



**Eastspring Investments Vietnam  
Navigator Fund**

Financial Statements for the year ended  
31 December 2017

**Eastspring Investments Vietnam Navigator Fund  
General Information**

**Fund Unit Issuance Certificate** 70/GCN-UBCK dated 4 December 2013

**Establishment Registration  
Certificate**

09/GCN-UBCK dated 25 March 2014

The Establishment Registration Certificate was issued by the State Securities Commission and is valid for indefinite time.

**Fund Representative Board**

Mr. Dinh Ba Thanh	Chairman
Mr. Le Van Be	Member
Mr. Dang The Duc	Member

**Fund Management Company**

Eastspring Investments Fund Management Limited  
Liability Company

**Supervising Bank**

HSBC Bank (Vietnam) Ltd.

**Registered Office**

23<sup>rd</sup> Floor, Saigon Trade Center Building  
37 Ton Duc Thang Street  
Ben Nghe Ward, District 1  
Ho Chi Minh City  
Vietnam

**Auditor**

KPMG Limited  
Vietnam

**Eastspring Investments Vietnam Navigator Fund  
Report of The Fund Management Company**

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

The Management of Eastspring Investments Fund Management Limited Liability Company ("the Fund Management Company") is responsible for the preparation and fair presentation of the financial statements of Eastspring Investments Vietnam Navigator Fund ("the Fund") in accordance with Vietnamese Accounting Standards, Circular No. 198/2012/TT-BTC dated 15 November 2012 issued by the Ministry of Finance ("Circular 198") on the promulgation of accounting system for open-ended funds, relevant requirements of Circular No. 183/2011/TT-BTC dated 16 December 2011 issued by the Ministry of Finance ("Circular 183") 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 ("Circular 15") amending and supplementing certain articles of Circular 183 and the 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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

The 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 Vietnamese Accounting Standards, Circular 198 on the promulgation of accounting system for open-ended funds, relevant requirements of Circular 183 on the promulgation of guidance on establishment and management of open-ended funds and of Circular 15 amending and supplementing certain articles of Circular 183 and the 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.

Eastspring Investments Fund Management Limited Liability Company's management confirms that they have complied with the above requirements in preparing the financial statements of the Fund for the year ended 31 December 2017.

On behalf of Eastspring Investments Fund Management Limited Liability Company

  
CÔNG  
TRADING  
QUẢN LÝ QUỸ  
Mr. Nguyễn Tuấn Thên An  
Chief Executive Officer  
Ho Chi Minh City, 28 March 2018

## **Eastspring Investments Vietnam Navigator Fund Report of The Fund Management Company (continued)**

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

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

Eastspring Investments Vietnam Navigator Fund ("the Fund")'s objective is to deliver capital appreciation through exposure to multiple asset classes. The Fund aims, through dynamic asset allocation, to provide participation in equity upside when stock markets are performing well, while having a softening effect when stock markets are not performing well.

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

According to the financial statements of the Fund as at 31 December 2017 and for the year then ended, Net Asset Value ("NAV") of the Fund has increased 52.62% as compared with the Fund's NAV as at 31 December 2016.

#### **3. Fund's investment strategy:**

The investment strategies of the Fund are "strategic assets allocation" and "Target Assets selection". The Fund will apply the dynamic strategic assets allocation and aims to exploit changes of the macro economy and market dynamics in order to preserve capital and take opportunity to gain potential profits when possible. Specifically, the asset allocation of the Fund will mainly be as follows:

- Stocks 0% - 80%
- Bonds 0% - 80%
- Cash 0% - 49%

#### **4. Fund Type:**

The Fund is a public open-ended investment fund, with unlimited operational term.

#### **5. Fund Inception Date**

The Fund was established under Establishment Registration Certificate No. 09/GCN-UBCK issued by the State Securities Commission of Vietnam on 25 March 2014.

#### **6. Fund size at the time of the report**

As at 31 December 2017:

- Number of outstanding fund units: 7,360,647.49 units
- Value of fund units at par: VND73,606,474,900
- Total Net Asset Value: VND143,963,332,047

## Eastspring Investments Vietnam Navigator Fund Report of The Fund Management Company (continued)

### 7. Fund Profit Distribution Policy

Profits shall be distributed in accordance with the decision of the Fund Management Company and there is no commitment or guarantee that profit distribution shall be conducted. If any profit distribution is conducted, it shall not be construed as a forecast, indication or the fund's ability to distribute profit in the future. Any profit distribution made does not imply that the profit distribution will be made after that. The Fund Management Company may change the distribution frequency and/or adjust the dividend rate to below profit rate of the Fund at its sole discretion.

When profit distribution is declared and conducted, the net assets of the Fund shall decrease correspondingly.

The Fund's profits shall be distributed only when the Fund has fulfilled or is able to fulfil its tax liability and other financial obligations, and provision funds of the Fund have been established. After the distribution of profits, the Fund must also ensure the ability to pay for due liabilities and obligations.

### 8. Net profit distributed to Fund Unitholders

During the year, the Fund did not perform any profit distribution.

## II. Operational data

### 1. Asset allocation:

Asset allocation	31/12/2017	31/12/2016	31/12/2015
	(%)	(%)	(%)
Cash and cash equivalents	10.35	3.02	10.50
Investments	88.58	95.45	88.05
Receivables	1.07	1.53	1.45
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

**Eastspring Investments Vietnam Navigator Fund  
Report of The Fund Management Company (continued)**

**2. Operating indices**

<b>Indices</b>	<b>31/12/2017</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
2.1. Net Asset Value (VND)	143,963,332,047	94,324,897,681	81,778,304,889
2.2. Total number of outstanding Fund units (Fund units)	7,360,647.49	6,706,616.94	6,782,239.27
2.3. NAV/Fund unit (VND)	19,559	14,064	12,058
2.4. The highest level of NAV per Fund unit during the year (VND)	19,559	14,759	12,233
2.5. The lowest level of NAV per Fund unit during the year (VND)	14,176	11,442	10,273
2.9. Total growth (%) per Fund Unit (compared to last year)	39.07%	16.64%	13.40%
2.13. Operating expenses over average NAV ratio (%)	2.54%	2.69%	2.61%
2.14. Portfolio turnover rate (%)	61.24%	70.05%	52.25%

**3. Growth over the periods**

<b>Period</b>	<b>Total growth of NAV/ fund unit</b>	<b>Growth NAV/ unit annually</b>
- 1 year (31/12/2016 – 31/12/2017)	39.07%	39.07%
- 3 years (31/12/2014 – 31/12/2017)	83.95%	22.50%
- Since inception (25/03/2014 – 31/12/2017)	95.59%	19.46%
- Growth of the benchmark	No reference index	No reference index

**4. Annual growth rate**

<b>Period</b>	<b>31/12/2017 (%)</b>	<b>31/12/2016 (%)</b>	<b>31/12/2015 (%)</b>	<b>31/12/2014 %</b>
Growth rate per fund unit (%)	39.07	16.64	13.40	No reference index

**III. Market description**

Gross Domestic Product (“GDP”) growth reached 6.81% in 2017, exceeding government target of 6.7%, which is mainly led by strong growth of manufacturing and services sectors, and the considerable recovery of agriculture, forestry and fishery sector. Manufacturing sector achieved a growth of 14.4% YoY. Of which, electronic products, computers and optical products grown 25.1%. The service sector had 5-year record high growth of 7.44% which contributed 2.87 percentage points to total GDP.

## Eastspring Investments Vietnam Navigator Fund Report of The Fund Management Company (continued)

Foreign Domestic Investment (“FDI”) remained strong in 2017, being a supportive role for manufacturing sector. Registered FDI in 2017 was USD21.3 billion, achieved a growth of 42.3% YoY. Realised FDI was estimated to reach USD17.5 billion with 10.8% growth YoY. Trade activities also witnessed improvement during the year. Exports in 2017 were estimated at USD213.7 billion, achieved a growth of 21.1% YoY which is the highest growth rate recently. Of which, the domestic economic sector achieved USD58.53 billion with 16.2% growth; the FDI sector (including crude oil) gained USD155.2 billion with 23% growth. Main industries recorded a high growth as compared with the last year: phone and accessories reached USD45.1 billion with 31.4% growth; textiles and garments reached USD25.9 billion with 8.8% growth; electronics, computers and components reached USD25.9 billion with 36.5% growth; footwear reached USD14.6 billion with 12.6% growth; machinery and equipment reached USD12.8 billion with 26.4% growth; seafood gained USD8.4 billion with 18.5% growth; wood and wood products reached USD7.6 billion with 9.2% growth. Imports in 2017 were estimated at USD211.1 billion, achieved a growth of 20.8%, of which the domestic economic sector gained USD84.7 billion with 17% growth YoY; the FDI sector achieved USD126.4 billion, with 23.4% growth YoY. Generally, Vietnam had trade surplus of USD2.7 billion in 2017.

