</i> |
|-----------------------------------|-----------------------------|
| Bonds                             | 46.59                       |
| Certificates of deposits          | 18.88                       |
| Bank deposits and cash equivalent | 33.58                       |
| Other assets                      | 0.95                        |
| <b>Total</b>                      | <b>100.00</b>               |

Fides (Vietnam) Fund Management Joint Stock Company  
Fides VN Bond Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

II. OPERATING FIGURES (continued)

2. Key performance indicators

|     | Indicator  | As of<br>June 30 2022 |
|-----|--|-----------------------|
| 1   | Net asset value (NAV) of the Fund (VND)                              | 81,924,959,125        |
| 2   | Total outstanding fund units   | 8,031,400.00          |
| 3   | NAV per fund unit  | 10,201                |
| 4   | Maximum NAV per fund unit during the reporting period                | 10,212                |
| 5   | Minimum NAV per fund unit during the reporting period                | 10,012                |
| 6   | Closing price of a fund unit at the reporting date (a)               | Not applicable        |
| 7   | Maximum closing price of a fund unit during the reporting period (a) | Not applicable        |
| 8   | Minimum closing price of a fund unit during the reporting period (a) | Not applicable        |
| 9   | Total growth (%) per fund unit                                       | 2.01                  |
| 9.1 | Capital growth (%) per fund unit (change due to price fluctuation)   | (0.30)                |
| 9.2 | Earnings growth (%) per fund unit (based on realized income)         | 2.31                  |
| 10  | Gross distribution per fund unit (b)                                 | Not applicable        |
| 11  | Net distribution per fund unit (b)                                   | Not applicable        |
| 12  | Ex-date of distribution (b)  | Not applicable        |
| 13  | Expense ratio (%)  | 2.56                  |
| 14  | Turnover ratio of investment portfolio (%)                           | 68.39                 |

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

(b) The Fund has not yet applied its distribution of profit policy.

3. Growth rate over periods

| Period             | Growth of NAV<br>per fund unit<br>(%) | Annual growth<br>of NAV per fund unit<br>of the Fund<br>(%) |
|--------------------|---------------------------------------|---|
| From establishment | 2.01%                                 | Not applicable  |



# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

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

#### III. MACROECONOMICS OVERVIEW

In the first 6 months of 2022, Vietnam's economy witnessed a robust recovery from COVID-19 pandemic. However, the corporate bond market underwent a slowdown in terms of issuance after negative news relating to the private placement of corporate bonds.

- Regarding the government's bond market (hereinafter referred to as "G-bond"), the total value of G-bond issuance in the first half of 2022 fell to VND69,087bn (down 51% year-on-year basis). The average tenor was 14.74 years (increased by 2.55 years year-on-year basis), the average issuance interest rate rose to 2.66% (up 0.14% year-on-year basis).

On the secondary market, the average trading value declined to VND10,621bn (reduced by 7.8% year-on-year).

- Regarding the corporate bond market, (hereinafter referred to as "C-bond"), in the first 06 months, there were 258 domestic C-bond issuances, 241 of which were private placements with total value of VND155,569bn (94.53% total issuance value), along with 17 public offerings with the total value of VND8,996bn (5.47% total issuance value), and 02 international issuances with total value of USD625mn by VinGroup Corporation. The total value of C-bond public offerings and private placements decreased by 6% year-on-year and 12% year-on-year, respectively. Banks were the leading issuers by total value of VND80,466bn (48.9% total issuance value), followed by real estate issuers with VND42,583bn (25.9% total issuance value)

- Sentences to Tan Hoang Minh for their violations in their bond issuance and the Draft amendments to the Decree 153/2020/ND-CP resulted in the plunge in total value C-bond issuance, especially issuers operating in real estate sectors. On the secondary market, the trading price of real estate developers' corporate bond underwent wild fluctuation and stabilized then.

Draft amendments to the Decree 153/2020/ND-CP are still being commented on by the competent authorities, expected to bring the transparency to the corporate bond market, improve bond quality, and support the solid market development in long-term.

#### IV. KEY PERFORMANCE INDICATORS

##### 1. Key performance indicators

| <i>Indicators</i>                 | <i>From the date of establishment to the reporting date (%)</i> |
|-----------------------------------|---|
| Earnings growth per fund unit (a) | 2.01  |
| Capital growth per fund unit (a)  | (0.30)  |
| Growth per fund unit              | 2.31  |



# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

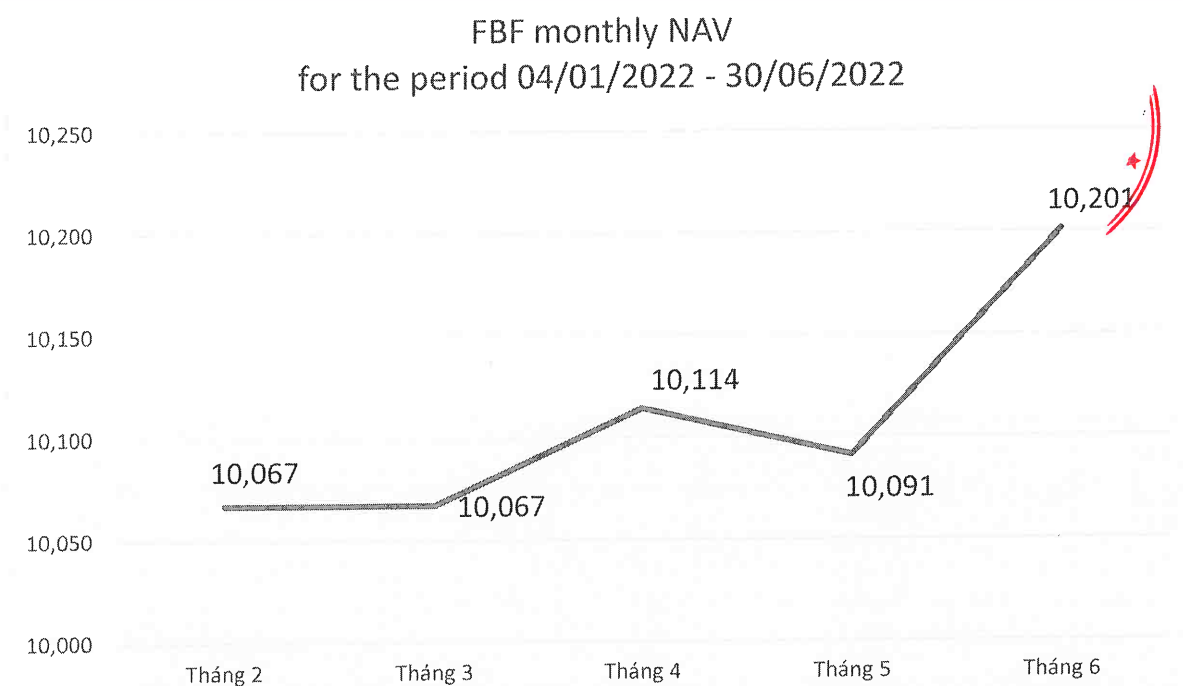
### IV. KEY PERFORMANCE INDICATORS (continued)

#### 1. Key performance indicators (continued)

Change in NAV:

| Items             | 30 June 2022<br>VND | At the date of<br>establishment<br>VND | Changing<br>rate<br>(%) |
|-------------------|---------------------|--|-------------------------|
| NAV of the Fund   | 81,924,959,125      | 80,316,000,000                         | 2.00                    |
| NAV per fund unit | 10,201              | 10,000                                 | 2.01                    |

Chart below shows monthly NAV per unit of the Fund:



#### 2. Statistical information on number of fund units held by the Fund Unit Holders as at 30 June 2022

| Number of units held by the<br>Fund Unit Holders (units) | Number of fund<br>unit holders | Number of<br>fund units held | Holding<br>percentage (%) |
|--|--------------------------------|------------------------------|---------------------------|
| Under 5,000  | 143                            | 21,400.00                    | 0.27                      |
| From 5,000 to 10,000                                     | 1                              | 10,000.00                    | 0.12                      |
| From 10,000 to 50,000                                    | -                              | -                            | -                         |
| From 50,000 to 500,000                                   | -                              | -                            | -                         |
| Over 500,000   | 5                              | 8,000,000.00                 | 99.61                     |
| <b>Total</b>   | <b>149</b>                     | <b>8,031,400.00</b>          | <b>100.00</b>             |

#### 3. Hidden cost and discount/devaluation: None

# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

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

#### V. MARKET OUTLOOK

With significant strides in macroeconomics, Vietnam's stock market is increasingly attracting more attention from both domestic and foreign investors.

