

**VINAWEALTH ENHANCED FIXED INCOME FUND**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**VINAWEALTH ENHANCED FIXED INCOME FUND**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**VINAWEALTH ENHANCED FIXED INCOME FUND**

**GENERAL INFORMATION**

<b>Initial Public Offering Licence</b>	56/GCN-UBCK dated 12 December 2012
<b>Establishment Registration Certificate</b>	02/GCN-UBCK dated 1 April 2013 Establishment Registration Certificate was issued by the State Securities Commission for an indefinite period.
<b>Board of Representatives</b>	Mr. Luong Quang Hien      Chairman Mr. Alan Thien Pham      Member Mr. Nguyen Thi Thai Thuan      Member
<b>Fund Management Company</b>	VinaWealth Fund Management Joint Stock Company
<b>Supervising Bank</b>	HSBC Bank (Vietnam) Ltd.
<b>Registered Office</b>	5 <sup>th</sup> Floor, Sun Wah Tower, 115 Nguyen Hue Street, District 1, Ho Chi Minh City, Vietnam
<b>Auditor</b>	PricewaterhouseCoopers (Vietnam) Limited

## VINAWEALTH ENHANCED FIXED INCOME FUND

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

Management of VinaWealth Fund Management Joint Stock Company ("the Fund Management Company") is responsible for the financial statements which give a true and fair view of the financial position and investment portfolio of VinaWealth Enhanced Fixed Income Fund ("the Fund") as at 31 December 2014 and the results of its operations and cash flows and changes in net assets for the year then ended, in accordance with Vietnamese Accounting Standards, Circular 198/2012/TT-BTC dated 15 November 2012 issued by the Ministry of Finance on the promulgation of accounting system for open-ended investment funds, Circular 183/2011/TT-BTC dated 16 December 2011 issued by the Ministry of Finance on the establishment and management of open-ended funds and applicable regulations on preparation and presentation of financial statements. In preparing these financial statements, management of the Fund Management Company is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Fund will continue in business.

Management of the Fund Management Company is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Fund and which enable the financial statements to be prepared which comply with the basis of accounting set out in Note 3 to the financial statements. 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 errors.

### APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements as set out on pages 6 to 33 which give a true and fair view of the financial position and investment portfolio of the Fund as at 31 December 2014 and the results of its operations and cash flows and changes in net assets for the year then ended, in accordance with Vietnamese Accounting Standards, Circular 198/2012/TT-BTC dated 15 November 2012 issued by the Ministry of Finance on the promulgation of accounting system for open-ended investment funds, Circular 183/2011/TT-BTC dated 16 December 2011 issued by the Ministry of Finance on the establishment and management of open-ended funds and applicable regulations on preparation and presentation of financial statements.

On behalf of management of the Fund Management Company



Nguyễn Thị Thái Thuận  
Chairperson

Ho Chi Minh City, SR of Vietnam  
30 March 2015

**VINAWEALTH ENHANCED FIXED INCOME FUND**

**REPORT OF THE BOARD OF REPRESENTATIVES**

**APPROVAL OF THE FINANCIAL STATEMENTS**

We hereby approve the accompanying financial statements as set out on pages 6 to 33 which give a true and fair view of the financial position and investment portfolio of the Fund as at 31 December 2014 and the results of its operations and cash flows and changes in net assets for the year then ended, in accordance with Vietnamese Accounting Standards, Circular 198/2012/TT-BTC dated 15 November 2012 issued by the Ministry of Finance on the promulgation of accounting system for open-ended investment funds, Circular 183/2011/TT-BTC dated 16 December 2011 issued by the Ministry of Finance on the establishment and management of open-ended funds and applicable regulations on preparation and presentation of financial statements.

On behalf of the Board of Representatives



---

Luong Quang Hien  
Chairman

Ho Chi Minh City, Vietnam  
30 March 2015



**INDEPENDENT AUDITOR'S REPORT  
TO THE INVESTORS OF VINAWEALTH ENHANCED FIXED INCOME FUND**

We have audited the accompanying financial statements of VinaWealth Enhanced Fixed Income Fund ("the Fund") which were prepared on 31 December 2014. The financial statements comprise the statement of comprehensive income, the statement of changes in Net Asset Value, subscriptions and redemptions of Fund Certificates, the statement of cash flows for the year ended 31 December 2014, the statement of financial position, the statement of investment portfolio as at 31 December 2014 and explanatory notes to the financial statements including significant accounting policies, as set out on page 6 to 33.

**Responsibility of management of VinaWealth Fund Management Joint Stock Company ("the Fund Management Company") for the financial statements**

Management of the Fund Management Company is responsible for the preparation and the true and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, Circular 198/2012/TT-BTC dated 15 November 2012 issued by the Ministry of Finance on the promulgation of accounting system for open-ended investment funds, Circular 183/2011/TT-BTC dated 16 December 2011 issued by the Ministry of Finance on the establishment and management of open-ended funds and applicable regulations on preparation and presentation of financial statements and responsible for internal controls which management determines that it is relevant to the preparation and fair presentation of the 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 the 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 standards and requirements, plan and perform the audit in order to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including an 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 controls relevant to the Fund's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the Fund Management Company, as well as evaluating the overall presentation of the financial statements.

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



### Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position and investment portfolio of the Fund as at 31 December 2014 and the results of its operations and cash flows and changes in net assets for the year then ended, in accordance with Vietnamese Accounting Standards, Circular 198/2012/TT-BTC dated 15 November 2012 issued by the Ministry of Finance on the promulgation of accounting system for open-ended investment funds, Circular 183/2011/TT-BTC dated 16 December 2011 issued by the Ministry of Finance on the establishment and management of open-ended funds and applicable regulations on preparation and presentation of financial statements.



PricewaterhouseCoopers (Vietnam) Limited

Ian S. Lydall  
Audit Practising Licence No.  
0559-2013-006-1  
Authorised signatory

Nguyen Hoang Nam  
Audit Practising Licence No.  
0849-2013-006-1

Report reference number: HCM4708  
Ho Chi Minh City  
30 March 2015


As indicated in Note 3.1 to the financial statements, the accompanying financial statements are not intended to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam, and furthermore their utilization is not designed for those who are not informed about Vietnam's accounting principles, procedures and practices.

VINAWEALTH ENHANCED FIXED INCOME FUND

Form B01 - QM

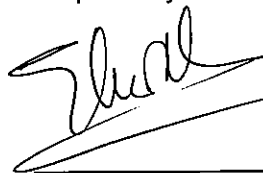
STATEMENT OF COMPREHENSIVE INCOME

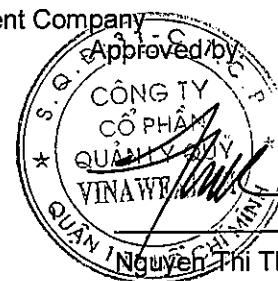
Code		Note	Year ended 31.12.2014 VND	Period from 1.4.2013 to 31.12.2013 VND
<b>01</b>	<b>I</b>			
			<b>6,545,655,238</b>	<b>3,374,825,661</b>
02	1.1		250,180,000	-
03	1.2	16		
			5,121,572,319	1,335,511,288
04	1.3	17	1,705,401,369	1,198,000,000
05	1.4			
		18	(534,995,122)	838,005,479
06	1.5		3,496,672	3,308,894
<b>10</b>	<b>II</b>		<b>808,959,963</b>	<b>20,407,900</b>
11	2.1	19	76,261,143	20,407,900
13	2.2		732,698,820	-
<b>20</b>	<b>III</b>		<b>1,526,449,733</b>	<b>1,021,786,464</b>
20.1	3.1	23(a)	679,407,939	350,988,061
20.2	3.2	23(b)	186,190,021	162,338,666
20.3	3.3	23(b)	79,200,000	59,400,002
20.4	3.4	23(b)	132,000,000	99,000,000
20.5	3.5	23(b)	206,126,438	183,362,218
20.7	3.6		21,161,810	23,032,110
20.8	3.7		129,949,602	80,996,300
20.10	3.8	20	92,413,923	62,669,107
<b>23</b>	<b>IV</b>		<b>4,210,245,542</b>	<b>2,332,631,297</b>
<b>30</b>	<b>V</b>		<b>4,210,245,542</b>	<b>2,332,631,297</b>
31	5.1		4,745,240,664	1,494,625,818
32	5.2		(534,995,122)	838,005,479
<b>40</b>	<b>VI</b>		-	-
<b>41</b>	<b>VII</b>		<b>4,210,245,542</b>	<b>2,332,631,297</b>