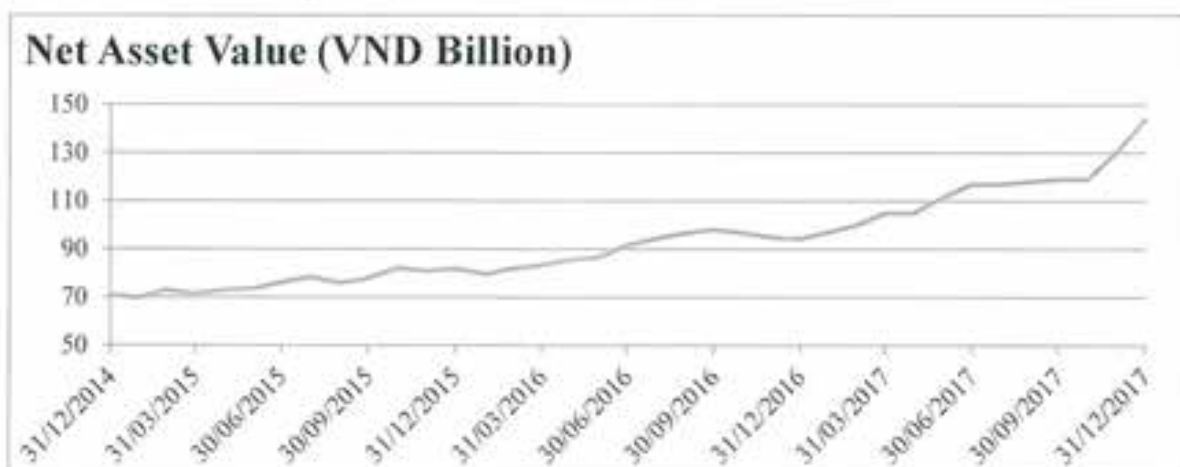
Inflation was benign in 2017, with average Consumer Price Index (“CPI”) increase of 3.53% compared to that of 2016, which is below government target of 4%. Foreign exchange rate was under control and stable within the year. On average, VND has depreciated only 1.4% in 2017.

### IV. Details of the Fund’s operational targets

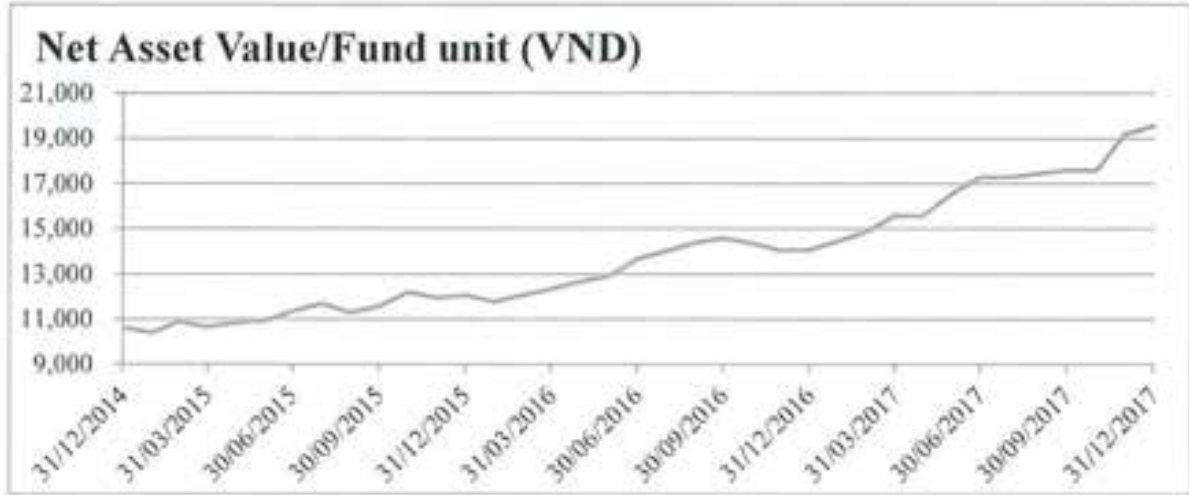
#### 1. Details of the Fund’s activities

- Growth chart of the Fund in the last 3 years

As compared to the inception date, NAV and NAV/unit as at 31 December 2017 has increased by 170.59% and 95.59% respectively.



**Eastspring Investments Vietnam Navigator Fund  
Report of The Fund Management Company (continued)**



• **Change in Net Asset Value**

Item	31/12/2017 VND	31/12/2016 VND	The rate of change %
	[1]	[2]	[3]=([1] - [2])/[2]
NAV	143,963,332,047	94,324,897,681	52.62%
NAV/unit	19,559	14,064	39.07%

**2. Statistics on investors holding fund certificates at the time of the report**

Units	Number of Investors holding	Number of fund unit hold	Percentage holding
Less than 5,000	131	61,162.54	0.83%
From 5,000 to under 10,000	8	54,671.23	0.74%
From 10,000 to under 50,000	14	237,589.89	3.23%
From 50,000 to under 500,000	2	224,728.75	3.05%
From 500,000 and above	3	6,782,495.08	92.15%
<b>Total</b>	<b>158</b>	<b>7,360,647.49</b>	<b>100.00%</b>



**Eastspring Investments Vietnam Navigator Fund  
Report of The Fund Management Company (continued)**

**V. Market outlook**

GDP growth has strongly recovered in 2017 and is expected to keep its momentum in 2018. Inflation and local currency outlook is benign. With the backdrop of GDP growth momentum and mitigated macro risks, a positive view on equity market is maintained although VNIndex has reached new levels. Market cap expansion due to state divestment and equitization will attract more foreign capital inflows. Corporate earnings growth prospect still justify investment returns expectation in 2018. Overall, it is believed that equity market still has good investment value in 2018.

**VI. Other information**

**1. Information about the Fund operating personnel, Board of Representative and the Board of the Fund Management Company**

Name	Position	Qualification	The Company/Fund joining year
Dinh Ba Thanh	Chairman – Fund Representative Board	Bachelor of Architecture	2014
Le Van Be	Member – Fund Representative Board	Bachelor of Economics	2014
Dang The Duc	Member – Fund Representative Board	Bachelor of Law	2014
Nguyen Tuan Thén An	Chief Executive Officer	Master of Science, Technology & Society	2010
Ngo The Trieu	Chief Investment Officer	Chartered Financial Analyst Master of Business Administration Master of Science in International Project Management	2007
Le Nguyen Binh	Head of Operations and Performance Analytics	Bachelor of Accounting & Auditing	2005
Phan Thi Anh Minh	Head of Marketing & Government Relations	Bachelor of Business Administration Bachelor of Arts, French Linguistics and Literature	2005
Nguyen Thi Hong Cam	Head of Dealing	Master of Applied Finance Bachelor of Business Administration	2007
Tong Cong Cuong	Head of Legal and Compliance	Master of Laws (Comparative Law) A member of Ho Chi Minh City Bar	2012

**Eastspring Investments Vietnam Navigator Fund  
Report of The Fund Management Company (continued)**

<b>Name</b>	<b>Position</b>	<b>Qualification</b>	<b>The Company/Fund joining year</b>
Le Minh Thuy	Head of Finance & Risk Management	Bachelor of Banking and Finance Association of Chartered Certified Accountants	2013
Tran Trong Phuong Thao	Head of Human Resource and Admin	Bachelor of Business Administration Bachelor of Arts, English Linguistics and Literature	2005

**2. Other information**

The data presented in this report is based on the results of the audited financial statements.

In this report, items that are not presented are either not applicable or zero balances.

On behalf of Eastspring Investments Fund Management Limited Liability Company



Mr. Nguyen Tuan Thên An  
Chief Executive Officer

Ho Chi Minh City, 28 March 2018

## REPORT OF THE SUPERVISING BANK

We, HSBC (Vietnam) Ltd., are appointed as the Supervising Bank of Eastspring Investments Vietnam Navigator Fund ("the Fund") for year ended 31 December 2017, acknowledge that the Fund has been operating and was managed with the following matters:

- a) Eastspring Investments Fund Management Company ("the Fund Management Company") has complied with investment restrictions of the Fund in accordance with prevailing regulatory documents about open-ended funds, Fund charter and applicable laws and regulations;
- b) Net Asset Value of the Fund is determined in line with Fund charter, Fund prospectus and applicable laws and regulations;
- c) The subscription and redemption of Fund units was made in line with Fund charter, Fund prospectus and applicable laws and regulations;
- d) No matters related to the profit distribution of the Fund for year ended 31 December 2017; and
- e) The Fund Management Company has complied with loan restrictions, trading restrictions which are stated in prevailing regulatory documents about open-ended funds, Fund charter and applicable laws and regulations.

