

Fides VN Bond Fund

Financial statements

for the period from 4 January 2022 (the date of establishment)
to 31 December 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 31 December 2022, the Fund's contributed capital is VND 66,629,000,000 at par, equivalent to 6,662,900 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, 14th 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 financial statements of the Fund for the period from 4 January 2022 (the date of establishment) to 31 December 2022.

THE BOARD OF MANAGEMENT OF THE FUND MANAGEMENT COMPANY'S RESPONSIBILITY IN RESPECT OF THE 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 financial statements of each financial period which give a true and fair view of the financial position, investment portfolio of the Fund and of the results of its operations, its changes in net asset value, transactions of fund units and its cash flows for the period. In preparing those financial statements, the Board of Management of the Fund Management Company is required to:

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

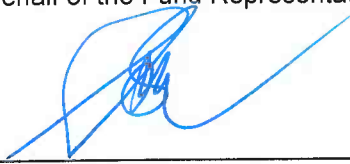
The Board of Management of the Fund Management Company is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Fund and to ensure that the accounting records comply with the applied accounting system. The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

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

APPROVAL OF THE FINANCIAL STATEMENTS

The Fund Representative Board hereby approved the accompanying financial statements based on the confirmation of the Board of Management of the Fund Management Company. The financial statements give a true and fair view of the financial position, investment portfolio of the Fund as at 31 December 2022 and of the results of its operations, its changes in net asset value, transactions of fund units and its cash flows for the period from 4 January 2022 (the date of establishment) to 31 December 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' financial statements.

On behalf of the Fund Representative Board:



Mr. Phan Hoang Son
Chairman

Ho Chi Minh City, Vietnam

24 March 2023

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 financial statement of the Fund, as at 31 December 2022, the changes in net asset value ("NAV") of the Fund is 4.76% 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: VND 69,798,407,242
- Number of fund units: 6,662,900.00 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>31 December 2022</i> (%)
Bonds	61.14
Certificates of deposits	30.01
Bank deposits and cash equivalent	6.57
Other assets	2.28
Total	100.00

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

	<i>Indicator</i>	<i>As of 31 December 2022</i>
1	Net asset value (NAV) of the Fund (VND)	69,798,407,242
2	Total outstanding fund units	6,662,900
3	NAV per fund unit	10,476
4	Maximum NAV per fund unit during the reporting period	10,476
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	4.76
9.1	Capital growth (%) per fund unit (change due to price fluctuation)	(0.43)
9.2	Earnings growth (%) per fund unit (based on realized income)	5.19
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 (%)	2.35
14	Turnover ratio of investment portfolio (%)	77.01

(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

<i>Period</i>	<i>Growth of NAV per fund unit (%)</i>	<i>Annual growth of NAV per fund unit of the Fund (%)</i>
From establishment	4.76	Not applicable

Fides (Vietnam) Fund Management Joint Stock Company

Fides VN Bond Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

III. MACROECONOMICS OVERVIEW

In 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 2022 fell to VND214,722bn (down 32.5% year-on-year basis). The average tenor was 12.67 years (decreased by 1.25 years year-on-year basis), the average issuance interest rate rose to 2.48% (up 1.18% year-on-year basis). On the secondary market, the average trading value declined to VND4,351bn (reduced by 36.5% year-on-year).
- Regarding the corporate bond market, (hereinafter referred to as "C-bond"), in 2022, there were 443 domestic C-bond issuances, 420 of which were private placements with total value of VND244,565bn (95.9% total issuance value), along with 23 public offerings with the total value of VND10,599bn (4.1% 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 65.2% year-on-year and 65.6% year-on-year, respectively. Banks were the leading issuers by total value of VND136,772bn (53.6% total issuance value), followed by real estate issuers with VND51,979bn (20.3% total issuance value)
- Sentences to Tan Hoang Minh for their violations in their bond issuance and Decree 65/2022/ND-CP amending 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)	4.76
Capital growth per fund unit (a)	(0.43)
Growth per fund unit	5.19

Fides (Vietnam) Fund Management Joint Stock Company

Fides VN Bond Fund

REPORT OF THE FUND MANAGEMENT COMPANY (continued)