Supervising Bank  
Verified by: 

HSBC Bank (Vietnam) Ltd.  
30 March 2015

Fund Management Company  
Prepared by:

  
\_\_\_\_\_  
Nguyen Ngoc Linh Phuong  
Chief Accountant  
30 March 2015

Approved by:  
  
\_\_\_\_\_  
Nguyen Thi Thai Thuan  
Chairperson  
30 March 2015

The notes on pages 11 to 33 are an integral part of these financial statements.



VINAWEALTH ENHANCED FIXED INCOME FUND

Form B02 - QM

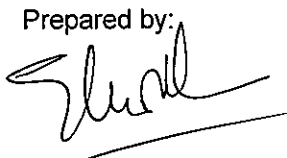
STATEMENT OF FINANCIAL POSITION

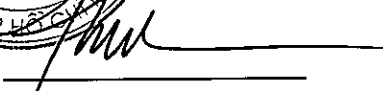
Code	Note	As at 31.12.2014 VND	As at 31.12.2013 VND
<b>100 I ASSETS</b>			
<b>110 1 Cash and cash equivalents</b>	5	<b>20,004,788,086</b>	<b>10,081,720,151</b>
111 1.1 Cash at banks for the Fund's operations		13,264,731,055	81,720,151
112 1.2 Deposits with maturity not exceeding 3 months		6,740,057,031	10,000,000,000
<b>120 2 Net investments</b>	6	<b>82,319,143,219</b>	<b>40,811,205,479</b>
121 2.1 Investments		82,319,143,219	40,811,205,479
<b>130 3 Receivables</b>		<b>1,960,723,381</b>	<b>31,111,111</b>
136 3.1 Undue interest receivables	7	1,960,723,381	31,111,111
<b>100 TOTAL ASSETS</b>		<b>104,284,654,686</b>	<b>50,924,036,741</b>
<b>300 II LIABILITIES</b>			
311 1 Short-term loans	8	15,513,850,000	-
313 2 Subscription and redemption fee payable to distributors and the fund management company		2,307,514	-
314 3 Tax payables and obligations to the State Budget	9	2,105,741	25,842,458
316 4 Expense accruals	10	191,422,788	124,028,410
317 5 Subscription payable to investors	11	50,000,000	-
318 6 Redemption payable to investors	12	-	2,076,200
319 7 Fund management fee payables	13	137,010,462	97,154,160
<b>300 TOTAL LIABILITIES</b>		<b>15,896,696,505</b>	<b>249,101,228</b>
<b>400 III DISTRIBUTABLE NET ASSET VALUE</b>		<b>88,387,958,181</b>	<b>50,674,935,513</b>
411 1 Share capital	14	77,558,843,900	48,396,108,400
412 1.1 Issued capital		115,873,204,500	73,734,155,500
413 1.2 Redeemed capital		(38,314,360,600)	(25,338,047,100)
414 2 Share premium		4,286,237,442	(53,804,184)
420 3 Accumulated retained earnings		6,542,876,839	2,332,631,297
<b>430 IV NET ASSET VALUE PER FUND UNIT</b>		<b>11,396</b>	<b>10,471</b>

OFF STATEMENT OF FINANCIAL POSITION ITEM

1. Number of Fund Certificates in issue 22 7,765,884.39 4,839,610.84

Supervisor Bank  
 PHONG RAINBOW  
 NGÂN HÀNG  
 TRÁCH NHIỆM  
 MỘT THÀNH VIÊN  
 HSBC  
 (VN) (MM)  
 Le Thanh Tam  
 Head of Fund Services,  
 HSBC Bank (Vietnam) Services  
 30 March 2015

Fund Management Company  
 Prepared by:  
  
 Nguyen Ngoc Linh Phuong  
 Chief Accountant  
 30 March 2015

Approved by:  
  
 Nguyen Thi Thai Thuan  
 Chairperson  
 30 March 2015

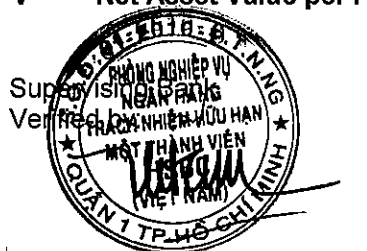
The notes on pages 11 to 33 are an integral part of these financial statements.

VINAWEALTH ENHANCED FIXED INCOME FUND

Form B03 - QM

STATEMENT OF CHANGES IN NET ASSET VALUE,  
SUBSCRIPTIONS AND REDEMPTIONS OF FUND CERTIFICATES  
FOR THE YEAR ENDED 31 DECEMBER 2014

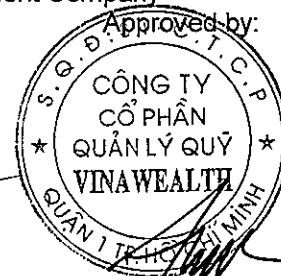
	Year ended 31.12.2014 VND	Period from 1.4.2013 to 31.12.2013 VND
I Net Asset Value as at 31 December 2013/ 1 April 2013	50,674,935,513	53,810,960,100
II Changes in Net Asset Value for the period	4,210,245,542	2,332,631,297
<i>In which:</i>		
II.1 Changes in Net Asset Value due to market fluctuation and the Fund's operation	4,210,245,542	2,332,631,297
III Changes in Net Asset Value due to subscription, redemption of Fund Certificates	33,502,777,126	(5,468,655,884)
<i>In which:</i>		
III.1 Receipts from subscriptions	48,126,796,214	20,373,806,762
III.2 Payments to redemptions	(14,624,019,088)	(25,842,462,646)
IV Net Asset Value as at 31 December 2014/ 31 December 2013	<u>88,387,958,181</u>	<u>50,674,935,513</u>
V Net Asset Value per Fund Unit	11,396	10,471



Supervised by  
Verified by  
**Le Thi Thanh Tam**  
Vice President, Head of Fund Services,  
HSBC Securities Services  
HSBC Bank (Vietnam) Ltd.  
30 March 2015

Fund Management Company  
Prepared by:

Nguyen Ngoc Linh Phuong  
Chief Accountant  
30 March 2015



Approved by:

Nguyen Thi Thai Thuan  
Chairperson  
30 March 2015

The notes on pages 11 to 33 are an integral part of these financial statements.