Regarding domestic investors, the period 2021-2022 witnessed the total number of newly opened individual securities accounts to constantly make new highs. At the end of June 2022, the total number of individual securities accounts reached 6,105,973 accounts (an increase by 124% compared to the end of 2020), equivalent to more than 5% of Vietnam's population.

Vietnam's stock market capitalization reaches VND6,249,000 bn (rises by 18.1% compared to 2020) and achieves a CAGR of 39.3% over the past 13 years. Market liquidity has increased sharply amid the increasing entrances of individual investors to the market.

Foreign capital inflows into ETFs, namely Diamond ETF, Fubon ETF, has increase robustly in the period 2021-2022. Within less than 2 years, Diamond and Fubon has recorded more than USD350mn and USD400mn net inflows, respectively, indicating the appealingness of Vietnam's stock market to foreign investors.

The stock market will maintain to play an important role in channeling funds for the economy and continue its strong growth momentum attributing to:

- Flexible and stable governing policy enables Vietnam's macro indicators such as GDP, inflation, exchange rate or interest rate to be stable and outperform other countries in the region. The government has promptly launched many supporting packages such as tax and fees exemptions, interest rate support packages targeting individuals and business households affected by Covid.
- Improving legal framework make way for the growing, solid and transparent development of the economy and the stock market
- Actively accelerating process of upgrading Vietnam's stock market to emerging (MSCI, FTSE).

#### VI. OTHER INFORMATION

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



Mr. Kim Kwang Hyuk  
General Director

Ho Chi Minh City, Vietnam

10 August 2022

## SUPERVISORY REPORT

We, the supervisory bank of the Fides VN Bond Fund (“FBF” or “Fund”) for the reporting period from January 04, 2022, to June 30, 2022, with our knowledge, in this reporting period, FBF was operated and managed with the following contents:

- a) In the supervising of investment activities and asset trading of Fund in this period, there was a deviation in investment restriction specified in the current securities laws regulating securities investment funds, the Fund Charter, and related legislation as follows:

According to Section c, Clause 4, Article 35, Circular 98/2020/TT-BTC dated November 16, 2020, guiding the operation and management of securities investment funds, stipulates: Can not invest more than 20% total asset value of fund in securities, deposits at commercial banks and money market instruments of an issuer, excluding government debt instruments.

In the reporting period of April 6, 2022, FBF's investment ratio has deviated over 20% total asset value of the Fund in securities of an issuer. The reason is due to fluctuations in market prices of assets in Fund's investment portfolio.

As of April 13, 2022, the investment ratio of FBF has complied with the investment restrictions as regulations.

- b) The asset valuation and assessment of FBF were consistent with the Fund Charter, the Fund Prospectus, and relevant legal documents.
- c) Subscriptions and redemptions of FBF Certificates were complied with the Fund Charter, the Fund Prospectus and relevant legislations.
- d) Regarding profit distribution of FBF in this period: None



Ho Chi Minh, Date 01 month 07 year 2022

**Supervisory Specialist**

**Representative of Supervisory Bank**



Tu Hong Hue  
Supervisor



Vo Hong Nhung  
Manager of Fund Services Team



IX/2022

Reference: 61814574/ 66707237-SX

## REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

**To: The Investors of Fides VN Bond Fund**

We have reviewed the accompanying interim financial statements of Fides VN Bond Fund ("the Fund"), as prepared on 10 August 2022 and set out on pages 13 to 50 which comprise the interim statement of financial position, the interim statement of investment portfolio as at 30 June 2022; the interim income statement, the interim statement of changes in net asset value, transactions of fund units and the interim statement of cash flows for the period from 4 January 2022 (the date of establishment) to 30 June 2022 and the notes thereto.

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

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

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

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

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the interim financial position, interim investment portfolio of the Fund as at 30 June 2022, and of the interim results of its operations, changes in its net asset value, transactions of fund units and its interim cash flows for the period from 4 January 2022 (the date of establishment) to 30 June 2022 in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds and the statutory requirements relevant to preparation and presentation of open-ended funds' interim financial statements.

### **Ernst & Young Vietnam Limited**



\_\_\_\_\_  
Nguyễn Phương Nga  
Deputy General Director  
Audit Practicing Registration  
Certificate No. 0763-2019-004-1

Ho Chi Minh City, Vietnam

10 August 2022



Fides (Vietnam) Fund Management Joint Stock Company  
Fides VN Bond Fund

INTERIM INCOME STATEMENT  
for the period from 4 January 2022 (the date of establishment) to 30 June 2022

B01g-QM

| Code      | ITEMS   | Notes | For the period from<br>4 January 2022<br>(the date of<br>establishment) to<br>30 June 2022<br>VND |
|-----------|---|-------|---|
| <b>01</b> | <b>I. INCOME FROM INVESTING ACTIVITIES</b>        |       | <b>2,620,273,932</b>  |
| 02        | 1.1 Coupon interest received                      |       | 2,037,123,216   |
| 03        | 1.2 Interest income                               | 11    | 831,319,253   |
| 05        | 1.3 Unrealized loss on revaluation of investments | 5     | (248,168,537)   |
| <b>10</b> | <b>II. EXPENSES FROM INVESTING ACTIVITIES</b>     |       | <b>6,285,720</b>  |
| 11        | 2.1 Transaction expenses for securities trading   | 12    | 6,285,720   |
| <b>20</b> | <b>III. OPERATING EXPENSES</b>                    |       | <b>1,003,002,287</b>  |
| 20.1      | 3.1 Fund management fee                           |       | 558,882,612   |
| 20.2      | 3.2 Custody fee                                   |       | 59,688,308  |
| 20.3      | 3.3 Supervisory fee                               |       | 64,935,485  |
| 20.4      | 3.4 Fund administration fee                       |       | 64,935,486  |
| 20.5      | 3.5 Transfer agency services fee                  |       | 57,129,032  |
| 20.6      | 3.6 Other fees by service provider for the fund   |       | 97,403,226  |
| 20.8      | 3.7 Audit fee                                     |       | 45,975,138  |
| 20.10     | 3.8 Other operating expenses                      | 13    | 54,053,000  |
| <b>23</b> | <b>IV. NET INCOME FROM INVESTING ACTIVITIES</b>   |       | <b>1,610,985,925</b>  |
| <b>30</b> | <b>V. PROFIT BEFORE TAX</b>                       |       | <b>1,610,985,925</b>  |
| 31        | 6.1 Realized profit                               |       | 1,859,154,462   |
| 32        | 6.2 Unrealized loss                               | 5     | (248,168,537)   |
| <b>40</b> | <b>VI. CORPORATE INCOME TAX ("CIT") EXPENSE</b>   |       | <b>-</b>  |
| <b>41</b> | <b>VII. PROFIT AFTER CIT</b>                      |       | <b>1,610,985,925</b>  |