Ho Chi Minh City, 28<sup>th</sup> March 2018



Representatives of Supervising Bank - HSBC Securities Services

Ms. Le Thi Thanh Tam  
*Senior Vice President, Head of Service Delivery*


Ms. Le Thi Hoang Chau  
*Supervisory Bank Manager*

**Eastspring Investments Vietnam Navigator Fund  
Report of The Fund Representative Board**

**REPORT OF THE FUND REPRESENTATIVE BOARD**

I, Dinh Ba Thanh, being the Chairman of the Fund Representative Board and on behalf of the Unitholders of Eastspring Investments Vietnam Navigator Fund (“the Fund”), do hereby approve the attached financial statements of the Fund for the year ended 31 December 2017, 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 investment funds, relevant requirements of Circular No. 183/2011/TT-BTC dated 16 December 2011 issued by the Ministry of Finance (“Circular 183”) 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 relevant statutory requirements applicable to financial reporting.

On behalf of the Fund Representative Board

  
Mr. Dinh Ba Thanh  
Chairman

Ho Chi Minh City, 28 March 2018



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 Eastspring Investments Vietnam Navigator Fund**

We have audited the accompanying financial statements of Eastspring Investments Vietnam Navigator Fund ("the Fund"), which comprise the statements of financial position and investment portfolio as of 31 December 2017 and the statements of income, changes in Net Asset Value and Fund units and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Fund Representative Board on 28 March 2018, as set out on pages 14 to 58.

### **The Fund Management Company's Responsibility**

The Management of Eastspring Investments Fund Management Limited Liability Company ("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, relevant requirements of Circular No. 183/2011/TT-BTC dated 16 December 2011 issued by the Ministry of Finance ("Circular 183") 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 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 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 give a true and fair view, in all material respects, of the financial position of Eastspring Investments Vietnam Navigator Fund as at 31 December 2017 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, relevant requirements of Circular No. 183/2011/TT-BTC dated 16 December 2011 issued by the Ministry of Finance ("Circular 183") 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 relevant statutory requirements applicable to financial reporting.

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

Vietnam  
Audit Report No.: 17-01-315



Tran Dinh Vinh  
Practicing Auditor Registration  
Certificate No. 0339-2018-007-1  
Deputy General Director

Nguyen Thanh Nghi  
Practicing Auditor Registration  
Certificate No. 0304-2018-007-1

Ho Chi Minh City, 28 March 2018

**Eastspring Investments Vietnam Navigator Fund**  
**Statement of income for the year ended 31 December 2017**

**Form B01 – QM**  
*(Issued under Circular No. 198/2012/TT-BTC dated 15 November 2012 of the Ministry of Finance)*

No	Items	Code	Note	2017 VND	2016 VND
<b>I</b>	<b>INCOME, REVENUE FROM INVESTMENT ACTIVITIES</b>	<b>01</b>		<b>40,238,574,022</b>	<b>15,894,368,151</b>
1.1	Dividend income	02		2,062,025,600	2,434,852,000
1.2	Interest income	03		2,156,551,812	1,604,067,851
1.3	Gains from trading securities	04	12	13,299,358,965	12,787,157,353
1.4	Unrealised gains/(losses) from revaluation of investments	05	13	22,720,637,645	(931,709,053)
<b>II</b>	<b>INVESTMENT EXPENSES</b>	<b>10</b>		<b>172,452,231</b>	<b>171,610,022</b>
2.1	Transaction fees from buying, selling securities	11	14	172,452,231	171,610,022
<b>III</b>	<b>OPERATING EXPENSES</b>	<b>20</b>		<b>2,724,079,866</b>	<b>2,247,542,901</b>
3.1	Management fees	20.1	18	1,705,894,068	1,347,890,402
3.2	Custody fees	20.2	18	109,487,795	98,884,474
3.3	Supervising fees	20.3	18	25,019,781	19,769,155
3.4	Fund administration fees	20.4	18	43,784,617	34,595,114
3.5	Transfer agency fees	20.5	18	184,308,627	156,107,119
3.7	Annual general meeting and other meeting expenses	20.7		83,996,000	10,186,015
3.8	Audit fees	20.8		386,715,978	386,705,022
3.10	Other operating expenses	20.10	15	184,873,000	193,405,600
<b>IV</b>	<b>INVESTMENT AND OPERATING RESULTS (23 = 01 - 10 - 20)</b>	<b>23</b>		<b>37,342,041,925</b>	<b>13,475,215,228</b>
<b>VI</b>	<b>NET PROFIT BEFORE TAX (30 = 23)</b>	<b>30</b>		<b>37,342,041,925</b>	<b>13,475,215,228</b>
6.1	Realised profits	31		14,621,404,280	14,406,924,281
6.2	Unrealised profits/(losses)	32		22,720,637,645	(931,709,053)
<b>VIII</b>	<b>NET PROFIT AFTER TAX FOR THE YEAR (41 = 30)</b>	<b>41</b>		<b>37,342,041,925</b>	<b>13,475,215,228</b>

28 March 2018

Eastspring Investments Fund Management Limited Liability Company  
 Prepared by:



Ms. Le Thi Thuy Phuong  
 Manager, Operations and Performance Analytics

Approved by:



Mr. Nguyen Tuan Thien An  
 Chief Executive Officer

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

**Eastspring Investments Vietnam Navigator Fund**  
**Statement of financial position as at 31 December 2017**

**Form B02 – QM**  
*(Issued under Circular No. 198/2012/TT-BTC dated 15 November 2012 of the Ministry of Finance)*

No	Items	Code	Note	31/12/2017 VND	31/12/2016 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>14,983,240,624</b>	<b>2,868,370,684</b>
1.1	Cash in banks for operating activities of the Fund	111		10,878,675,402	2,868,370,684
1.2	Term deposits with term to maturity not exceeding three months	112		4,104,565,222	-
<b>2</b>	<b>Investments</b>	<b>120</b>		<b>128,239,912,900</b>	<b>90,630,347,000</b>
2.1	Investments	121	5	128,239,912,900	90,630,347,000
<b>3</b>	<b>Receivables</b>	<b>130</b>		<b>1,550,539,064</b>	<b>1,453,274,836</b>
3.1	Receivables from disposals of investments	131	6	375,902,735	-
3.2	Interest and dividend receivables	133	7	1,174,636,329	1,453,274,836
	<b>TOTAL ASSETS</b> (100 = 110 + 120 + 130)	<b>100</b>		<b>144,773,692,588</b>	<b>94,951,992,520</b>
<b>II</b>	<b>LIABILITIES</b>				
3	Subscription fee payable to Distribution Agents	313		34,343,000	487,767
4	Taxes payable to State Treasury	314		7,479	817,772
6	Accrued expenses	316	8	440,666,812	364,275,024
8	Payables to Fund Unitholders for Fund Units redemption	318		124,144,876	116,674,492
9	Fund's service fees payable	319	9	211,198,374	144,839,784
	<b>TOTAL LIABILITIES</b> (300 = 313+ 314 + 316 + 318 + 319)	<b>300</b>		<b>810,360,541</b>	<b>627,094,839</b>

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



**Eastspring Investments Vietnam Navigator Fund**  
**Statement of financial position as at 31 December 2017 (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	31/12/2017 VND	31/12/2016 VND
<b>III</b>	<b>NET ASSET VALUE DISTRIBUTABLE TO FUND UNITHOLDERS (400 = 100 - 300)</b>	<b>400</b>		<b>143,963,332,047</b>	<b>94,324,897,681</b>
<b>1</b>	<b>Capital issued to Unitholders</b>	<b>411</b>	<b>10</b>	<b>73,606,474,900</b>	<b>67,066,169,400</b>
1.1	Subscription capital	412		92,122,874,800	85,229,806,400
1.2	Redemption capital	413		(18,516,399,900)	(18,163,637,000)
<b>2</b>	<b>Capital premium</b>	<b>414</b>	<b>10</b>	<b>5,735,183,846</b>	<b>(20,903,095)</b>
<b>3</b>	<b>Retained earnings</b>	<b>420</b>	<b>11</b>	<b>64,621,673,301</b>	<b>27,279,631,376</b>
<b>IV</b>	<b>NET ASSET VALUE PER FUND UNIT (430 = 400/004)</b>	<b>430</b>		<b>19,559</b>	<b>14,064</b>
<hr/>					
<b>VI</b>	<b>OFF BALANCE SHEET ITEMS</b>			<b>31/12/2017 Unit</b>	<b>31/12/2016 Unit</b>
<b>1</b>	<b>Number of outstanding Fund units</b>	<b>004</b>	<b>17</b>	<b>7,360,647.49</b>	<b>6,706,616.94</b>