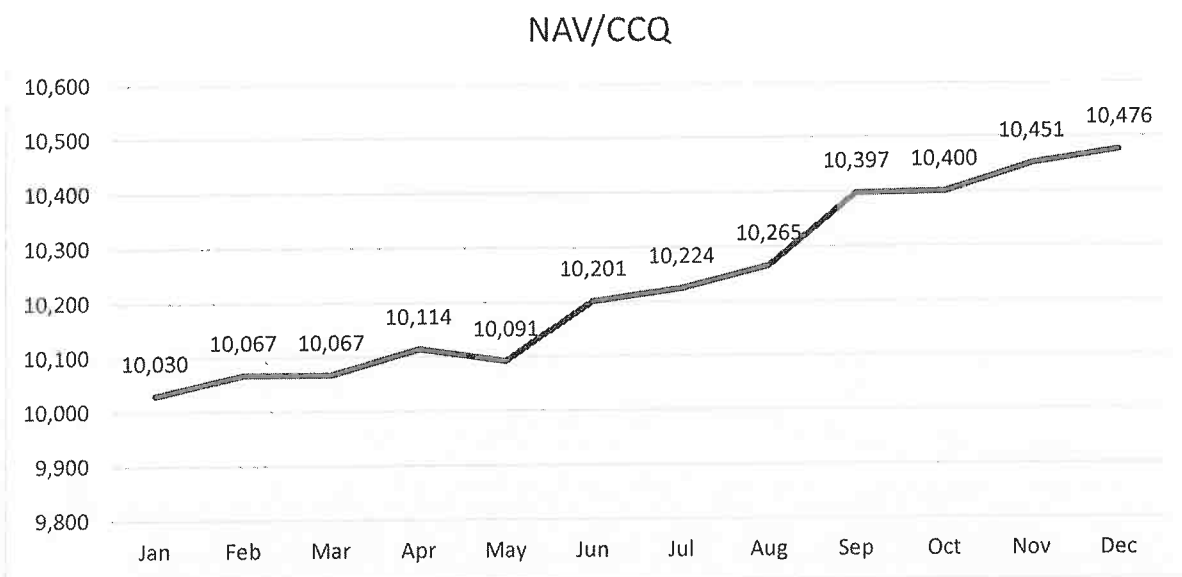
IV. KEY PERFORMANCE INDICATORS (continued)

1. Key performance indicators (continued)

Change in NAV:

Items	31 December 2022 VND	At the date of establishment VND	Changing rate (%)
NAV of the Fund	69,798,407,242	80,316,000,000	(13.10)
NAV per fund unit	10,476	10,000	4.76

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 31 December 2022

Number of units held by the Fund Unit Holders (units)	Number of fund unit holders	Number of fund units held	Holding percentage (%)
Under 5,000	86	12,900	0.19
From 5,000 to 10,000	-	-	-
From 10,000 to 50,000	-	-	-
From 50,000 to 500,000	-	-	-
Over 500,000	4	6,650,000	99.81
Total	90	6,662,900	100.00

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

2023 may continue to be a tough year for the corporate bond market as the maturity pressure is quite heavy while mobilizing new loans is not easy due to investors' apprehension.

According to Vietnam Bond Market Association (VBMA), corporate bonds to be matured in 2023 and 2024 reach VND218,819 billion and VND360,500 billion, respectively. Post issuance, Decree 65/2022/ND-CP is still being revised by the competent authorities and the Decree amending Decree 65/2022/ND-CP is expected to be issued in Q1/2023.

Investor sentiment after the events of Tan Hoang Minh and Van Thinh Phat has not been stabilized yet. Thus, it is difficult to expect a strong recovery in the corporate bond market in 2023. On the other hand, bond redemption before maturity is expected to continue in 2023 and may reduce the corporate bond market size.

The bond buyback comes not only from the restructuring of issuers' funding, but also from the request of the bondholders. In 2022, corporate bond issuers redeemed VND210,830 billion of bonds before maturity (+46% yoy). Most of these bonds will mature in 2023 and 2024. It is expected that early corporate bond redemption will continue in 2023.

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

24 March 2023

SUPERVISORY REPORT

We, the supervisory bank of the Fides VN Bond Fund (“FBF” or “Fund”) for the reporting period from January 04, 2022, to December 31, 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. 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.

✓ In the reporting period of November 09, 2022, FBF's investment ratio has deviated. The reason is due to the redemption of investor at trading date November 02, 2022.

The period for adjusting the deviation from November 09, 2022 to February 09, 2023.

- According to Section đ, Clause 4, Article 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 10% total asset value of fund in public issuance bonds, corporate bonds issued privately by listed issuers having payment guarantee from a credit organizations or buying commitment of issuers at least once in 12 months and buying at least 30% of total value of issuance per time.



The deviation was corrected on November,16 2022.

- Ho Chi Minh, Date 05 month 01 year 2023

Representative of Supervisory Bank

Jung Hyun Su

Director of Securities Services Department



Reference: 61814574/ 66707237

INDEPENDENT AUDITORS' REPORT

To: The Investors of Fides VN Bond Fund

We have audited the accompanying financial statements of Fides VN Bond Fund ("the Fund") prepared on 24 March 2023 as set out on pages 13 to 51, which comprise the statement of financial position, the statement of investment portfolio as at 31 December 2022, the income statement, the statement of changes in net asset value, transactions of fund units and the statement of cash flows for the period from 4 January 2022 (the date of establishment) to 31 December 2022 and the notes thereto.

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

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position and investment portfolio of the Fund as at 31 December 2022, and of the results of its operations, its changes in net asset value, transactions of fund units and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds and the statutory requirements relevant to the preparation and presentation of open-ended funds' financial statements.