Ms. **Truong Thi Huyen**  
Chief Accountant

Mr. **Kim Kwang Hyuk**  
General Director

Ho Chi Minh City, Vietnam

10 August 2022

Fides (Vietnam) Fund Management Joint Stock Company  
Fides VN Bond Fund

INTERIM STATEMENT OF FINANCIAL POSITION  
as at 30 June 2022

B02g-QM

| Code       | ITEMS  | Notes    | 30 June 2022<br>VND   |
|------------|--|----------|-----------------------|
| <b>100</b> | <b>I. ASSETS</b>   |          |                       |
| <b>110</b> | <b>1. Cash and cash equivalents</b>  | <b>4</b> | <b>27,569,574,501</b> |
| 111        | 1.1 Cash at banks for operation of the Fund                                  |          | 11,808,722,799        |
| 112        | 1.2 Deposits coming due in not more than three (3) months                    |          | 15,760,851,702        |
| <b>120</b> | <b>2. Net investments</b>  |          | <b>53,752,321,314</b> |
| 121        | 2.1 Investments  | 5        | 53,752,321,314        |
| <b>130</b> | <b>3. Receivables</b>  |          | <b>775,388,819</b>    |
| 133        | 3.1 Receivables, accrual for interest and dividends income from investments  |          | 775,388,819           |
| 136        | 3.1.1 Accruals for interest and dividend income from investments             | 6        | 775,388,819           |
| <b>100</b> | <b>TOTAL ASSETS</b>  |          | <b>82,097,284,634</b> |
| <b>300</b> | <b>II. LIABILITIES</b>   |          |                       |
| 316        | 1. Accrued expenses  | 7        | 45,975,138            |
| 319        | 2. Fund management fee payable   | 8        | 126,350,371           |
| <b>300</b> | <b>TOTAL LIABILITIES</b>   |          | <b>172,325,509</b>    |
| <b>400</b> | <b>III. NET ASSET VALUE ATTRIBUTABLE TO HOLDERS OF FUND UNITS (III=I-II)</b> |          | <b>81,924,959,125</b> |
| 411        | 1. Contributed capital   |          | 80,314,000,000        |
| 412        | 1.1 Capital from subscription  | 9        | 80,316,000,000        |
| 413        | 1.2 Capital from redemption  | 9        | (2,000,000)           |
| 414        | 2. Contributed premium   | 9        | (26,800)              |
| 420        | 3. Retained earnings   | 10       | 1,610,985,925         |
| <b>430</b> | <b>IV. NET ASSET VALUE PER FUND UNIT</b>                                     | <b>9</b> | <b>10,201</b>         |

Fides (Vietnam) Fund Management Joint Stock Company  
Fides VN Bond Fund

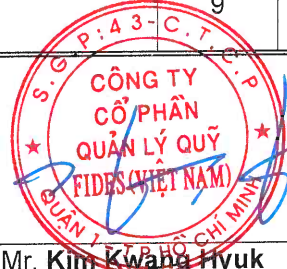
INTERIM STATEMENT OF FINANCIAL POSITION (continued)  
as at 30 June 2022

B02g-QM

OFF BALANCE SHEET ITEM

| Code | ITEMS                               | Notes | 30 June 2022<br>VND |
|------|-------------------------------------|-------|---------------------|
| 004  | 1. Number of outstanding fund units | 9     | 8,031,400.00        |

  
Ms. **Truong Thi Huyen**  
Chief Accountant

  
Mr. **Kim Kwang Hyuk**  
General Director

Ho Chi Minh City, Vietnam

10 August 2022

Fides (Vietnam) Fund Management Joint Stock Company  
Fides VN Bond Fund

INTERIM STATEMENT OF CHANGES IN NET ASSET VALUE,  
TRANSACTIONS OF FUND UNITS  
for the period from 4 January 2022 (the date of establishment) to 30 June 2022

B03g-QM

| Code  | ITEMS  | For the period from<br>4 January 2022<br>(the date of<br>establishment)<br>to 30 June 2022<br>VND |
|-------|--|---|
| I     | <b>Beginning balance of the Fund's Net Asset Value (NAV)</b>   | -   |
| II    | <b>Changes in NAV during the period</b>  | <b>1,610,985,925</b>  |
| II.1  | In which:<br>- Changes in NAV arising from market fluctuation and the Fund's investment activities during the period | 1,610,985,925   |
| III   | <b>Changes in NAV due to redemption of and subscription for fund units</b>   | <b>80,313,973,200</b>   |
| III.1 | In which:<br>- Proceeds from initial offering of fund units  | 80,316,000,000  |
| III.2 | - Proceeds from issue of fund units in subscriptions   | -   |
| III.3 | - Payment on repurchase of fund units in redemptions   | (2,026,800)   |
| IV    | <b>Ending balance of the Fund's NAV (IV = I + II + III)</b>  | <b>81,924,959,125</b>   |

Ms. **Truong Thi Huyen**  
Chief Accountant

Mr. **Kim Kwang Hyuk**  
General Director

Ho Chi Minh City, Vietnam

10 August 2022

Fides (Vietnam) Fund Management Joint Stock Company  
Fides VN Bond Fund

INTERIM STATEMENT OF INVESTMENT PORTFOLIO  
as at 30 June 2022

B04g-QM

| No.        | Items   | Quantity | Market price as at<br>30 June 2022<br>VND | Total value<br>VND    | Proportion to<br>the Fund's<br>total assets as<br>at 30 June<br>2022<br>(%) |
|------------|---|----------|---|-----------------------|---|
| <b>I</b>   | <b>Bonds</b>  |          |   | <b>38,252,321,314</b> | <b>46.59</b>  |
| 1          | Listed bonds  |          |   | 30,752,321,314        | 37.45   |
| 1.1        | KBC121020   | 155,000  | 100,944.88                                | 15,646,455,890        | 19.05   |
| 1.2        | TNG119007   | 15       | 1,007,057,694.96                          | 15,105,865,424        | 18.40   |
| 2          | Unlisted bonds  |          |   | 7,500,000,000         | 9.14  |
| 2.1        | Phat Dat Real Estate<br>Development Corp                | 75       | 100,000,000.00                            | 7,500,000,000         | 9.14  |
| <b>II</b>  | <b>Other assets</b>                                     |          |   | <b>775,388,819</b>    | <b>0.95</b>   |
| 1          | Accrued interest income<br>from bonds                   |          |   | 368,473,975           | 0.45  |
| 2          | Accrued interest income<br>from certificates of deposit |          |   | 381,236,315           | 0.47  |
| 3          | Accrued interest income<br>from term deposits           |          |   | 25,678,529            | 0.03  |
| <b>III</b> | <b>Cash</b>   |          |   | <b>43,069,574,501</b> | <b>52.46</b>  |
| 1          | Cash at banks   |          |   | 27,569,574,501        | 33.58   |
| 1.1        | - Demand deposits                                       |          |   | 11,808,722,799        | 14.38   |
| 1.2        | - Deposits with term less<br>than three (3) months      |          |   | 15,760,851,702        | 19.20   |
| 2          | Certificate of deposit                                  |          |   | 15,500,000,000        | 18.88   |
| <b>IV</b>  | <b>Total investment<br/>portfolio</b>                   |          |   | <b>82,097,284,634</b> | <b>100.00</b>   |

Ms. **Truong Thi Huyen**  
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Mr. **Kim Kwang Hyuk**  
General Director

Ho Chi Minh City, Vietnam

10 August 2022

Fides (Vietnam) Fund Management Joint Stock Company  
Fides VN Bond Fund

INTERIM STATEMENT OF CASH FLOWS  
for the period from 4 January 2022 (the date of establishment) to 30 June 2022

B05g-QM

| Code | ITEMS   | Notes | For the period from<br>4 January 2022<br>(the date of<br>establishment)<br>to 30 June 2022<br>VND |
|------|---|-------|---|
|      | <b>I. CASH FLOWS FROM INVESTING ACTIVITIES</b>                            |       |   |
| 01   | 1. Profit before corporate income tax                                     |       | 1,610,985,925   |
| 02   | 2. Adjustments to reconcile profit before tax to net cash flows:          |       | 294,143,675   |
|      | <i>In which:</i>  |       |   |
| 04   | Accrued expenses  |       | 45,975,138  |
| 05   | 3. Profit from investing activities before adjustments in working capital |       | 1,905,129,600   |
| 20   | Increase in investments   |       | (54,000,489,851)  |
| 07   | Increase in accrued interest income from investments                      |       | (775,388,819)   |
| 17   | Increase in fund management fee payables                                  |       | 126,350,371   |
| 19   | Net cash flows used in investing activities                               |       | (52,744,398,699)  |
|      | <b>II. CASH FLOWS FROM FINANCING ACTIVITIES</b>                           |       |   |
| 31   | 1. Proceeds from issue of fund units                                      |       | 80,316,000,000  |
| 32   | 2. Payment on repurchase of fund units                                    |       | (2,026,800)   |
| 30   | Net cash from financing activities  |       | 80,313,973,200  |
| 40   | III. Net increase in cash and cash equivalents during the period          |       | 27,569,574,501  |
| 50   | IV. Cash and cash equivalents at beginning of period                      |       | -   |
| 51   | Cash at banks at beginning of period:                                     |       | -   |
| 52   | - Cash at bank for the Fund's operation                                   |       | -   |
| 55   | V. Cash and cash equivalents at end of period                             | 4     | 27,569,574,501  |
| 56   | Cash at banks at end of period:   |       | 27,569,574,501  |
| 57   | - Cash at bank for the Fund's operation                                   |       | 27,569,574,501  |
|      | <i>In which:</i>  |       |   |
|      | <i>Deposits with term less than three (3) months</i>                      |       | 15,760,851,702  |
|      | <i>Demand deposits for operation of the Fund</i>                          |       | 11,808,722,799  |
| 60   | VI. Change in cash and cash equivalents during period                     |       | 27,569,574,501  |