28 March 2018

Eastspring Investments Fund Management Limited Liability Company  
 Prepared by:



Ms. Le Thi Thuy Phuong  
 Manager, Operations and Performance Analytics

Approved by:



Mr. Nguyen Tuan Thien An  
 Chief Executive Officer

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

**Eastspring Investments Vietnam Navigator Fund**  
**Statement of changes in Net Asset Value and Fund units for the year ended 31 December 2017**

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

No.	Items	2017 VND	2016 VND
<b>I</b>	<b>Net Asset Value (“NAV”) at the beginning of the year</b>	94,324,897,681	81,778,304,889
<b>II</b>	<b>Changes of NAV during the year</b>	37,342,041,925	13,475,215,228
	<i>In which:</i>		
II.1	Changes of NAV due to market fluctuation and investment activities of the Fund during the year	37,342,041,925	13,475,215,228
<b>III</b>	<b>Changes of NAV due to redemption and subscription of Fund units</b>	12,296,392,441	(928,622,436)
	<i>In which:</i>		
III.1	Fund units subscription	12,898,512,500	1,152,763,093
III.2	Fund units redemption	(602,120,059)	(2,081,385,529)
<b>IV</b>	<b>Net Asset Value at the end of the year (IV = I + II + III)</b>	143,963,332,047	94,324,897,681

28 March 2018

Eastspring Investments Fund Management Limited Liability Company

Prepared by:

Approved by:



\_\_\_\_\_  
 Ms. Le Thi Thuy Phuong  
*Manager, Operations and Performance Analytics*



\_\_\_\_\_  
 Mr. Nguyen Tuan Thien An  
*Chief Executive Officer*

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

**Eastspring Investments Vietnam Navigator Fund**  
**Statement of investment portfolio as at 31 December 2017**

**Form B04 – QM**

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

No.	Items	No. of shares	Market price or fair value per share as at 31/12/2017 VND/share	Total value as at 31/12/2017 VND	% the Fund's total assets
<b>I</b>	<b>Listed shares</b>			<b>103,486,512,900</b>	<b>71.48%</b>
	ACB	259,650	36,900	9,581,085,000	6.62%
	CII	53,760	35,100	1,886,976,000	1.30%
	CTD	19,780	226,500	4,480,170,000	3.09%
	DRC	240,200	24,200	5,812,840,000	4.02%
	EIB	35,000	12,650	442,750,000	0.31%
	FPT	337,769	57,100	19,286,609,900	13.32%
	HCM	42,000	60,100	2,524,200,000	1.74%
	HPG	173,600	46,850	8,133,160,000	5.62%
	ITC	394,450	14,200	5,601,190,000	3.87%
	MBB	433,472	25,400	11,010,188,800	7.61%
	NT2	133,604	33,500	4,475,734,000	3.09%
	PC1	157,152	38,600	6,066,067,200	4.19%
	PNJ	29,290	137,000	4,012,730,000	2.77%
	REE	166,000	41,500	6,889,000,000	4.76%
	SSI	46,280	28,800	1,332,864,000	0.92%
	TYA	223,389	11,000	2,457,279,000	1.70%
	VCB	35,270	54,300	1,915,161,000	1.32%
	VJC	30,310	146,800	4,449,508,000	3.07%
	VNM	15,000	208,600	3,129,000,000	2.16%

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

**Eastspring Investments Vietnam Navigator Fund**  
**Statement of investment portfolio as at 31 December 2017 (continued)**

**Form B04 – QM**  
*(Issued under Circular No. 198/2012/TT-BTC dated 15 November 2012 of the Ministry of Finance)*

No.	Items	Total value as at 31/12/2017 VND	% the Fund's total assets
<b>IV</b>	<b>Other investments</b>	<b>24,753,400,000</b>	<b>17.10%</b>
	Term deposits with term to maturity of more than 12 months at Asia Commercial Joint Stock Bank	16,500,000,000	11.40%
	Term deposits with term to maturity of less than 12 months at Asia Commercial Joint Stock Bank	4,000,000,000	2.76%
	Term deposits with term to maturity of less than 12 months at Vietnam Prosperity Commercial Joint Stock Bank	4,253,400,000	2.94%
<b>V</b>	<b>Other assets</b>	<b>1,550,539,064</b>	<b>1.07%</b>
	Receivables from disposals of investments	375,902,735	0.26%
	Interest and dividend receivables	1,174,636,329	0.81%
<b>VI</b>	<b>Cash in banks</b>	<b>14,983,240,624</b>	<b>10.35%</b>
	Cash in banks for operating activities of the Fund	10,878,675,402	7.51%
	Term deposits with term to maturity not exceeding three months	4,104,565,222	2.84%
<b>VII</b>	<b>Total investment portfolio</b>	<b>144,773,692,588</b>	<b>100%</b>

28 March 2018

Eastspring Investments Fund Management Limited Liability Company

Prepared by:

Approved by:



\_\_\_\_\_  
 Ms. Le Thi Thuy Phuong  
*Manager, Operations and Performance Analytics*



\_\_\_\_\_  
 Mr. Nguyen Tuan Thien An  
*Chief Executive Officer*

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

**Eastspring Investments Vietnam Navigator Fund**  
**Statement of cash flows for the year ended 31 December 2017**  
**(Indirect method)**

**Form B05 – QM**  
*(Issued under Circular No. 198/2012/TT-BTC*  
*dated 15 November 2012 of the Ministry of Finance)*

No	Items	Code	2017 VND	2016 VND
<b>I</b>	<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
1	Net profit before tax for the year	01	37,342,041,925	13,475,215,228
3	Adjustments for changes in working capital	05		
	Increase in investments	06a	(37,609,565,900)	(18,329,119,800)
	Increase in receivables from disposals of investments	06b	(375,902,735)	-
	Decrease/(increase) in interest and dividend receivables	07	278,638,507	(264,335,401)
	Increase/(decrease) in payables to distribution agents	11	33,855,233	(140,233)
	(Decrease)/increase in taxes payable to State Treasury	13	(810,293)	804,377
	Increase in payables to Fund Unitholders for Fund units redemption	15	7,470,384	116,674,492
	Increase in accrued expenses	16	76,391,788	154,209,994
	Increase in Fund's service fees payable	17	66,358,590	23,588,519
	<b>Net cash flows from investment activities</b>	<b>20</b>	<b>(181,522,501)</b>	<b>(4,823,102,824)</b>
<b>II</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1	Proceeds from Fund units subscription	31	12,898,512,500	1,152,763,093
2	Payments for Fund units redemption	32	(602,120,059)	(2,081,385,529)
	<b>Net cash flows from financing activities</b>	<b>30</b>	<b>12,296,392,441</b>	<b>(928,622,436)</b>
<b>III</b>	<b>NET CASH FLOWS DURING THE YEAR</b> (40 = 20 + 30)	<b>40</b>	<b>12,114,869,940</b>	<b>(5,751,725,260)</b>

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

**Eastspring Investments Vietnam Navigator Fund**  
**Statement of cash flows for the year ended 31 December 2017**  
**(Indirect method - continued)**

**Form B05 – QM**  
*(Issued under Circular No. 198/2012/TT-BTC dated 15 November 2012 of the Ministry of Finance)*

No	Items	Code	2017 VND	2016 VND
<b>IV</b>	<b>Cash and cash equivalents at the beginning of the year</b>	<b>50</b>	<b>2,868,370,684</b>	<b>8,620,095,944</b>
	- Cash in banks for operating activities of the Fund	51	2,868,370,684	562,718,055
	- Term deposits with term to maturity not exceeding three months	52	-	8,057,377,889
<b>V</b>	<b>Cash and cash equivalents at the end of the year</b>	<b>55</b>	<b>14,983,240,624</b>	<b>2,868,370,684</b>
	- Cash in banks for operating activities of the Fund	57	10,878,675,402	2,868,370,684
	- Term deposits with term to maturity not exceeding three months	57	4,104,565,222	-
<b>VI</b>	<b>Net change in cash and cash equivalents during the year (60 = 55 - 50)</b>	<b>60</b>	<b>12,114,869,940</b>	<b>(5,751,725,260)</b>

**SIGNIFICANT NON-CASH FINANCING ACTIVITIES**

	2017 VND	2016 VND
Fund units redemption but not paid yet	-	116,674,492

28 March 2018

Eastspring Investments Fund Management Limited Liability Company  
 Prepared by:



Ms. Le Thi Thuy Phuong  
 Manager, Operations and Performance Analytics

Approved by:



Mr. Nguyen Tuan Thien An  
 Chief Executive Officer

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

**Eastspring Investments Vietnam Navigator Fund**  
**Notes to the financial statements for the year ended 31 December 2017**

**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**

Eastspring Investments Vietnam Navigator Fund (“the Fund”) was established as a public open-ended fund under Establishment Registration Certificate No. 09/GCN-UBCK issued by the State Securities Commission of Vietnam on 25 March 2014.