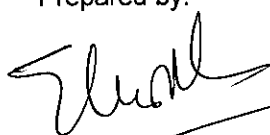
VINAWEALTH ENHANCED FIXED INCOME FUND

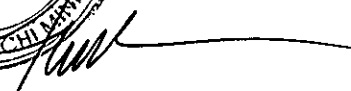
Form B04 - QM

STATEMENT OF INVESTMENT PORTFOLIO  
AS AT 31 DECEMBER 2014

No	Details	Quantity	Market value as at 31.12.2014 VND	Total value as at 31.12.2014 VND	Percentage of total assets %
<b>I Listed share</b>					
1	VNM	50,000	95,500	4,775,000,000	4.58%
<b>Total</b>				<b>4,775,000,000</b>	<b>4.58%</b>
<b>II Listed bonds</b>					
1	Government bond - TD1315009	50,000	102,099	5,104,950,000	4.90%
2	Government bond - TD1417078	200,000	100,808	20,161,608,219	19.33%
3	Government bond - TD1419086	100,000	104,574	10,457,400,000	10.03%
4	Government bond - TD1419089	400,000	100,670	40,268,000,000	38.61%
5	Government bond - TB1015059	15,300	101,450	1,552,185,000	1.49%
				<b>77,544,143,219</b>	<b>74.36%</b>
<b>II Other assets</b>					
1	Accrued interest income from bank deposits			22,450,286	0.02%
2	Accrued interest income from bonds			1,938,273,095	1.86%
				<b>1,960,723,381</b>	<b>1.88%</b>
<b>III Cash and cash equivalents</b>					
1	Current accounts			13,264,731,055	12.72%
2	Term deposits with maturity not exceeding 3 months			1,701,666,700	1.63%
3	Certificates of deposits with maturity not exceeding 3 months			5,038,390,331	4.83%
				<b>20,004,788,086</b>	<b>19.18%</b>
<b>VI TOTAL PORTFOLIO'S VALUE</b>				<b>104,284,654,686</b>	<b>100.00%</b>

Supervising Bank  
Vice President  
TRÁCH NHIỆM  
MỘT THÀNH VIÊN  
HSBC  
Le Thai Thuan  
Vice President of Fund Services,  
HSBC Securities Services  
(Vietnam) Ltd.  
30 March 2015

Fund Management Company  
Prepared by:  
  
Nguyen Ngoc Linh Phuong  
Chief Accountant  
30 March 2015

Approved by:  
  
QUẢN LÝ QUỸ  
VINAWEALTH  
QUẬN 1 TP. HỒ CHÍ MINH  
Nguyen Thi Thai Thuan  
Chairperson  
30 March 2015

The notes on pages 11 to 33 are an integral part of these financial statements.

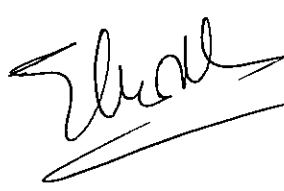
VINAWEALTH ENHANCED FIXED INCOME FUND

Form B05 - QM

STATEMENT OF CASH FLOWS  
(Direct method)

Code		Year ended 31.12.2014 VND	Period from 1.4.2013 to 31.12.2013 VND
<b>I</b>	<b>Cash flows from investing activities</b>		
01	1 Payments for purchases of investments	(84,919,487,383)	(90,814,700,000)
02	2 Proceeds from disposals of investments	44,463,599,726	52,039,500,000
03	3 Dividends received	250,180,000	-
04	4 Interest received	3,310,316,213	1,304,400,177
05	5 Interest paid for the Fund's operations	(731,211,191)	-
06	6 Other payments for the Fund's operations	(1,424,838,322)	(800,603,894)
08	8 Payments for expenses from investment trading (brokerage fees, bank charges)	(72,109,503)	(20,407,900)
<b>20</b>	<b>Net cash outflows from investing activities</b>	<b>(39,123,550,460)</b>	<b>(38,265,969,159)</b>
<b>II</b>	<b>Cash flows from financing activities</b>		
21	1 Proceeds from subscription of the Fund's Certificates	48,182,580,386	20,527,765,000
22	2 Payments for redemption of the Fund's Certificates	(14,649,811,991)	(25,620,725,484)
24	4 Proceeds from borrowings	157,836,650,000	-
25	5 Repayments of borrowings	(142,322,800,000)	-
<b>30</b>	<b>Net cash inflows from financing activities</b>	<b>49,046,618,395</b>	<b>(5,732,326,190)</b>
<b>40</b>	<b>III Net increase/(decrease) in cash and cash equivalent for the year/period</b>	<b>9,923,067,935</b>	<b>(43,998,295,349)</b>
<b>50</b>	<b>IV Cash and cash equivalents at the beginning of the year/period (from initial public offering)</b>		
51	Cash at banks at the beginning of the year/period	10,081,720,151	54,080,015,500
<b>55</b>	<b>V Cash and cash equivalents at the end of the year/period</b>		
56	Cash at banks at the end of the year/period	20,004,788,086	10,081,720,151
<b>60</b>	<b>VI Changes in cash and cash equivalents in the year/period</b>	<b>9,923,067,935</b>	<b>(43,998,295,349)</b>

  
 Certified by:  
 NGUYỄN THỊ THAI THUAN  
 TRÁCH NHIỆM VIÊN  
 MỘT THÀNH VIÊN  
 HSBC  
 (VIỆT NAM)  
 Nguyễn Thị Thái Thuận  
 Vice President, Head of Fund Services,  
 HSBC Securities Services  
 HSBC Bank (Vietnam) Ltd.  
 30 March 2015

Fund Management Company  
 Prepared by:  
  
 Nguyen Ngoc Linh Phuong  
 Chief Accountant  
 30 March 2015

Approved by:  
  
 CÔNG TY  
 CỔ PHẦN  
 QUẢN LÝ QUỸ  
 VINAWEALTH  
 QUẬN 1 TP. HỒ CHÍ MINH  
  
 Nguyễn Thị Thái Thuận  
 Chairperson  
 30 March 2015

The notes on pages 11 to 33 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

**1 GENERAL INFORMATION OF VINAWEALTH ENHANCED FIXED INCOME FUND**

**1.1 Licence for Fund Certificate Public Offering and Establishment Registration Certificate**

VinaWealth Enhanced Fixed Income Fund ("the Fund") is an open-ended investment fund established in accordance with the licence for initial public offering No. 56/GCN-UBCK issued by the State Securities Commission ("SSC") on 12 December 2012 and the Establishment Registration Certificate No. 02/GCN-UBCK issued by the SSC on 1 April 2013. According to this Establishment Registration, the Fund was licenced to operate for an indefinite period. The Fund's Certificates are traded via the Fund's agencies.

The Fund has no employees and is managed by VinaWealth Fund Management Joint Stock Company ("the Fund Management Company"). HSBC Bank (Vietnam) Ltd. was appointed as the Supervising Bank of the Fund.

**1.2 General information of the Fund's operations**

***Size of the Fund***

Pursuant to the Establishment Registration Certificate, the Fund Charter Capital is VND53,810,960,100.

As at 31 December 2014, the Fund's capital is based on the actual contribution of the investors presented in Note 14.

***Investment objectives***

The targeted investing activity of the Fund is profit maximisation by investing in bonds and fixed-income and floating securities (issued by the Government), money market, corporate bonds and valuable papers.

***Investment restrictions***

The Fund's investment portfolio and its restrictions shall be in compliance with the investment objectives and investment strategy as stipulated in the Fund's Charter and Prospectus.