Fides (Vietnam) Fund Management Joint Stock Company  
Fides VN Bond Fund

INTERIM STATEMENT OF CASH FLOWS (continued)  
for the period from 4 January 2022 (the date of establishment) to 30 June 2022

B05g-QM

Ms. **Trương Thị Huyền**  
Chief Accountant

Mr. **Kim Kwang Hyuk**  
General Director

Ho Chi Minh City, Vietnam

10 August 2022

# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

### NOTES TO THE INTERIM FINANCIAL STATEMENTS

BM06g-QM

as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

## 1. THE FUND'S OPERATIONS

### 1.1 General information

#### The Fund

Fides VN Bond Fund ("the Fund") was established as an open-ended fund in Vietnam pursuant to Initial Public Offering Certificate No. 204/GCN-UBCK dated 30 September 2021 and Public Fund Establishment Registration Certificate No. 01/GCN-UBCK dated 4 January 2022 granted by the State Securities Commission. The Fund was licensed to operate for an indefinite period.

The Fund has no employee and is managed by Fides (Vietnam) Fund Management Joint Stock Company ("the Fund Management Company").

The Fund is located at Fides (Vietnam) Fund Management Joint stock company, Room P1404, 14th Floor, Empress Tower, 138 - 142 Hai Ba Trung Street, Da Kao Ward, District 1, Ho Chi Minh City.

#### Supervisory and Custodian Bank

The Supervisory and Custodian Bank of the Fund is Shinhan 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. 43/UBCK-GP issued by the State Securities Commission on 11 November 2008 and Amendment License No. 106/GPDC-UBCK issued by the State Securities Commission on 26 November 2021 and is the authorized representative of the Fund, on behalf of the Fund to execute the ownership towards the assets of the Fund in an honest and careful manner. The Fund Management Company complies with the provisions of law and the charter of the Fund Management Company and manages the Fund's assets as stipulated in the Charter of the Fund in compliance with the rules of professional ethics, voluntariness, fairness, honesty and for the best interests of the Fund.

### 1.2 The Fund's operations

#### Capital

Total number of initial distributed fund units was 8,031,600 units amounting to VND80,316,000,000 and accounting for 160.63% of 5,000,000 fund units expected to be offered at par value of VND10,000 per fund unit. As at 30 June 2022, the Fund's contributed capital is VND80,314,000,000 at par, equivalent to 8,031,400 fund units.

#### Investment objectives

The Fund's main investment objective is seeking capital growth and income for investors by investing in fixed income and high credit quality assets.

Investment objectives of the Fund may be changed according to the decision of investors in accordance with current regulations of Vietnamese law and reported to the State Securities Commission of Vietnam.

# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) BM06g-QM  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

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

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

##### **Investment strategy**

The Fund asset allocation is flexible, suitable with the defensive or offensive investment strategy depending on the available investment opportunities at various times. Asset allocation may vary significantly depending on the Fund Management Company outlook, with the goal of protecting the interests of the investors throughout the operating time.

The above-mentioned asset allocation depends on the available investment opportunities and the assessment of investment team regarding the risks and returns on these available investment asset classes.

The Fund will mainly invest in Vietnam Government bonds, municipal bonds, Government guaranteed bonds, listed corporate bonds, public fund certificates, and corporate bonds issued by listed issuers with payment guarantees of credit institutions or repurchase commitments by issuers. In addition, the Fund may consider investing a certain proportion in a portfolio of large capitalization and high liquidity stocks listed on the HSX and/or HNX exchanges.

##### **Frequency of computing Net asset value**

- ▶ Weekly Valuation Period: NAV is valued weekly on Wednesdays. In case the valuation date of the weekly valuation period falls on a holiday, the valuation date is the immediately following working day according to the Fund Management notification.
- ▶ Monthly Valuation Period: NAV is valued monthly on the first day of the following month and does not change even if the valuation date falls on a holiday or public holiday.

##### **Trading day**

Fund unit may be traded on every Wednesday, in the case Wednesday is a Business Day. Should a Wednesday not be the Business Day, the Trading Day will be the subsequent Business Day according to the Fund Management notification.

##### **Investment restrictions**

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

- a. The Fund shall be invest in treasury bills, bonds, valuable papers and other fixed income instruments with an investment proportion in these assets representing eighty percent (80%) of the net asset value or more;
- 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;

# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

BM06g-QM

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

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

##### Investment restrictions (continued)

- d. Do not 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. Listed shares, 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 of securities, tickers, quantity, transaction value, and time of implementation; and have sufficient documents proving the payment guarantee or documents of the issuer's commitment to buy back.
- e. Do not invest more than 10% of the Fund's total asset value in assets that are shares offered for the first time to the public, bonds offered to the public; corporate bonds issued privately by a listed organization with a payment guarantee of a credit institution or a repurchase commitment of the issuer at least one (01) time in twelve (12) months and each time commit to buy back at least 30% of the value of the issuance;
- f. At any time, outstanding borrowings and payables of the Fund shall not exceed the net asset value of the Fund;
- g. Not to invest in Fund Certificates of the fund itself;
- h. Only invest in other public fund certificates, public securities investment companies managed by other fund management companies and ensure the following restrictions:
  - i. Do 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. Do 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. Do not invest more than 30% of the total asset value of the fund in public fund certificates, shares of public securities investment companies;
- i. Do not to invest directly in real estate, precious stones, and rare metals;
- j. The Fund may only invest deposits at commercial banks in accordance with the banking law; money market instruments include valuable papers, negotiable instruments in accordance with the law issued by credit institutions on the list approved in writing by the Fund Representative Board.

# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) BM06g-QM  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

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

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

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

The Fund's investment structure may exceed the investment limitations given for point (a), (b), (c), (d) and (g) but only due to the following reasons:

- a. Fluctuations in market prices of the assets in the Fund's investment portfolio;
- b. Fulfilment of legitimate payments of the Fund according to the law, including execution of transaction orders of investors;
- c. Merger and consolidation activities of issuers of securities held by the Fund;
- d. Fund is just approved for establishment, or in the process of splitting, merging or consolidating that operation period is less than six (6) months since the date of the registration certificate; or
- e. The Fund is under dissolution.

In case a deviation from the investment limitations occurs, the Fund Management Company shall adjust the investment portfolio to satisfy the investment limits as regulated within three (3) months from the day on which the deviation arose.

In the case that the deviation arises because Fund Management Company has not applied investment limitations as set out in the Law or Charter or Prospectus, Fund Management Company must adjust the investment portfolio within fifteen (15) days from the day on which the deviation occurs and bear all expenses incurring in relation to these transactions and damage (if any). If profit incurs, it must be recognized as income of the Fund.

### 2. BASIS FOR PREPARATION

#### 2.1 *Accounting standards and system*

The interim financial statements of the Fund are prepared in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds as per Circular No. 198/2012/TT-BTC ("Circular 198") dated 15 November 2012 stipulating the accounting system applicable to open-ended funds, Circular No. 98/2020/TT-BTC ("Circular 98") issued by the Ministry of Finance dated 16 November 2020 guiding the 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 interim financial statements are prepared based on historical cost, except for investments measured at fair value (Note 3.3).

