



## **DFVN Capital Appreciation Fund**

Financial Statements for the year ended  
31 December 2020



**DFVN Capital Appreciation Fund  
General Information**

**Initial Public Offering  
Certificate No.**

56/GCN-UBCK

dated 16 October 2018

The Initial Public Offering Certificate was issued by the State Securities Commission.

**Establishment Registration  
Certificate of Open-ended Fund No.**

34/GCN-UBCK

dated 3 January 2019

The Establishment Registration Certificate of Open-ended Fund was issued by the State Securities Commission and is valid for indefinite time.

**Board of Representatives**

Mr. Do Hung Viet

Chairman

Mr. Huynh Van Dung

Member

Mr. Nguyen Gia Huy Chuong

Member

**Fund Management Company**

Dai-ichi Life Vietnam Fund Management Company Limited

**Supervisory Bank**

HSBC Bank (Vietnam) Ltd.

**Registered Office**

11<sup>th</sup> Floor, 149-151 Nguyen Van Troi  
Ward 11, Phu Nhuan District  
Ho Chi Minh City  
Vietnam

**Auditor**

KPMG Limited  
Vietnam

**DFVN Capital Appreciation Fund**  
**Report of the Board of Representatives**

**REPORT OF THE BOARD OF REPRESENTATIVES**

I, Do Hung Viet, being the Chairman of the Board of Representatives and on behalf of the Unit Holders of DFVN Capital Appreciation Fund (“the Fund”), do hereby approve the attached financial statements of the Fund for the year ended 31 December 2020, which have been prepared in accordance with Vietnamese Accounting Standards, Circular No. 198/2012/TT-BTC dated 15 November 2012 issued by the Ministry of Finance on the promulgation of accounting system for open-ended funds, the relevant requirements of Circular No. 183/2011/TT-BTC dated 16 December 2011 issued by the Ministry of Finance on the promulgation of guidance on establishment and management of open-ended funds and of Circular No. 15/2016/TT-BTC dated 20 January 2016 issued by the Ministry of Finance amending and supplementing certain articles of Circular No. 183/2011/TT-BTC dated 16 December 2011 and the other relevant statutory requirements applicable to financial reporting.

On behalf of the Board of Representatives



Mr. Do Hung Viet  
*Chairman*

Ho Chi Minh City, 25 March 2021

**DFVN Capital Appreciation Fund**  
**Report of the Fund Management Company**

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

Management of Dai-ichi Life Vietnam Fund Management Company Limited ("the Fund Management Company") presents this statement and the accompanying financial statements of DFVN Capital Appreciation Fund for the year ended 31 December 2020.

Management of the Fund Management Company is responsible for the preparation and fair presentation of the financial statements of DFVN Capital Appreciation Fund ("the Fund") in accordance with Vietnamese Accounting Standards, Circular No. 198/2012/TT-BTC dated 15 November 2012 ("Circular 198") issued by the Ministry of Finance on the promulgation of accounting system for open-ended funds, the relevant requirements of Circular No. 183/2011/TT-BTC dated 16 December 2011 ("Circular 183") issued by the Ministry of Finance on the promulgation of guidance on establishment and management of open-ended funds and of Circular No. 15/2016/TT-BTC dated 20 January 2016 ("Circular 15") issued by the Ministry of Finance amending and supplementing certain articles of Circular 183 and the other relevant statutory requirements applicable to financial reporting. In preparing those financial statements, 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 and accounting systems have been followed, subjected to any material departures disclosed and explained in the financial statements; and
- prepare financial statements on the basis of going concern unless it is inappropriate to presume that the Fund will continue in business.

Management of the Fund Management Company is also 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 requirements of Vietnamese Accounting Standards, Circular 198, the relevant requirements of Circular 183 and of Circular 15 and the other relevant statutory requirements applicable to financial reporting. The Management of the Fund Management Company 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.

Management of Dai-ichi Life Vietnam Fund Management Company Limited confirms that they have complied with the above requirements in preparing these financial statements of the Fund for the year ended 31 December 2020.



## **DFVN Capital Appreciation Fund**

### **Report of the Fund Management Company (continued)**

#### **I. Fund's general information**

##### **1. Fund's objectives**

The Fund provides the Investors with asset and capital appreciation and aims to outperform the Vietnam Stock Market (VN-Index) as benchmark in the long term by investing mainly in a diversified portfolio of listed equities on Vietnam Stock Market.

##### **2. Fund's performance**

According to the Fund's audited financial statements for the year ended 31 December 2020, until the end of the accounting period, changes in net assets value (NAV) of the Fund is 26.87% compared to the Fund's net assets value as at 31 December 2019.

##### **3. Fund's investment policy and strategy**

###### ***Investment strategy***

The Fund will invest in a diversified portfolio of large-capital listed securities on the Vietnam Stock Market. The selection of industries and companies is based on value assessment, basic analysis and evaluation of market factors.

Conditions for selecting companies are as follows:

- those in the group leading the business;
- having a strong financial status;
- having strong and stable cash flows and high quality asset base; and
- having reliable corporate governance system.

The main investment areas of the Fund concentrate on the listed equities on Vietnam Stock Exchanges, the equities about to be listed and the shares of equitised corporations.

Assets allowed to invest:

- term deposits at commercial banks in accordance with banking laws;
- foreign currencies, money market instruments including valuable papers and transferrable instruments in accordance with relevant laws;
- government bonds, government guaranteed bonds or municipal bonds;
- listed shares, registered for trading shares, listed bonds of issuers operating under Vietnamese law;
- shares and bonds to be listed, prepared to register for trading issued by issuers operating under Vietnamese law, corporate bonds issued by listed organisations with payment guarantee of the credit institutions or repurchase commitment of issuers. Investments in securities to be listed must meet the following requirements:
  - have the written approval of the Fund's Board of Representatives on the type, stock code, quantity, transaction value, time of implementation; and
  - have documents proving that the issuer will complete the application for trading registration or listing at the Stock Exchange within twelve months from the date of transaction.

**DFVN Capital Appreciation Fund**  
**Report of the Fund Management Company (continued)**

- derivative securities listed and traded on Stock Exchanges and are only for risk prevention purposes; and
- arising rights attached to stocks held by the Fund.

***Investment structure***

Proportion of the Fund's investment asset allocation is as follows:

<b>Investment asset</b>	<b>Proportion (% NAV of the Fund)</b>
Shares	50% – 100%
Short-term deposits (*)	0 – 49%
Cash on current account of the Fund at the Supervisory Bank	The remaining amount after investing in the above two types of assets.

- (\*) The maximum term is three months, the Fund may only invest deposits at banks with appropriate credit ratings, included in the list approved by the Board of Representatives in writing.

**4. Fund type**

The Fund was established in Vietnam in the form of an Open-ended Fund under the Establishment Registration Certificate of Open-ended Fund No. 34/GCN-UBCK issued by the State Securities Commission on 3 January 2019.

**5. Recommendation for investment timeline of the Fund**

The Fund is not limited in operating period.

**6. Short-term risk level (low, medium, high)**

Short-term risk level is medium.

At the same time, with the dynamic investment selection method as presented below, the Fund's short-term risk level also corresponds flexibly according to each time of investment.

The Fund will apply an active investment strategy to find, identify and select investment opportunities. Based on studies, fundamental macroeconomic analysis, company analysis, market factors, the Fund will develop a model of asset allocation in accordance with the Fund's investment objectives and appropriate with market conditions at each different stage. For each investment, the Fund will focus on finding and exploiting investments with attractive market value compared to basic values, long-term growth-oriented investments. At the same time, the Fund also identifies risks to portfolios and controls for these risks. As a result, the Fund's portfolio includes high-quality investment assets and can add value through the Fund's active investment management strategy.



**DFVN Capital Appreciation Fund**  
**Report of the Fund Management Company (continued)**

**7. Date of starting operations of the Fund**

The Fund started operations from 3 January 2019.

**8. Fund's scale at the reporting date**

As at 31 December 2020, the number of Fund units in circulation is 8,125,094.24 units, equivalent to the capital size of the Fund amounting to VND81,250,942,400.

**9. Fund's reference index**

The Fund does not apply reference index.

**10. Fund's dividend distribution policy**

As mentioned in the Prospectus, the Fund primarily invests in stocks with the main objective of increasing capital value in the medium and long term, so the Fund has limitations in dividend payment. The distribution of profits (if any) will be based on the audited financial statements of the Fund within the framework of the law, as proposed by the Fund Management Company, approved by the Board of Representatives and the General Meeting of Investors.

The Fund will only consider the profit distribution from the following sources and conditions:

- a) Retained profits of the Fund until the end of the financial year that the Fund Management Company proposes to distribute profit must be positive after deducting expenses incurred during the operation according to regulations.
- b) The profit distribution is from the Fund's realised profits during its operation.
- c) After deducting the expected profit distribution to the Investors, the remaining accumulated profits until the end of the financial year that the Fund Management Company proposes to distribute profit must still be greater or equal to zero (can not be negative).
- d) Profit distribution is deducted from the Fund's retained earnings.
- e) The Fund Management Company may only distribute profits when the Fund has completed or has sufficient financial capacity to fulfill its tax obligations and other financial obligations in accordance with law, and fully made the following funds stipulated in the Charter of the Fund and immediately after paying all the fixed profits, the Fund must ensure the payment of all debts and other liabilities.

**11. Actual distributed profits per fund unit**

During the year, the Fund did not implement profit distribution.

**DFVN Capital Appreciation Fund**  
**Report of the Fund Management Company (continued)**

**II. Performance indicators**

**1. Fund's assets structure**

<b>Fund's assets structure</b>	<b>31/12/2020 (%)</b>	<b>31/12/2019 (%)</b>
1. Investment portfolio	96.17	91.41
2. Cash and cash equivalents	2.99	8.17
3. Other receivables	0.84	0.42
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

**2. Detailed operating indicators**

<b>Indicator</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
2.1. Net asset value (VND)	102,601,036,261	80,870,153,926
2.2. Total Fund units in circulation (Unit)	8,125,094.24	7,747,580.49
2.3. Net asset value per Fund unit (VND/Unit)	12,627.67	10,438.11
2.4. The highest net asset value per Fund unit during the reporting period (VND/Unit)	12,627.67	11,121.66
2.5. The lowest net asset value per Fund unit during the reporting period (VND/Unit)	7,497.48	9,991.19
2.6. Closing price of Fund unit at the reporting date (VND/Unit)	Not applicable	Not applicable
2.7. The highest closing price of Fund unit during the reporting period (VND/Unit)	Not applicable	Not applicable
2.8. The lowest closing price of Fund unit during the reporting period (VND/Unit)	Not applicable	Not applicable
2.9. Total growth rate per Fund unit (%)	20.98%	4.38%
2.9.1. Capital growth rate per Fund unit (%) (Change due to price fluctuation)	17.11%	2.90%
2.9.2. Income growth rate per Fund unit (%) (Based on realised profits)	0.38%	(0.44)%
2.10. Gross distribution per Fund unit	Nil	Nil
2.11. Net distribution per Fund unit	Nil	Nil
2.12. Ex-date of distribution	Nil	Nil
2.13. Operating expenses/Average NAV during the period (%)	3.42%	3.47%
2.14. Turnover of investment portfolio (%)	180.62%	192.25%



**DFVN Capital Appreciation Fund**  
**Report of the Fund Management Company (continued)**

**3. Growth rate over time**

Period	Total growth rate of NAV per Fund unit (%)	Annual growth rate of NAV per Fund unit (%)
- 1 year	20.98%	20.98%
- 3 years	Not applicable	Not applicable
- From establishment date	26.28%	Not applicable
- Growth rate of reference index	No reference index	No reference index

**4. Annual growth rate**

Period	31/12/2020 (%)	31/12/2019 (%)
Growth rate of NAV per Fund unit (%)	20.98%	Not applicable

**III. Market description**

The macroeconomic of Vietnam is well controlled and strong during the year 2020, despite being strongly affected by Covid-19 pandemic. GDP growth recovered to its expected growth rate by 4.48% in the fourth quarter and achieved 2.91% over the year 2020, which was the lowest growth rate since 2011 after an impressive increase of 7.02% in 2019. In the intense situation of Covid-19 epidemic, which negatively impacted on all social and economic sectors, this growth level is an encouraged performance of Vietnam during 2020 compared to other countries.

The quality of economy has been improved: the labor productivity at current price in 2020 was estimated at VND110.4 millions per headcount (equivalent to USD5,081 per headcount, increases USD290 compared to that of 2019). At constant prices, labor productivity increased by 5.4% due to the increasing qualifications of workers (the rate of well-trained labours in 2020 reached 24.1%, higher than 22.8% in 2019).

ICOR index decreased from 6.42 in 2016 to 6.11 in 2017; 5.97 in 2018; and 6.08 in 2019. Particularly in 2020, due to the negative impact of the Covid-19 pandemic, business activities were stagnated, the completed projects could not be operated at full capacity, resulted to the unexpected ICOR index in 2020 which was only 14.28%. In the 2016-2020 period, the average ICOR was reported at 7.04 (source: General Statistics Office of Vietnam).

In the panorama of Vietnam macroeconomic during 2020, the import-export index is a spotlight in the extraordinarily difficult context; with 5.1% increase compared to the figure of the previous year (estimated at USD543.9 billions). Trade balance of goods achieved a recorded trade surplus with USD19.1 billions in 2020. The Purchasing Managers Index (PMI) continued achieving over 50 in months at year end of 2020 (51.7 in December) despite hitting its ever-lowest point in April. The attraction of foreign direct investment (FDI) experienced a slight decline, USD20 billions has been disbursed during 2020, decreased by 2% compared to that of 2019. Meanwhile, the inflation (average CPI) in 2020 was 3.23%, and CPI in December, however, grew by 0.19% which was the lowest level ever before. Exchange rate is stabilized at an applicable and controllable level which is considered as an important element for the economy to develop sustainably. Foreign exchange reserves was forecasted to achieve USD100 billions in 2020.

## DFVN Capital Appreciation Fund

### Report of the Fund Management Company (continued)

In 2020, despite being intense influenced of Covid-19 pandemic, the Vietnam Stock Market still recovered sustainably and developed dramatically in all market's sectors at the end of 2020. The VN Index reached 1103.87 points, increased remarkably by 67% compared to the lowest level of 2020 and by 15% compared to the figure in the end of 2019. Market liquidity went up significantly and hit the ever-highest point despite the negative effect of the Covid-19 epidemic. The average transaction value during 2020 reached over VND7,400 billions/session, increased 59.3% compared to the average figure of 2019.