Ernst & Young Vietnam Limited



Nguyen Phuong Nga
Deputy General Director
Audit Practicing Registration
Certificate No.: 0763-2019-004-1



Vu Tien Dung
Auditor
Audit Practicing Registration
Certificate No.: 3221-2020-004-1

Ho Chi Minh City, Vietnam

24 March 2023

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

INCOME STATEMENT

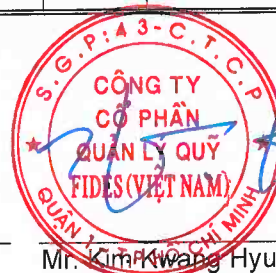
B01-QM

for the period from 4 January 2022 (the date of establishment) to 31 December 2022

Code	ITEMS	Notes	For the period from 4 January 2022 (the date of establishment) to 31 December 2022 VND
01	I. INCOME FROM INVESTING ACTIVITIES		5,606,923,089
02	1.1 Coupon interest received		4,633,638,483
03	1.2 Interest income	11	1,558,912,326
04	1.3 Loss on investment trading	12	(254,792,582)
05	1.4 Unrealized loss on revaluation of investments	5	(330,835,138)
10	II. EXPENSES FROM INVESTING ACTIVITIES		10,739,947
11	2.1 Transaction expenses for securities trading	12	10,739,947
20	III. OPERATING EXPENSES		1,856,736,200
20.1	3.1 Fund management fee		957,812,793
20.2	3.2 Custody fee		121,370,174
20.3	3.3 Supervisory fee		130,935,489
20.4	3.4 Fund administration fee		130,935,490
20.5	3.5 Transfer agency services fee		123,129,032
20.6	3.6 Other fees by service provider for the fund		196,403,222
20.8	3.7 Audit fee		93,500,000
20.10	3.8 Other operating expenses	13	102,650,000
23	IV. NET INCOME FROM INVESTING ACTIVITIES		3,739,446,942
30	V. PROFIT BEFORE TAX		3,739,446,942
31	6.1 Realized profit		4,070,282,080
32	6.2 Unrealized loss	5	(330,835,138)
40	VI. CORPORATE INCOME TAX ("CIT") EXPENSE		-
41	VII. PROFIT AFTER CIT		3,739,446,942

Ms. Truong Thi Huyen
Preparer

Ms. Truong Thi Huyen
Chief Accountant



Mr. Kim Kwang Hyuk
General Director

Ho Chi Minh City, Vietnam

24 March 2023

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

STATEMENT OF FINANCIAL POSITION
as at 31 December 2022

B02-QM

Code	ITEMS	Notes	31 December 2022 VND
100	I. ASSETS		
110	1. Cash and cash equivalents	4	4,593,778,490
111	1.1 Cash at banks for operation of the Fund		1,593,778,490
112	1.2 Deposits having term less than three (3) months		3,000,000,000
120	2. Net investments		63,775,158,558
121	2.1 Investments	5	63,775,158,558
130	3. Receivables		1,596,286,577
133	3.1 Receivables, accrual for interest and dividends income from investments		1,596,286,577
136	3.1.1 Accruals for interest and dividend income from investments	6	1,596,286,577
100	TOTAL ASSETS		69,965,223,625
300	II. LIABILITIES		
316	1. Accrued expenses	7	47,600,000
319	2. Fund management fee payable	8	119,216,383
300	TOTAL LIABILITIES		166,816,383
400	III. NET ASSET VALUE ATTRIBUTABLE TO HOLDERS OF FUND UNITS (III=I-II)		69,798,407,242
411	1. Contributed capital		66,629,000,000
412	1.1 Capital from subscription	9	80,316,000,000
413	1.2 Capital from redemption	9	(13,687,000,000)
414	2. Contributed premium	9	(570,039,700)
420	3. Retained earnings	10	3,739,446,942
430	IV. NET ASSET VALUE PER FUND UNIT	9	10,476

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

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2022

B02-QM

OFF BALANCE SHEET ITEM

Code	ITEMS	Notes	31 December 2022 VND
004	1. Number of outstanding fund units	9	6,662,900



Ms. Trương Thị Huyền
Preparer



Ms. Trương Thị Huyền
Chief Accountant



Mr. Kim Kwang Hyuk
General Director

Ho Chi Minh City, Vietnam

24 March 2023

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

STATEMENT OF CHANGES IN NET ASSET VALUE,
TRANSACTIONS OF FUND UNITS

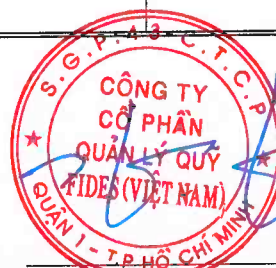
B03-QM

for the period from 4 January 2022 (the date of establishment) to 31 December 2022

Code	ITEMS	For the period from 4 January 2022 (the date of establishment) to 31 December 2022 VND
I	Beginning balance of the Fund's Net Asset Value (NAV)	-
II	Changes in NAV during the period	3,739,446,942
II.1	In which: - Changes in NAV arising from market fluctuation and the Fund's investment activities during the period	3,739,446,942
III	Changes in NAV due to redemption of and subscription for fund units	66,058,960,300
III.1	In which: - 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	(14,257,039,700)
IV	Ending balance of the Fund's NAV (IV = I + II + III)	69,798,407,242