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



# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) BM06g-QM  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

### 2. BASIS FOR PREPARATION (continued)

#### 2.1 Accounting standards and system (continued)

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

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

#### 2.2 Registered accounting documentation system

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

#### 2.3 Fiscal year

The Fund's first fiscal year starts on 4 January 2022 (the date of establishment) and ends on 31 December 2022. The Fund's next fiscal year applicable for preparation of its financial statements start on 1 January and end on 31 December.

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

#### 2.4 Accounting currency

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

#### 2.5 Compliance statement

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



# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) BM06g-QM  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Accounting estimates

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

#### 3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks for the Fund's operation, cash of investors for purchasing fund units waiting for allotment, blocked deposits and term deposits at banks with an original maturity no longer than three (3) months from transaction dates and short-term investments with maturity no longer than three (3) months that are liquid and readily convertible into known amounts of cash, subject to an insignificant risk of change in value and used for the purpose of meeting commitments of short-term cash payment rather than investment purpose or others.

#### 3.3 Investments

The Fund's investments include investments in listed bonds, unlisted bonds and certificates of deposit.

##### *Classification*

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

##### *Initial recognition*

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

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

##### *Subsequent recognition*

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

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

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

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

# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) BM06g-QM  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 Investments (continued)

##### *Revaluation for NAV determination*

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

##### *Principles of valuation*

| No.  | Type of asset  | Principles for valuation of transactions on the market  |
|--|--|---|
| <b>Cash and cash equivalents, money market instruments</b> |  |   |
| 1.   | Cash (VND)   | Cash balance on date prior to the Valuation Date.   |
| 2.   | Foreign currency   | The value is convertible into VND according to prevailing exchange rate at credit institutions which are permitted to do business in foreign exchange on date prior to the Valuation Date.  |
| 3.   | Term deposit   | Deposit value plus accumulated interest has not been paid as of the date prior to the Valuation Date.   |
| 4.   | Treasury bills, transferable certificates of deposits, bonds and discounted money market instruments | Purchase price plus accumulated interest as of the date prior to the Valuation Date.  |
| 5.   | Non-interest instruments including treasury bills, bonds, valuable papers and other instruments      | 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 designated by the Fund Representative Board and time period of holding such instruments. |

Fides (Vietnam) Fund Management Joint Stock Company  
Fides VN Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) BM06g-QM  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Investments (continued)

Principles of valuation (continued)

| No.          | Type of asset                                | Principles for valuation of transactions on the market   |
|--------------|--|--|
| <b>Bonds</b> |  |  |
| 6.           | Listed bonds                                 | <ul style="list-style-type: none"> <li>- In case there is a transaction within fifteen (15) days from the Valuation Date and the price has no abnormal fluctuations, it shall be average quoted price on stock exchange (or otherwise called according to the regulations adopted by the Stock Exchange) of ordinary transactions made on the latest trading date before the Valuation Date plus accrued interest (to the extent that the quoted price does not include the accrued interest).</li> <li>- In case of no transaction in more than fifteen (15) days from the Valuation Date; or in case of fluctuation in the bond price is abnormal in comparison with the latest valuation period, it shall be one of the following prices in order of priority from top to bottom: <ul style="list-style-type: none"> <li>+ Quoted clean price at the latest Valuation Date but not more than thirty (30) days from the Valuation Date plus accumulated interest to the date prior to the Valuation Date; or</li> <li>+ Purchase price plus accumulated interest; or</li> <li>+ Price determined by the other methods which are approved by the Fund Representative Board</li> </ul> </li> </ul> |
| 7.           | Listed bonds - Convertible Bonds into Shares | <ul style="list-style-type: none"> <li>- At the day before conversion date, the price is determined according to corporate listed bonds above.</li> <li>- At the conversion date, the price is determined according to the criteria of the Shares section.</li> </ul>  |
| 8.           | Unlisted bonds                               | <ul style="list-style-type: none"> <li>- Priority is given to one of the following prices in order from top to bottom: <ul style="list-style-type: none"> <li>+ Purchase price plus accumulated interest;</li> <li>+ Face value plus accumulated interest; or</li> <li>+ Price determined by the other methods which are approved by the Fund Representative Board</li> </ul> </li> <li>- For Convertible Bonds into Shares: at the day before conversion date, the price is determined according to unlisted bonds above. At the conversion date, the price is determined according to the criteria of the Shares section.</li> </ul>   |

# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) BM06g-QM  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 Investments (continued)

*Principles of valuation (continued)*

| No.           | Type of asset   | Principles for valuation of transactions on the market  |
|---------------|---|---|
| <b>Shares</b> |   |   |
| 9.            | Shares listed on the Stock Exchange (HSX, HNX)                        | <ul style="list-style-type: none"> <li>- Closing price (or otherwise called according to the regulations adopted by the Stock Exchange) of the latest trading date before the Valuation Date.</li> <li>- In case of no transaction in more than fifteen (15) days from the Valuation Date, it shall be one of the following prices in order of priority from top to bottom: <ul style="list-style-type: none"> <li>+ Price at the latest Valuation Date but not more than three (3) months from the date prior to the Valuation Date; or</li> <li>+ Book value;</li> <li>+ Purchase price;</li> <li>+ Price determined by the other methods which are approved by the Fund Representative Board.</li> </ul> </li> </ul>                   |
| 10.           | Shares of a public company registered for trading on the UPCOM system | <ul style="list-style-type: none"> <li>- Closing price (or otherwise called according to the regulations adopted by the Stock Exchange) of the latest trading date before the date prior to the Valuation Date.</li> <li>- In case of no transaction in more than fifteen (15) days from the Valuation Date, it shall be one of the following prices in order of priority from top to bottom: <ul style="list-style-type: none"> <li>+ Price at the latest Valuation Date but not more than three (3) months from the date prior to the Valuation Date; or</li> <li>+ Book value;</li> <li>+ Purchase price;</li> <li>+ Price determined by the other methods which are approved by the Fund Representative Board.</li> </ul> </li> </ul> |

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# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) BM06g-QM  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 Investments (continued)

##### Principles of valuation (continued)

| No.                       | Type of asset  | Principles for valuation of transactions on the market   |
|---------------------------|--|--|
| <b>Shares (continued)</b> |  |  |
| 11.                       | Shares registered, deposited but not listed, not registered for trading                | <ul style="list-style-type: none"> <li>- Average value based on quotation (average price of transactions in the period) of at least three (03) organizations providing quotation.</li> <li>- In case there are not enough quotations from at least three (03) organizations providing quotation, priority is given to one of the following prices in order from top to bottom: <ul style="list-style-type: none"> <li>+ Price at the latest Valuation Date but not more than three (3) months from the date prior to the Valuation Date; or</li> <li>+ Book value;</li> <li>+ Purchase price;</li> <li>+ Price determined by the other methods which are approved by the Fund Representative Board.</li> </ul> </li> </ul> |
| 12.                       | Listed shares or shares registered for trading are transferred to other stock exchange | Share price will be determined by the closing price on the last trading day before the stock exchange transferring date.   |
| 13.                       | Shares are suspended from trading, or delisted or unregistered for trading             | <ul style="list-style-type: none"> <li>- Priority is given to one of the following prices in order from top to bottom: <ul style="list-style-type: none"> <li>+ Book value according to the latest audited or reviewed financial statements;</li> <li>+ Face value;</li> <li>+ The price is determined by the method which is submitted to the Fund Representative Board for approval for each specific case and approved by the Fund Representative Board.</li> </ul> </li> </ul>   |
| 14.                       | Shares of organizations falling into winding-up or bankruptcy                          | <ul style="list-style-type: none"> <li>- Priority is given to one of the following prices in order from top to bottom: <ul style="list-style-type: none"> <li>+ 80% of liquidating value of such shares on the latest date of preparing balance sheet to the date prior the Valuation Date; or</li> <li>+ Price is determined by the other methods which are approved by the Fund Representative Board.</li> </ul> </li> </ul>   |
| 15.                       | Right issue to buy share   | <ul style="list-style-type: none"> <li>- It is determined: <ul style="list-style-type: none"> <li>+ Value of the right = <math>\text{Max}\{0; (\text{Closing price of the latest trading date before the Valuation Date} - \text{Issuing price}) \times \text{conversion rate}\}</math></li> </ul> </li> </ul>   |



# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) BM06g-QM  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 Investments (continued)

*Principles of valuation (continued)*

| No.                      | Type of asset                     | Principles for valuation of transactions on the market   |
|--------------------------|-----------------------------------|--|
| <b>Fund Certificates</b> |                                   |  |
| 16.                      | Listed public fund certificates   | <ul style="list-style-type: none"> <li>- Closing price (or otherwise called according to the regulations adopted by the Stock Exchange) of the latest trading date before the Valuation Date.</li> <li>In case of no transaction in more than fifteen (15) days from the Valuation Date, priority is given to one of the following prices in order from top to bottom: <ul style="list-style-type: none"> <li>+ NAV per fund unit at the latest date publicized by the public fund prior to the Valuation Date; or</li> <li>+ Purchase price;</li> <li>+ The price is determined by the method which is submitted to the Fund Representative Board for approval for each specific case and approved by the Fund Representative Board.</li> </ul> </li> </ul> |
| 17.                      | Unlisted public fund certificates | <ul style="list-style-type: none"> <li>Priority is given to one of the following prices in order from top to bottom: <ul style="list-style-type: none"> <li>+ NAV per fund unit at the latest date publicized by the public fund prior to the Valuation Date; or</li> <li>+ Purchase price</li> <li>+ The price is determined by the method which is submitted to the Fund Representative Board for approval for each specific case and approved by the Fund Representative Board.</li> </ul> </li> </ul>  |
| <b>Other assets</b>      |                                   |  |
| 18.                      | Other permitted investment assets | Price is determined by the methods which are approved by the Fund Representative Board.  |

#### *Derecognition*

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

Cost of trading securities is calculated by using the weighted average method.



# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) BM06g-QM  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Net asset value is the total market value or fair value (in case of no market value) of assets held by the Fund after deducting its related liabilities including liabilities, payment obligations on the date immediately preceding the valuation day.

Net asset value per fund unit is calculated by dividing net asset value by the total number of fund units outstanding as at the most recent trading day immediately preceding the valuation day. Net asset value is rounded in accordance with accounting and auditing regulations. The balance arising from the rounding of the Fund's net asset value is recorded in the Fund.

#### 3.5 Contributed capital and surplus

##### 3.5.1 Contributed capital

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

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

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

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

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

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

##### 3.5.2 Retained earnings

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

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

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

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

##### 3.5.3 Profit/assets distributed to investors

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

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

# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) BM06g-QM  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.6 Receivables

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

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

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

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

#### 3.7 Payables and accrued expenses

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

#### 3.8 Expenses

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

##### 3.8.1 Fund management fee

According to Circular No. 102/2021/TT-BTC dated 17 November 2021, the maximum amount of fund management fee that the Fund pays to its Fund Management Company equals to 2% its net asset value. Accordingly, fund management fee is calculated at 1.0% per annum (at 1,5% per annum for the period from the date of establishment to 31 May 2021) on the Fund's net asset value at the date preceding the valuation date, recognized as the Fund's expenses at each valuation period, calculated and accumulated daily and paid monthly to the Fund Management Company.

##### 3.8.2 Fund administration fee

Fund administration fee is calculated at 0.03% per annum of the Fund's net asset value at the date preceding the valuation date, with the minimum of VND10,000,000 per month. The fee is exclusive of value-added tax. The fund administration fee is calculated and accumulated daily and paid monthly to the fund administration service provider.

The price for the service of preparing financial statements as prescribed by law is VND15,000,000 per month, exclusive of value-added tax.

# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) BM06g-QM  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.8 Expenses

##### 3.8.3 Transfer agency services fee

Transfer agency fee is VND10,000,000 per month, exclusive of value-added tax, is calculated and accumulated daily and paid monthly to the transfer agent.

##### 3.8.4 Supervisory fee

Supervisory fee is calculated at 0.03% per annum of the Fund's net asset value at the date preceding the valuation date, with the minimum of VND10,000,000 per month. The fee is exclusive of value-added tax. Supervisory fee is calculated and accumulated daily and paid monthly to the Supervisory Bank.

##### 3.8.5 Custody fee

Custody fee is calculated at 0.05% per annum of the Fund's net asset value at the date preceding the valuation date, with the minimum of VND10,000,000. The fee is exclusive of depository fee payable to the Vietnam Securities Depository, transaction fee and securities registration fee, etc. The supervisory fee is calculated and accumulated daily and paid monthly to the Supervisory Bank.

##### 3.8.6 Transaction fee

The Fund has an obligation to pay to the Supervisory Bank a fee of VND100,000 per its transaction.

#### 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.

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

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

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

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

# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

BM06g-QM

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.10 Tax

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

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

When the Fund pays dividends to its fund unit holders, the Fund Management Company must comply with regulations on tax deduction and tax payment in accordance with Circular No. 78/2014/TT-BTC dated 18 June 2014, Circular No. 111/2013/TT-BTC dated 15 August 2013, 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 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 investors.

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

##### *Redemption of fund units*

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

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

#### 3.11 Related parties

Parties/individuals are considered to be related if one party has the ability, directly or indirectly, to control other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Other investment funds under the management of the same Fund Management Company, the Fund Management Company and shareholders of the Fund Management Company are considered as related parties to the Fund. In the consideration of relationship of each related party, the substance of each party's relationship is more important than its legal form.



# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) BM06g-QM  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.12 Off balance sheet items

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

#### 3.13 Financial instruments

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

##### Financial assets

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

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

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

##### Financial liabilities

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

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

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

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

There is currently no guidance in Circular 210 in relation to subsequent re-measurement of financial instruments. 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 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.

# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) BM06g-QM  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.14 Nil balance

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

### 4. CASH AND CASH EQUIVALENTS

|   | 30 June 2022<br>VND          |
|---|------------------------------|
| Demand deposit at Supervisory and Custodian Bank for the Fund's operation | 11,808,722,799               |
| Deposits with term under three (3) months in VND                          | 15,760,851,702               |
| - Orient Commercial Joint Stock Bank                                      | 5,589,831,472                |
| - Viet Capital Commercial Joint Stock Bank                                | 10,171,020,230               |
|   | <b><u>27,569,574,501</u></b> |

C. T. P.  
TY  
I. AN  
QUỸ  
T. NAM  
Đ. CHÍ M. P.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

5. INVESTMENTS

|                            | Cost<br>VND           | Market value or<br>fair value<br>VND | Revaluation difference |                      | Fair value<br>VND     |
|----------------------------|-----------------------|--------------------------------------|------------------------|----------------------|-----------------------|
|                            |                       |                                      | Increase<br>VND        | Decrease<br>VND      |                       |
| <b>30 June 2022</b>        |                       |                                      |                        |                      |                       |
| Corporate bonds - listed   | 31,000,489,851        | 30,752,321,314                       | -                      | (248,168,537)        | 30,752,321,314        |
| Corporate bonds - unlisted | 7,500,000,000         | 7,500,000,000                        | -                      | -                    | 7,500,000,000         |
| Certificates of deposit    | 15,500,000,000        | 15,500,000,000                       | -                      | -                    | 15,500,000,000        |
|                            | <b>54,000,489,851</b> | <b>53,752,321,314</b>                | <b>-</b>               | <b>(248,168,537)</b> | <b>53,752,321,314</b> |

Corporate bonds include:

- Listed corporate bonds issued by Kinh Bac City Development Holding Corporation having maturity of 2 years, interest rate at 10.80% per annum, interest paid every 6 months and listed bonds issued by TNG Investment and Trading Joint Stock Company with term of 3 years, interest rate at 11.50% per annum, interest paid every 3 months
- Unlisted bonds issued by Phat Dat Real Estate Development JSC, having maturity of 2 years, interest rate at 12.00% per annum, interest paid every 3 months.

Certificate of deposit issued by VPBank SMBC Finance Company Limited having term of 9 months and interest rate at 5.25% per annum.