The stock market exceeded the target set by Government as at 2020 and the bond market continued to maintain its growth trend. Stock market capitalization achieved nearly VND5,294 trillions, increased by 69% compared to the end of the first quarter and by 20.8% compared to the end of 2019, equivalent to 87.7% and 84.1% of GDP in 2019 and 2020 respectively. The bond market had 477 listed bond codes at value of VND1,388 trillions, went up by 16.8% compared to the figure in the end of 2019 (equivalent to 23% of GDP). In addition, the market prospect has a really good outlook with medium and long term catalysts and events which stimulate sustainable market growth; there are some key catalysts such as equity market to be updated from Frontier to Emerging by MSCI and/or FTSE; FTSE Russell continues to maintain Vietnam on the watch list from frontier markets to emerging markets. New Securities Law which came into effect in January 2021 is considered to have significant influence to the long-term development of the Stock Market. The advantage of our stable macroeconomy, together with the development of the Stock Market are expected to be a sustainable foundation and prospect for the operation of the Fund.

#### IV. Details of the Fund's operating indicators

##### 4.1. Fund's detailed operating figures

Indicators	1 year to the reporting date (%)	Last 3 years to the reporting date (%)	From establishment date to the reporting date (%)
Income growth rate per Fund unit (Based on realised profits) (*)	0.38%	Not applicable	(0.17%)
Capital growth rate per Fund unit (Change due to price fluctuation) (*)	17.11%	Not applicable	20.59%
Total growth rate per Fund unit (*)	20.98%	Not applicable	26.28%
Annual growth rate per Fund unit	20.98%	Not applicable	Nil
Growth rate of structured portfolio (**)	Not applicable	Not applicable	Nil
Changes in market value per Fund unit (***)	Not applicable	Not applicable	Nil

(\*) The growth rate compared to the par value of Fund unit at the initial capital contribution (par value of VND10,000 per Fund unit).

(\*\*) The Fund does not have structured portfolio.

(\*\*\*) The Fund does not have market value.



## DFVN Capital Appreciation Fund Report of the Fund Management Company

- The net asset value growth per share of the Fund Certificate from the foundation to 31 December 2020



- Change in net asset value:

Indicators	31/12/2020 VND	31/12/2019 VND	Change rate %
A	1	2	$3 = ((1) - (2)) / (2)$
Net asset value (NAV) of the Fund	102,601,036,261	80,870,153,926	26.87%
Net asset value per Fund unit	12,627.67	10,438.11	20.98%

During the year ended 31 December 2020, the Fund's net asset value (NAV) per fund certificate increased due to the upward trend of the Stock market.

**DFVN Capital Appreciation Fund**  
**Report of the Fund Management Company (continued)**

**4.2. Summary of investors holding Fund units as at 31/12/2020**

<b>Holding scale (Units)</b>	<b>Number of Fund Unitholders</b>	<b>Number of Fund units holding</b>	<b>Percentage of holding</b>
<b>A</b>	<b>1</b>	<b>2</b>	<b>3</b>
Under 5,000	299	319,714.50	3.94%
From 5,000 to lower than 10,000	26	182,506.15	2.25%
From 10,000 to lower than 50,000	18	382,145.49	4.70%
From 50,000 to lower than 500,000	2	240,728.10	2.96%
From 500,000	1	7,000,000.00	86.15%
<b>Total</b>	<b>346</b>	<b>8,125,094.24</b>	<b>100.00%</b>

**4.3 Hidden costs and discounts**

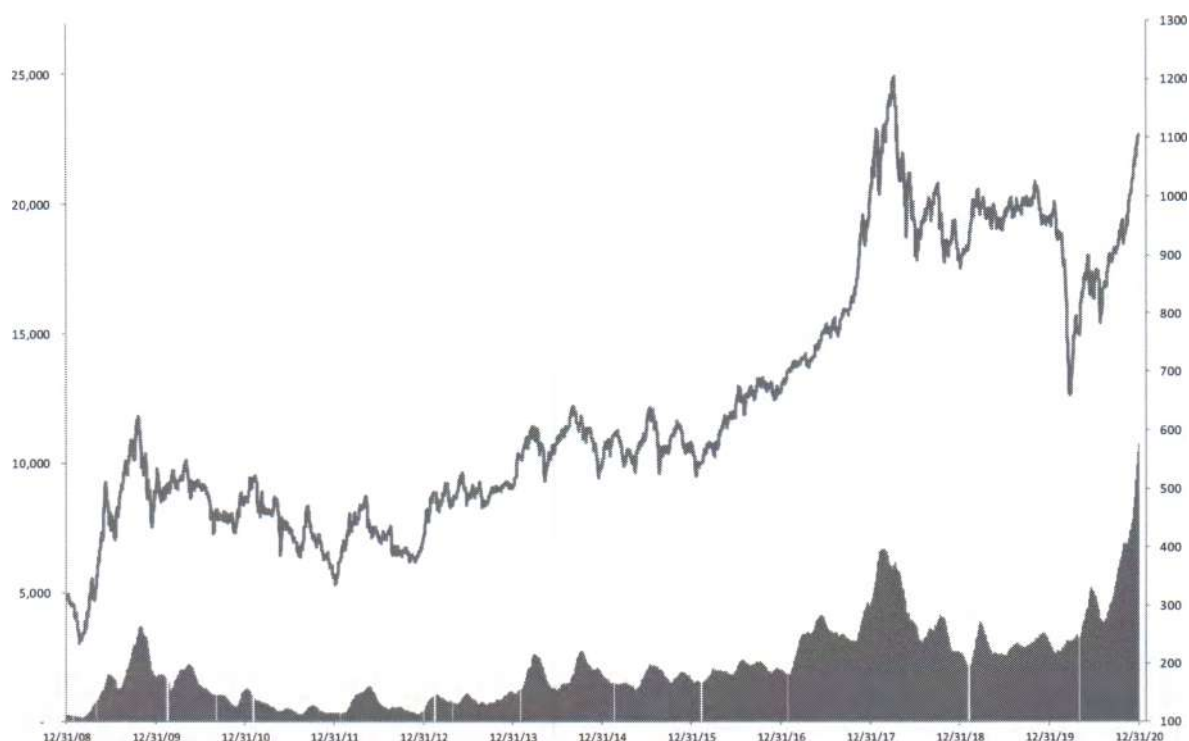
The Fund did not bear any hidden costs. All costs of the Fund are specified in the Fund's Regulations and Prospectus.



**DFVN Capital Appreciation Fund**  
**Report of the Fund Management Company (continued)**

**V. Market prospects**

The chart below illustrates the VN-index movement (blue line) and transaction value (red column).



2020 was a year of volatility, excitement, and over expectation to Vietnam Stock market and Investor Community as well. The year began smoothly with the concurrent growth of many groups of stocks. However, the outbreak of the Covid 19 pandemic after Tet had made the market inversed. The wave of sell-off occurred globally and in Vietnam as well, many bluechip codes at floor price were traded regularly. However, from the floor which was approximately 600 points, VN-Index had recovered significantly after a vast amount of positive information about economic recovery and epidemic control in Vietnam, together with many currency support package and policies from the Government as well, had facilitated the market growth and the control of the second wave of Covid-19 pandemic in August. In 2020, although the net sale was only over VND36,000 billions, the cash flow from domestic net buying reached more than VND65,000 billions. The number of investor opening their new accounts and new money investment experienced a noticeable increase in the last quarter which facilitate the market to move forward to its ever-highest point of 1,200 points in 2018. According to the statistics of GSO, in 2020, the liquidity of the stock market achieved over VND7,000 per session, went up by 51.5% compared to the average volume of 2019. Closing VN Index At the end of 2020, VN-Index closed at 1,103.87 points, with a growth rate of nearly 15% compared to the end of 2019, which is a high level compared to other stock markets in the region and the world in 2020. Number of investor accounts newly opened a record increase in 2020 reached 393,659 accounts, an increase of 94% compared with the number of new accounts opened in 2019, in which foreign investors opened 2,856 new accounts. Thus, by the end of December 2020, the total number of security accounts in Vietnam reached more than 2.77 million accounts, an increase of 16.7% compared to the end of 2019. Total mobilization on the stock market is estimated at VND413,700 billions, rise by 30% compared to the end of 2019.

## DFVN Capital Appreciation Fund

### Report of the Fund Management Company (continued)

Some key factors which strengthen the upward trend of the Stock market are as followings:

- Macroeconomic environment: Vietnam is evaluated to have stable development which is reflected in the GDP growth, credit, interest rates, inflation, exchange rates, FDI attraction, PMI ... as analyzed above. Therefore, Vietnam's economy is entering the period of recovery and development with a new cycle of economic development.
- Stock Market evaluation: With a more appropriate pricing and attractive rate of return, compared to regional markets (reasonable PER and the high ROE, ROA). This has been partially demonstrated by the strong growth of the stock market reflected in some index such as the strong net buying value of foreign investors in listed shares.

In addition; there are some catalytic elements stimulating Stock market development such as (i) increasing the room for foreign investors; (ii) impulsing equitization and divestment of SOEs and listing the shares of banks on the stock market before 2020; (iii) prospects for upgrading the Vietnam market (MSCI Emerging Market); (iv) actively promoting the participation in free trade agreements (FTAs); (v) calling for investment into equity market via new products such as index funds, future contract, options, and new securities law which has come into effect since January 2021. Besides, the potential risks which need to be taken into consideration include intense trade dispute among US-China; the global economic and supply chain have been badly influenced after a year under serious consequences of Covid-19 pandemic; the upcoming American economic and political policies under Biden President have not forecasted specifically; although we have had the vaccines for Covid-19, facing with new variants of the virus, it is noted that the pandemic can outbreak again at any time and leave extremely negative impact to the Trade and Foreign Indirect Investment Flow into Vietnam Stock Market.

However, the stable macroeconomic elements and well pandemic control will enable the Vietnam Economy to recover quickly in 2021. Associated with many positive factors of Vietnam Stock Market as analysed above, we can see that Vietnam Stock Market in the upcoming time will continue to make positive progress, perform the role as a capital mobilization as well as an important investment channel of the economy, create a strong foundation for the long-term development in the following years.

## VI. Other information

### 1. Executive Board of Fund Management Company

Name	Position	Qualification and working experience
Mr Tran Chau Danh	Chief Executive Officer cum Chief Investment Officer	<b>Qualification</b> <ul style="list-style-type: none"> <li>- Bachelor of International Trade, Foreign Trade University HCMC Campus</li> <li>- Bachelor of Banking, Banking University HCM</li> <li>- Master of Development Economics, Vietnam – Netherlands Project for MA in Development Economics</li> <li>- CFA International Financial Analyst (Chartered Financial Analyst)</li> <li>- Stock Market Technical Analyst (CMT)</li> <li>- Fund Management License issued by State Securities Commission.</li> </ul>



**DFVN Capital Appreciation Fund**  
**Report of the Fund Management Company (continued)**

Name	Position	Qualification and working experience
		<p><b>Working experience</b></p> <p>Mr. Danh has more than twenty (20) years of experience in investment, fund management and portfolio management. He has been involved in the Vietnam Stock Market since the market was established.</p> <p>Before joining the Company, Mr. Danh worked for as the Deputy General Director of Investment and being in charge of investment activities and asset-liability management since 2011.</p> <p>Before joining Dai-ichi Life Insurance Company of Vietnam Limited, Mr. Danh held senior positions in both local and international fund management companies. Especially, Mr. Danh has more than seven (7) years of experience in Eastspring Investments Fund Management Limited Liability Company (previously named Prudential).</p>
Mr Masafumi Takeshita	Corporate Planning and Risk Management Assistant Director	<p><b>Qualification</b></p> <ul style="list-style-type: none"> <li>- Master of Economics, Hitotsubashi University, Japan</li> <li>- CMA level 2, Securities Analysts Association of Japan (SAAJ).</li> </ul> <p><b>Working experience</b></p> <p>Mr. Takeshita has about eleven (11) years of experience working and researching in the field of finance, insurance and investment in foreign finance market.</p> <p>Prior to joining Dai-ichi Life Vietnam Fund Management Company Limited, Mr. Takeshita had more than four (4) years of experience in the senior position in charge of credit activities at Dai-ichi Life Insurance Company of Japan, one of the leading and reputable insurance companies in Japan, headquartered in Tokyo.</p> <p>Previously, Mr. Takeshita had time working at the analytical department of Mizuho Bank – Singapore Branch.</p>
Mr Dang Vi Thanh	Member of Management Executives holding title of Assistant Director, Head of Business Development	<p><b>Qualification</b></p> <ul style="list-style-type: none"> <li>- Bachelor of Commerce Economics, HCMC University of Economics</li> <li>- Bachelor of English, HCMC Open University</li> <li>- Certificate of Fellowship, Life Management Institute (FLMI)</li> <li>- Fund Management License issued by State Securities Commission.</li> </ul>

**DFVN Capital Appreciation Fund**  
**Report of the Fund Management Company (continued)**

Name	Position	Qualification and working experience
		<p><b>Working experience</b></p> <p>Mr. Thanh has over sixteen (16) years of experience in finance, insurance, fund management including 11 years in management positions at leading fund management companies in Vietnam.</p> <p>Prior to joining Dai-ichi Life Vietnam Fund Management Company Limited, Mr. Thanh was the Head of Sales and Marketing at Manulife Vietnam Fund Management Company Limited and then held the position of Sales Manager, Individual customers of VinaCapital Fund Management JSC (formerly known as VinaWealth).</p> <p>Mr. Thanh has deep knowledge in the open-ended fund market and contributes to the development of the open-ended fund market in Vietnam.</p>
Mr. Doan Cong Dat	Head of Internal Control	<p><b>Qualification</b></p> <ul style="list-style-type: none"> <li>- Bachelor of Accounting Audit, HCMC University of Economics;</li> <li>- Bachelor of Law, University of Economics and Law;</li> <li>- Bachelor of English, University of Social Sciences and Humanities;</li> <li>- CIA (Certified Internal Auditor) Certificate by the Institute of Internal Auditors (IIA).</li> </ul> <p><b>Working experience</b></p> <p>Mr. Dat has over thirteen (13) years of experience in finance, insurance and has hold the management positions in the sector of legal, compliance and internal audit.</p> <p>Prior to joining the Company, Mr. Dat was the Head of Compliance at big companies such as Herballife Vietnam, Pfizer Vietnam, Shell Vietnam, Prudential Vietnam and he was the Head of Internal Audit at Manulife Vietnam.</p>