The Fund's investment activities must comply with following rules:

- a) Structure of the investment portfolio of the Fund must be at least eighty percent (80%) of Net Asset Value into bonds and valuable papers, and must ensure simultaneously:
- b) Do not invest more than forty-nine percent (49%) of the Fund's total assets value in deposits at financial institutions as prescribed by the laws on banking; money market instruments, foreign currencies, valuable papers and negotiable instruments in accordance with the laws on banking;
- c) Do not invest more than thirty percent (30%) of the Fund's total assets value in deposits at financial institutions as prescribed by the laws on banking; money market instruments, foreign currencies, valuable papers and negotiable instruments in accordance with the laws on banking; listed bonds of issuers operating under Vietnam's law; shares and bonds prepared to be listed or registered for trading by issuers that are established and operating in accordance with Vietnamese laws; listed and registered derivatives at stock exchange for hedging which are issued by the same company or by a group of companies that have mutual ownership relations, in which the investment in derivatives securities equals the value committed in the contracts;

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

1 GENERAL INFORMATION OF VINAWEALTH ENHANCED FIXED INCOME FUND  
(continued)

1.2 General information of the Fund's operations (continued)

*Investment restrictions (continued)*

- d) Do not invest more than twenty percent (20%) of the Fund's total asset value in currently trading securities of an issuer, including valuable papers, negotiable instruments, bonds, voting shares, non-voting preference shares; convertible bonds, except for Government bonds;
- e) Do not invest in securities of an issuer more than ten percent (10%) of total value of outstanding securities of that issuer, except for Government bonds;
- f) Do not invest more than ten percent (10%) of the Fund's total assets value in shares, bonds to be listed or registered by the issuers operating under Vietnam's law, except for Government bonds;
- g) The total value of major investments in the Fund's investment portfolio must not exceed forty percent (40%) of the Fund's total assets value, except for Government bonds;
- h) At any time, the total committed value in derivatives, loans and payables of the Fund must not exceed the Fund's net assets value;
- i) Do not invest in securities investment funds, shares of securities investment companies that are established and operated in Vietnam;
- j) Do not directly invest in real estates, precious stones and metals;

Except for the cases stipulated in point h,i,j, the investment structure of the Fund may vary the abovementioned limitations but not more than fifteen percent (15%) to the above limitation and only due to following reasons:

- a) The fluctuation of market price of the assets in the Fund's investment portfolio;
- b) The Fund's legitimate payments;
- c) Execution of investors' trading orders;
- d) Consolidation, acquisition and merger other issuers;
- e) The Fund which has just been licensed or established due to spitting, consolidation or merger and has not operated more than six (6) months from the date that the Fund's establishment certificated is subscribed;
- f) The Fund is in the process of dissolution;
- g) The conversion of the Fund's assets such as: convertible bonds into shares in accordance with conversion terms and/or maturity date of securities which are determined by the issuers.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

**1 GENERAL INFORMATION OF VINAWEALTH ENHANCED FIXED INCOME FUND  
(continued)**

**1.2 General information of the Fund's operations (continued)**

***Frequency of Net Asset Value (NAV) valuation***

The Fund's assets are valued weekly and monthly. The valuation date is Tuesday for weekly valuation and first date of the next month for monthly valuation.

***Method of NAV valuation***

The Fund's NAV is measured at total assets less its liabilities as at the date prior to the valuation date. Total value of Fund's assets is measured at their market value or fair value.

NAV per Fund Unit is calculated by dividing the total Net Asset Value of the Fund by the number of outstanding Fund Certificates at the date prior to the valuation date.

***Frequency of trading Fund's Certificates***

The Fund's Certificates are traded weekly on every Tuesday ("the dealing date") or decided by the Fund Management Company but not less than twice per month.

**2 FISCAL YEAR AND REPORTING CURRENCY**

**2.1 Fiscal year**

The Fund's fiscal year is from 1 January to 31 December.

**2.2 Reporting currency**

The financial statements are measured and presented in Vietnamese Dong ("VND").

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the statement of comprehensive income.

Monetary assets and liabilities denominated in foreign currencies at the date of the statement of financial position are translated at the prevailing exchange rate on the same day. Differences arising from the translation of foreign currencies are recognised in the statement of comprehensive income.

**3. ACCOUNTING STANDARDS AND REPORTING FRAMEWORK APPLIED**

**3.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, Circular 198/2012/TT-BTC issued by the Ministry of Finance on the promulgation of accounting system for open-ended investment funds, Circular 183/2011/TT-BTC issued by the Ministry of Finance on the establishment and management of open-ended funds and applicable regulations on preparation and presentation of financial statements.

The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

**3. ACCOUNTING STANDARDS AND REPORTING FRAMEWORK APPLIED (continued)**

**3.1 Basis of preparation of financial statements (continued)**

In accordance with Circular 198/2012/TT-BTC issued by Ministry of Finance dated 15 November 2012, the Fund's financial statements include the following reports:

1. Statement of comprehensive income (B01-QM)
2. Statement of financial position (B02-QM)
3. Statement of changes in Net Asset Value, subscriptions and redemptions of Fund Certificates (B03-QM)
4. Statement of investment portfolio (B04-QM)
5. Statement of cash flows (B05-QM)
6. Notes to the financial statements (B06-QM)

**3.2 Registered accounting documentation system**

The registered accounting documentation system is the General Journal system.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**4.1 Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and other short-term investments with the maturity not exceeding three (03) months, which are readily convertible to cash and subject to an insignificant risk of conversion.

**4.2 Investments**

(a) Classification

The Fund classifies its investment in listed and unlisted securities as held for trading.

(b) Recognition/Derecognition

Purchases and sales of investments are recognised at trade date – the day on which the Fund commits to purchase or sell the investment. Investments are derecognised when the right to receive cash flows from the investments has expired or the Fund has transferred substantially all risks and rewards of ownership of the investments.

The cost of securities classified as held for trading is determined by the weighted average method.

(c) Initial recognition

Investments are initially recognised at the cost of acquisition and revalued as at the reporting date in accordance with Circular 198/2012/TT-BTC on the promulgation of accounting system for open-ended investment funds.

Bonus issues and stock dividends are initially recorded as investments at nil cost and then are revalued at the market value of underlying securities as at the date of statement of financial position.

The value of rights issues is determined as the difference between the market price of the underlying shares at the date of the statement of financial position and the amount payable to exercise the rights at the exercise date, multiplied by the rights exercise ratio. The rights are revalued at the date of the statement of financial position.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Investments (continued)

(c) Subsequent measurements

(i) Bonds

**Bonds listed on stock exchanges**

Bonds listed on stock exchanges are revalued basing on the quoted price on stock exchange at the latest trading date prior to the valuation date plus accumulated accrued interest.

Where these bonds are not traded for more than two (2) weeks prior to (but exclusive) the valuation date, the fair values of these bonds are determined on the following priority basis:

- purchase price (clean price) plus accumulated accrued interest
- par value plus accumulated accrued interest
- the price determined basing on the valuation techniques approved by the Board of Representatives

**Unlisted bonds**

Unlisted bonds are revalued basing on the quoted price (if any) on stock exchange at the latest trading date prior to the valuation date plus accumulated accrued interest.

In case there is no quoted price on stock exchange, the fair values of unlisted bonds are determined on the following priority basis:

- purchase price (clean price) plus accumulated accrued interest
- par value plus accumulated accrued interest

Where the bonds' trading prices are significantly changed from the most recent valuation date (\*), the Fund Management Company shall recommend the fair values of the bonds based on valuation techniques approved by the Board of Representatives.

(\*) Valuation Manual sets out circumstances where trading price of listed bonds are significant changed from most recent valuation date as follows:

	<b>Changes from the most recent valuation date</b>
Government bonds	Over +/- 1%
Bonds guaranteed by the Governments,	
Municipal bonds	Over +/- 5%
Corporate bonds	Over +/- 5%

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Investments (continued)

(c) Subsequent measurements (continued)

(ii) *Listed equities, equities of the public companies registered for trading*

These equities are revalued at the closing prices of the latest trading date prior to the valuation date.

Where equities are not traded for more than two (02) weeks prior to (but exclusive) the valuation date, their fair values are determined based on the following priorities:

- average price at the latest trading date prior to the valuation date quoted by at least three (03) independent securities companies;
- where the number of securities companies' quotations are less than 3, their fair values are determined based on the following priorities:
  - average of bid price quoted by 2 securities companies
  - the most recent adopted value but not older than 3 months prior to (but exclusive) the valuation date
  - book value
  - purchase price
  - the price determined basing on the valuation techniques approved by the Board of Representatives

(iii) *Unlisted, unregistered for trading equities*

The fair values of these equities are determined at the average of quoted prices (average of transacted prices during the valuation period) by at least three (03) independent securities companies on the most recent trading day prior to the valuation date.