According to this establishment registration certificate, the Fund’s charter capital is VND53,203,406,730, equivalent to 5,320,340.67 fund units and there is no limit in operating years. The Fund operates in accordance with the Fund Charter issued on 26 September 2013 and its amendment on 15 April 2016.

The primary objective of the Fund is to deliver capital appreciation through exposure to multiple asset classes. The Fund aims, through dynamic asset allocation, to provide participation in equity upside when stock markets are performing well, while having a softening effect when stock markets are not performing well. The Fund Management Company conducts investment activities of the Fund via investment channels regulated by current legislation requirements. In addition, the Fund’s objectives can be completely changed following decisions made by the Fund Unitholders’ General Meeting to comply with current statutory requirements and reporting to the State Securities Commission.

The investment portfolio of the Fund must ensure that:

- a. Except for the Fund’s current accounts at the Supervisory Bank, the Fund does not invest more than forty nine percent (49%) of the Fund’s total assets in deposit at commercial banks stipulated by prevailing Laws, foreign currencies, money market instruments including valuable papers and transferable instruments following prevailing legislation;
- b. The Fund does not invest more than thirty percent (30%) of the Fund’s total assets in deposit at commercial banks stipulated by prevailing Laws; foreign currencies, money market instruments including valuable papers, transferable instruments following prevailing legislation; listed shares, registered shares for trading; listed bonds by the issuers that are established and operating in accordance with Vietnamese laws; shares and bonds prepared to be listed or registered for trading by issuers that are established and operating in accordance with Vietnamese laws, corporate bonds issued by listed organisations who are guaranteed by credit institutions or commitment to repurchase by issuers if these assets are issued by the same company or by a group of companies that have crossed ownership relationships;
- c. The Fund does not invest more than twenty percent (20%) of the Fund’s total assets in outstanding securities of a single issuer, including valuable papers, transferable instruments, bonds (except for government bonds), shares with voting rights, preference shares without voting right and convertible bonds;
- d. The Fund does not invest in more than ten percent (10%) of the total value of outstanding securities of an issuer, except for government bonds;

## Eastspring Investments Vietnam Navigator Fund

### Notes to the financial statements for the year ended 31 December 2017 (continued)

Form B06 – QM

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

- e. The Fund does not invest more than ten percent (10%) of the Fund's total assets in shares, bonds to be listed or registered for trading by issuers that are established and operating in accordance with Vietnam laws, corporate bonds issued by listed organisations who are guaranteed by credit institutions or commitment to repurchase by issuers;
- f. Total value of large investments in the investment portfolio of the Fund must not exceed forty percent (40%) of the Fund's total assets;
- g. At any time, total commitment value of borrowings and paybles of the Fund must not exceed Net Asset Value of the Fund;
- h. The Fund is not allowed to invest in securities of investment funds, shares of securities investment companies established and operating in Vietnam;
- i. The Fund is not allowed to invest directly in real estates, valuable stones, valuable metals; and
- j. Investment portfolio must contain securities of at least six (06) issuers.

Except as stated in above points g, h, i, the Fund's investment structure is allowed to deviate only for the following reasons:

- a. Fluctuations in the market value of the assets in the Fund's investment portfolio;
- b. Making payments of the Fund legally;
- c. Execution of Unitholders' orders;
- d. Consolidation, merging, acquisition of issuing organisations;
- e. New fund licensed for establishment or fund split, consolidation, merging with operating duration not exceeding six (06) months, from the date of the Fund's Establishment Registration Certificate; or
- f. Fund is in liquidation process.

The Fund is re-valued on weekly and monthly basis. The valuation date is Friday for weekly valuation and the first business date of the next month for monthly valuation. Net Asset Value is determined on the revaluation date for the periodic trading or the periodic report in compliance with prevailing regulations or for other purpose. In case the valuation date for weekly revaluation falls into holiday, the determining Net Asset Value of the Fund will not be performed for that periodic valuation. The Fund trades Fund units once (01) a week on Friday. In case the trading date falls into holiday, the Fund will not trade Fund units in that week.

The Fund has no employees and is managed by Eastspring Investments Fund Management Limited Liability Company, an investment management company incorporated in Vietnam. The Fund is supervised by HSBC Bank (Vietnam) Ltd.

Contact address of the Fund is 23<sup>rd</sup> Floor, Sai Gon Trade Center, 37 Ton Duc Thang Street, Ben Nghe Ward, District 1, Ho Chi Minh City.



**Eastspring Investments Vietnam Navigator Fund**  
**Notes to the financial statements for the year ended 31 December 2017 (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 issued by the Ministry of Finance on the promulgation of accounting system for open-ended funds, relevant requirements of Circular No. 183/2011/TT-BTC dated 16 December 2011 issued by the Ministry of Finance (“Circular 183”) 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.

The accompanying financial statements have not been prepared to present the financial position and the operating results 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 from those in other countries and other jurisdictions.

In accordance with 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 investment funds, 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 Asset Value and Fund units: | 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 discussed in Note 3(c), are prepared on the accruals basis using the 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.

**Eastspring Investments Vietnam Navigator Fund**  
**Notes to the financial statements for the year ended 31 December 2017 (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) Foreign currency transactions**

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer buying rate at the end of the annual accounting period quoted by the commercial bank where the Fund most frequently conducts transactions. Transactions in currencies other than VND during the year have been translated into VND at rates approximating actual rates of exchanges ruling at the transaction dates.

All foreign exchange differences are recorded as expenses or income in the statement of income.

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

Cash in banks and cash equivalents comprise current accounts and term deposits with original term to maturity not exceeding three (03) months from their transaction dates. 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.

**(c) Investments**

*Trading securities*

Trading securities are initially stated at cost, which comprises the purchase price only and not includes attributable transaction costs such as broker fees, transaction fees and bank charges, and are revalued at the reporting date based on revaluation method mentioned in 3(c)(iii). Unrealised gain or loss from revaluation of trading securities are recorded in the statement of income.

*Term deposits*

Term deposits at banks are stated at cost less allowance for doubtful debts.

**(i) Classification**

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

Term deposits at banks that the Fund has the intention and ability to hold until maturity are classified as held-to-maturity investments.

**Eastspring Investments Vietnam Navigator Fund**  
**Notes to the financial statements for the year ended 31 December 2017 (continued)**

**Form B06 – QM**

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

**(ii) Recognition**

The Fund recognises investments at the transaction date.

**(iii) Measurement**

According to Circular No. 183/2011/TT-BTC dated 16 December 2011 and Circular No. 15/2016/TT-BTC dated 20 January 2016 issued by the Ministry of Finance on the promulgation of guidance on establishment and management of open-ended funds, the investments in investment portfolio of the Fund are revalued using market price at the reporting date. If there is no market price at the latest trading date or the market prices fluctuate significantly, the Fund Management Company is allowed to use fair value to revalue the Fund's investments. Fair value is estimated based on methodologies or valuation models as stipulated in the Fund Charter, or the Fund's Pricing Policy. Investments are revalued at the balance sheet date as follows:

**Bonds**

• **Listed bonds**

- Market value is quoted price on the trading system at the Stock Exchange for common transactions (outright) of the most recent trading date plus cumulative interests up to the date prior to the valuation date;
- Because Vietnam bond market is not well-established, trading activity is infrequent, small trading volume and pricing information is not current or varied significantly over time or between market participants. Therefore, for any reason, if it is unable to obtain the outright price on the Stock Exchange for more than fourteen (14) days to the valuation date, market value is the bid price determined and provided by reputable, independent financial data vendors such as: Interactive Data Corporation, Markit, Reuters or Bloomberg.
- Interactive Data Corporation will be the primary service provider for providing evaluated price. If Interactive Data Corporation is unable to provide bond evaluation of such listed bond, it may be considered to use the bond evaluation of Markit, or Reuters or then Bloomberg by order or apply other valuation methodologies as mentioned hereafter, subjected to Internal Valuation Committee's approval and provided the last stale price is exceeding a period of ninety (90) days.
- In case the current market quotations are not available, a newly purchase listed bonds will be priced at cost and the price is kept stale until the outright price or the evaluated price provided by the primary pricing vendor is available. This stale price should be monitored and used in accordance with the stale price policy. The market value of other existing listed bonds is the following values in order of precedence:
  - Available latest price (old price) used in the previous valuation is kept stale until the outright price or the evaluated price provided by the primary pricing vendor is available. This stale price should be monitored and used in accordance with the stale price policy;
  - Fair value using the appropriate valuation technique that is approved by Internal Valuation Committee or the Fund Representative Board;

## Eastspring Investments Vietnam Navigator Fund

### Notes to the financial statements for the year ended 31 December 2017 (continued)

Form B06 – QM

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

- Par value plus accumulated accrued interest;
  - Purchase price plus accumulated accrued interest.
- Unlisted bonds included those bonds that are not actively traded through recognised exchanges or thinly traded such as: high yield bonds, thinly traded corporate bonds, private debt.
- Market value is the most recent evaluated price (“bid-price basis”) provided by a reputable, independent pricing vendors such as Interactive Data Corporation, Markit or Reuters or Bloomberg.
  - Interactive Data Corporation will be the primary service provider for providing evaluated price. If Interactive Data Corporation is unable to provide bond evaluation of such listed bond, it may be considered to use the bond evaluation of Markit, or Reuters or then Bloomberg by order or apply other valuation methodologies as mentioned hereafter, subjected to Internal Valuation Committee’s approval and provided the last stale price is exceeding a period of ninety (90) days.
  - In case the current market quotation are not available, as newly purchase of unlisted bonds will be priced at cost and the price is kept stale until the evaluated price provided by the primary pricing vendor is available. This stale price should be monitored and used in accordance with the Stale price policy. The market value of other existing unlisted bonds is the following values in order of precedence:
    - Available latest price (old price) used in the previous valuation. This stale price should be monitored and used in accordance with the Stale price policy;
    - The fair value using the appropriate valuation technique that is approved by Internal Valuation Committee or the Fund Representative Board;
    - Par value plus accumulated accrued interest ;
    - Price purchase plus accumulated accrued interest.

#### *Shares*

- Shares which are listed on the Ho Chi Minh City Stock Exchange or Hanoi Stock Exchange and shares of public companies to be registered for trading on the Upcom system.
  - Market value is the closing price of most recent trading date prior to the valuation date;
  - In case the current market quotations are not available, the market value of the listed shares shall be determined in the order of the following precedence:
    - Available latest price (old price) used in the previous valuation. This stale price should be monitored and used in accordance with the Stale price policy;
    - Fair value using the appropriate valuation technique that is approved by Internal Valuation Committee or the Fund Representative Board;
    - The book value which is determined on the most recent audited financial statements;
    - Purchase price.

## Eastspring Investments Vietnam Navigator Fund

### Notes to the financial statements for the year ended 31 December 2017 (continued)

Form B06 – QM

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

- Shares which are registered and custodied but not to be listed and registered for trading; unlisted shares.
  - The Fund Management Company has the right to appoint five (05) independent securities companies that are not affiliated to the Fund Management Company and the Supervising Bank to provide quotes for each valuation.
  - The list of designated securities companies are as below, however the Fund Management Company has the right to change from time to time upon approval of Fund Representative Board:
    - Priority list No. 1: included three (03) securities companies.
    - Priority list No. 2: included two (02) securities companies.
  - Market value is average price (average price of transaction occurred in the period) provided by three (03) securities companies and met following criteria:
    - The quotes are the trading price at the securities companies at the most recent trading date prior to the valuation date; or
    - The quotes are the bid price at the securities companies at the most recent date prior to the valuation date; and
    - The quotes are not older than ninety (90) days from the valuation date.
  - In case the Fund Management Company receives valid quotes from all the securities companies, the Fund Management Company shall in priority use the quotes provided by the three (03) securities companies in the priority list No. 1.
  - In case the Fund Management Company receives no more than two (02) valid quotes from the priority list No.1, for the third quote it shall use the lower quote received from the securities companies in the priority list No. 2.
  - In other cases whereby it is unable to obtain valid quotes from at least three (03) securities companies on a particular valuation date for a particular unlisted shares, such unlisted share shall be valued by other appropriate valuation as approved by the Fund Representative Board based on the suggestion from the Internal Valuation Committee.
- Shares of organisations in the process of liquidation or bankruptcy.

Market value is the following values in order of precedence:

  - 80% of the liquidation value at the latest available balance sheet date prior to the valuation date; or
  - Value determined in accordance with the methodology approved by the Fund Representative Board based on the suggestion from the Internal Valuation Committee.
- Shares and other contributed capital.

The equity value shall be determined in priority as follows:

  - Contributed capital value; or
  - The book value which is determined on the most recent audited financial statements; or
  - Value is determined in accordance with the methodology approved by the Fund Representative Board or Internal Valuation Committee.

**Eastspring Investments Vietnam Navigator Fund**  
**Notes to the financial statements for the year ended 31 December 2017 (continued)**

**Form B06 – QM**

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

***Derivatives***

Market price of derivatives shall be the closing price of the most recent trading day prior to the valuation date. If it is unable to obtain appropriate tradable market price at the valuation date, the price shall be based on the valuation provided by a reputable, independent security pricing vendor such as Interactive Data Corporation (primary source) or Markit or Reuters or Bloomberg.

In case the market quotations are not available, the value is determined by any appropriate valuation as approved by the Fund Representative Board or Internal Valuation Committee.

***Other investments***

Value is determined in accordance with methodology mentioned in the Funding Pricing policy and approved by the Fund Representative Board and Internal Valuation Committee.

***(iv) Derecognition***

Investments 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.

***(d) Receivables***

Receivables include receivables from disposals of investments, accrued interest and dividend receivables. These receivables are stated at cost less allowance for doubtful debts.

***(e) Payables***

Payables include payables for purchasing investments, payables to investors, payables for Fund administration services and other payables. Payables are stated at their cost.

***(f) Provisions***

A provision is recognised 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.

**Eastspring Investments Vietnam Navigator Fund**  
**Notes to the financial statements for the year ended 31 December 2017 (continued)**

**Form B06 – QM**  
*(Issued under Circular No. 198/2012/TT-BTC*  
*dated 15 November 2012 of the Ministry of Finance)*

**(g) 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 Management Company classifies the Fund's financial instruments as follow:

**(i) Financial assets**

*Financial assets at fair value through profit or loss*

A 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 Management Company as at fair value through profit or loss.

*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 Management Company has the positive intention and ability to hold to maturity, other than:

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

## Eastspring Investments Vietnam Navigator Fund

Notes to the financial statements for the year ended 31 December 2017 (continued)

Form B06 – QM

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

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

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or that 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*

A 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 Management Company 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 Management Company as at fair value through profit or loss.

### *Financial liabilities carried at amortised cost*

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

## (h) **Taxation**

Under current 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 organisations in the following transactions:

### *Distributing dividends to Unitholders*

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



**Eastspring Investments Vietnam Navigator Fund**  
**Notes to the financial statements for the year ended 31 December 2017 (continued)**

**Form B06 – QM**

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***Fund units redemption transactions***

The Fund Management Company is obligated to withhold and pay tax in relation to Fund unit redemption transactions from individuals (including domestic and foreign) and from foreign organisations in accordance with regulations. The applicable tax rate is the tax rate applied for unlisted shares transfer being 0.1% of transfer value in accordance with Circular No. 111/2013/TT-BTC dated 15 August 2013 which was amended and supplemented by Circular No. 92/2015/TT-BTC dated 15 June 2015 and Circular No. 103/2014/TT-BTC dated 6 August 2014 issued by Ministry of Finance. The Fund Management Company does not withhold any tax in relation to Fund unit redemption transactions from local corporate Unitholders who are responsible for self declaration and payment of tax to the State Treasury in accordance with Circular No. 78/2014/TT-BTC dated 18 June 2014 which was amended and supplemented by Circular No. 96/2015/TT-BTC dated 22 June 2015 issued by Ministry of Finance.

**(i) Capital issued to Unitholders and capital premium**

***Capital issued to Unitholders***

Fund units with a right for dividends entitlement are classified as capital issued to Unitholders, 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.