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**6. ACCRUALS FOR INTEREST AND DIVIDEND INCOME FROM INVESTMENTS**

|  | 30 June 2022<br>VND |
|--|---------------------|
| Interest receivable from bonds                   | 368,473,975         |
| Interest receivable from certificates of deposit | 381,236,315         |
| Interest receivable from term deposits           | 25,678,529          |
|  | <b>775,388,819</b>  |

**7. ACCRUED EXPENSES**

|           | 30 June 2022<br>VND |
|-----------|---------------------|
| Audit fee | <b>45,975,138</b>   |

**8. FUND MANAGEMENT FEE PAYABLE**

|   | 30 June 2022<br>VND |
|---|---------------------|
| Payable to fund management service                            | 66,850,370          |
| Payable to State Security Commission of Vietnam reporting fee | 16,500,000          |
| Payable to supervisory service                                | 11,000,001          |
| Payable to fund administration service                        | 11,000,001          |
| Payable to transfer agency service                            | 11,000,000          |
| Payable to custodian service                                  | 9,999,999           |
|   | <b>126,350,371</b>  |

Fides (Vietnam) Fund Management Joint Stock Company  
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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) BM06g-QM  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

9. STATEMENT OF CHANGES IN OWNERS' EQUITY

|   | 4 January 2022<br>(the date of<br>establishment)<br>VND | Movement<br>during the period<br>VND | 30 June 2022<br>VND   |
|---|---|--------------------------------------|-----------------------|
| <b>Subscription capital</b>             |   |                                      |                       |
| Number of fund units                    | 8,031,600.00  | -                                    | 8,031,600.00          |
| Subscription capital at par value       | 80,316,000,000  | -                                    | 80,316,000,000        |
| Subscription capital premium            | -   | -                                    | -                     |
| Total subscription capital              | 80,316,000,000  | -                                    | 80,316,000,000        |
| <b>Redemption capital</b>               |   |                                      |                       |
| Number of fund units                    | -   | (200.00)                             | (200.00)              |
| Redemption capital at par value         | -   | (2,000,000)                          | (2,000,000)           |
| Redemption capital premium              | -   | (26,800)                             | (26,800)              |
| Total redemption capital                | -   | (2,026,800)                          | (2,026,800)           |
| <b>Number of outstanding fund units</b> | <b>8,031,600.00</b>                                     | <b>(200.00)</b>                      | <b>8,031,400.00</b>   |
| <b>Outstanding share capital</b>        | <b>80,316,000,000</b>                                   | <b>(2,026,800)</b>                   | <b>80,313,973,200</b> |
| <b>Retained earnings</b>                | <b>-</b>  | <b>1,610,985,925</b>                 | <b>1,610,985,925</b>  |
| <b>NAV</b>                              | <b>80,316,000,000</b>                                   |                                      | <b>81,924,959,125</b> |
| <b>NAV per fund unit</b>                | <b>10,000</b>   |                                      | <b>10,201</b>         |

10. RETAINED EARNINGS

|                 | 30 June 2022<br>VND  |
|-----------------|----------------------|
| Realized profit | 1,859,154,462        |
| Unrealized loss | (248,168,537)        |
|                 | <b>1,610,985,925</b> |

11. INTEREST INCOME

|                                       | For the period from<br>4 January 2022 to<br>30 June 2022<br>VND |
|---------------------------------------|---|
| Interest from certificates of deposit | 381,236,315   |
| Interest from term deposits           | 450,082,938   |
|                                       | <b>831,319,253</b>  |

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

12. TRANSACTION EXPENSES FOR SECURITIES TRADING

For the period from 4 January 2022 (the date of establishment) to 30 June 2022, the Fund's transactions are mainly conducted through the following securities companies:

| No,<br>(1)   | Name of securities companies<br>(2) | Relationship<br>with the Fund<br>Management<br>Company<br>(3) | Trading rate of the Fund at each securities company             |  |  | Average<br>trading fee<br>on market<br>(%)<br>(8) |
|--------------|-------------------------------------|---|---|--|--|---|
|              |                                     |   | Trading value<br>of the Fund<br>during the period<br>VND<br>(4) | Total trading value<br>of the Fund<br>during the period<br>(*)<br>VND<br>(5) | Trading rate of the<br>Fund at each<br>securities company<br>during the period<br>(%)<br>(6)=(4)/(5) |   |
| 1            | KIS Vietnam Securities Corporation  | No relationship   | 31,434,887,900  | 38,934,887,900   | 80.74  | 0.02  |
| <b>Total</b> |                                     |   |   | <b>38,934,887,900</b>  | <b>80.74</b>   | 0.02 - 0.10                                       |

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

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) BM06g-QM  
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**12. TRANSACTION EXPENSES FOR SECURITIES TRADING (continued)**

*For the period from  
4 January 2022 to  
30 June 2022  
VND*

Transaction expenses for buying investments

**6,285,720**

**13. OTHER OPERATING EXPENSES**

*For the period from  
4 January 2022 to 30  
June 2022  
VND*

Remuneration of the Fund Representative Board  
Service fee for information verified by VSD  
Bank charges

45,000,000

2,200,000

6,853,000

**54,053,000**

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

14. NET ASSET VALUE

Net asset value for the period from 4 January 2022 (the date of establishment) to 30 June 2022:

| Period of NAV | NAV<br>VND     | Number of<br>fund units | NAV per<br>fund unit<br>VND | Increase/(decrease)<br>of NAV per fund unit<br>VND |
|---------------|----------------|-------------------------|-----------------------------|--|
| 11/01/2022    | 80,495,659,171 | 8,031,600.00            | 10,022                      | -  |
| 18/01/2022    | 80,412,922,553 | 8,031,600.00            | 10,012                      | (10)   |
| 25/01/2022    | 80,680,921,283 | 8,031,600.00            | 10,045                      | 33   |
| 31/01/2022    | 80,557,615,584 | 8,031,600.00            | 10,030                      | (15)   |
| 06/02/2022    | 80,622,634,899 | 8,031,600.00            | 10,038                      | 8  |
| 08/02/2022    | 80,499,098,471 | 8,031,600.00            | 10,023                      | (15)   |
| 15/02/2022    | 80,539,979,414 | 8,031,600.00            | 10,028                      | 5  |
| 22/02/2022    | 80,705,295,541 | 8,031,600.00            | 10,048                      | 20   |
| 28/02/2022    | 80,853,469,634 | 8,031,600.00            | 10,067                      | 19   |
| 01/03/2022    | 80,629,167,022 | 8,031,600.00            | 10,039                      | (28)   |
| 08/03/2022    | 80,739,950,952 | 8,031,600.00            | 10,053                      | 14   |
| 15/03/2022    | 80,591,831,716 | 8,031,600.00            | 10,034                      | (19)   |
| 22/03/2022    | 80,824,979,835 | 8,031,600.00            | 10,063                      | 29   |
| 29/03/2022    | 80,847,631,439 | 8,031,600.00            | 10,066                      | 3  |
| 31/03/2022    | 80,855,964,429 | 8,031,600.00            | 10,067                      | 1  |
| 05/04/2022    | 81,361,430,279 | 8,031,600.00            | 10,130                      | 63   |
| 12/04/2022    | 80,973,699,423 | 8,031,600.00            | 10,082                      | (48)   |
| 19/04/2022    | 81,172,250,497 | 8,031,600.00            | 10,107                      | 25   |
| 26/04/2022    | 81,338,362,357 | 8,031,600.00            | 10,127                      | 20   |
| 30/04/2022    | 81,235,054,795 | 8,031,600.00            | 10,114                      | (13)   |

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**14. NET ASSET VALUE (continued)**

Net asset value for the period from 4 January 2022 (the date of establishment) to 30 June 2022 (continued):

| Period of NAV | NAV<br>VND     | Number of<br>fund units | NAV per<br>fund unit<br>VND | Increase/(decrease)<br>of NAV per fund unit<br>VND |
|---------------|----------------|-------------------------|-----------------------------|--|
| 03/05/2022    | 81,267,686,528 | 8,031,600.00            | 10,118                      | 4  |
| 10/05/2022    | 80,936,104,151 | 8,031,600.00            | 10,077                      | (41)   |
| 17/05/2022    | 81,392,825,022 | 8,031,600.00            | 10,134                      | 57   |
| 24/05/2022    | 81,154,049,593 | 8,031,400.00            | 10,105                      | (29)   |
| 31/05/2022    | 81,045,362,236 | 8,031,400.00            | 10,091                      | (14)   |
| 07/06/2022    | 80,970,028,651 | 8,031,400.00            | 10,082                      | (9)  |
| 14/06/2022    | 81,043,763,149 | 8,031,400.00            | 10,091                      | 9  |
| 21/06/2022    | 81,043,902,000 | 8,031,400.00            | 10,091                      | -  |
| 28/06/2022    | 82,017,977,534 | 8,031,400.00            | 10,212                      | 121  |
| 30/06/2022    | 81,924,959,125 | 8,031,400.00            | 10,201                      | (11)   |