**DFVN Capital Appreciation Fund**  
**Report of the Fund Management Company (continued)**

**2. Human Resource operating the Fund**

<b>Name</b>	<b>Position</b>	<b>Qualification and working experience</b>
Mr Dang Nguyen Truong Tai	Investment Assistant Director	<p><b>Qualification</b></p> <ul style="list-style-type: none"> <li>- Bachelor of Economics, HCMC University of Economics</li> <li>- Master of Graduate Program Management of UQAM (University of Quebec at Montreal, Canada)</li> <li>- The CFO of PACE cooperating with the American Academy of Financial Administration AAFM</li> <li>- Fund Management License issued by State Securities Commission.</li> </ul> <p><b>Working experience</b></p> <p>Mr. Tai has over sixteen (16) years of working in the sector of investment, finance and banking, in which over eleven (11) years of holding positions in charge of equity investment in companies including Nhan Viet Fund Management Company, Dai-ichi Life Insurance Company of Vietnam Limited and Dai-ichi Life Vietnam Fund Management Company Limited.</p>
Ms. Tran Thi Anh Tram	Operation Senior Manager	<p><b>Qualification</b></p> <ul style="list-style-type: none"> <li>- Bachelor of Law, HCMC University of Law</li> <li>- Bachelor of Accounting – Audit, Van Lang University</li> <li>- Fund Management License issued by State Securities Commission.</li> </ul> <p><b>Working experience</b></p> <p>Ms. Tram has over thirteen (13) years of experience working in finance, investment and accounting, including eleven (11) years working in asset management and in charge of Investment Operation at Dai-ichi Life Vietnam Fund Management Company Limited and Dai-ichi Life Insurance Company of Vietnam Limited.</p>

**DFVN Capital Appreciation Fund**  
**Report of the Fund Management Company (continued)**

**3. Board of Representatives**

<b>Name</b>	<b>Position</b>	<b>Qualification and working experience</b>
Mr Do Hung Viet	Chairman	<p>Mr. Viet has more than twenty (20) years of experience in managerial positions in field of finance, securities and investment.</p> <p>Mr. Viet is currently Chairman of Board Directors of Ho Chi Minh City Securities Corporation (HSC). He held position as Vice Chairman and General Director of Ho Chi Minh City Securities Corporation (HSC). Prior to joining HSC, he spent 4 years working as Fund Manager of HCMC Investment Fund for Urban Development (HIFU).</p>
Mr Huynh Van Dung	Member	<p>Mr. Dung has more than twenty (20) years of experience working in the major of auditing and professional services in the field of auditing.</p> <p>Mr. Dung is currently Deputy General Director, Director of HCMC Branch of Vietnam Auditing and Evaluation Co., Ltd. (VAE). He held as Director of An Viet auditing company and team leader of senior auditors of VACO – Deloitte JV.</p> <p>Mr. Dung has Certificate of CPA Vietnam, member of Vietnam Association of Certified Public Accountants (VACPA), member of Vietnam Association of Accountants and Auditors (VAA) and member of Vietnam Tax Consultants' Association (VTCA).</p>
Mr Nguyen Gia Huy Chuong	Member	<p>Mr. Chuong has about twenty (20) years of experience in corporate consulting, tax and real estate advisory. His work has primarily been in the areas of corporate consultancy, mergers and acquisitions, and spanning most industry sectors: real estate, hospitality, construction, fintech, family health care, food &amp; beverage (F&amp;B), port management, transport and telecommunications.</p> <p>Currently, Mr. Chuong acts as the Managing Partner of Global Vietnam Lawyers Law Company Ltd. (GV Lawyers), an international law firm lately established by a group of dedicated and experienced lawyers who have started and advanced their career with the most prominent law firms in Vietnam, the latest one in the list being Phuoc &amp; Partners Law Compant Ltd.. Mr. Chuong has more than 10 consecutive years acting as the director and Managing Partner of Phuoc &amp; Partners Law Company Ltd.</p> <p>Mr. Chuong has Master of Law majored in International Trade Law in the Bristol Law School – the UWE Bristol, UK; member of the Bar Association of Ho Chi Minh city; member of the Law Association for Asia and the Pacific.</p>

On behalf of the Management of Dai-ichi Life Vietnam Fund Management Company Limited

Ho Chi Minh City, 25 March 2021



**DFVN Capital Appreciation Fund  
Report of the Supervisory Bank**

**REPORT OF THE SUPERVISORY BANK**

We, appointed as the Supervisory Bank of DFVN Capital Appreciation Fund (“DFVN-CAF” or “the Fund”) for the year ended 31 December 2020, acknowledge that during the year 2020, DFVN-CAF has been operated and managed with the following details:

- a) For the management of DFVN-CAF, Dai-ichi Life Vietnam Fund Management Company Limited (“the Fund Management Company” or “DFVN”) has complied with investment restrictions of DFVN-CAF in accordance with prevailing regulatory documents about open-ended fund, Fund’s Charter, applicable laws and regulations.
- b) Net asset value of the Fund is determined in line with Fund’s Charter, Prospectus and applicable laws and regulations.
- c) Subscription and redemption of Fund units complied with Fund’s Charter, Prospectus and applicable laws and regulations.
- d) In this year, the Fund did not pay dividend to its investors; and
- e) DFVN complied with loan restrictions, trading restrictions which are stated in prevailing regulatory documents about open-ended fund, Fund’s Charter and applicable laws and regulations.

25 March 2021

Representatives of the Supervisory Bank - Market & Securities Services

HSBC Bank (Vietnam) Ltd.



**Ms. Ninh Thi Tue Minh**  
*Vice President, Head of Fund Services*

**Ms. Le Thi Hoang Chau**  
*Supervisory Bank Manager*





KPMG Limited Branch  
10<sup>th</sup> Floor, Sun Wah Tower  
115 Nguyen Hue Street, Ben Nghe Ward  
District 1, Ho Chi Minh City, Vietnam  
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## INDEPENDENT AUDITOR'S REPORT

### To the Fund's Unitholders DFVN Capital Appreciation Fund

We have audited the accompanying financial statements of DFVN Capital Appreciation Fund ("the Fund"), which comprise the statements of financial position and investment portfolio as at 31 December 2020, the statements of income, changes in Net Assets, Fund units transactions and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Board of Representatives on 25 March 2021, as set out on pages 22 to 66.

### The Fund Management Company's Responsibility

The Management of Dai-ichi Life Vietnam Fund Management Company Limited ("the Fund Management Company") is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, Circular No. 198/2012/TT-BTC dated 15 November 2012 issued by the Ministry of Finance on the promulgation of accounting system for open-ended funds, the relevant requirements of Circular No. 183/2011/TT-BTC dated 16 December 2011 ("Circular 183") issued by the Ministry of Finance on the promulgation of guidance on establishment and management of open-ended funds and of Circular No. 15/2016/TT-BTC dated 20 January 2016 issued by the Ministry of Finance amending and supplementing certain articles of Circular 183 and the other relevant statutory requirements applicable to financial reporting, and for such internal control as the Management of the Fund Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's 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 of 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 judgement, 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 Management Company'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 Management Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Fund Management Company's management, 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.





### Auditor's Opinion


In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of DFVN Capital Appreciation Fund as at 31 December 2020 and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Circular No. 198/2012/TT-BTC dated 15 November 2012 issued by the Ministry of Finance on the promulgation of accounting system for open-ended funds, the relevant requirements of Circular No. 183/2011/TT-BTC dated 16 December 2011 ("Circular 183") issued by the Ministry of Finance on the promulgation of guidance on establishment and management of open-ended funds and of Circular No. 15/2016/TT-BTC dated 20 January 2016 issued by the Ministry of Finance amending and supplementing certain articles of Circular 183 and the other relevant statutory requirements applicable to financial reporting.

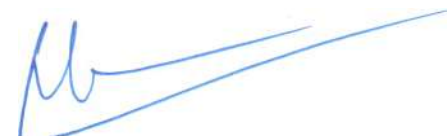
### KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 20-01-00322-21-1



  
Chong Kwang Puay  
Practicing Auditor Registration  
Certificate No. 0864-2018-007-1  
Deputy General Director



Truong Vinh Phuc  
Practicing Auditor Registration  
Certificate No. 1901-2018-007-1

Ho Chi Minh City, 25 March 2021



**DFVN Capital Appreciation Fund**  
**Statement of income for the year ended 31 December 2020**

**Form B01 – QM**

(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)

No.	Items	Code	Note	Year ended 31/12/2020 VND	Period from 3/1/2019 to 31/12/2019 VND
<b>I</b>	<b>INCOME, REVENUE FROM INVESTMENT ACTIVITIES</b>	<b>01</b>		<b>20,796,822,396</b>	<b>6,022,530,924</b>
1.1	Dividend income	02	11	1,782,246,298	1,619,714,574
1.3	Gains from trading securities	04	12	1,273,740,445	554,906,734
1.4	Net unrealised gains from revaluation of investments	05	13	17,728,961,905	3,806,302,266
1.5	Other income	06		11,873,748	41,607,350
<b>II</b>	<b>INVESTMENT EXPENSES</b>	<b>10</b>		<b>408,101,011</b>	<b>464,023,883</b>
2.1	Expenses for purchases and sales of investments	11	14	408,101,011	464,023,883
<b>III</b>	<b>OPERATING EXPENSES</b>	<b>20</b>		<b>2,261,900,131</b>	<b>2,324,941,837</b>
3.1	Management fee	20.1	19	1,178,295,665	1,207,229,174
3.2	Custody fee	20.2	15	338,312,716	330,127,918
3.3	Supervising fee	20.3	19	92,400,000	91,903,225
3.4	Fund administration fee	20.4	19	145,200,006	144,419,361
3.5	Transfer agent service fee	20.5	19	177,083,044	238,106,390
3.8	Audit fee	20.8		149,600,000	144,100,000
3.10	Other operating expenses	20.10	16	181,008,700	169,055,769
<b>IV</b>	<b>RESULTS OF INVESTMENT ACTIVITIES (23 = 01 – 10 – 20)</b>	<b>23</b>		<b>18,126,821,254</b>	<b>3,233,565,204</b>
<b>VI</b>	<b>ACCOUNTING PROFIT BEFORE TAX (30 = 23)</b>	<b>30</b>		<b>18,126,821,254</b>	<b>3,233,565,204</b>
6.1	Realised profits/(losses)	31		397,859,349	(572,737,062)
6.2	Unrealised profits	32		17,728,961,905	3,806,302,266
<b>VII</b>	<b>NET PROFIT AFTER TAX (41 = 30)</b>	<b>41</b>		<b>18,126,821,254</b>	<b>3,233,565,204</b>

25 March 2021

Dai-ichi Life Vietnam Fund Management Company Limited

Prepared by:



Ms. Ho Thi Mai Phuong  
Operation Officer



Ms. Tran Thi Anh Tram  
Operation Senior Manager

Approved by:



Mr. Tran Chau Danh  
Chief Executive Officer

The accompanying notes are an integral part of these financial statements



**DFVN Capital Appreciation Fund**  
**Statement of financial position as at 31 December 2020**

**Form B02 – QM**

*(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)*

No.	Items	Code	Note	31/12/2020 VND	31/12/2019 VND
<b>I</b>	<b>ASSETS</b>				
<b>1</b>	<b>Cash in banks and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>3,122,878,226</b>	<b>6,924,362,986</b>
1.1	Cash in banks for the operating activities of the Fund	111		3,122,878,226	6,924,362,986
<b>2</b>	<b>Net investments</b>	<b>120</b>		<b>100,366,421,350</b>	<b>77,462,612,500</b>
2.1	Investments in securities	121	5	100,366,421,350	77,462,612,500
<b>3</b>	<b>Receivables</b>	<b>130</b>		<b>877,464,275</b>	<b>358,328,050</b>
3.1	Receivables from disposals of investments	131	6	656,164,275	181,028,050
3.2	Interest and dividends receivables	133		221,300,000	177,300,000
3.2.1	Accrued interest and dividends receivables	136	11	221,300,000	177,300,000
	<b>TOTAL ASSETS</b> <b>(100 = 110 + 120 + 130)</b>	<b>100</b>		<b>104,366,763,851</b>	<b>84,745,303,536</b>
<b>II</b>	<b>LIABILITIES</b>				
2	Payable for purchasing investments	312	7	432,147,250	3,571,248,850
3	Payable to distribution agents	313		88,000	80,000
4	Taxes and others payable to State Treasury	314		646,848	164,944
6	Accrued expenses	316		138,500,000	133,000,000
7	Advances from Fund Unitholders for Fund units subscription	317		772,200,000	1,000,000
8	Payables to Fund Unitholders for Fund units redemption	318		236,580,656	5,176,723
9	Fund management service fees payable	319	8	185,564,836	164,479,093
	<b>TOTAL LIABILITIES</b> <b>(300 = 312 + 313 + 314 + 316 + 317 + 318 + 319)</b>	<b>300</b>		<b>1,765,727,590</b>	<b>3,875,149,610</b>

*The accompanying notes are an integral part of these financial statements*

**DFVN Capital Appreciation Fund**
**Statement of financial position as at 31 December 2020 (continued)**
**Form B02 – QM**
*(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)*

No.	Items	Code	Note	31/12/2020 VND	31/12/2019 VND
<b>III</b>	<b>NET ASSET VALUE DISTRIBUTABLE TO FUND UNITHOLDERS (400 = 100 - 300)</b>	<b>400</b>		<b>102,601,036,261</b>	<b>80,870,153,926</b>
<b>1</b>	<b>Share capital</b>	<b>411</b>	<b>9</b>	<b>81,250,942,400</b>	<b>77,475,804,900</b>
1.1	Subscription capital	412		85,243,468,800	79,704,558,900
1.2	Redemption capital	413		(3,992,526,400)	(2,228,754,000)
<b>2</b>	<b>Share premium</b>	<b>414</b>	<b>9</b>	<b>(10,292,597)</b>	<b>160,783,822</b>
<b>3</b>	<b>Retained earnings</b>	<b>420</b>	<b>10</b>	<b>21,360,386,458</b>	<b>3,233,565,204</b>
<b>IV</b>	<b>NET ASSET VALUE PER FUND UNIT (430 = 400/004)</b>	<b>430</b>	<b>9</b>	<b>12,627.67</b>	<b>10,438.11</b>
<hr/>					
<b>VI</b>	<b>OFF-BALANCE SHEET ITEMS</b>				
<b>4</b>	<b>Number of Fund units in circulation</b>	<b>004</b>	<b>9, 18</b>	<b>8,125,094.24</b>	<b>7,747,580.49</b>

25 March 2021

Dai-ichi Life Vietnam Fund Management Company Limited

Prepared by:



Ms. Ho Thi Mai Phuong  
Operation Officer



Ms. Tran Thi Anh Tram  
Operation Senior Manager

Approved by:



Mr. Tran Chau Danh  
Chief Executive Officer

*The accompanying notes are an integral part of these financial statements*

**DFVN Capital Appreciation Fund**  
**Statement of changes in Net assets, Fund units transactions for the year ended 31**  
**December 2020**