***Redemption capital***

Redemption capital represents the redemption of Fund units from Fund Unitholders at transaction dates 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.

Redemption capital is recorded at par value of Fund unit.

***Capital premium***

Capital premium represents the difference between Net Asset Value per fund unit and par value of Fund unit in a subscription/redemption transaction.

**(j) Retained earnings**

Retained earnings represented undistributed retained profits at the reporting date, including realised and unrealised profits.

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

**Eastspring Investments Vietnam Navigator Fund**  
**Notes to the financial statements for the year ended 31 December 2017 (continued)**

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Unrealised profits is the total gains from revaluation of investments in the Fund's statement of investment portfolio incurred during the year.

At the end of annual reporting period, the Fund determines realised and unrealised profits during the year and records in "Retained earnings" in the statement of financial position.

***Profits/assets distributed to Fund Unitholders***

Profits/assets distributed to Fund Unitholders represent profits/assets which was distributed to Unitholders during the year.

The Fund records profits/assets distributed to Fund Unitholders based on the Resolution of the General Meeting of Fund Unitholders, in accordance with Fund's Charter and prevailing securities laws.

**(k) Fund units and Net Asset Value distributable to Unitholders**

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

The Fund issues and redeems Fund units at announced trading date based on the Net Asset Value per Fund unit. Net Asset Value per Fund unit is calculated by dividing the Net Asset Value of the Fund by the number of outstanding Fund units at the date before transaction date.

All Fund units issued to Unitholders have the same rights in regard to voting right, dividends, redemption of capital and others. Each issued fund unit carries one vote at annual general meetings of the Fund and is entitled to receive dividend as declared by the Fund from time to time.

Net Asset Value distributable to the Fund Unitholders also reflects the retained earnings, capital issued to Unitholders and capital premium. In which, capital issued to Unitholders includes subscription capital and redemption capital. Capital premium represents the difference between actual receipts/payments from subscription/redemption of Fund units based on Net Asset per Fund unit and the par value per Fund Unit. Retained earnings of the Fund included realised profit and unrealised profit.

The Fund can only distribute profits to Fund Unitholders by using realised retained profits deducting the unrealised accumulated losses as of distribution date. Profit is distributed in accordance with prevailing securities laws applicable to open-ended funds, Fund's Charter, Prospectus of the Fund and the Resolution of the General Meeting of Fund Unitholders.

**(l) 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 measured reliably. The following specific recognition criteria must be met before revenue is recognised:

**Eastspring Investments Vietnam Navigator Fund**  
**Notes to the financial statements for the year ended 31 December 2017 (continued)**

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

Interest income is recognised in the statement of income on accrual basis unless collectability is in doubt.

Dividend income is recognised when the right to receive payment is established. Share dividend is not recognised as income.

**(ii) Income from trading securities**

Income from trading securities is recognised in the statement of income upon receipt of the Notice of trading transactions from the Vietnam Securities Depository (for listed securities) which are verified by the Custodian Bank and completion of the agreement on transfer of assets (for unlisted securities).

**(m) Expenses**

Expenses are recognised in the statement of income when incurred.

**(n) Net Asset Value per Fund unit**

Net Asset Value per Fund unit is calculated by dividing the Net Asset Value of the Fund by the number of outstanding Fund units as at the reporting date. Net Asset Value is determined as total assets less total liabilities.

**(o) Segment reporting**

The Fund operates as one segment in Vietnam.

**(p) 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 individuals or corporate entities 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.

**(q) Nil balances**

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

**Eastspring Investments Vietnam Navigator Fund**  
**Notes to the financial statements for the year ended 31 December 2017 (continued)**

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

Cash in banks and cash equivalents represent cash in Vietnam Dong deposited at the following banks at the year end:

	<b>31/12/2017</b>	<b>31/12/2016</b>
	<b>VND</b>	<b>VND</b>
<b>Current account for operation of the Fund</b>		
▪ HSBC Bank (Vietnam) Ltd.	10,878,675,402	2,868,370,684
<b>Term deposits with term to maturity not exceeding three months</b>		
▪ Vietnam Prosperity Commercial Joint Stock Bank	4,104,565,222	-
	<b>14,983,240,624</b>	<b>2,868,370,684</b>
Cash and cash equivalents in the statement of cash flows		

As at 31 December 2017, term deposits at bank with original term to maturity of three months or less earn interest rates at 4.9% per annum (31/12/2016: Nil). In the event of withdrawal before the maturity, these term deposits earn interest at rates in accordance with the bank's policy applied for withdrawal before maturity.

**Eastspring Investments Vietnam Navigator Fund**  
**Notes to the financial statements for the year ended 31 December 2017 (continued)**

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**5. Investments**

All investee companies as shown in the statement of investment portfolio are incorporated 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 accounting policy set out in Note 3(c), rather than being consolidated or equity accounted.

Details of investments as at 31 December 2017 and 2016 were as follows:

	Cost VND [1]	Market value VND [2]	Unrealised gains during the year VND [3]	Revaluation value VND [4] = [1] + [3]
<b>As at 31 December 2017</b>				
Listed shares				
Term deposits at Asia Commercial Joint Stock Bank with term to maturity of:	74,747,125,948	103,486,512,900	28,739,386,952	103,486,512,900
- more than 12 months	16,500,000,000	16,500,000,000	-	16,500,000,000
- less than 12 months	4,000,000,000	4,000,000,000	-	4,000,000,000
Term deposits at Vietnam Prosperity Joint Stock Bank with term to maturity of:				
- less than 12 months	4,253,400,000	4,253,400,000	-	4,253,400,000
	99,500,525,948	128,239,912,900	28,739,386,952	128,239,912,900

**Eastspring Investments Vietnam Navigator Fund**  
**Notes to the financial statements for the year ended 31 December 2017 (continued)**

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*(Issued under Circular No. 198/2012/TT-BTC*  
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	Cost VND [1]	Market value VND [2]	Unrealised gains during the year VND [3]	Revaluation value VND [4] = [1] + [3]
As at 31 December 2016				
Listed shares	57,092,150,049	60,838,908,800	3,746,758,751	60,838,908,800
Listed bonds	27,519,447,644	29,791,438,200	2,271,990,556	29,791,438,200
	84,611,597,693	90,630,347,000	6,018,749,307	90,630,347,000

**Eastspring Investments Vietnam Navigator Fund**  
**Notes to the financial statements for the year ended 31 December 2017 (continued)**

**Form B06 – QM**  
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**6. Receivables from disposals of investments**

	<b>31/12/2017</b>	<b>31/12/2016</b>
	<b>VND</b>	<b>VND</b>
Receivables from disposal of listed shares	375,902,735	-

Receivables from disposals of investments represent proceeds from disposals of listed shares which are received after two working days from the trade date (T+2) according to the prevailing securities trading practice in Vietnam.

**7. Interest and dividend receivables**

	<b>31/12/2017</b>	<b>31/12/2016</b>
	<b>VND</b>	<b>VND</b>
Accrued dividend receivables	45,932,000	197,551,000
Accrued bonds coupon receivables	-	1,255,723,836
Accrued interest receivables	1,128,704,329	-
	1,174,636,329	1,453,274,836

**8. Accrued expenses**

	<b>31/12/2017</b>	<b>31/12/2016</b>
	<b>VND</b>	<b>VND</b>
Audit fees	319,275,000	319,275,022
Remunerations payable to the Fund Representative Board	45,000,002	45,000,002
Meeting expenses	76,391,810	-
	440,666,812	364,275,024

**Eastspring Investments Vietnam Navigator Fund**  
**Notes to the financial statements for the year ended 31 December 2017 (continued)**

**Form B06 – QM**  
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**9. Fund's service fees payable**

	<b>31/12/2017</b>	<b>31/12/2016</b>
	<b>VND</b>	<b>VND</b>
Fund management fees	177,079,370	118,161,722
Custody fees	9,333,175	7,126,462
Fund administration fees	4,545,039	3,032,753
Transfer agency fees	17,643,626	14,785,798
Supervising fees	2,597,164	1,733,049
	<hr/>	<hr/>
	211,198,374	144,839,784
	<hr/>	<hr/>



**Eastspring Investments Vietnam Navigator Fund****Notes to the financial statements for the year ended 31 December 2017 (continued)****Form B06 – QM***(Issued under Circular No. 198/2012/TT-BTC dated 15 November 2012 of the Ministry of Finance)***10. Capital issued to Unitholders**

According to the Establishment Registration Certificate No. 09/GCN-UBCK dated 25 March 2014, the Fund Charter Capital is VND53,203,406,730 equivalent to 5,320,340.67 Fund units at par value of VND10,000 per Fund unit. As the Fund operates as an open-ended fund, the capital issued to Unitholders and the number of Fund units changed after every transaction.