Where the number of securities companies' quotations are less than 3, their fair values are determined based on the following priorities:

- average price quoted by 2 securities companies
- the most recent adopted value but not older than 3 months prior to (but exclusive) the valuation date
- book value
- purchase price
- the price determined basing on the valuation techniques approved by the Board of Representatives

(iv) *Suspended equities, delisted equities or unregistered equities*

The fair values of these equities are determined based on one of following values in priority:

- book value;
- par value;
- the price determined basing on the valuation techniques approved by the Board of Representatives

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

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

**4.2 Investments (continued)**

(c) Subsequent measurements (continued)

(v) *Equities of entities in process of dissolution or bankruptcy*

The fair values of these equities are determined on the following priority basis:

- 80% of disposal value of these equities as at the latest preparation date of the balance sheet prior to the valuation date;
- the price determined basing on the valuation techniques approved by the Board of Representatives.

(vi) *Other equity investments*

Other equity investments are revalued on the following priority basis:

- book value;
- purchase price/value of capital contributed until valuation date;
- other valuation techniques that are proposed by the Fund Management Company and approved by the Board of Representatives

(vii) *Other permitted types of investments*

Other permitted types of investments are revalued using valuation techniques that are proposed by the Fund Management Company, verified by the Supervising Bank and approved by the Board of Representatives.

**4.3 Receivables**

Receivables represent the amount of receivables from securities trading activities, dividend receivables, accrued interest income from bonds, accrued interest income from term deposits, accrued interest income from transferable certificates of deposit and other receivables. Receivables are carried at cost less provisions for doubtful debts.

Receivables are subject to review for impairment based on the overdue status of the receivables or the estimated loss arising from undue debts of which the indebted economic entities fall bankrupt or are undergoing dissolution procedures; debtors are missing, deceased or under legal claims.

Increase in provision of overdue receivables from investments sold but not yet settled is recorded as expense in the statement of comprehensive income.

Increase in provision of overdue dividend, bond interest, term deposit interest and other receivables are recorded as reduction of income in the statement of comprehensive income.

**4.4 Payables**

Payables presented in the financial statements are carried at cost of the payables for redemption, payables for investment trading activities, remuneration payable to the Board of Representatives, payables to the Fund Management Company, the Supervising Bank and other payables.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****4.5 Sale and repurchase agreements of government bonds**

The Fund accounts for the sale and repurchase agreements of government bonds in accordance with Circular 206/2009/TT-BTC ("Circular 206/2009") issued by the Ministry of Finance on 27 October 2009 which provides guidance on accounting treatments for sale and repurchase agreements of government bonds traded on Hanoi Stock Exchange.

According to Circular 206/2009, when the Fund sells its government bonds under a sale and repurchase contract, the Fund does not derecognise its investment in the government bonds being sold and measures its liabilities at amortised cost.

**4.6 Provision**

Provisions are recognised when: the Fund has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and a reliable estimate can be made of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligations. The increase in the provision due to passage of time is recognised as interest expense.

**4.7 Taxation**

According to current Vietnamese tax regulations; the Fund is not subjected to corporate income tax. However, the Fund Management Company has the responsibility to withhold income tax from individuals and organisations participating in following transactions with the Fund:

***Dividend paid to investors***

When the Fund pays dividend to investors, the Fund Management Company must follow tax requirement to withhold and submit tax according to Circular 78/2014/TT-BTC dated 18 June 2014 and Circular 111/2013/TT-BTC dated 15 August 2013 issued by Ministry of Finance. Accordingly, when the Fund pays dividend to investors which are organisations, regardless if they are foreign or local organisations, the Fund Management Company has to withhold 22% of distributed earnings after deducting distributed earning which is subjected to corporate income tax in the previous stage and interest income from bonds which are tax-free as stipulated by law. Also, when the Fund pays dividend to individual investors, regardless if they are tax residents or non-residents, the Fund Management Company must withhold personal income tax, which equals to dividend payable multiply by tax rate of 5%.

***Redemption of the Fund's certificates***

The Fund Management Company has the responsibility to withhold and submit tax for redemption transactions of the Fund's Certificates from individuals, regardless if they are tax residents or non-residents, and foreign organisations according to tax requirement. Applicable tax rate is the one for transfer of unlisted securities being 0.1% of transferred value according to Circular 111/2013/2014/TT-BTC dated 15 August 2013 and Circular 103/2014/TT-BTC dated 6 August 2014 issued by Ministry of Finance. For redemption transactions of local organisations, the Fund Management Company does not withhold tax and such local organisations themselves have responsibility to declare and submit tax.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Share capital

The Fund's Certificates are classified as equity. Each Certificate has a par value of VND10,000.

Number of allotted Fund Certificates shall be rounded down to two (02) decimal places.

*Issued capital*

Issued capital represents the investors' contributed capital at the establishment date and subsequent Fund's Certificate subscription cycles after the establishment date.

Issued capital is recorded as par value.

*Redeemed capital*

Redeemed capital represents the gross redemption amount paid to investor in subsequent Fund's Certificate redemption cycles after the establishment date.

Redeemed capital is recorded at par value.

*Share premium*

Share premium represents the difference between the subscription/redemption value and par value.

Subscription price is the amount at which the investor shall pay the Fund Management Company for a Fund Certificate. Subscription price at the dealing date is determined at NAV per Certificate at dealing date plus subscription fee as stipulated in the Fund's Prospectus.

Redemption price is the amount at which the fund shall pay to investor to redeem the Fund's Certificates. Redemption price at the dealing date is determined at NAV per Fund Certificate at dealing date minus redemption fee as stipulated in the Fund's Charter.

4.9 Revenue

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

*Interest income*

Interest income from deposits at banks and bonds is recognised in the statement of comprehensive income on an accruals basis unless collectability is in doubt.

*Dividend income*

Dividend income is recognised in the statement of comprehensive income when the Fund's entitlement as an investor to receive the dividends is established.

*Income from securities trading*

Income from securities trading activities is recognised in the statement of comprehensive income upon receipt of the trading report from the Vietnam Securities Depository Center which is verified by the Supervising Bank (for listed securities) and completion of the agreement of transferring assets (for unlisted securities).

VINAWEALTH ENHANCED FIXED INCOME FUND

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Expenses

Expenses are accounted for on an accruals basis.

4.11 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries control, or are controlled by, or are under common control with, the Fund, including holding companies, subsidiaries, and fellow subsidiaries are related parties of the Fund. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Fund that gives them significant influence over the Fund, key management personnel, including directors and members of Fund Representatives Committee and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

4.12 Nil balances

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

5 CASH AND CASH EQUIVALENTS

	As at 31.12.2014 VND	As at 31.12.2013 VND
<b>1. Cash for the Fund's operations</b>	<b>13,214,731,055</b>	<b>81,720,151</b>
HSBC Bank (Vietnam) Ltd.	13,214,731,055	81,720,151
<b>2. Cash of investors for subscription</b>	<b>50,000,000</b>	-
<b>3. Deposits with maturity not exceeding three months</b>	<b>6,740,057,031</b>	<b>10,000,000,000</b>
Term deposits at Vietnam Technological and Commercial Joint Stock Bank	5,038,390,331	-
Certificates of deposits at Vietnam Bank for Agriculture and Rural Development	1,701,666,700	10,000,000,000
	<u><b>20,004,788,086</b></u>	<u><b>10,081,720,151</b></u>

6 INVESTMENTS

The detail of the Fund's investments as at 31 December 2014 is as follows:

	Carrying value VND	Revaluation (loss)/gain VND	Market value as at 31.12.2014 VND
Listed share	5,328,750,000	(553,750,000)	4,775,000,000
Listed bonds	76,687,382,862	856,760,357	77,544,143,219
<b>Total</b>	<u><b>82,016,132,862</b></u>	<u><b>303,010,357</b></u>	<u><b>82,319,143,219</b></u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