**Form B03 – QM**  
*(Issued under Circular No. 198/2012/TT-BTC*  
*dated 15 November 2012 of the Ministry of Finance)*

No.	Items	Year ended 31/12/2020 VND	Period from 3/1/2019 to 31/12/2019 VND
<b>I</b>	<b>Net Asset Value (“NAV”) at the beginning of the year/period</b>	<b>80,870,153,926</b>	<b>-</b>
<b>II</b>	<b>Changes in NAV during the year/period</b>	<b>18,126,821,254</b>	<b>3,233,565,204</b>
	<i>In which:</i>		
II.1	Changes in NAV arising from market fluctuation and the Fund’s operating activities during the year/period	18,126,821,254	3,233,565,204
<b>III</b>	<b>Changes in NAV due to redemption and subscription of Fund units</b>	<b>3,604,061,081</b>	<b>77,636,588,722</b>
	<i>In which:</i>		
III.1	Proceeds from Fund units subscription	5,492,990,350	79,983,392,073
III.2	Payments for Fund units redemption	(1,888,929,269)	(2,346,803,351)
<b>IV</b>	<b>Net Asset Value at the end of the year/period (IV = I + II + III)</b>	<b>102,601,036,261</b>	<b>80,870,153,926</b>

25 March 2021

Dai-ichi Life Vietnam Fund Management Company Limited

Prepared by:



Ms. Ho Thi Mai Phuong  
Operation Officer

Approved by:



Ms. Tran Thi Anh Tram  
Operation Senior Manager



Mr. Tran Chau Danh  
Chief Executive Officer

*The accompanying notes are an integral part of these financial statements*



**DFVN Capital Appreciation Fund**  
**Statement of investment portfolio as at 31 December 2020**

**Form B04 – QM**

*(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)*

No.	Items	Number of shares	Market price as at 31/12/2020 VND/share	Total value as at 31/12/2020 VND	Percentage of the Fund's total assets %
<b>I</b>	<b>Listed shares</b>			<b>100,366,421,350</b>	<b>96.17%</b>
1	AAA	10,000	14,400	144,000,000	0.14%
2	ACB	34,000	28,100	955,400,000	0.92%
3	BCM	27,000	41,200	1,112,400,000	1.07%
4	BID	102,000	47,900	4,885,800,000	4.68%
5	BMP	8,000	62,600	500,800,000	0.48%
6	BVH	27,000	66,000	1,782,000,000	1.71%
7	BWE	5,000	33,800	169,000,000	0.16%
8	CII	27,000	21,400	577,800,000	0.55%
9	CTD	5,000	77,700	388,500,000	0.37%
10	CTG	95,000	34,550	3,282,250,000	3.14%
11	DCM	50,000	14,000	700,000,000	0.67%
12	DHC	9,000	60,900	548,100,000	0.53%
13	DIG	19,000	27,700	526,300,000	0.50%
14	DPM	27,000	18,800	507,600,000	0.49%
15	DRC	23,000	22,950	527,850,000	0.51%
16	DXG	77,000	15,950	1,228,150,000	1.18%
17	EIB	30,000	19,250	577,500,000	0.55%
18	FPT	37,000	59,100	2,186,700,000	2.10%
19	GAS	43,000	86,600	3,723,800,000	3.57%
20	GEX	25,000	22,500	562,500,000	0.54%
21	GMD	15,000	32,600	489,000,000	0.47%
22	GVR	149,000	29,950	4,462,550,000	4.28%
23	HBC	35,000	16,050	561,750,000	0.54%
24	HCM	28,000	31,400	879,200,000	0.84%
25	HDB	67,269	23,750	1,597,638,750	1.53%
26	HPG	112,000	41,450	4,642,400,000	4.45%
27	KBC	7,000	24,400	170,800,000	0.16%
28	KDC	17,000	37,000	629,000,000	0.60%
29	KDH	40,950	29,300	1,199,835,000	1.15%
30	LPB	27,000	12,400	334,800,000	0.32%
31	MBB	120,000	23,000	2,760,000,000	2.64%
32	MSN	40,000	88,900	3,556,000,000	3.41%
33	MWG	27,000	118,900	3,210,300,000	3.08%
34	NLG	19,620	29,500	578,790,000	0.55%
35	NT2	8,000	24,600	196,800,000	0.19%
36	NVL	24,500	66,000	1,617,000,000	1.55%
37	PHR	11,000	63,000	693,000,000	0.66%
38	PLX	30,000	54,600	1,638,000,000	1.57%
39	PNJ	19,000	81,000	1,539,000,000	1.47%
40	POW	105,000	13,600	1,428,000,000	1.37%
41	PVD	34,000	16,200	550,800,000	0.53%
42	PVT	46,000	14,000	644,000,000	0.62%
43	REE	20,000	48,950	979,000,000	0.94%
44	SAB	15,500	195,000	3,022,500,000	2.90%

*The accompanying notes are an integral part of these financial statements*

**DFVN Capital Appreciation Fund**  
**Statement of investment portfolio as at 31 December 2020 (continued)**

**Form B04 – QM**

(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)

No.	Items	Number of shares	Market price as at 31/12/2020 VND/share	Total value as at 31/12/2020 VND	Percentage of the Fund's total assets %
45	SSI	18,000	33,100	595,800,000	0.57%
46	STB	120,000	16,900	2,028,000,000	1.94%
47	TCB	110,000	31,500	3,465,000,000	3.32%
48	TPB	25,657	26,800	687,607,600	0.66%
49	VCB	79,000	97,900	7,734,100,000	7.41%
50	VCI	6,000	58,200	349,200,000	0.33%
51	VHM	67,000	89,500	5,996,500,000	5.75%
52	VIB	28,000	32,400	907,200,000	0.87%
53	VIC	53,000	108,200	5,734,600,000	5.49%
54	VJC	4,000	125,000	500,000,000	0.48%
55	VNM	52,500	108,800	5,712,000,000	5.47%
56	VPB	80,000	32,500	2,600,000,000	2.49%
57	VRE	57,000	31,400	1,789,800,000	1.71%
<b>V</b>	<b>Other assets</b>			<b>877,464,275</b>	<b>0.84%</b>
1	Interest and dividends receivables			221,300,000	0.21%
2	Receivables from disposals of investments			656,164,275	0.63%
<b>VI</b>	<b>Cash in banks and cash equivalents</b>			<b>3,122,878,226</b>	<b>2.99%</b>
1	Cash in banks for the operating activities of the Fund			3,122,878,226	2.99%
<b>VII</b>	<b>Total investment portfolio</b>			<b>104,366,763,851</b>	<b>100.00%</b>

25 March 2021

Dai-ichi Life Vietnam Fund Management Company Limited

Prepared by:



Ms. Ho Thi Mai Phuong  
Operation Officer

Approved by:



Ms. Tran Thi Anh Tram  
Operation Senior Manager



Mr. Tran Chau Danh  
Chief Executive Officer

The accompanying notes are an integral part of these financial statements



**DFVN Capital Appreciation Fund**
**Statement of cash flows for year ended 31 December 2020 (Indirect method)**
**Form B05 – QM**
*(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)*

Items	Code	Note	Year ended 31/12/2020 VND	Period from 3/1/2019 to 31/12/2019 VND
<b>I. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
1. Profit before tax	01		18,126,821,254	3,233,565,204
2. Adjustments for decrease in Net Asset Value resulting from investing activities	02		(17,723,461,905)	(3,673,302,266)
Net unrealised gains from revaluation of investments	03		(17,728,961,905)	(3,806,302,266)
Increase in accrued expenses	04		5,500,000	133,000,000
3. Investing profit/(loss) before changes in working capital	05		403,359,349	(439,737,062)
Increase in investments in securities	20		(5,174,846,945)	(73,656,310,234)
Increase in receivables from disposals of investments	06		(475,136,225)	(181,028,050)
Increase in interest and dividends receivables	07		(44,000,000)	(177,300,000)
(Decrease)/increase in payables for purchasing investments	10		(3,139,101,600)	3,571,248,850
Increase in payables to distribution agents	11		8,000	80,000
Increase in taxes and others payable to State Treasury	13		481,904	164,944
Increase in advances from Fund Unitholders for Fund units subscription	14		771,200,000	1,000,000
Increase in payables to Fund Unitholders for Fund units redemption	15		231,403,933	5,176,723
Increase in other payables	17		21,085,743	164,479,093
<b>Net cash flows from investing activities</b>	<b>19</b>		<b>(7,405,545,841)</b>	<b>(70,712,225,736)</b>
<b>II. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from Fund units subscription	31	9	5,492,990,350	79,983,392,073
Payments for Fund units redemption	32	9	(1,888,929,269)	(2,346,803,351)
<b>Net cash flows from financing activities</b>	<b>30</b>		<b>3,604,061,081</b>	<b>77,636,588,722</b>
<b>III. NET (DECREASE)/INCREASE IN CASH DURING THE YEAR/PERIOD (40 = 19 + 30)</b>	<b>40</b>		<b>(3,801,484,760)</b>	<b>6,924,362,986</b>

*The accompanying notes are an integral part of these financial statements*






**DFVN Capital Appreciation Fund**  
**Notes to the financial statements for the year ended 31 December 2020**

**Form B06 – QM**

*(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)*

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

**1. Reporting entity**

DFVN Capital Appreciation Fund (“the Fund”) was established as a public open-ended fund on 3 January 2019 under Establishment Registration Certificate for Open-ended Fund No. 34/GCN-UBCK (“the ERC”) issued by the State Securities Commission. The charter capital of the Fund as stipulated in the ERC is VND75,121,600,000, equivalent to 7,512,160.00 Fund units (par value of VND10,000 per Fund unit). The Fund operates in compliance with the Fund’s Charter issued on 3 January 2019. The Fund has no limitation on operation period.

The Fund units were issued to the public for the first time under Initial Public Offering Certificate No. 56/GCN-UBCK dated 16 October 2018 issued by the State Securities Commission. According to this certificate, the Fund is authorised to issue minimum 5,000,000.00 Fund units to the public with par value of VND10,000 per Fund unit.

The objective of the Fund is to seek appreciation in capital and Investor's assets, striving to outperform the growth of Vietnam Stock Market (VN-Index) in the long term, by investing mainly in stocks listed on Vietnam Stock Market.

The structure of the Fund’s investment portfolio must contain at least shares of six (06) issuing organisations, and must ensure it simultaneously meets the following criteria:

- (a) Except for current accounts of the Fund at the Supervisory Bank, the Fund is not allowed to invest more than 49% of its total assets in deposits at commercial banks as stipulated by banking law; foreign currencies, money market instruments including valuable papers and transferable instruments in accordance with relevant laws and regulations;
- (b) The Fund is not allowed to invest more than 30% of its total assets in the following assets: deposits at commercial banks as stipulated by banking law; foreign currencies, money market instruments including valuable papers and transferable instruments in accordance with relevant laws and regulations; listed shares, registered shares, and listed bonds of issuing organisation operating under Vietnam laws; shares, bonds to be listed or registered by the issuing organisation operating under Vietnam laws; corporate bonds issued by listed organisations which are guaranteed for payment by credit institutions or committed to repurchase by issuing organisations; listed and registered derivatives on Stock Exchanges, solely used for hedging purpose and issued by a single issuing company or by a group of related companies, in which the investment in derivatives is the contractual value as defined in accordance with the Fund’s Charter and in the Appendix 13 issued with Circular No. 183/2011/TT-BTC dated 16 December 2011 of the Ministry of Finance on providing guidance on establishment and management of open-ended funds;



## **DFVN Capital Appreciation Fund**

### **Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B06 – QM**

*(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)*

- (c) The Fund is not allowed to invest more than 20% of its total assets in securities of a single issuing organisation, including valuable papers, transferable instruments, bonds (except for government bonds), shares with or without voting rights, convertible bonds;
- (d) The Fund is not allowed to invest in securities issued by a single organisation which accounts for more than 10% of total securities in circulation of that organisation, except for government bonds;
- (e) The Fund is not allowed to invest more than 10% of its total assets in shares, bonds to be listed or registered for trading by issuing organisations operating under Vietnam laws; corporate bonds issued by listed organisations which are guaranteed for payment by credit institutions or committed to repurchase by issuing organisations;
- (f) Total value of significant investments in the Fund's investment portfolio must not exceed 40% of its total assets value;
- (g) At any time, total commitment value of derivatives transactions, outstanding loans and payables of the Fund must not exceed its Net Asset Value;
- (h) The Fund is not allowed to invest in investment funds, shares of securities investment companies established and operating in Vietnam; and
- (i) The Fund is not allowed to invest directly in real estates, precious stones, rare metals.

According to Circular No. 15/2016/TT-BTC issued by the Ministry of Finance dated 20 January 2016 amending and supplementing certain articles of Circular No. 183/2011/TT-BTC issued by the Ministry of Finance dated 16 December 2011 providing guidance on establishment and management of open-ended funds, except for those cases referred in points (g), (h) and (i) as above, the structure of investment portfolio of the Fund is allowed to be deviated due to the following objective causes:

- Changes in market prices of the Fund's investment portfolio;
- Making legitimate payments of the Fund;
- Executing trading orders of investors;
- Consolidation and merger of issuing organisations;
- The fact that the Fund has just been licensed, or split, consolidated, merged but the duration of operation shall not exceed six (6) months from the date of the Establishment Registration Certificate; and
- The fact that the Fund is in the process of dissolution.

Net asset value of the Fund is determined weekly and monthly basis. The valuation date is Tuesday for weekly valuation and the first business date of the next month for monthly valuation. If the valuation day falls on a holiday of the Vietnam Stock Market, or the date of suspension of trading at the Stock Exchange under a decision of a competent State agency (this case depends on the decision of the Fund Management Company), the Fund's valuation day will be transferred to Tuesday (working day) of the following week.

The Fund has no employee and is managed by Dai-ichi Life Vietnam Fund Management Company Limited, a fund management company incorporated in Vietnam, and is supervised by HSBC Bank (Vietnam) Ltd, the Supervisory Bank.

Contact address of the Fund is 11<sup>th</sup> Floor, 149-151 Nguyen Van Troi, Ward 11, Phu Nhuan District, Ho Chi Minh City.



## **DFVN Capital Appreciation Fund**

### **Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B06 – QM**

*(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)*

## **2. Basis of preparation**

### **(a) Statement of compliance**

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, Circular No. 198/2012/TT-BTC dated 15 November 2012 ("Circular 198") issued by the Ministry of Finance on the promulgation of accounting system for open-ended funds, the relevant requirements of Circular No. 183/2011/TT-BTC dated 16 December 2011 ("Circular 183") issued by the Ministry of Finance on the promulgation of guidance on establishment and management of open-ended funds and of Circular No. 15/2016/TT-BTC dated 20 January 2016 ("Circular 15") issued by the Ministry of Finance amending and supplementing certain articles of Circular 183 and the other relevant statutory requirements applicable to financial reporting.