Average NAV for the period

80,957,819,243

Change in NAV per fund unit for the period - maximum

121

Change NAV per fund unit for the period - minimum

-

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### 15. NUMBER OF FUND CERTIFICATES IN CIRCULATION

Detail per period that the fund units could be redeemable:

|                | 30 June 2022        |
|----------------|---------------------|
| Up to one year | <u>8,031,400.00</u> |

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

For the period from  
4 January 2022 to  
30 June 2022  
(%)

|  |       |
|--|-------|
| Expense ratio                          | 2.56  |
| Turnover ratio of investment portfolio | 68.39 |

#### 16.1 Expense ratio

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

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

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

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

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

#### 16.2 Turnover ratio

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

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

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



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

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

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

#### 17.1 Market risk

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

##### (i) Interest rate risk

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

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

The Fund Management Company believes that interest rate risk does not have any impact on the Fund's operations because the Fund mainly invest in debt securities of financial institutions with fixed interest rates.

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

##### (ii) Price risk of listed bonds

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

At the reporting date, the exposure to the Fund's listed bonds at fair value was VND30,752,321,314. A decrease of 10% in these securities' market price could have an impact of approximately VND3,075,232,131 depending on whether or not the decline is significant or prolonged. An increase of 10% in the market price of the listed bonds would increase the Fund's operating results by VND3,075,232,131.

##### (iii) Currency risk

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

The Fund was incorporated and operates in Vietnam, as such, its reporting and transaction currency is denominated in VND, the Fund is not exposed to foreign currency risk as at 30 June 2022.

# Fides (Vietnam) Fund Management Joint Stock Company

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as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

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

#### 17.2 Credit risk

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

The Fund places balances of certificates of deposits 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 financial health, credit worthiness, financial statements and press releases on a regular basis.

#### 17.3 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.

CÔNG TY  
PHÂN  
LI QUẢN  
(VIỆT NAM)  
T. P. HỒ CHÍ MINH

# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) B06g-QM  
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### 18. SUPPLEMENTARY DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amount and fair value of financial instruments of the Fund at 30 June 2022 are presented as follows:

|   | 30 June 2022           |                       |
|---|------------------------|-----------------------|
|   | Carrying amount<br>VND | Fair value<br>VND     |
| <b>Financial assets</b>                     |                        |                       |
| Cash and cash equivalents                   | 27,569,574,501         | 27,569,574,501        |
| - Cash at bank for operation of the Fund    | 11,808,722,799         | 11,808,722,799        |
| - Deposits with term under three (3) months | 15,760,851,702         | 15,760,851,702        |
| Net investments                             | 54,000,489,851         | 53,752,321,314        |
| - Corporate bonds - listed                  | 31,000,489,851         | 30,752,321,314        |
| - Corporate bonds - unlisted                | 7,500,000,000          | 7,500,000,000         |
| - Certificates of deposit                   | 15,500,000,000         | 15,500,000,000        |
| Receivables                                 | 775,388,819            | 775,388,819           |
|   | <b>82,345,453,171</b>  | <b>82,097,284,634</b> |
| <b>Financial liabilities</b>                |                        |                       |
| Accrued expenses                            | 45,975,138             | 45,975,138            |
| Fund management fee payable                 | 126,350,371            | 126,350,371           |
|   | <b>172,325,509</b>     | <b>172,325,509</b>    |

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

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

- Fair values of cash and cash equivalents, receivables, accrued expenses and fund management fee payable were equal to their book values due mainly to the short-term maturities of these instruments.
- Fair value of bonds is re-valued using the valuation method stated in Note 3.3.
- Fair value of certificates of deposits is re-valued using the valuation method stated in Note 3.3.

# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) BM06g-QM  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

### 19. RELATED PARTIES TRANSACTIONS AND OTHER KEY CONTRACTS

#### 19.1 Related parties transactions

##### a) The Fund Management Company

The significant transactions in the period was as follow:

|                     | <i>For the period from<br/>4 January 2022 to<br/>30 June 2022<br/>VND</i> |
|---------------------|---|
| Fund management fee | <b>558,882,612</b>  |

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

|                              | <i>30 June 2022<br/>VND</i> |
|------------------------------|-----------------------------|
| Fund management fee payables | <b>66,850,370</b>           |

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

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

|  | <i>For the period from<br/>4 January 2022 to<br/>30 June 2022<br/>VND</i> |
|--|---|
| Remunerations of the Fund Representative Board | <b>45,000,000</b>   |

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

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

|   |                           | <i>30 June 2022</i>       |                               |
|---|---------------------------|---------------------------|-------------------------------|
| <i>Related parties</i>                              | <i>Relationship</i>       | <i>Fund units held by</i> | <i>Holding percentage (%)</i> |
| Fides (Vietnam) Fund Management Joint Stock Company | Fund Management Company   | 1,500,000.00              | 18.68                         |
| Other related parties                               | Fund Representative Board | 100.00                    | 0.00                          |
|   |                           | <b>1,500,100.00</b>       | <b>18.68</b>                  |

# Fides (Vietnam) Fund Management Joint Stock Company

## Fides VN Bond Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued) BM06g-QM  
as at 30 June 2022 and for the period from 4 January 2022 (the date of establishment) to 30 June 2022

### 19. RELATED PARTIES TRANSACTIONS AND OTHER KEY CONTRACTS (continued)

#### 19.2 Other key contracts

##### *Supervisory Bank*

According to the supervisory and custodian contract with the Shinhan Bank Vietnam Limited, the Fund has the obligation to pay the Supervisory Bank a supervisory fee equivalent to 0,03% per annum of the NAV at the date prior to the valuation date (the minimum fee is VND10,000,000 per month, exclusive of value added tax) and a custodian fee equivalent to 0,05% per annum of the NAV (the minimum fee is VND10,000,000 per month, exclusive of value added tax).

The Supervisory Bank also provides the fund administration service. The Fund has the obligation to pay the Supervisory Bank a fund administration fee equivalent to 0,03% per annum of the NAV, with the minimum of VND10,000,000 per month, exclusive of value added tax and the price for the service of preparing financial statements as prescribed by law is VND15,000,000 per month, exclusive of value-added tax.

Besides, the Fund has the obligation to pay to the Supervisory Bank a trading fee of VND100,000 per transaction, and fee for the service of confirming securities balance for audit purposes of VND 500,000 per confirmation report.

Details of service fees in the period are as follows:

|  | <i>For the period from<br/>4 January 2022 to<br/>30 June 2022<br/>VND</i> |
|--|---|
| Custodian service                                  | 59,688,308  |
| Supervisory fee                                    | 64,935,485  |
| Fund administration service                        | 64,935,486  |
| State Security Commission of Vietnam reporting fee | 97,403,226  |
| Bank charges                                       | 6,853,000   |

The outstanding balance was as follow:

|   | <i>30 June 2022<br/>VND</i> |
|---|-----------------------------|
| Demand deposit  | 11,808,722,799              |
| Payable to fund management service                            | 66,850,370                  |
| Payable to State Security Commission of Vietnam reporting fee | 16,500,000                  |
| Payable to supervisory service                                | 11,000,001                  |
| Payable to fund administration service                        | 11,000,001                  |
| Payable to transfer agency service                            | 11,000,000                  |
| Payable to custodian service                                  | 9,999,999                   |

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

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

Ms. **Truong Thi Huyen**  
Chief Accountant

Mr. **Kim Kwang Hyuk**  
General Director

Ho Chi Minh City, Vietnam

10 August 2022