6 INVESTMENTS (continued)

The following government bonds are pledged as collateral for the repurchase obligation as at 31 December 2014 (Note 8):

	Quantity	Market value as at 31.12.2014 VND	Total value as at 31.12.2014 VND	Percentage of total assets %
Government bond - TD1315009	50,000	102,099	5,104,950,000	4.90%
Government bond - TD1419086	100,000	104,574	10,457,400,000	10.03%
			<u>15,562,350,000</u>	<u>14.93%</u>

The detail of the Fund's investments as at 31 December 2013 is as follows:

	Carrying value VND	Revaluation gain VND	Market value as at 31.12.2013 VND
Listed bonds	<u>39,973,200,000</u>	<u>838,005,479</u>	<u>40,811,205,479</u>

7 RECEIVABLES

	As at 31.12.2014 VND	As at 31.12.2013 VND
<b>Dividend and interest receivables</b>	<b>1,960,723,381</b>	<b>31,111,111</b>
Undue	1,960,723,381	31,111,111
- <i>Accrued interest from listed bonds</i>	1,938,273,095	-
- <i>Interest receivables from transferable certificates of deposit/ term deposits with maturity exceeding three (03) months</i>	22,450,286	31,111,111
<b>Total</b>	<b><u>1,960,723,381</u></b>	<b><u>31,111,111</u></b>

8 SHORT-TERM LOANS

The balance as at 31 December 2014 relates to 2 sale and repurchase agreements of government bonds with Joint Stock Commercial Bank for Foreign Trade of Vietnam on 30 December 2014. The debt is denominated in VND and is repayable within 6 days since the first selling date. Its fair value at the reporting date is equal to the carrying amounts due to its short term nature. The debt is subject to an implied interest rate of 7.1 and 7.2 per cent per annum respectively.

**VINAWEALTH ENHANCED FIXED INCOME FUND**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9 TAX PAYABLES AND OBLIGATIONS TO THE BUDGET**

	<b>As at 31.12.2014 VND</b>	<b>As at 31.12.2013 VND</b>
Personal income tax withheld from redemption of the Fund's Certificates	2,105,741	25,842,458

**10 EXPENSES ACCRUALS**

	<b>As at 31.12.2014 VND</b>	<b>As at 31.12.2013 VND</b>
Audit fee	127,639,602	80,996,300
Meeting expenses	38,143,920	23,032,110
Board of Representatives' remunerations	19,999,997	20,000,000
Interest expense	1,487,629	-
Brokerage fee	4,151,640	-
	<u>191,422,788</u>	<u>124,028,410</u>

**11 SUBSCRIPTION PAYABLE TO INVESTORS**

	<b>As at 31.12.2014 VND</b>	<b>As at 31.12.2013 VND</b>
Subscription payable to investors	50,000,000	-

Subscription payable to investors represents the payable amount to the investors who registered valid subscription and the due date of payables is not more than seven (7) working days since the dealing date of the Fund's Certificates.

**12 REDEMPTION PAYABLE TO INVESTORS**

	<b>As at 1.12.2014 VND</b>	<b>As at 31.12.2013 VND</b>
Redemption payable to investors	-	2,076,200

Redemption payable to investors represents the payable amount to the investors who registered valid redemption and the due date of payables is not more than seven (7) working days since the dealing date of the Fund's Certificates.



VINAWEALTH ENHANCED FIXED INCOME FUND

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

13 FUND MANAGEMENT FEE PAYABLES

	As at 31.12.2014 VND	As at 31.12.2013 VND
Fund management fee	82,024,710	42,794,846
Custodian fee	14,899,999	17,999,999
Supervising fee	6,600,002	6,600,002
Fund administration fee	11,000,000	11,000,000
Transfer agency fee	22,485,751	18,759,313
	<u>137,010,462</u>	<u>97,154,160</u>

14 DISTRIBUTABLE NET ASSET VALUE

	As at 31.12.2013	Subscription/ Redemption	As at 31.12.2014
<b>Issued capital</b>			
Number of Fund Certificates	7,373,415.55	4,213,904.90	11,587,320.45
Subscribed capital at par value	73,734,155,500	42,139,049,000	115,873,204,500
Share premium of subscribed capital	450,611,362	5,987,747,214	6,438,358,576
Total subscribed capital	<u>74,184,766,862</u>	<u>48,126,796,214</u>	<u>122,311,563,076</u>
<b>Redeemed capital</b>			
Number of Fund Certificates	(2,533,804.71)	(1,297,631.32)	(3,831,436.03)
Redeemed capital at par value	(25,338,047,100)	(12,976,313,500)	(38,314,360,600)
Share premium of redeemed capital	(504,415,546)	(1,647,705,588)	(2,152,121,134)
Total redeemed capital	<u>(25,842,462,646)</u>	<u>(14,624,019,088)</u>	<u>(40,466,481,734)</u>
<b>Total contributed capital</b>	<u>48,342,304,216</u>	<u>33,502,777,126</u>	<u>81,845,081,342</u>
<b>Accumulated retained earnings</b>	<u>2,332,631,297</u>	<u>4,210,245,542</u>	<u>6,542,876,839</u>
<b>Net Asset Value</b>	<u>50,674,935,513</u>		<u>88,387,958,181</u>
<b>Number of outstanding Fund Certificates</b>	4,839,610.84		7,755,884.39
<b>NAV per Fund Unit</b>	10,471		11,396

VINAWEALTH ENHANCED FIXED INCOME FUND

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

15 ACCUMULATED RETAINED EARNINGS

	Year ended 31.12.2014 VND	Period from 1.4.2013 to 31.12.2013 VND
Profit after tax	4,210,245,542	2,332,631,297
In which:		
<i>Undistributed realised profit</i>	4,745,240,664	1,494,625,818
<i>Unrealised (loss)/profit</i>	(534,995,122)	838,005,479
Accumulated retained earnings at period end	<u>4,210,245,542</u>	<u>2,332,631,297</u>

16 INTEREST INCOME

	Year ended 31.12.2014 VND	Period from 1.4.2013 to 31.12.2013 VND
Received interest income	3,160,848,938	1,304,400,177
Accrued interest income	1,960,723,381	31,111,111
	<u>5,121,572,319</u>	<u>1,335,511,288</u>

VINAWEALTH ENHANCED FIXED INCOME FUND

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

17 REALISED GAIN FROM DISPOSAL OF INVESTMENTS

	Total proceeds of disposals VND	Weighted average cost of investments up to the latest trading date VND	Realised gain for the year ended 31.12.2014 VND	Cumulative realised gain as at 31.12.2014 VND	Realised gain for the period from 1.4.2013 to 31.12.2013 VND
Listed shares	8,578,910,000	7,885,210,000	693,700,000	693,700,000	-
Listed bonds	35,884,689,726	34,872,988,357	1,011,701,369	2,209,701,369	1,198,000,000
	<b>44,463,599,726</b>	<b>42,758,198,357</b>	<b>1,705,401,369</b>	<b>2,903,401,369</b>	<b>1,198,000,000</b>

18 UNREALISED GAIN FROM REVALUATION OF INVESTMENTS

	Carrying value VND	Market value as at 31.12.2014 VND	Unrealised gain from revaluation of investments as at 31.12.2014 VND	Unrealised gain from revaluation of investments as at 31.12.2013 VND	Unrealised loss from revaluation of investment in 2014 VND
Listed shares	5,328,750,000	4,775,000,000	(553,750,000)	-	(553,750,000)
Listed bonds	76,687,382,862	77,544,143,219	856,760,357	838,005,479	18,754,878
	<b>82,016,132,862</b>	<b>82,319,143,219</b>	<b>303,010,357</b>	<b>838,005,479</b>	<b>(534,995,122)</b>

VINAWEALTH ENHANCED FIXED INCOME FUND

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

19 EXPENSES FOR PURCHASE AND SALE OF INVESTMENTS

	Year ended 31.12.2014 VND	Period from 1.4.2013 to 31.12.2013 VND
Purchases and disposals of listed securities	76,261,143	20,407,900
Interest expenses	732,698,820	-
	<u>808,959,963</u>	<u>20,407,900</u>

During the period, the Fund's investment trading activities were executed through Vietcombank Securities Company Limited ("VCBS"), Vietnam Dragon Securities Company Limited ("VDBS"), Viet Capital Securities Company Limited ("VCSC"), and Ho Chi Minh City Securities Corporation. The average transaction expense is 0.015% on total trading value.