The accompanying financial statements are not intended to present the financial position, the results of operations and cash flows of the Fund in accordance with accounting principles and practices generally accepted in other countries and other jurisdictions outside Vietnam. The accounting principles and practices applicable in Vietnam may be different with those in other countries and other jurisdictions.

In accordance with Circular 198, the Fund's financial statements include the following reports:

▪ Statement of income	Form B01-QM;
▪ Statement of financial position	Form B02-QM;
▪ Statement of changes in Net Assets, Fund units transactions	Form B03-QM;
▪ Statement of investment portfolio	Form B04-QM;
▪ Statement of cash flows	Form B05-QM; and
▪ Notes to the financial statements	Form B06-QM.

### **(b) Basis of measurement**

The financial statements of the Fund, except for the statement of cash flows and items as described in Note 3(b), are prepared on the accrual basis using historical cost concept. The statement of cash flows is prepared using the indirect method.

### **(c) Annual accounting period**

The annual accounting period of the Fund is from 1 January to 31 December.

### **(d) Accounting and presentation currency**

The Fund's accounting currency is Vietnam Dong ("VND") which is also the currency used for financial statement presentation purpose.

### **(e) Accounting documentation system**

The registered accounting documentation system of the Fund is the General Journal System.

**DFVN Capital Appreciation Fund**

**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B06 – QM**

*(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)*

**3. Summary of significant accounting policies**

The following significant accounting policies have been adopted by the Fund in the preparation of these financial statements.

**(a) Cash in banks and cash equivalents**

Cash in banks and cash equivalents comprise current accounts and term deposits with original term to maturity of not more than three (03) months from the transaction date. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment purpose or other purposes.

**(b) Investments in securities**

Investments in securities are initially recognised at cost, which comprises only the purchase price without any attributable transaction costs such as broker fees, transaction fees and bank charges, etc. Subsequent to initial recognition, they are revalued at the end of the accounting period based on the measurement method as described in Note 3(b)(iii). Unrealised gains or losses from revaluation of investments are recorded in the statement of income during the year/period.

**(i) Classification**

The Fund classifies its listed securities and unlisted securities which are purchased for trading purposes as trading securities.

**(ii) Recognition**

The Fund recognises investments in securities at the transaction date.



## DFVN Capital Appreciation Fund

### Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B06 – QM

(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)

#### (iii) *Measurement*

According to Circular 183 and Circular 15, the Fund's investments are revaluated at market price at the end of the accounting period. If there is no market price at the latest trading date or the market prices fluctuate significantly, the Fund is allowed to use fair value to revalue its investments. Fair value is determined in accordance with the principles, methodologies or theoretical valuation models as stipulated in the Fund's Charter, or the Fund's Valuation Manual. The determination of market price of the Fund's investments at the end of accounting period shall be conducted according to the following method:

#### *Bonds*

- Listed bonds
  - Market price is quoted price (or other names in accordance with the regulations of the Stock Exchange) for common transactions on the latest trading date prior to the valuation date plus cumulative interest (if quoted price excludes cumulative interest).
  - If there is no transaction more than two (02) weeks prior to the valuation date, the market price is determined in accordance with the following values in order of precedence:
    - + Quoted price (clean price) provided by Bloomberg (VNBF source), plus cumulative accrued interest;
    - + Price of the latest reporting period but not exceed three (03) months prior to valuation date, plus cumulative accrued interest;
    - + Purchase price plus cumulative accrued interest;
    - + Par value plus cumulative accrued interest.
- Unlisted bonds
  - Market price is the average price (clean price) of successful transactions on the latest trading date prior to the valuation date obtained from three (03) securities companies plus cumulative accrued interest.
  - If there are not sufficient quoted prices from three (03) securities companies, market price is determined in accordance with the following values in order of precedence:
    - + Average price (clean price) obtained from two (02) securities companies plus cumulative accrued interest;
    - + Price of the latest reporting period but not exceed three (03) months prior to valuation date, plus cumulative accrued interest;
    - + Purchase price plus cumulative accrued interest;
    - + Par value plus cumulative accrued interest.

#### *Shares*

- Shares which are listed on the Ho Chi Minh City Stock Exchange
  - Market price is closing price (or other names in accordance with the regulations of the Stock Exchange) on the trading system at the Stock Exchange on the latest trading date of the securities prior to the valuation date.



**DFVN Capital Appreciation Fund**

**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B06 – QM**

*(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)*

- If there is no transaction in two (02) weeks or more prior to the valuation date, the market price is determined in accordance with the following values in order of precedence:
  - + Closing price (or quoted price) on the trading system of the Stock Exchange on the latest trading date within twelve (12) months prior to the valuation date;
  - + Book value;
  - + Purchase price.
- Shares which are listed on the Hanoi Stock Exchange
  - Market price is closing price (or other names in accordance with the regulations of the Stock Exchange) on the trading system of the Stock Exchange on the latest trading date of the securities prior to the valuation date.
  - If there is no transaction in two (02) weeks or more prior to the valuation date, the market price is determined in accordance with the following values in order of precedence:
    - + Closing price (or quoted price) on the trading system of the Stock Exchange on the latest trading date within twelve (12) months prior to the valuation date;
    - + Book value;
    - + Purchase price.
- Shares of public companies registered for trading on UpCOM
  - Market price is closing price (or other names in accordance with the regulations of the Stock Exchange) on the trading system at the Stock Exchange on the latest trading date of the securities before the valuation date.
  - If there is no transaction in two (02) weeks or more prior to the valuation date, the market price is determined in accordance with the following values in order of precedence:
    - + Closing price (or quoted price) on the trading system of the Stock Exchange on the latest trading date within twelve (12) months prior to the valuation date;
    - + Book value;
    - + Purchase price.
- Shares are registered, custodied, but are not yet listed, not yet registered for trading
  - Market price is the average price of successful transactions on the latest trading date prior to the valuation date obtained from three (03) securities companies.
  - If there are not sufficient quoted prices from three (03) securities companies, the market price is determined in accordance with the following values in order of precedence:
    - + Average price obtained from two (02) securities companies;
    - + Price of the latest reporting period but not exceed three (03) months prior to valuation date, plus cumulative accrued interest;
    - + Book value;
    - + Purchase price.

## DFVN Capital Appreciation Fund

### Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B06 – QM

(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)

- Shares are suspended or delisted or cancelled for trading

The securities are determined in accordance with the following values in order of precedence:

- + Book value;
- + Purchase price.

- Shares of organisations in the process of liquidation, bankruptcy

Market price is determined at 80% of the liquidation value at the latest balance sheet date prior to the valuation date.

- Shares, other capital contribution

Market price is determined in accordance with the following values in order of precedence:

- + Book value;
- + Purchase price.

#### **Derivatives**

- Listed derivatives are revalued at the end of the accounting period at the closing price of latest trading date of the securities prior to the valuation date.
- Listed derivatives which were not transacted in two (2) weeks or more are revalued at the end of the accounting period based on the value determined in accordance with the methodology approved by the Board of Representatives in specific case.

#### **Other assets**

Other investment assets are revalued at the end of the accounting period based on the value determined in accordance with the specific methodology approved by the Board of Representatives.

#### **(iv) Derecognition**

Investments in securities are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Cost of trading securities is determined on a weighted average basis.

#### **(c) Accounts receivable**

Accounts receivable include receivables from disposals of investments and interest and dividends receivables. Accounts receivable are stated at cost less allowance for doubtful debts.

According to Circular No. 48/2019/TT-BTC dated 8 August 2019 issued by the Ministry of Finance, allowance for doubtful debts is made based on anticipated losses for undue debts which may occur when an economic organisation is bankrupted or liquidated; or debtor is missing, running away, being prosecuted, in prison, under a trial or pending execution of sentences or deceased or based on overdue status of debts at the following allowance rates:





**DFVN Capital Appreciation Fund****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B06 – QM**

(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)

<b>Overdue status</b>	<b>Allowance rate</b>
From six (06) months to less than one (01) year	30%
From one (01) year to less than two (02) years	50%
From two (02) years to less than three (03) years	70%
From three (03) years and above	100%

Increase/decrease in allowance for doubtful debts is recorded as expense/income in the statement of income during the year/period, unless allowance for doubtful debts is used to write off debts that was made allowance for and is uncollectible.

**(d) Payables**

Payables include payables for investments purchases, payable to distribution agent, payables to Fund Unitholders, payables to fund management service providers and other payables. Payables are stated at their cost.

**(e) Provisions**

A provision is recognized if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**(f) Classification of financial instruments**

Solely for the purpose of providing disclosures about the significance of financial instruments to the Fund's financial position and results of operations and the nature and extent of risk arising from financial instruments, the Fund classifies its financial instruments as follows:

**(i) Financial assets*****Financial assets at fair value through profit or loss***

Financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

- It is considered by the Fund as held for trading. A financial asset is considered as held for trading if:
  - it is acquired principally for the purpose of selling it in the near term;
  - there is evidence of a recent pattern of short-term profit-taking; or
  - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Fund as at fair value through profit or loss.



## **DFVN Capital Appreciation Fund**

### **Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B06 – QM**

*(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)*

#### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Fund has the positive intention and ability to hold to maturity, other than:

- those that the Fund upon initial recognition designates as at fair value through profit or loss;
- those that the Fund designates as available-for-sale; and
- those that meet the definition of loans and receivables.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those:

- that the Fund intends to sell immediately or in the near term, which are classified as held for trading, and those that the Fund on initial recognition designates as at fair value through profit or loss;
- that the Fund upon initial recognition designates as available-for-sale; or
- for which the Company may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

#### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or those are not classified as:

- financial assets at fair value through profit or loss;
- held-to-maturity investments; or
- loans and receivables.

## **(ii) Financial liabilities**

#### *Financial liabilities at fair value through profit or loss*

Financial liability at fair value through profit or loss is a financial liability that meets either of the following conditions:

- It is considered by the Fund as held for trading. A financial liability is considered as held for trading if:
  - it is incurred principally for the purpose of repurchasing it in the near term;
  - there is evidence of a recent pattern of short-term profit-taking; or
  - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Fund as at fair value through profit or loss.

**DFVN Capital Appreciation Fund**  
**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B06 – QM**

*(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)*

*Financial liabilities carried at amortized cost*

Financial liabilities which are not classified as financial liabilities at fair value through profit or loss are classified as financial liabilities carried at amortized cost.

The above described classification of financial instruments is solely for presentation and disclosure purpose and is not intended to be a description of how the instruments are measured. Accounting policies for measurement of financial instruments are disclosed in other relevant notes.

**(g) Taxation**

Under prevailing tax regulations in Vietnam, the Fund is not subject to corporate income tax. However, the Fund Management Company is responsible for withholding tax of individuals and institutional investors in following transactions:

*Distributing dividends to Fund Unitholders*

When the Fund distributes dividends to Fund Unitholders, the Fund Management Company is required to comply with prevailing tax regulations on tax withholding and payment.

*Fund units redemption transactions*

The Fund Management Company is obligated to withhold, declare and pay tax in relation to Fund units redemption transactions from Individual Fund Unitholders (including domestic and foreign) and from foreign Institutional Fund Unitholders in accordance with Circular No. 111/2013/TT-BTC dated 15 August 2013 as supplemented and amended by Circular No. 92/2015/TT-BTC dated 15 June 2015 issued by the Ministry of Finance, Circular No. 25/2018/TT-BTC dated 16 March 2018 ("Circular 25") and Circular No. 103/2014/TT-BTC dated 6 August 2014 issued by the Ministry of Finance. The applicable tax rate is 0.1% of transfer value. The Fund Management Company does not withhold any tax in relation to Fund units redemption transactions from local institutional investors. They are responsible for self-declaration and payment of related tax to State Treasury in accordance with Circular No. 78/2014/TT-BTC dated 18 June 2014, supplemented and amended by Circular No. 96/2015/TT-BTC dated 22 June 2015 issued by the Ministry of Finance.

**(h) Share capital and share premium**

**(i) Share capital**

Fund units with a right for dividends entitlement are classified as share capital, including subscription capital and redemption capital.

*Subscription capital*

Subscription capital represents the Fund's capital contribution by Fund Unitholders in form of purchasing Fund units on the initial public offering and subsequently to the Fund's establishment date or in form of exchange fund units of other open-ended funds under management of the Fund Management Company for the Fund's units.

Subscription capital is recorded at par value of Fund unit.



## Notes to the financial statements for the year ended 31 December 2020 (continued)

(Issued under Circular No. 198/2012/TT-BTC dated 15 November 2012 of the Ministry of Finance)

Redemption capital represents the redemption of Fund units from Fund Unitholders during transaction period after the Fund was established or in form of exchange the Fund's units for fund units of other open-ended funds under management of the Fund Management Company.

(ii) *Share premium*

Share premium represents the difference between net asset value per Fund unit and par value of Fund unit in a subscription/redemption transaction.

(iii) *Retained earnings*

Retained earnings represent undistributed retained profits at the reporting date, including realised and unrealised profits/(losses).

Realised profits/(losses) are the difference between the Fund's total revenue, income and total expenses incurred during the year/period (excluding unrealised gains/(losses) from revaluation of investments).

Unrealised profits/(losses) are the total gains/(losses) from revaluation of the Fund's investments during the year/period.

At the end of the accounting period, the Fund determines realised and unrealised profits/(losses) during period and records in “Retained earnings” in the statement of financial position.

**(i) Fund units and Net Asset Value per Fund unit**

Fund units can be resold by Fund Unitholders to the Fund at any time in exchange for an equivalent amount of cash based on the Net Asset Value distributable to Fund Unitholders at the date before transaction date.

The Fund issues and redeems Fund units based on the Net Asset Value per Fund unit at the announcement date. Net Asset Value per Fund unit is calculated by dividing the Net Asset Value of the Fund by the number of Fund units in circulation as at the date before transaction date.

All Fund units issued to Fund Unitholders have the same rights with regard to voting right, redemption of capital and others. Each Fund unit in issuance carries one vote at annual general meetings of the Fund.

Net Asset Value per Fund unit equal to Net Asset Value of the Fund divided by the number of Fund units as at the end of the accounting period and is rounded down to (02) decimal. Net asset value is determined by total assets subtracting total liabilities.





## **DFVN Capital Appreciation Fund**

### **Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B06 – QM**

*(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)*

#### **(j) Revenue**

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

##### **(i) Interest income and dividend income**

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate. Interest income is recognised in statement of income on accrual basis unless the recoverability is uncertain.

Dividend income is recognised in the statement of income when the right to receive payment is established. Share dividends are not recognised as income.