Ms. Trương Thị Huyền
Preparer

Ms. Trương Thị Huyền
Chief Accountant



Mr. Kim Kwang Hyuk
General Director

Ho Chi Minh City, Vietnam



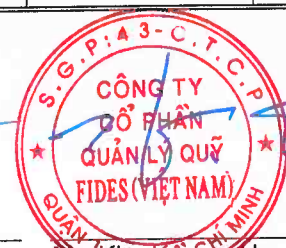
24 March 2023

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

STATEMENT OF INVESTMENT PORTFOLIO
as at 31 December 2022

B04-QM

No.	Items	Quantity	Market price as at 31 December 2022 VND	Total value VND	Proportion to the Fund's total assets as at 31 December 2022 (%)
I	Bonds			42,775,158,558	61.14
1	Listed bonds			36,275,158,558	51.85
1.1	KBC121020	155,000	99,881.11	15,481,571,986	22.13
1.2	CTD122015	10	999,402,740.70	9,994,027,397	14.28
1.3	VND122013	80,000	99,152.14	7,932,170,959	11.34
1.4	VND122012	28,674	99,999.59	2,867,388,216	4.10
2	Unlisted bonds			6,500,000,000	9.29
2.1	Phat Dat Real Estate Development Corp	65	100,000,000.00	6,500,000,000	9.29
II	Other assets			1,596,286,577	2.28
1	Accrued interest income from bonds			1,228,711,236	1.76
2	Accrued interest income from certificates of deposit			365,602,739	0.52
3	Accrued interest income from term deposits			1,972,602	0.00
III	Cash			25,593,778,490	36.58
1	Cash at banks			4,593,778,490	6.57
1.1	- Demand deposits			1,593,778,490	2.28
1.2	- Deposits with term less than three (3) months			3,000,000,000	4.29
2	Certificate of deposit			21,000,000,000	30.01
IV	Total investment portfolio			69,965,223,625	100.00

Ms. Truong Thi Huyen
Preparer

Ms. Truong Thi Huyen
Chief Accountant

Mr. Kim Kwang Hyuk
General Director

Ho Chi Minh City, Vietnam

24 March 2023

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

STATEMENT OF CASH FLOWS

B05-QM

for the period from 4 January 2022 (the date of establishment) to 31 December 2022

Code	ITEMS	Notes	For the period from 4 January 2022 (the date of establishment) to 31 December 2022 VND
	I. CASH FLOWS FROM INVESTING ACTIVITIES		
01	1. Profit before corporate income tax		3,739,446,942
02	2. Adjustments to reconcile profit before tax to net cash flows:		378,435,138
	<i>In which:</i>		
04	Accrued expenses		47,600,000
05	3. Profit from investing activities before adjustments in working capital		4,117,882,080
20	Increase in investments		(64,105,993,696)
07	Increase in accrued interest income from investments		(1,596,286,577)
17	Increase in fund management fee payables		119,216,383
19	Net cash flows used in investing activities		(61,465,181,810)
	II. CASH FLOWS FROM FINANCING ACTIVITIES		66,058,960,300
31	1. Proceeds from issue of fund units		80,316,000,000
32	2. Payment on repurchase of fund units		(14,257,039,700)
30	Net cash from financing activities		66,058,960,300
40	III. Net increase in cash and cash equivalents during the period		4,593,778,490
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	4,593,778,490
56	Cash at banks at end of period:		4,593,778,490
57	- Cash at bank for the Fund's operation		4,593,778,490
	<i>In which:</i>		
	Deposits with term less than three (3) months		3,000,000,000
	Demand deposits for operation of the Fund		1,593,778,490
60	VI. Change in cash and cash equivalents during period		4,593,778,490

Ms. Trương Thị Huyền
Preparer

Ms. Trương Thị Huyền
Chief Accountant

Mr. Kim Kwang Hyuk
General Director

Ho Chi Minh City, Vietnam

24 March 2023

Fides (Vietnam) Fund Management Joint Stock Company

Fides VN Bond Fund

NOTES TO THE FINANCIAL STATEMENTS

BM06-QM

as at 31 December 2022 and for the period

from 4 January 2022 (the date of establishment) to 31 December 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 VND 80,316,000,000 and accounting for 160.63% of 5,000,000 fund units expected to be offered at par value of VND 10,000 per fund unit. As at 31 December 2022, the Fund's contributed capital is VND 66,629,000,000 at par, equivalent to 6,662,900 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 FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the period
from 4 January 2022 (the date of establishment) to 31 December 2022

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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 or according to the Fund Management decision.
- ▶ 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 or according to the Fund Management decision.

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 FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the period
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B06-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 FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the period
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1. THE FUND'S OPERATIONS (continued)

1.2 *The Fund's operations* (continued)

Investment restrictions (continued)

The Fund's investment structure may exceed 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 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 financial statements are prepared based on historical cost, except for investments measured at fair value (*Note 3.3*).