20 OTHER OPERATING EXPENSES

	Year ended 31.12.2014 VND	Period from 1.4.2013 to 31.12.2013 VND
Remuneration paid to the Board of Representatives (Note 23(b))	78,999,997	58,241,758
Bank charges	13,413,926	4,427,349
	<u>92,413,923</u>	<u>62,669,107</u>

VINAWEALTH ENHANCED FIXED INCOME FUND

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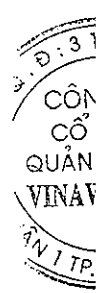
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

21 NET ASSET VALUE ("NAV")

No	Valuation date	NAV VND	Number of Fund Units	NAV per Fund Unit VND	Increase/(Decrease) in NAV per Fund nit VND
1	01/01/2014	50,674,935,513	4,839,610.84	10,471	-
2	06/01/2014	50,711,685,887	4,839,610.84	10,478	7
3	13/01/2014	49,117,666,485	4,839,610.84	10,149	(329)
4	20/01/2014	50,782,914,921	4,839,110.84	10,494	345
5	27/01/2014	50,852,644,612	4,836,110.84	10,515	21
6	31/01/2014	50,876,971,868	4,836,110.84	10,520	5
7	03/02/2014	50,894,664,454	4,836,110.84	10,524	4
8	10/02/2014	50,887,945,916	4,836,110.84	10,522	(2)
9	17/02/2014	50,996,987,931	4,836,110.84	10,545	23
10	24/02/2014	51,349,691,239	4,836,110.84	10,618	73
11	28/02/2014	51,331,124,824	4,836,110.84	10,614	(4)
12	03/03/2014	51,348,950,476	4,836,110.84	10,618	4
13	10/03/2014	51,562,181,568	4,836,110.84	10,662	44
14	17/03/2014	51,661,030,808	4,835,910.84	10,683	21
15	24/03/2014	51,698,244,674	4,835,138.14	10,692	9
16	31/03/2014	51,806,237,603	4,835,138.14	10,715	23
17	07/04/2014	52,209,070,450	4,835,138.14	10,798	83
18	14/04/2014	52,127,069,083	4,836,424.94	10,778	(20)
19	21/04/2014	51,315,639,546	4,836,424.94	10,610	(168)
20	28/04/2014	51,881,961,328	4,836,424.94	10,727	117
21	30/04/2014	51,950,023,973	4,836,424.94	10,741	14
22	05/05/2014	50,567,054,351	4,836,424.94	10,455	(286)
23	12/05/2014	49,624,722,311	4,800,765.64	10,337	(118)
24	19/05/2014	51,403,425,217	4,809,598.95	10,688	351
25	26/05/2014	51,918,834,802	4,834,355.72	10,740	52
26	31/05/2014	52,087,188,329	4,832,409.72	10,779	39
27	02/06/2014	52,027,895,990	4,832,409.72	10,766	(13)
28	09/06/2014	50,953,281,181	4,734,849.29	10,761	(5)
29	16/06/2014	51,086,938,819	4,734,849.29	10,790	29
30	23/06/2014	51,293,280,248	4,734,749.29	10,833	43
31	30/06/2014	51,520,704,474	4,734,749.29	10,881	48
32	07/07/2014	51,598,261,137	4,734,749.29	10,898	17
33	14/07/2014	52,084,460,435	4,734,749.29	11,000	102
34	21/07/2014	52,391,284,928	4,734,749.29	11,065	65
35	28/07/2014	52,334,848,630	4,734,749.29	11,053	(12)
36	31/07/2014	52,738,237,438	4,734,649.29	11,139	86
37	04/08/2014	52,940,731,634	4,734,649.29	11,182	43
38	11/08/2014	52,976,798,691	4,733,694.00	11,191	9
39	18/08/2014	53,490,854,175	4,734,935.62	11,297	106
40	25/08/2014	54,160,520,696	4,735,989.88	11,436	139
41	31/08/2014	95,983,728,502	8,390,440.23	11,440	4
42	01/09/2014	95,986,277,351	8,390,440.23	11,440	-
43	08/09/2014	96,285,980,285	8,390,440.23	11,476	36
44	15/09/2014	97,804,615,969	8,398,988.71	11,645	169
45	22/09/2014	98,270,140,089	8,397,988.71	11,702	57
46	29/09/2014	98,617,539,935	8,397,988.71	11,743	41
47	30/09/2014	98,442,250,801	8,398,411.29	11,722	(21)
48	06/10/2014	99,826,323,188	8,398,411.29	11,886	164
49	13/10/2014	99,624,451,024	8,400,935.26	11,859	(27)
50	20/10/2014	99,387,273,540	8,402,191.72	11,829	(30)
51	27/10/2014	99,406,789,061	8,409,058.88	11,821	(8)
52	31/10/2014	99,838,557,287	8,423,332.20	11,853	32
53	03/11/2014	99,964,298,423	8,423,332.20	11,868	15
54	10/11/2014	99,518,308,793	8,423,132.20	11,815	(53)
55	17/11/2014	99,094,605,177	8,423,132.20	11,765	(50)
56	24/11/2014	99,551,853,612	8,461,281.24	11,766	1
57	30/11/2014	98,162,288,817	8,468,529.00	11,591	(175)
58	01/12/2014	98,027,792,686	8,468,529.00	11,576	(15)
59	08/12/2014	96,369,487,897	8,469,648.76	11,378	(198)
60	15/12/2014	97,725,596,635	8,481,434.32	11,522	144
61	22/12/2014	96,720,496,482	8,485,773.84	11,398	(124)
62	29/12/2014	97,506,201,715	8,575,460.54	11,370	(28)
63	31/12/2014	88,387,958,181	7,755,884.39	11,396	26
Average NAV of the year		68,472,060,033			

Change in NAV per unit during the year – highest level  
Change in NAV per unit during the year – lowest level

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-



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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

22 NUMBER OF FUND CERTIFICATES IN ISSUE

	As at 31.12.2014 VND	As at 31.12.2013 VND
Number of outstanding Fund's Certificates		
+ 1 year or less	3,543,785.53	4,839,610.84
+ More than 1 year	4,212,098.86	-
	<u>7,755,884.39</u>	<u>4,839,610.84</u>

23 RELATED PARTIES

(a) *VinaWealth Fund Management Limited Company ("the Fund Management Company")*

	Year ended 31.12.2014 VND	Period from 1.4.2013 to 31.12.2013 VND
Fund management fee	679,407,939	350,988,061
	<u>679,407,939</u>	<u>350,988,061</u>

According to the Fund's Charter, the management fee paid to the Fund Management Company is 1% per year calculated on the Fund's Net Asset Value. Fee is charged on each valuation date based on the NAV of the date prior to valuation date. The management fee has been paid to the Fund Management Company is the total fees calculated on all valuation dates during the period.