##### **(ii) Income from trading securities**

Income from trading securities activities is recognised in the statement of income upon receipt of deal confirmation or order matching report from the Vietnam Securities Depository which are verified by the Custodian Bank (for listed securities) and upon completion of the agreement on transfer of assets (for unlisted securities).

#### **(k) Expenses**

Expenses are recognised in the statement of income when incurred.

#### **(l) Segment reporting**

The Fund operates as one business segment, which is securities investment and one geographical segment, which is Vietnam.

#### **(m) Related parties**

Parties are considered to be related to the Fund if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Fund and the other party are subject to common control or significant influence. Related parties may be corporate entities or individuals and include close family members of any individual considered to be a related party.

Other investment funds under the management of the Fund Management Company and related parties of the Fund Management Company are considered related parties to the Fund in accordance with Law on Securities. In considering each possible related party relationship, substance of the relationship is considered, and not merely the legal form.

**DFVN Capital Appreciation Fund****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B06 – QM***(Issued under Circular No. 198/2012/TT-BTC dated 15 November 2012 of the Ministry of Finance)***(n) Nil balances**

Items or balances required by Circular No. 198/2012/TT-BTC dated 15 November 2012 issued by the Ministry of Finance on the promulgation of accounting system for open-ended funds that are not shown in these financial statements indicate nil balances.

**(o) Comparative information**

Comparative information in these financial statements is presented as corresponding figures. Under this method, comparative information for the prior period is included as an integral part of the current period financial statements and is intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these financial statements is not intended to present the Fund's financial position, results of operations or cash flows for the prior period.

**4. Cash in banks and cash equivalents**

	<b>31/12/2020</b> <b>VND</b>	<b>31/12/2019</b> <b>VND</b>
Current accounts at HSBC Bank (Vietnam) Ltd:		
▪ Cash in banks for the operating activities of the Fund	2,350,678,226	6,923,362,986
▪ Subscription amount of Fund Unitholders	772,200,000	1,000,000
	<hr/>	<hr/>
	3,122,878,226	6,924,362,986
	<hr/>	<hr/>

**DFVN Capital Appreciation Fund****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B06 – QM***(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)***5. Investments in securities**

All investee companies as shown in the statement of investment portfolio are incorporated and operate in Vietnam.

The Fund does not seek to participate in day-to-day financial and operating policy decisions of the investee companies. Accordingly, the Fund does not intend to exert a controlling or significant influence over the investee companies and therefore, the Fund's investments are recorded in accordance with the accounting policy as set out in Note 3(b), rather than being equity accounted or consolidated.

Details of the Fund's investments in securities as at 31 December 2020 and 31 December 2019 were as follows:

	<b>Cost VND [1]</b>	<b>Market value VND [2]</b>	<b>Unrealised gains/(losses) for the year</b>		<b>Revaluation value VND [5]=[1]+[3]+[4]</b>
			<b>Unrealised gains VND [3]</b>	<b>Unrealised losses VND [4]</b>	
<b>At 31 December 2020</b>					
Listed shares	78,831,157,179	100,366,421,350	21,701,481,066	(166,216,895)	100,366,421,350
<hr/>					
	<b>Cost VND [1]</b>	<b>Market value VND [2]</b>	<b>Unrealised gains/(losses) for the period</b>		<b>Revaluation value VND [5]=[1]+[3]+[4]</b>
			<b>Unrealised gains VND [3]</b>	<b>Unrealised losses VND [4]</b>	
<b>At 31 December 2019</b>					
Listed shares	73,656,310,234	77,462,612,500	5,680,113,876	(1,873,811,610)	77,462,612,500



## Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B06 – OM

(Issued under Circular No. 198/2012/TT-BTC dated 15 November 2012 of the Ministry of Finance)

## 6. Receivables from disposals of investments

	31/12/2020 VND	31/12/2019 VND
Receivables from disposals of listed shares	656,164,275	181,028,050

This balance represents proceeds from disposals of listed shares which will be received after two working days from the trade date (T+2) according to the prevailing securities trading practice in Vietnam.

### 7. Payable for purchasing investments

	31/12/2020 VND	31/12/2019 VND
Payable for purchases of listed shares	432,147,250	3,571,248,850

This balance represents the purchase cost of listed shares which will be paid after two working days from the trade date (T+2) according to the prevailing securities trading practice in Vietnam.

**8. Fund management service fees payable**

	31/12/2020 VND	31/12/2019 VND
Fund management fee payable	125,824,659	102,482,379
Custody fee payable	19,000,002	19,000,001
Transfer agent service fee payable	14,790,174	14,646,712
Fund administration fee payable	12,100,000	12,100,000
Fund supervising fee payable	7,700,001	7,700,001
Transaction fee payable	6,150,000	8,550,000
	<hr/>	<hr/>
	185,564,836	164,479,093



**DFVN Capital Appreciation Fund****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B06 – QM***(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)***9. Share capital**

According to Establishment Registration Certificate for Open-ended Fund No. 34/GCN-UBCK, the Fund's charter capital is VND75,121,600,000, equivalent to 7,512,160 Fund units with par value of VND10,000 per Fund unit. This is also the capital mobilised in the initial public offering. As the Fund operates as an open-ended fund, its issued capital and the number of Fund units will be changed after every transaction date.

Movements in share capital of Fund Unitholders during the year were as follows:

	Unit	As at 31/12/2019	Incurred during the year	As at 31/12/2020
<b>Subscription capital</b>				
Quantity (1)	Fund unit	7,970,455.89	553,890.99	8,524,346.88
Average NAV (2) = (5)/(1)	VND	10,034.98	9,917.10	10,027.32
Par value (3)	VND	79,704,558,900	5,538,909,900	85,243,468,800
Share premium (4)	VND	278,833,173	(45,919,550)	232,913,623
Value of subscription capital (5) = (3) + (4)	VND	79,983,392,073	5,492,990,350	85,476,382,423
<b>Redemption capital</b>				
Quantity (6)	Fund unit	(222,875.40)	(176,377.24)	(399,252.64)
Average NAV (7) = (10)/(6)	VND	10,529.67	10,709.60	10,609.15
Par value (8)	VND	(2,228,754,000)	(1,763,772,400)	(3,992,526,400)
Share premium (9)	VND	(118,049,351)	(125,156,869)	(243,206,220)
Value of redemption capital (10) = (8) + (9)	VND	(2,346,803,351)	(1,888,929,269)	(4,235,732,620)
<b>Share premium (11) = (4) + (9)</b>	VND	160,783,822	(171,076,419)	(10,292,597)
<b>Number of Fund units in circulation (12) = (1) + (6)</b>	Fund unit	7,747,580.49	377,513.75	8,125,094.24
<b>Value of share capital (13) = (5) + (10)</b>	VND	77,636,588,722	3,604,061,081	81,240,649,803
<b>NAV per Fund unit (14)</b>	VND/ Fund Unit	10,438.11		12,627.67

**DFVN Capital Appreciation Fund****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B06 – QM***(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)***10. Retained earnings**

	<b>Year ended 31/12/2020 VND</b>	<b>Period from 3/1/2019 to 31/12/2019 VND</b>
Retained earnings at the beginning of the year/period	3,233,565,204	-
Profit after tax for the year/period	18,126,821,254	3,233,565,204
<i>In which</i>		
▪ <i>Realised profits/(losses)</i>	397,859,349	(572,737,062)
▪ <i>Unrealised profits</i>	17,728,961,905	3,806,302,266
Retained earnings at the end of the year/period	21,360,386,458	3,233,565,204

**11. Dividend income**

	<b>Year ended 31/12/2020 VND</b>	<b>Period from 3/1/2019 to 31/12/2019 VND</b>
Dividend income		
<i>Dividends received</i>	1,560,946,298	1,442,414,574
<i>Accrued dividends</i>	221,300,000	177,300,000
	1,782,246,298	1,619,714,574



**DFVN Capital Appreciation Fund****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B06 – QM***(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)***12. Gains from trading securities****Year ended 31 December 2020**

<b>Investment portfolio</b>	<b>Proceeds VND [1]</b>	<b>Weighted average cost at the end of transaction date VND [2]</b>	<b>Gains from trading securities during the year VND [3] = [1] – [2]</b>	<b>Cumulative gains from trading securities as at 31/12/2020 VND [4] = [3] + [5]</b>	<b>Cumulative gains from trading securities at the beginning of the year VND [5]</b>
Listed shares	139,189,983,800	137,916,243,355	1,273,740,445	1,828,647,179	554,906,734

**Period from 3 January 2019 (date of establishment) to 31 December 2019**

<b>Investment portfolio</b>	<b>Proceeds VND [1]</b>	<b>Weighted average cost at the end of transaction date VND [2]</b>	<b>Gains from trading securities during the period VND [3] = [1] – [2]</b>	<b>Cumulative gains from trading securities as at 31/12/2019 VND [4] = [3] + [5]</b>	<b>Cumulative gains from trading securities at the beginning of the period VND [5]</b>
Listed shares	118,123,913,500	117,569,006,766	554,906,734	554,906,734	-

**DFVN Capital Appreciation Fund****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B06 – QM***(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)***13. Net unrealised gains from revaluation of investments****Year ended 31 December 2020**

<b>Investment portfolio</b>	<b>Cost VND [1]</b>	<b>Market value as at 31/12/2020 VND [2]</b>	<b>Revaluation gains as at 31/12/2020 VND [3] = [2] – [1]</b>	<b>Revaluation gains as at 31/12/2019 VND [4]</b>	<b>Net unrealised gains from revaluation for the year ended 31/12/2020 VND [5] = [3] – [4]</b>
Listed shares	78,831,157,179	100,366,421,350	21,535,264,171	3,806,302,266	17,728,961,905

**Period from 3 January 2019 (date of establishment) to 31 December 2019**

<b>Investment portfolio</b>	<b>Cost VND [1]</b>	<b>Market value as at 31/12/2019 VND [2]</b>	<b>Revaluation gains as at 31/12/2019 VND [3] = [2] – [1]</b>	<b>Revaluation gains as at 3/1/2019 VND [4]</b>	<b>Net unrealised gains from revaluation for the period from 3/1/2019 to 31/12/2019 VND [5] = [3] – [4]</b>
Listed shares	73,656,310,234	77,462,612,500	3,806,302,266	-	3,806,302,266





**DFVN Capital Appreciation Fund****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B06 – QM***(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)***14. Expenses for purchases and sales of investments**

	<b>Year ended 31/12/2020 VND</b>	<b>Period from 3/1/2019 to 31/12/2019 VND</b>
Expenses for purchases of investments	202,084,436	286,837,994
Expenses for sales of investments	206,016,575	177,185,889
	<hr/>	<hr/>
	408,101,011	464,023,883
	<hr/>	<hr/>

**DFVN Capital Appreciation Fund****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B06 – QM***(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)*

During the period, the Fund's securities trading transactions were carried out mainly through the following securities companies:

**Year ended 31 December 2020**

No.	Name (code) of securities companies with transaction value exceeding 5% of the Fund's total transaction value for the period	Relationship with the Fund Management Company	Percentage of transaction value at securities companies				
			Fund's transaction value for the period with each securities company VND	Fund's total transaction value for the period VND	Percentage of the Fund's total transaction value for the period	Average transaction fee rate	Market average transaction fee rate
[1]	[2]	[3]	[4]	[5]	[6] = [4]/[5](%)	[7]	[8]
1	ACB Securities Ltd., Co	Not related	61,375,050,600	282,281,074,100	21.74%	0.14%	0.12%-0.50%
2	Viet Dragon Securities Corporation	Not related	76,514,052,000	282,281,074,100	27.11%	0.15%	0.12%-0.50%
3	Viet Capital Securities Joint Stock Company	Not related	61,324,991,000	282,281,074,100	21.72%	0.15%	0.12%-0.50%
4	MB Securities Joint Stock Company	Not related	55,638,309,900	282,281,074,100	19.71%	0.14%	0.12%-0.50%
5	Ho Chi Minh City Securities Corporation	Not related	27,428,670,600	282,281,074,100	9.72%	0.15%	0.12%-0.50%
<b>Total</b>			<b>282,281,074,100</b>		<b>100.00%</b>		

**DFVN Capital Appreciation Fund**

Notes to the financial statements for the year ended 31 December 2020 (continued)

**Form B06 – QM***(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)***Period from 3 January 2019 (date of establishment) to 31 December 2019**

No.	Name (code) of securities companies with transaction value exceeding 5% of the Fund's total transaction value for the period	Relationship with the Fund Management Company	Percentage of transaction value at securities companies		Percentage of the Fund's total transaction value for the period	Average transaction fee rate	Market average transaction fee rate
			Fund's transaction value for the period with each securities company VND	Fund's total transaction value for the period VND			
[1]	[2]	[3]	[4]	[5]	[6] = [4]/[5](%)	[7]	[8]
1	ACB Securities Ltd., Co	Not related	76,640,526,000	309,349,230,500	24.77%	0.15%	0.15%-0.50%
2	Viet Dragon Securities Corporation	Not related	72,281,382,500	309,349,230,500	23.37%	0.15%	0.15%-0.50%
3	Viet Capital Securities Joint Stock Company	Not related	79,370,283,000	309,349,230,500	25.66%	0.15%	0.15%-0.50%
4	MB Securities Joint Stock Company	Not related	42,249,674,000	309,349,230,500	13.66%	0.15%	0.15%-0.50%
5	Ho Chi Minh City Securities Corporation	Not related	38,807,365,000	309,349,230,500	12.54%	0.15%	0.15%-0.50%
<b>Total</b>			<b>309,349,230,500</b>		<b>100.00 %</b>		



## Notes to the financial statements for the year ended 31 December 2020 (continued)

(Issued under Circular No. 198/2012/TT-BTC dated 15 November 2012 of the Ministry of Finance)

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	Year ended 31/12/2020 VND	Period from 3/1/2019 to 31/12/2019 VND
Remunerations for the Board of Representatives (Note 19)	180,000,000	168,870,969
Bank charges	1,008,700	184,800
	<hr/>	<hr/>
	181,008,700	169,055,769



**DFVN Capital Appreciation Fund****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B06 – QM***(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)***17. Net Asset Value**