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

Fides (Vietnam) Fund Management Joint Stock Company

Fides VN Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the period
from 4 January 2022 (the date of establishment) to 31 December 2022

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2. BASIS FOR PREPARATION (continued)

2.1 Accounting standards and system (continued)

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

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

2.2 Registered accounting documentation system

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

2.3 Fiscal year

The Fund's 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.

2.4 Accounting currency

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

2.5 Compliance statement

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

Fides (Vietnam) Fund Management Joint Stock Company

Fides VN Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the period
from 4 January 2022 (the date of establishment) to 31 December 2022

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3. SIGNIFICANT ACCOUNTING POLICIES

3.1 *Accounting estimates*

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

3.2 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks for the Fund's operation, cash of 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 statement of financial position.

Subsequent recognition

Investments presented in the 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 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 statement of financial position.

Fides (Vietnam) Fund Management Joint Stock Company

Fides VN Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the period
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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 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
Cash and cash equivalents, money market instruments		
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 FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the period
from 4 January 2022 (the date of establishment) to 31 December 2022

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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
Bonds		
6.	Listed bonds	<ul style="list-style-type: none"> - In case there are transactions 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). - 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"> + 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 + Purchase price plus accumulated interest; or + Price determined by the other methods which are approved by the Fund Representative Board
7.	Listed bonds - Convertible Bonds into Shares	<ul style="list-style-type: none"> - At the day before conversion date, the price is determined according to corporate listed bonds above. - At the conversion date, the price is determined according to the criteria of the Shares section.
8.	Unlisted bonds	<ul style="list-style-type: none"> - Priority is given to one of the following prices in order from top to bottom: <ul style="list-style-type: none"> + Purchase price plus accumulated interest; + Face value plus accumulated interest; or + Price determined by the other methods which are approved by the Fund Representative Board - 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.

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

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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
Shares		
9.	Shares listed on the Stock Exchange (HSX, HNX)	<ul style="list-style-type: none"> - Closing price (or otherwise called according to the regulations adopted by the Stock Exchange) of the latest trading date before the Valuation Date. - 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"> + Price at the latest Valuation Date but not more than three (3) months from the date prior to the Valuation Date; or + Book value; + Purchase price; + Price determined by the other methods which are approved by the Fund Representative Board.
10.	Shares of a public company registered for trading on the UPCOM system	<ul style="list-style-type: none"> - Closing price (or otherwise called according to the regulations adopted by the Stock Exchange) of the latest trading date before the date prior to the Valuation Date. - 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"> + Price at the latest Valuation Date but not more than three (3) months from the date prior to the Valuation Date; or + Book value; + Purchase price; + Price determined by the other methods which are approved by the Fund Representative Board.

Fides (Vietnam) Fund Management Joint Stock Company

Fides VN Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
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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
Shares (continued)		
11.	Shares registered, deposited but not listed, not registered for trading	<ul style="list-style-type: none"> - Average value based on quotation (average price of transactions in the period) of at least three (03) organizations providing quotation. - 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"> + Price at the latest Valuation Date but not more than three (3) months from the date prior to the Valuation Date; or + Book value; + Purchase price; + Price determined by the other methods which are approved by the Fund Representative Board.
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"> - Priority is given to one of the following prices in order from top to bottom: <ul style="list-style-type: none"> + Book value according to the latest audited or reviewed financial statements; + Face value; + 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.
14.	Shares of organizations falling into winding-up or bankruptcy	<ul style="list-style-type: none"> - Priority is given to one of the following prices in order from top to bottom: <ul style="list-style-type: none"> + 80% of liquidating value of such shares on the latest date of preparing balance sheet to the date prior the Valuation Date; or + Price is determined by the other methods which are approved by the Fund Representative Board.
15.	Right issue to buy share	<ul style="list-style-type: none"> - It is determined: <ul style="list-style-type: none"> + Value of the right = $\text{Max}\{0; (\text{Closing price of the latest trading date before the Valuation Date} - \text{Issuing price}) \times \text{conversion rate}\}$

Fides (Vietnam) Fund Management Joint Stock Company

Fides VN Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
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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
Fund Certificates		
16.	Listed public fund certificates	<ul style="list-style-type: none"> - Closing price (or otherwise called according to the regulations adopted by the Stock Exchange) of the latest trading date before the Valuation Date. - 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"> + NAV per fund unit at the latest date publicized by the public fund prior to the Valuation Date; or + Purchase price; + 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.
17.	Unlisted public fund certificates	<p>Priority is given to one of the following prices in order from top to bottom:</p> <ul style="list-style-type: none"> + NAV per fund unit at the latest date publicized by the public fund prior to the Valuation Date; or + Purchase price + 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.
Other assets		
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.

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Fides VN Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)
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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.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Receivables

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

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

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

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

3.7 Payables and accrued expenses

Payables and accrued expenses are presented in the financial statements at cost, relating to payables for 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 VND 10,000,000 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 VND 15,000,000 per month, exclusive of value-added tax.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Expenses

3.8.3 Transfer agency services fee

Transfer agency fee is VND 10,000,000 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 VND 10,000,000 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 VND 10,000,000. 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 VND 100,000 per 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 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).