(b) *HSBC (Vietnam) Bank Ltd. ("the Supervising bank")*

	Year ended 31.12.2014 VND	Period from 1.4.2013 to 31.12.2013 VND
Custodian fee	186,190,021	162,338,666
Supervising fee	79,200,000	59,400,002
Administration fee	132,000,000	99,000,000
Transfer Agency fee	206,126,438	183,362,218
	<u>603,516,459</u>	<u>504,100,886</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

23 RELATED PARTIES (continued)

(b) HSBC (Vietnam) Bank Ltd. ("the Supervising bank") (continued)

Supervising Bank is authorised by the Fund Management Company to provide administration and transfer agency services to the Fund. According to the Fund's Charter, the Fund is obligated to pay custody fees, supervising fee, fund administration fees and transfer agency fees monthly to corresponding service providers. Fees are calculated on each valuation date based on the NAV of the date prior to valuation date. The month fees paid were the total fee for all valuation dates of that month and not less than the minimum fee, as follows:

- Custody and supervision fee are 0.08% of Net Asset Value per year. In which, custody fee is 0.06% of Net Asset Value per year and supervision fee is 0.02% of Net Asset Value per year.
- Fee on securities settlement and clearing service paid to custodian bank is 150,000 VND per transaction.
- Custody fee paid to the Vietnam Securities Depository ("VSD") is monthly collected by Supervising Bank and paid to VSD based on VSD's tariff.
- Fund administration services fee is 0.035% of Net Asset Value per year.
- Fee on transfer agent service include two groups as follows:

i) Fees charged on NAV or value of transactions include:

- Annual retainer fee is 0.05% of Net Asset Value per year.
- Registration fee for subscription, redemption, switching is 0.03% of value of the transaction.

ii) Fees charged on actual transactions incurred include:

- Fee on setting up investors' data includes: setting up investors' data at VND15,000 per investor and create data for distribution agent at VND1,000,000 per agent.
- Other costs such as bulk mailing expenses, expenses for dividend payment, commission and trailer fee calculation and reporting

Total minimum fee for custody services, supervision, fund administration services and transfer agent services is VND45,000,000 per month.

Interest income from deposits at the Supervising Bank in 2014 is VND24,181,080 (2013: VND194,953,428). As at 31 December 2014, the Fund's deposits at the Supervising Bank is VND13,264,731,055 (2013: VND81,720,151).

(c) The Board of Representatives

During the year, remuneration paid to the Board of Representatives is VND78,999,997 (2013: VND58,241,758). Other than the remuneration as specified in the Fund's Charter, the Fund and members of the Board of Representatives are not entitled to enter into contracts in which they hold a material interest. Remuneration paid to the Board of Representatives are recognised as an expense in the statement of comprehensive income.

(d) The Fund's Certificates hold by related parties

Related parties	Holding percentage
VinaWealth Fund Management Joint Stock Company Ms. Nguyen Thi Thai Thuan                      Chairman	0.23%

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

**24 THE FUND'S PERFORMANCE INDICATORS**

	2014	2013
On-going charges	2.23%	2.97%
Portfolio turnover ratio	93%	2.04%

Comparative indicators are extrapolated to result of 12 months from actual financial performance of the Fund for the period from 1 April 2013 to 31 December 2013.

**25 FINANCIAL RISK MANAGEMENT AND FAIR VALUE**

On 6 November 2009, the Vietnamese Ministry of Finance has issued Circular 210/2009/TT-BTC providing guidance of International Financial Reporting Framework regarding to presentation and disclosure of financial instruments ("Circular 210") which was applicable for financial statements whose period ends at or after 1 January 2011. Circular 210 provides definitions of financial instruments, classification, presentation and disclosure including financial risk management policies and fair value of financial instruments. The Fund has exposure to the following risks from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The disclosure provides information about each type of risks above that Fund may encounter and describe objectives, policy and procedures that Fund applies to measure and manage risks.

The Fund's investment portfolio comprises listed securities, transferable certificates of deposit and deposits at banks. 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. The Supervising Bank has monitored the compliance on asset allocation and investment portfolio structure on weekly and monthly basis. In instances where the portfolio has diverged from the target of investment structures, the Board of Director 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 a 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 cash in banks, investments in securities and receivables from investment activities.

All term deposits and certificates of deposit were placed at high credit-quality financial institutions which have been approved by the Board of Representatives where the Fund Management Company does not expect any losses arising from the non-performance of these financial institutions.

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

Bonds invested by the Fund are government bonds, bonds guaranteed by government. Therefore, the Fund Management Company believes that there are no any losses arising from failure to fulfil the obligations of issuers of bonds.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

**25 FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)**

**(a) Credit risk (continued)**

The accounts receivables reflect receivables from interest on term deposits, transferable certificates of deposit and government bonds. The Fund Management Company believes that it is not necessary to make the provision for doubtful receivables at 31 December 2014 due to their short term nature. The maximum credit risk that the Fund may incur is the carrying value of bank deposits, investments and accounts receivables.

**(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 another financial asset. Open-ended fund faces high risk of liquidity due to obligation to redeem its Fund Certificates from investors.

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 2014 are mainly listed bonds and deposits at banks. The Fund's investments in listed securities are considered to be readily realisable as they are traded on the Hanoi Stock Exchange. As a result, the Fund may be able to liquid some of its investments in due time in order to meet its liquidity requirements.

As at 31 December 2014, all of the Fund's liabilities are due within 1 year.

At the reporting date of the financial statements, there is no obligation relating to derivative financial instrument.

**(c) Market risk**

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and market prices 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. This risk is arisen when the market interest rate is increased, the valued of fixed income instruments held by the Fund such as corporate bond, government bond, has been decreased, especially for the long-term investments.

As at 31 December 2014, if the interest rate has increased/decreased by 10% with all other variables (including tax rate) being held constant, the fair value of the Fund's bonds portfolio would have been lower/higher by 2% respectively (2013: 1%).

*(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 functional currency.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

**25 FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)**

**(c) Market risk (continued)**

*(iii) Market price risk*

Market price risk is the risk that the value of the financial instruments will decrease as a result of change in equity indices and the values of individual securities.

The Fund has invested in listed securities that are affected by market 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 prudent selection of securities within investment restrictions.

The Fund's exposure to market risk due to change in market price is minimal due to small portion of listed shares in the total assets.

**(d) Fair value of financial assets and liabilities**

According to Circular 210, fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction.

Fair value measurement approach has not been stipulated in neither Circular 210 nor Vietnamese Accounting Standards, Circular 198/2012/TT-BTC issued by the Ministry of Finance on the promulgation of accounting system for open-ended investment funds and applicable regulations on preparation and presentation of financial statements.

Therefore, the Fund applies method of NAV valuation in accordance with Circular 183/2011/TT-BTC dated 16 December 2011 issued by the Ministry of Finance on the establishment and management of open-ended funds, the Fund's Charter and valuation manual approved by the Board of Representative to determine fair value of the Fund's financial assets including cash and cash equivalent and investments. Fair value of the Fund's other financial assets and financial liabilities approximate their carrying value due to short-term maturity of these financial instruments.

**26 SUBSEQUENT EVENTS**

There have been no significant subsequent events occurring after the reporting date of the statement of financial position which would require adjustments or disclosures to be made in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

27 APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2014 are prepared by the Fund Management Company, verified by the Supervising Bank and approved by the Board of Representatives on 30 March 2015.

Supervising Bank  
Verified by:



**Le Thị Phương Tam**  
Vice President, Head of Fund Services,  
HSBC Securities Services

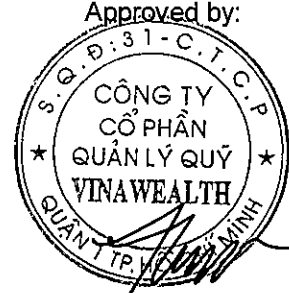
HSBC Bank (Vietnam) Ltd.

Fund Management Company

Prepared by:

Nguyen Ngoc Linh Phuong  
Chief Accountant

Approved by:



Nguyen Thi Thai Thuan  
Chairperson