<b>Year ended 31 December 2020</b>					
<b>No.</b>	<b>NAV valuation date</b>	<b>Net Asset Value (NAV) VND [1]</b>	<b>Number of fund units Fund unit [2]</b>	<b>NAV per fund unit VND/Fund unit [3] = [1]/[2]</b>	<b>Increase/(decrease) NAV/Fund unit VND/Fund unit</b>
	02/01/2020	80,870,153,926	7,747,580.49	10,438.11	
1	07/01/2020	80,241,521,883	7,747,580.49	10,356.97	(81.14)
2	14/01/2020	80,968,909,343	7,740,459.89	10,460.47	103.50
3	21/01/2020	82,776,193,406	7,741,690.60	10,692.26	231.79
4	01/02/2020	78,817,766,351	7,760,349.05	10,156.47	(535.79)
5	04/02/2020	78,334,172,844	7,760,349.05	10,094.15	(62.32)
6	11/02/2020	78,871,089,504	7,768,472.51	10,152.71	58.56
7	18/02/2020	80,004,409,664	7,759,822.79	10,310.08	157.37
8	25/02/2020	76,713,812,137	7,758,894.04	9,887.20	(422.88)
9	02/03/2020 (*)	76,072,561,216	7,760,512.28	9,802.51	(84.69)
10	03/03/2020	76,362,846,803	7,760,512.28	9,839.92	37.41
11	10/03/2020	72,445,000,893	7,828,286.70	9,254.26	(585.66)
12	17/03/2020	65,024,643,594	7,835,526.56	8,298.69	(955.57)
13	24/03/2020	59,750,246,987	7,831,227.55	7,629.74	(668.95)
14	31/03/2020	58,861,244,516	7,832,931.39	7,514.58	(115.16)
15	01/04/2020	58,778,186,978	7,839,718.12	7,497.48	(17.10)
16	07/04/2020	64,506,209,137	7,839,718.12	8,228.12	730.64
17	14/04/2020	65,798,571,838	7,865,677.44	8,365.27	137.15
18	21/04/2020	68,563,703,159	7,878,374.76	8,702.77	337.50
19	28/04/2020	67,261,952,627	7,881,017.56	8,534.67	(168.10)
20	04/05/2020 (**)	67,458,124,623	7,900,701.85	8,538.24	3.57
21	05/05/2020	66,639,311,426	7,900,701.85	8,434.60	(103.64)
22	12/05/2020	71,975,319,425	7,919,386.07	9,088.49	653.89
23	19/05/2020	73,325,715,647	7,923,347.05	9,254.38	165.89
24	26/05/2020	75,220,805,898	7,927,183.04	9,488.97	234.59
25	01/06/2020	75,454,760,572	7,931,714.60	9,513.04	24.07
26	02/06/2020	76,940,348,029	7,931,714.60	9,700.34	187.30
27	09/06/2020	79,227,792,337	7,963,991.04	9,948.25	247.91
28	16/06/2020	73,748,392,059	7,966,303.00	9,257.54	(690.71)
29	23/06/2020	76,430,900,112	7,963,225.43	9,597.98	340.44
30	30/06/2020	73,027,982,943	7,964,579.86	9,169.09	(428.89)
31	01/07/2020	72,524,507,896	7,974,395.39	9,094.67	(74.42)
32	07/07/2020	75,334,425,557	7,974,395.39	9,447.03	352.36
33	14/07/2020	76,212,438,908	7,992,403.15	9,535.60	88.57
34	21/07/2020	75,982,760,113	7,994,374.70	9,504.52	(31.08)
35	28/07/2020	69,025,882,236	7,995,111.18	8,633.51	(871.01)
36	03/08/2020	70,303,510,506	8,014,985.25	8,771.50	137.99
37	04/08/2020	71,760,258,872	8,014,985.25	8,953.26	181.76
38	11/08/2020	74,251,420,247	8,031,189.73	9,245.38	292.12
39	18/08/2020	75,318,172,765	8,033,259.55	9,375.79	130.41



**DFVN Capital Appreciation Fund**
**Notes to the financial statements for the year ended 31 December 2020 (continued)**
**Form B06 – QM**
*(Issued under Circular No. 198/2012/TT-BTC dated 15 November 2012 of the Ministry of Finance)*

No.	NAV valuation date	Net Asset Value (NAV) VND	Year ended 31 December 2020		
			Number of fund units Fund unit	NAV per fund unit VND/Fund unit	Increase/(decrease) NAV/Fund unit VND/Fund unit
		[1]	[2]	[3] = [1]/[2]	
40	25/08/2020	77,684,061,028	8,033,689.44	9,669.78	293.99
41	01/09/2020	78,775,025,468	8,035,550.88	9,803.31	133.53
42	08/09/2020	78,751,463,018	8,046,885.12	9,786.57	(16.74)
43	15/09/2020	79,822,876,143	8,039,641.81	9,928.66	142.09
44	22/09/2020	81,180,366,160	8,037,884.14	10,099.71	171.05
45	29/09/2020	82,401,392,318	8,036,010.73	10,254.01	154.30
46	01/10/2020	82,255,706,180	8,050,716.62	10,217.19	(36.82)
47	06/10/2020	83,247,272,206	8,050,716.62	10,340.35	123.16
48	13/10/2020	84,031,370,036	8,066,990.20	10,416.69	76.34
49	20/10/2020	86,431,704,134	8,065,131.30	10,716.71	300.02
50	27/10/2020	86,603,795,609	8,058,727.14	10,746.58	29.87
51	02/11/2020(***)	84,491,358,613	8,091,712.04	10,441.71	(304.87)
52	03/11/2020	85,199,632,725	8,091,712.04	10,529.24	87.53
53	10/11/2020	87,078,196,864	8,109,601.83	10,737.66	208.42
54	17/11/2020	87,424,164,312	8,115,391.26	10,772.63	34.97
55	24/11/2020	91,585,347,061	8,112,981.77	11,288.74	516.11
56	01/12/2020	92,274,129,683	8,108,526.91	11,379.88	91.14
57	08/12/2020	94,858,256,704	8,121,181.93	11,680.35	300.47
58	15/12/2020	98,030,189,000	8,124,176.17	12,066.47	386.12
59	22/12/2020	100,229,049,134	8,119,655.61	12,344.00	277.53
60	29/12/2020	101,330,660,615	8,124,947.10	12,471.54	127.54
61	04/01/2021(****)	102,601,036,261	8,125,094.24	12,627.67	156.13
Average NAV during the year					78,141,031,579
Maximum change in NAV per Fund unit during the year					955.57
Minimum change in NAV per Fund unit during the year					3.57

(\*) This represents the net asset value of the valuation period ended February 2020. Since 1 March 2020 was holiday, the valuation of net asset value for this valuation period was performed on 2 March 2020.

(\*\*) This represents the net asset value of the valuation period ended April 2020. Since 1 May 2020 was holiday, the valuation of net asset value for this valuation period was performed on 4 May 2020.

(\*\*\*) This represents the net asset value of the valuation period ended October 2020. Since 1 November 2020 was holiday, the valuation of net asset value for this valuation period was performed on 2 November 2020.

(\*\*\*\*) This represents the net asset value of the valuation period ended December 2020. Since 1 January 2020 was holiday, the valuation of net asset value for this valuation period was performed on 4 January 2021.



**DFVN Capital Appreciation Fund****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B06 – QM***(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)*

No.	NAV valuation date	Net Asset Value (NAV) VND [1]	Period from 3/1/2019 to 31/12/2019		
			Number of fund units Fund unit [2]	NAV per fund unit VND/Fund unit [3] = [1]/[2]	Increase/(decrease) NAV/Fund unit VND/Fund unit
	03/01/2019	75,121,600,000	7,512,160.00	10,000.00	
1	08/01/2019	75,063,757,867	7,512,160.00	9,992.30	(7.70)
2	15/01/2019	75,055,472,081	7,512,160.00	9,991.19	(1.11)
3	22/01/2019	75,359,034,344	7,512,160.00	10,031.60	40.41
4	29/01/2019	75,322,272,716	7,512,160.00	10,026.71	(4.89)
5	01/02/2019	75,546,047,118	7,535,896.50	10,024.82	(1.89)
6	12/02/2019	76,462,563,859	7,535,896.50	10,146.44	121.62
7	19/02/2019	79,045,092,311	7,541,809.80	10,480.91	334.47
8	26/02/2019	81,621,219,529	7,543,908.83	10,819.48	338.57
9	01/03/2019	79,379,481,841	7,550,008.88	10,513.82	(305.66)
10	05/03/2019	81,553,316,858	7,550,008.88	10,801.75	287.93
11	12/03/2019	80,928,150,957	7,579,837.06	10,676.76	(124.99)
12	19/03/2019	83,050,322,845	7,594,307.67	10,935.86	259.10
13	26/03/2019	79,925,363,671	7,651,093.26	10,446.26	(489.60)
14	01/04/2019	80,871,239,960	7,667,702.01	10,546.99	100.73
15	02/04/2019	81,495,639,815	7,667,702.01	10,628.43	81.44
16	09/04/2019	82,766,098,657	7,700,433.63	10,748.23	119.80
17	16/04/2019	81,587,776,555	7,714,110.18	10,576.43	(171.80)
18	23/04/2019	79,931,131,546	7,717,737.13	10,356.80	(219.63)
19	02/05/2019(*)	81,135,082,286	7,720,247.49	10,509.38	152.58
20	07/05/2019	79,700,590,963	7,720,247.49	10,323.57	(185.81)
21	14/05/2019	79,790,265,754	7,693,817.04	10,370.69	47.12
22	21/05/2019	82,313,435,211	7,684,611.22	10,711.46	340.77
23	28/05/2019	81,312,679,524	7,683,814.92	10,582.33	(129.13)
24	03/06/2019	80,096,854,525	7,694,157.52	10,410.08	(172.25)
25	04/06/2019	78,863,389,227	7,694,157.52	10,249.77	(160.31)
26	11/06/2019	80,195,940,174	7,690,377.07	10,428.08	178.31
27	18/06/2019	78,909,980,316	7,696,493.75	10,252.71	(175.37)
28	25/06/2019	80,145,094,061	7,692,322.24	10,418.84	166.13
29	01/07/2019	79,018,509,529	7,686,473.96	10,280.20	(138.64)
30	02/07/2019	80,241,639,447	7,686,473.96	10,439.33	159.13
31	09/07/2019	80,265,439,308	7,703,002.65	10,420.01	(19.32)
32	16/07/2019	81,075,737,475	7,700,680.45	10,528.38	108.37
33	23/07/2019	81,716,259,469	7,685,327.26	10,632.76	104.38
34	30/07/2019	82,566,138,884	7,686,787.29	10,741.30	108.54
35	01/08/2019	82,227,204,990	7,699,262.30	10,679.88	(61.42)
36	06/08/2019	80,994,663,991	7,699,262.30	10,519.79	(160.09)
37	13/08/2019	81,657,220,928	7,699,907.45	10,604.96	85.17

**DFVN Capital Appreciation Fund**
**Notes to the financial statements for the year ended 31 December 2020 (continued)**
**Form B06 – QM**
*(Issued under Circular No. 198/2012/TT-BTC*
*dated 15 November 2012 of the Ministry of Finance)*

No.	NAV valuation date	Period from 3/1/2019 to 31/12/2019			
		Net Asset Value (NAV) VND	Number of fund units Fund unit	NAV per fund unit VND/Fund unit	Increase/(decrease) NAV/Fund unit VND/Fund unit
		[1]	[2]	[3] = [1]/[2]	
38	20/08/2019	82,038,924,387	7,684,009.91	10,676.57	71.61
39	27/08/2019	82,085,095,421	7,680,579.19	10,687.35	10.78
40	03/09/2019(**)	82,289,742,667	7,685,117.20	10,707.67	20.32
41	03/09/2019	82,277,217,086	7,685,117.20	10,706.04	(1.63)
42	10/09/2019	81,574,838,380	7,693,093.51	10,603.64	(102.40)
43	17/09/2019	83,452,734,489	7,693,716.75	10,846.86	243.22
44	24/09/2019	83,146,948,277	7,694,544.19	10,805.96	(40.90)
45	01/10/2019	84,070,772,670	7,689,096.84	10,933.76	127.80
46	08/10/2019	82,722,274,924	7,700,043.64	10,743.09	(190.67)
47	15/10/2019	83,721,862,526	7,710,185.80	10,858.60	115.51
48	22/10/2019	82,661,111,722	7,703,665.37	10,730.10	(128.50)
49	29/10/2019	83,954,125,587	7,707,859.15	10,892.01	161.91
50	01/11/2019	83,952,631,260	7,721,022.48	10,873.25	(18.76)
51	05/11/2019	85,870,660,145	7,721,022.48	11,121.66	248.41
52	12/11/2019	85,576,174,673	7,729,339.35	11,071.60	(50.06)
53	19/11/2019	83,989,565,424	7,729,244.69	10,866.46	(205.14)
54	26/11/2019	81,339,904,108	7,702,810.64	10,559.76	(306.70)
55	02/12/2019	80,672,875,695	7,702,336.42	10,473.81	(85.95)
56	03/12/2019	79,595,058,855	7,702,336.42	10,333.88	(139.93)
57	10/12/2019	80,522,500,002	7,728,521.66	10,418.87	84.99
58	17/12/2019	80,331,824,485	7,733,136.44	10,388.00	(30.87)
59	24/12/2019	80,107,939,817	7,724,580.38	10,370.52	(17.48)
60	31/12/2019	80,847,537,378	7,722,853.17	10,468.60	98.08
61	02/01/2020	80,870,153,926	7,747,580.49	10,438.11	(30.49)
Average Net Asset Value					80,899,386,598
Maximum of change in Net Asset Value per fund unit during the year					489.60
Minimum of change in Net Asset Value per fund unit during the year					1.11

(\*) This represents the net asset value of the valuation period ended 30 April 2019. Since 1 May 2019 was holiday, the valuation of net asset value for this valuation period was performed on 2 May 2019.

(\*\*) This represents the net asset value of the valuation period ended 31 August 2019. Since 1 September 2019 and 2 September 2019 were holidays, the valuation of net asset value for this valuation period was performed on 3 September 2019.





**DFVN Capital Appreciation Fund****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B06 – QM***(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)***18. Number of Fund units in circulation**

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>Fund units</b>	<b>Fund units</b>
Number of outstanding Fund units within 1 year	509,355.61	7,747,580.49
Number of outstanding Fund units over 1 year	7,615,738.63	-
	<hr/>	<hr/>
	8,125,094.24	7,747,580.49

**19. Related parties and other key contracts****(a) Related parties**

In addition to related party balances disclosed in other notes to the financial statements, the Fund had the following significant transactions with related parties during the year/period:

**(i) Transactions with Dai-ichi Life Vietnam Fund Management Company Limited, the Fund Management Company**

	<b>Year ended</b>	<b>Period from</b>
	<b>31/12/2020</b>	<b>3/1/2019 to</b>
	<b>VND</b>	<b>31/12/2019</b>
		<b>VND</b>
Fund management fee	1,178,295,665	1,207,229,174

In accordance with the Fund's Charter, Fund Management Company is entitled to receive annual management fee equal to 1.5% of Net Asset Value of the Fund. Fund management fee is calculated (accrued) for each valuation period based on the Net Asset Value of the Fund excluding fee at the date prior to the valuation date. The monthly fee payable is total fee which is calculated (accrued) for valuation dates within each month.