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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.

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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 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 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.

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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 financial statements, are considered to be nil balance.

4. CASH AND CASH EQUIVALENTS

	<i>31 December 2022</i> <i>VND</i>
Demand deposit at Supervisory and Custodian Bank for the Fund's operation	1,593,778,490
Deposits with term less three (3) months in VND	3,000,000,000
- <i>The Joint Stock Commercial Bank for Investment and Development of Vietnam</i>	<u>3,000,000,000</u>
	<u>4,593,778,490</u>

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5. INVESTMENTS

	Cost VND	Market value or fair value VND	Revaluation difference		Fair value VND
			Increase VND	Decrease VND	
31 December 2022					
Corporate bonds - listed	36,605,993,696	36,275,158,558	-	(330,835,138)	36,275,158,558
Corporate bonds - unlisted	6,500,000,000	6,500,000,000	-	-	6,500,000,000
Certificates of deposit	21,000,000,000	21,000,000,000	-	-	21,000,000,000
	64,105,993,696	63,775,158,558	-	(330,835,138)	63,775,158,558

Corporate bonds include:

- Listed corporate bonds issued by Kinh Bac City Development Holding Corporation having term of 2 years, interest rate at 10.80% p.a., interest paid every 6 months; listed corporate bonds issued by Vndirect Securities Corporation having term from 1 to 2 years, interest rate ranging from 8.00% p.a. to 8.20% p.a., interest paid annually; listed corporate bonds issued by Cotecons Construction JSC having term of 3 years, interest rate at 9.50% p.a., interest paid every 6 months;
 - Unlisted bonds issued by Phat Dat Real Estate Development JSC, having term of 2 years, interest rate at 12.00% p.a., interest paid every 3 months.
- Certificate of deposit was issued by VPBank SMBC Finance Company Limited and Mirae Asset Finance Company (Vietnam) Limited having term of 6 months and interest rate ranging from 8.00% p.a. to 8.10% p.a..

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6. ACCRUALS FOR INTEREST AND DIVIDEND INCOME FROM INVESTMENTS

	31 December 2022 VND
Interest receivable from bonds	1,228,711,236
Interest receivable from certificates of deposit	365,602,739
Interest receivable from term deposits	1,972,602
	<u>1,596,286,577</u>

7. ACCRUED EXPENSES

	31 December 2022 VND
Audit fee	<u>47,600,000</u>

8. FUND MANAGEMENT FEE PAYABLE

	31 December 2022 VND
Payable for fund management service	59,716,381
Payable for reporting service to State Security Commission of Vietnam	16,500,000
Payable for supervisory service	11,000,000
Payable for fund administration service	11,000,000
Payable for transfer agency service	11,000,000
Payable for custodian service	10,000,002
	<u>119,216,383</u>

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9. STATEMENT OF CHANGES IN OWNERS' EQUITY

	4 January 2022 (the date of establishment) VND	Movement during the period VND	31 December 2022 VND
Subscription capital			
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
Redemption capital			
Number of fund units	-	(1,368,700.00)	(1,368,700.00)
Redemption capital at par value	-	(13,687,000,000)	(13,687,000,000)
Redemption capital premium	-	(570,039,700)	(570,039,700)
Total redemption capital	-	(14,257,039,700)	(14,257,039,700)
Number of outstanding fund units	8,031,600.00	(1,368,700.00)	6,662,900.00
Outstanding share capital	80,316,000,000	(14,257,039,700)	66,058,960,300
Retained earnings	-	3,739,446,942	3,739,446,942
NAV	80,316,000,000	(10,517,592,758)	69,798,407,242
NAV per fund unit	10,000	476	10,476

10. RETAINED EARNINGS

	31 December 2022 VND
Realized profit	4,070,282,080
Unrealized loss	(330,835,138)
	3,739,446,942

11. INTEREST INCOME

	For the period from 4 January 2022 to 31 December 2022 VND
Interest from certificates of deposit	974,243,150
Interest from term deposits	584,669,176
	1,558,912,326

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12. LOSS ON INVESTMENT TRADING

	<i>Total trading amount VND</i>	<i>Weighted average cost at the end of the trading date VND</i>	<i>Gain/(loss) on investment trading VND</i>
Listed bonds	15,439,520,548	15,695,458,618	(255,938,070)
Unlisted bonds	1,016,926,310	1,015,780,822	1,145,488
	16,456,446,858	16,711,239,440	(254,792,582)

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13. TRANSACTION EXPENSES FOR SECURITIES TRADING

For the period from 4 January 2022 (the date of establishment) to 31 December 2022, the Fund's transactions are mainly conducted through the following securities companies:

No, (1)	Name of securities companies (2)	Relationship with the Fund Management Company (3)	Trading rate of the Fund at each securities company			Average trading fee on market (%) (8)
			Trading value of the Fund during the period VND (4)	Total trading value of the Fund during the period (*) VND (5)	Trading rate of the Fund at each securities company during the period (%) (6)=(4)/(5)	
1	KIS Vietnam Securities Corporation	No relationship	52,699,743,470	61,216,669,780	86.09	0.02
2	OTC transactions		8,516,926,310	61,216,669,780	13.91	
Total			61,216,669,780		100.00	

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

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13. TRANSACTION EXPENSES FOR SECURITIES TRADING (continued)

	<i>For the period from 4 January 2022 to 31 December 2022</i>
	<i>VND</i>
Transaction expenses for buying investments	10,539,947
Transaction expenses for selling investments	200,000
	10,739,947

14. OTHER OPERATING EXPENSES

	<i>For the period from 4 January 2022 to 31 December 2022</i>
	<i>VND</i>
Remuneration of the Fund Representative Board	90,000,000
Service fee for information verified by VSD	2,200,000
Bank charges	10,450,000
	102,650,000

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15. NET ASSET VALUE

Net asset value for the period from 4 January 2022 (the date of establishment) to 31 December 2022:

Period of NAV	NAV VND	Number of fund units	NAV per fund unit VND	Increase/(decrease) of NAV per fund unit VND
11/01/2022	80,495,659,171	8,031,600	10,022	0
18/01/2022	80,412,922,553	8,031,600	10,012	(10)
25/01/2022	80,680,921,283	8,031,600	10,045	33
31/01/2022	80,557,615,584	8,031,600	10,030	(15)
06/02/2022	80,622,634,899	8,031,600	10,038	8
08/02/2022	80,499,098,471	8,031,600	10,023	(15)
15/02/2022	80,539,979,414	8,031,600	10,028	5
22/02/2022	80,705,295,541	8,031,600	10,048	20
28/02/2022	80,853,469,634	8,031,600	10,067	19
01/03/2022	80,629,167,022	8,031,600	10,039	(28)
08/03/2022	80,739,950,952	8,031,600	10,053	14
15/03/2022	80,591,831,716	8,031,600	10,034	(19)
22/03/2022	80,824,979,835	8,031,600	10,063	29
29/03/2022	80,847,631,439	8,031,600	10,066	3
31/03/2022	80,855,964,429	8,031,600	10,067	1
05/04/2022	81,361,430,279	8,031,600	10,130	63
12/04/2022	80,973,699,423	8,031,600	10,082	(48)
19/04/2022	81,172,250,497	8,031,600	10,107	25
26/04/2022	81,338,362,357	8,031,600	10,127	20
30/04/2022	81,235,054,795	8,031,600	10,114	(13)
03/05/2022	81,267,686,528	8,031,600	10,118	4

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15. NET ASSET VALUE (continued)

Net asset value for the period from 4 January 2022 (the date of establishment) to 31 December 2022 (continued):

Period of NAV	NAV VND	Number of fund units	NAV per fund unit VND	Increase/(decrease) of NAV per fund unit VND
10/05/2022	80,936,104,151	8,031,600	10,077	(41)
17/05/2022	81,392,825,022	8,031,600	10,134	57
24/05/2022	81,154,049,593	8,031,400	10,105	(29)
31/05/2022	81,045,362,236	8,031,400	10,091	(14)
07/06/2022	80,970,028,651	8,031,400	10,082	(9)
14/06/2022	81,043,763,149	8,031,400	10,091	9
21/06/2022	81,043,902,000	8,031,400	10,091	-
28/06/2022	82,017,977,534	8,031,400	10,212	121
30/06/2022	81,924,959,125	8,031,400	10,201	(11)
05/07/2022	82,263,535,684	8,031,400	10,243	42
12/07/2022	81,901,539,742	8,031,300	10,198	(45)
19/07/2022	81,989,412,146	8,031,300	10,209	11
26/07/2022	82,064,139,818	8,031,300	10,218	9
31/07/2022	82,108,463,318	8,031,200	10,224	6
02/08/2022	82,294,164,847	8,031,200	10,247	23
09/08/2022	82,229,507,762	8,031,200	10,239	(8)
16/08/2022	82,330,465,680	8,031,200	10,251	12
23/08/2022	82,406,504,951	8,031,200	10,261	10
30/08/2022	82,578,832,919	8,030,800	10,283	22
31/08/2022	82,437,942,581	8,030,800	10,265	(18)
06/09/2022	82,599,246,088	8,030,800	10,285	20
13/09/2022	82,618,081,647	8,030,800	10,288	3
20/09/2022	82,884,302,189	8,030,800	10,321	33
27/09/2022	83,650,146,199	8,030,800	10,416	95
30/09/2022	83,500,073,801	8,030,800	10,397	(19)

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15. NET ASSET VALUE (continued)

Net asset value for the period from 4 January 2022 (the date of establishment) to 31 December 2022 (continued):