**(ii) Transactions with the Board of Representatives**

	<b>Year ended</b>	<b>Period from</b>
	<b>31/12/2020</b>	<b>3/1/2019 to</b>
	<b>VND</b>	<b>31/12/2019</b>
		<b>VND</b>
Board of Representatives' remunerations (Note 16)	180,000,000	168,870,969



**DFVN Capital Appreciation Fund****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B06 – QM***(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)*

Other than the remunerations in accordance with the Fund's Charter, there is no other contract to which the Fund and any member of the Board of Representatives is a party where a member of the Board of Representatives has a material interest. Remunerations of the Board of Representatives are recognised as expense of the Fund in the statement of income.

**(b) Other key contracts*****Transactions with HSBC Bank (Vietnam) Ltd.***

	<b>Year ended 31/12/2020 VND</b>	<b>Period from 3/1/2019 to 31/12/2019 VND</b>
Transfer agent fee	177,083,044	238,106,390
Custody fee	228,000,003	226,774,198
Securities transaction fee	101,100,000	95,850,000
Supervising fee	92,400,000	91,903,225
Fund administration fee	145,200,006	144,419,361
Bank charges	1,008,700	184,800
	<hr/> 744,791,753	<hr/> 797,237,974

The Fund has appointed HSBC Bank (Vietnam) Ltd. ("HSBC") to be the Custodian Bank and Supervisory Bank of the Fund. HSBC was authorised by the Fund Management Company to provide fund administration service and transfer agent service.

In accordance with the Fund's Charter, the Fund has to pay HSBC Bank (Vietnam) Ltd. custody fee, supervising fee, fund administration fee and transfer agent fee on a monthly basis. The above fees are calculated at each valuation period using NAV at valuation date. Monthly fees are total fees of valuation periods within each month, the detail of fees is as follows:

<b>Services</b>	<b>Fee rates</b>
Supervising (excluding VAT)	0.02% per annum. Minimum supervising fee is VND7.0 million per month.
Custody	0.06% per annum. Minimum custody fee is VND19.0 million per month.
Fund administration (excluding VAT)	0.035% per annum. Minimum fund administration fee is VND11.0 million per month.

**DFVN Capital Appreciation Fund****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B06 – QM***(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)*

Transfer agent fees include two groups of fees as follows:

- Group of fee calculated based on NAV or transaction value include:
  - Annual maintenance service fees: 0.04% annual NAV. Minimum transfer agency maintenance fee is VND13.0 million per month.
  - Registration fees for new purchase, acquisition, conversion, transfer: 0.03% of transaction value of new purchase, acquisition, conversion, transfer.
- Group of fee calculated based on actual amount incurred include:
  - Data setup fees include VND15,000 per Fund Unitholder and VND1,000,000 per distribution agent.
  - Other fees such as mails delivery fees VND100,000 per Fund Unitholder, HSBC net equipment fee VND300,000 per equipment and other fees.

Apart from the above fees, the Fund also has obligation to pay the HSBC Bank (Vietnam) Ltd. the following fees in relation to assets transactions of the Fund:

<b>Services</b>	<b>Fee rates</b>
Purchase/sell securities	VND150,000 per transaction.

**20. The Fund's performance indicators**

	<b>Year ended 31/12/2020 VND</b>	<b>Period from 3/1/2019 to 31/12/2019 VND</b>
<b>I Investment performance</b>		
1 Management fee payable to Fund Management Company/Average NAV during the year/period (%)	1.51%	1.50%
2 Custody, supervising fees payable to Supervisory Bank/Average NAV during the year/period (%)	0.55%	0.52%
3 Fund administration fee, transfer agent fee and other expenses payable to related service providers/Average NAV during the year/period (%)	0.41%	0.48%
4 Audit fee/Average NAV during the year/period (%)	0.19%	0.18%
5 Legal advisory fee, quotation fee and other fees, remuneration payable to the Board of Representatives/Average NAV during the year/period (%)	0.23%	0.21%
6 Operating expenses/Average NAV during the year/period (%)	3.42%	3.47%
7 Turnover of investment portfolio during the period = (Total value of purchase transactions + total value of sales transactions)/2/Average NAV during the year/period (%)	180.62%	192.25%

**DFVN Capital Appreciation Fund****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B06 – QM***(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)*

	<b>Year ended 31/12/2020 VND</b>	<b>Period from 3/1/2019 to 31/12/2019 VND</b>
<b>II Others</b>		
<b>1 Fund scale at the beginning of the year/period (calculated at par value of Fund units)</b>		
Total value of Fund units in circulation at the beginning of the year/period	77,475,804,900	-
Total number of Fund units in circulation at the beginning of the year/period	7,747,580.49	-
<b>2 Change in Fund scale during the year/period (calculated at par value of Fund units)</b>		
Number of Fund units subscribed during the year	553,890.99	7,970,455.89
Value of capital subscribed during the year (at par value)	5,538,909,900	79,704,558,900
Number of Fund units redeemed during the year	(176,377.24)	(222,875.40)
Value of capital redeemed during the year in respond to Fund Unitholders' command (at par value)	(1,763,772,400)	(2,228,754,000)
<b>3 Fund scale at the end of the year/period (calculated at par value of Fund units)</b>		
Total value of Fund units in circulation at the end of the year	81,250,942,400	77,475,804,900
Total number of Fund units in circulation at the end of the year	8,125,094.24	7,747,580.49
<b>4 Percentage of Fund units held by the Fund Management Company and related parties at the end of the year/period</b>	89.74%	92.15%
<b>5 Percentage of Fund units held by ten biggest Unitholders at the end of the year/period</b>	92.01%	93.85%
<b>6 Percentage of Fund units held by foreign Unitholders at the end of the year/period</b>	86.15%	90.35%
<b>7 Number of Fund Unitholders at the end of the year/period</b>	346	292
<b>8 NAV/Fund unit at the end of the year/period</b>	12,627.67	10,438.11





## **DFVN Capital Appreciation Fund**

### **Notes to the financial statements for the year ended 31 December 2020 (continued)**

**Form B06 – QM**

*(Issued under Circular No. 198/2012/TT-BTC  
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## **21. Financial risk management**

The Fund has exposure to the following risks from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk.

The Fund's investment portfolio comprises listed securities. The Management of the Fund Management Company has been given a discretionary authority to manage the Fund's assets in line with the Fund's investment objectives. Compliance with the target asset allocations, the composition of the portfolio is monitored by the Fund Management Company and the Supervisory Bank on a weekly basis. In instances where the portfolio has diverged from the target asset allocations, the Management of the Fund Management Company is obliged to take actions to rebalance the portfolio in line with the established targets.

### **(a) Credit risk**

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from deposits with banks and receivables.

All call deposits and term deposits were placed with well-known financial institutions where the Board of Representatives approved and the Fund Management Company does not expect any losses arising from the non-performance of these financial institutions.

The Fund's listed securities are traded on and are subject to the rules of the Ho Chi Minh City Stock Exchange and the Hanoi Stock Exchange. All transactions in listed securities are settled or paid for upon delivery via Vietnam Securities Depository and approved brokers. The risk of default is considered minimal.

Receivables include receivables from disposals of investments, interest and dividends receivables. The Fund Management Company believes no allowance for doubtful debts was considered necessary for these receivables as at 31 December 2020 and 31 December 2019.

The maximum exposure to credit risk faced by the Fund is equal to the carrying amounts of deposits with banks and receivables.

**DFVN Capital Appreciation Fund****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B06 – QM***(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)***(b) Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

The Fund's approach to managing liquidity risk is to ensure that it will always have sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The Fund's financial assets as at 31 December 2020 and 31 December 2019 included mainly listed securities and demand deposits. The Fund's investments in listed securities are considered to be readily realizable as they are traded on the Ho Chi Minh City Stock Exchange and the Hanoi Stock Exchange. As a result, the Fund may be able to convert some of its investments into an amount of cash to timely meet its liquidity requirements.

At the reporting date, the contractual maturities of financial liabilities were as follows:

**As at 31 December 2020**

	<b>Carrying amount VND</b>	<b>Undiscounted contractual cash flows VND</b>	<b>Less than 1 year VND</b>
Payable for purchasing investments	432,147,250	432,147,250	432,147,250
Payable to distribution agents	88,000	88,000	88,000
Accrued expenses	138,500,000	138,500,000	138,500,000
Advances from Fund Unitholders for Fund units subscription	772,200,000	772,200,000	772,200,000
Payables to Fund Unitholders for Fund units redemption	236,580,656	236,580,656	236,580,656
Fund management service fees payable	185,564,836	185,564,836	185,564,836
	<b>1,765,080,742</b>	<b>1,765,080,742</b>	<b>1,765,080,742</b>

**DFVN Capital Appreciation Fund****Notes to the financial statements for the year ended 31 December 2020 (continued)****Form B06 – QM***(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)***As at 31 December 2019**

	<b>Carrying Amount VND</b>	<b>Undiscounted contractual cash flows VND</b>	<b>Less than 1 year VND</b>
Payable for purchasing investments	3,571,248,850	3,571,248,850	3,571,248,850
Payable to distribution agents	80,000	80,000	80,000
Accrued expenses	133,000,000	133,000,000	133,000,000
Advances from Fund Unitholders for Fund units subscription	1,000,000	1,000,000	1,000,000
Payables to Fund Unitholders for Fund units redemption	5,176,723	5,176,723	5,176,723
Fund management service fees payable	164,479,093	164,479,093	164,479,093
	<b>3,874,984,666</b>	<b>3,874,984,666</b>	<b>3,874,984,666</b>

**(c) Market risk**

Market risk is the risk that changes in market prices, such as interest rate, foreign exchange and market price will affect the Fund's income or the value of its holdings of financial instruments.

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Fund's financial instruments will fluctuate as a result of changes in market interest rates. The Fund's exposure to market risk due to change in interest rates is minimal since all cash in banks are demand deposits having low and stable interest rate.

**(ii) Currency risk**

Currency risk is the risk that the value of the Fund's financial instruments will be affected by changes in exchange rates. The Fund is not exposed to currency risk as the Fund's assets and liabilities are denominated in Vietnam Dong, which is the Fund's accounting currency.

**(iii) Market price risk**

Market price risk is the risk that the value of the financial instruments will decrease as a result of changes in market index and in the value of individual securities.



## DFVN Capital Appreciation Fund

### Notes to the financial statements for the year ended 31 December 2020 (continued)

**Form B06 – QM**

*(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)*

The Fund has mainly invested in listed securities that are affected by equity price risk arising from the uncertainty in the fluctuation of the future market value of these securities. Market price risk is managed by the Fund Management Company by diversifying the investment portfolio and careful selection of securities within specified limits.

As at 31 December 2020, the market value of the Fund's listed securities is VND100,366,421,350 (31/12/2019: the market value of the Fund's listed securities is VND77,462,612,500). During the year ended 31 December 2020, the fluctuation of VN-Index between the highest point and lowest point was approximately 66.61% (calculated at each month-end) (31/12/2019: 10%). Had the market prices of these securities increased or decreased by 66.61% as at 31 December 2020 with all other variable remaining constant, the Fund's Net Asset Value would have increased or decreased by VND66,854,073,261 (31/12/2019: VND7,746,261,250).

- (\*) The significant fluctuation was due to pandemic as analysed in Report of the Fund Management Company, Item Market description.

#### **(d) Fair value**

Fair value is the value which is determined as the appropriate market price that would be received for sale of an asset or paid to transfer a liability at the measurement date.



**DFVN Capital Appreciation Fund**
**Notes to the financial statements for the year ended 31 December 2020 (continued)**
**Form B06 – QM**
*(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)*
**(i) Fair values versus carrying amounts**

The table below presents the carrying amounts and fair values of the Fund's financial assets and liabilities:

	31/12/2020		31/12/2019	
	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
<b>Financial assets</b>				
<i>Categorised as financial assets at fair value through profit or loss</i>				
▪ Investments	100,366,421,350	100,366,421,350	77,462,612,500	77,462,612,500
<i>Listed shares</i>	<i>100,366,421,350</i>	<i>100,366,421,350</i>	<i>77,462,612,500</i>	<i>77,462,612,500</i>
<i>Categorised as loans and receivables</i>				
▪ Cash in banks and cash equivalents	3,122,878,226	3,122,878,226	6,924,362,986	6,924,362,986
▪ Receivables from disposals of investments	656,164,275	656,164,275	181,028,050	181,028,050
▪ Interest and dividends receivables	221,300,000	221,300,000	177,300,000	177,300,000
<b>Financial liabilities</b>				
<i>Categorised as financial liabilities carried at amortised cost:</i>				
▪ Payable for purchasing investments	432,147,250	432,147,250	3,571,248,850	3,571,248,850
▪ Payable to distribution agents	88,000	88,000	80,000	80,000
▪ Accrued expenses	138,500,000	138,500,000	133,000,000	133,000,000
▪ Advances from Fund Unitholders for Fund units subscription	772,200,000	772,200,000	1,000,000	1,000,000
▪ Payables to Fund Unitholders for Fund units redemption	236,580,656	236,580,656	5,176,723	5,176,723
▪ Fund management service fees payable	185,564,836	185,564,836	164,479,093	164,479,093

## DFVN Capital Appreciation Fund

### Notes to the financial statements for the year ended 31 December 2020 (continued)

Form B06 – QM

(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)

#### (ii) *Basis for determining fair values*

The Fund uses the following methods and assumptions in estimation of fair value of financial assets and liabilities:

- Fair value of cash and cash equivalents are account balance at the end of the accounting period.
- Fair value of shares which are listed on the Ho Chi Minh City Stock Exchange or Hanoi Stock Exchange are the closing prices or other names, in accordance with the regulations of the Stock Exchange on the latest trading date of the securities prior to the valuation date.
- Fair values of other financial assets and liabilities approximate their carrying values as at 31 December 2020 and 31 December 2019 due to the short-term maturity of these financial instruments.

## 22. Subsequent events

At the issuance date of these financial statements, the Fund's Net Asset Value at the latest valuation date (23 March 2021) was VND114,944,722,068, which increases by 12.03% as compared to the Fund's Net Asset Value as at 31 December 2020.

## 23. Approval for issuance of the financial statements

The financial statements for the year ended 31 December 2020 were authorised for issue by the Chairman on behalf of the Board of Representatives on 25 March 2021.

25 March 2021

Dai-ichi Life Vietnam Fund Management Company Limited

Prepared by:



Ms. Ho Thi Mai Phuong  
Operation Officer



Ms. Tran Thi Anh Tram  
Operation Senior Manager

Approved by:



Mr. Tran Chau Danh  
Chief Executive Officer