Period of NAV	NAV VND	Number of fund units	NAV per fund unit VND	Increase/(decrease) of NAV per fund unit VND
04/10/2022	83,061,623,371	8,030,800	10,343	(54)
11/10/2022	83,162,023,098	8,030,800	10,355	12
18/10/2022	83,371,530,426	8,030,800	10,381	26
25/10/2022	83,447,692,224	8,030,800	10,391	10
31/10/2022	83,519,461,027	8,030,800	10,400	9
01/11/2022	83,532,172,247	8,030,800	10,401	1
08/11/2022	73,083,799,942	7,030,800	10,395	(6)
15/11/2022	73,157,355,967	7,030,700	10,405	10
22/11/2022	73,241,668,497	7,029,600	10,419	14
29/11/2022	73,425,798,775	7,026,900	10,449	30
30/11/2022	73,408,900,019	7,024,100	10,451	2
06/12/2022	73,479,264,743	7,024,100	10,461	10
13/12/2022	69,484,887,512	6,673,600	10,412	(49)
20/12/2022	69,461,198,977	6,662,900	10,425	13
27/12/2022	69,481,100,762	6,662,900	10,428	3
31/12/2022	69,798,407,242	6,662,900	10,476	48

Average NAV for the period

80,108,190,669

Change in NAV per fund unit for the period - maximum

121

Change NAV per fund unit for the period - minimum

-



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16. NUMBER OF FUND CERTIFICATES IN CIRCULATION

Detail per period that the fund units could be redeemable:

	<u>31 December 2022</u>
Up to one year	<u>6,662,900</u>

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

*For the period from
4 January 2022 to
31 December 2022
(%)*

Expense ratio	2.35
Turnover ratio of investment portfolio	77.01

17.1 Expense ratio

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

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

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

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.

17.2 Turnover ratio

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

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

18.2 Credit risk

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

The Fund places balances of certificates of deposits, corporate bonds and bank deposits with well-known banks, credit institutions and economic organizations in Vietnam. Credit risk posing to balances of certificates of deposit, corporate bonds 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, corporate bonds 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.

18.3 Liquidity risk

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

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

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19. SUPPLEMENTARY DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amount and fair value of financial instruments of the Fund at 31 December 2022 are presented as follows:

	31 December 2022	
	Carrying amount VND	Fair value VND
Financial assets		
Cash and cash equivalents	4,593,778,490	4,593,778,490
- Cash at bank for operation of the Fund	1,593,778,490	1,593,778,490
- Deposits with term less three (3) months	3,000,000,000	3,000,000,000
Net investments	63,775,158,558	63,775,158,558
- Corporate bonds - listed	36,275,158,558	36,275,158,558
- Corporate bonds - unlisted	6,500,000,000	6,500,000,000
- Certificates of deposit	21,000,000,000	21,000,000,000
Receivables	1,596,286,577	1,596,286,577
	69,965,223,625	69,965,223,625
Financial liabilities		
Accrued expenses	47,600,000	47,600,000
Fund management fee payable	119,216,383	119,216,383
	166,816,383	166,816,383

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 and certificates of deposits were re-valued using the valuation method stated in Note 3.3.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the period
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20. RELATED PARTIES TRANSACTIONS AND OTHER KEY CONTRACTS

20.1 Related parties transactions

a) The Fund Management Company

The significant transactions in the period was as follow:

For the period from
4 January 2022 to
31 December 2022
VND

Fund management fee

957,812,793

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

31 December 2022
VND

Fund management fee payables

59,716,381

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.

For the period from
4 January 2022 to
31 December 2022
VND

Remunerations of the Fund Representative Board

90,000,000

c) Fund units held by the related parties

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

Related parties	Relationship	31 December 2022	
		Fund units held by	Holding percentage (%)
Fides (Vietnam) Fund Management Joint Stock Company	Fund Management Company	1,500,000.00	22.51%

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20. RELATED PARTIES TRANSACTIONS AND OTHER KEY CONTRACTS (continued)

20.2 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 VND 10,000,000 per month, exclusive of value added tax) and a custodian fee equivalent to 0,05% per annum of the NAV (the minimum fee is VND 10,000,000 per month, non-taxable VAT).

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 VND 15,000,000 per month, exclusive of value-added tax.

Besides, the Fund has the obligation to pay to the Supervisory Bank a trading fee of VND 100,000 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 4 January 2022 to 31 December 2022 VND</i>
Custodian service fee	121,370,174
Supervisory fee	130,935,489
Fund administration service fee	130,935,490
State Security Commission of Vietnam reporting fee	196,403,222
Bank charges	10,450,000

The outstanding balance was as follow:

	<i>31 December 2022 VND</i>
Demand deposit	1,593,778,490
Payable for custodian service	10,000,002
Payable for supervisory service	11,000,000
Payable for fund administration service	11,000,000
Payable for reporting to State Security Commission of Vietnam	16,500,000

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the period
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21. EVENTS AFTER THE BALANCE SHEET DATE

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

Ms. Truong Thi Huyen
Preparer

Ms. Truong Thi Huyen
Chief Accountant



Mr. Kim Kwang Hyuk
General Director



Ho Chi Minh City, Vietnam

24 March 2023