Movements in capital issued to Unitholders for the year ended 31 December 2017 and 2016 were as follows:

	Unit	As at 31/12/2016 VND	Movements during the year VND	As at 31/12/2017 VND
<b>Subscription capital</b>				
Quantity (1)	Unit	8,522,980.64	689,306.84	9,212,287.48
Average NAV (2) = (5) / (1)	VND	10,061	18,712	10,708
Par value (3)	VND	85,229,806,400	6,893,068,400	92,122,874,800
Capital premium (4)	VND	516,672,069	6,005,444,100	6,522,116,169
Value of subscription capital (5) = (3) + (4)	VND	85,746,478,469	12,898,512,500	98,644,990,969
<b>Redemption capital</b>				
Quantity (6)	Unit	(1,816,363.70)	(35,276.29)	(1,851,639.99)
Average NAV (7) = (10) / (6)	VND	10,296	17,069	10,425
Par value (8)	VND	(18,163,637,000)	(352,762,900)	(18,516,399,900)
Capital premium (9)	VND	(537,575,164)	(249,357,159)	(786,932,323)
Value of redemption capital (10) = (8) + (9)	VND	(18,701,212,164)	(602,120,059)	(19,303,332,223)
<b>Number of outstanding Fund Units (11) = (1) + (6)</b>				
	Unit	6,706,616.94	654,030.55	7,360,647.49
<b>Total value of outstanding capital (12) = (5) + (10)</b>				
	VND	67,045,266,305	12,296,392,441	79,341,658,746
<b>NAV/Fund unit (13)</b>				
	VND	14,064		19,559

**Eastspring Investments Vietnam Navigator Fund**

**Notes to the financial statements for the year ended 31 December 2017 (continued)**

**Form B06 – QM**

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	Unit	As at 31/12/2015 VND	Movements during the year VND	As at 31/12/2016 VND
<b>Subscription capital</b>				
Quantity (1)	Unit	8,439,702.90	83,277.74	8,522,980.64
Average NAV (2) = (5) / (1)	VND	10,023	13,842	10,061
Par value (3)	VND	84,397,029,000	832,777,400	85,229,806,400
Capital premium (4)	VND	196,686,376	319,985,693	516,672,069
Value of subscription capital (5) = (3) + (4)	VND	84,593,715,376	1,152,763,093	85,746,478,469
<b>Redemption capital</b>				
Quantity (6)	Unit	(1,657,463.63)	(158,900.07)	(1,816,363.70)
Average NAV (7) = (10) / (6)	VND	10,027	13,099	10,296
Par value (8)	VND	(16,574,636,300)	(1,589,000,700)	(18,163,637,000)
Capital premium (9)	VND	(45,190,335)	(492,384,829)	(537,575,164)
Value of redemption capital (10) = (8) + (9)	VND	(16,619,826,635)	(2,081,385,529)	(18,701,212,164)
<b>Number of outstanding Fund Units (11) = (1) + (6)</b>	Unit	6,782,239.27	(75,622.33)	6,706,616.94
<b>Total value of outstanding capital (12) = (5) + (10)</b>	VND	67,973,888,741	(928,622,436)	67,045,266,305
<b>NAV/Fund unit (13)</b>	VND	12,058		14,064

**11. Retained earnings**

	2017 VND	2016 VND
Retained earnings at the beginning of the year	27,279,631,376	13,804,416,148
Net profit for the year	37,342,041,925	13,475,215,228
<i>In which</i>		
▪ <i>Undistributed realised profits</i>	14,621,404,280	14,406,924,281
▪ <i>Unrealised profits/(losses)</i>	22,720,637,645	(931,709,053)
Retained earnings at the end of the year	64,621,673,301	27,279,631,376

Eastspring Investments Vietnam Navigator Fund  
Notes to the financial statements for the year ended 31 December 2017 (continued)

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12. Gains from trading securities

2017

Investment portfolio	Proceeds VND [1]	Average cost VND [2]	Gains on securities trading for the year ended 31/12/2017 VND [3] = [1] - [2]	Gains/(losses) on securities trading at the beginning of the year VND [4]	Accumulated gains on securities trading up to 31/12/2017 VND [5] = [3] + [4]
Listed shares	50,699,738,210	40,520,901,601	10,178,836,609	16,220,837,549	26,399,674,158
Listed bonds	30,639,970,000	27,519,447,644	3,120,522,356	(370,982,973)	2,749,539,383
	81,339,708,210	68,040,349,245	13,299,358,965	15,849,854,576	29,149,213,541

2016

Investment portfolio	Proceeds VND [1]	Average cost VND [2]	Gains on securities trading for the year ended 31/12/2016 VND [3] = [1] - [2]	Gains/(losses) on securities trading at the beginning of the year VND [4]	Accumulated gains/(losses) on securities trading up to 31/12/2016 VND [5] = [3] + [4]
Listed shares	59,810,009,000	47,022,851,647	12,787,157,353	3,433,680,196	16,220,837,549
Listed bonds	-	-	-	(370,982,973)	(370,982,973)
	59,810,009,000	47,022,851,647	12,787,157,353	3,062,697,223	15,849,854,576

Eastspring Investments Vietnam Navigator Fund  
Notes to the financial statements for the year ended 31 December 2017 (continued)

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13. Unrealised gains/(losses) from revaluation of investments

2017

Investment portfolio	Cost VND [1]	Market value at 31/12/2017 VND [2]	Unrealised gains on revaluation at 31/12/2017 VND [3] = [2] - [1]	Unrealised gains on revaluation at 31/12/2016 VND [4]	Net unrealised gains/(losses) on revaluation recognised for the year 2017 VND [5] = [3] - [4]
Listed shares	74,747,125,948	103,486,512,900	28,739,386,952	3,746,758,751	24,992,628,201
Listed bonds	-	-	-	2,271,990,556	(2,271,990,556)
	74,747,125,948	103,486,512,900	28,739,386,952	6,018,749,307	22,720,637,645

2016

Investment portfolio	Cost VND [1]	Market value at 31/12/2016 VND [2]	Unrealised gains on revaluation at 31/12/2016 VND [3] = [2] - [1]	Unrealised gains on revaluation at 31/12/2015 VND [4]	Net unrealised (losses)/gains on revaluation recognised for the year 2016 VND [5] = [3] - [4]
Listed shares	57,092,150,049	60,838,908,800	3,746,758,751	5,588,155,804	(1,841,397,053)
Listed bonds	27,519,447,644	29,791,438,200	2,271,990,556	1,362,302,556	909,688,000
	84,611,597,693	90,630,347,000	6,018,749,307	6,950,458,360	(931,709,053)

**Eastspring Investments Vietnam Navigator Fund**

Notes to the financial statements for the year ended 31 December 2017 (continued)

Form B06 – QM

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	<b>2017 VND</b>	<b>2016 VND</b>
Transaction fees from buying securities (a)	89,104,779	79,216,110
Transaction fees from selling securities (b)	83,347,452	92,393,912
	<hr/>	<hr/>
	172,452,231	171,610,022

**(a) Transaction fees from buying securities**

	<b>2017 VND</b>	<b>2016 VND</b>
Listed shares	89,104,779	79,216,110
	<hr/>	<hr/>

**(b) Transaction fees from selling securities**

	<b>2017 VND</b>	<b>2016 VND</b>
Listed shares	76,890,485	92,393,912
Listed bonds	6,456,967	-
	<hr/>	<hr/>
	83,347,452	92,393,912

**15. Other operating expenses**

	<b>2017 VND</b>	<b>2016 VND</b>
Fund Representative Board's remunerations (Note 18)	180,000,000	180,000,000
Bank charges	4,873,000	3,405,600
Others	-	10,000,000
	<hr/>	<hr/>
	184,873,000	193,405,600

**Eastspring Investments Vietnam Navigator Fund**  
**Notes to the financial statements for the year ended 31 December 2017 (continued)**

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**16. Net Asset Value**

No.	NAV period	Net Asset Value (NAV) VND [1]	For the year ended 31/12/2017		Increase/ (decrease) in NAV per Fund unit VND/unit
			Number of Fund units Units [2]	NAV per Fund unit VND/unit [3] = [1]/[2]	
1	5-Jan-17	95,509,616,057	6,706,616.94	14,241	-
2	12-Jan-17	95,483,687,465	6,709,417.30	14,231	(10)
3	19-Jan-17	95,114,224,284	6,709,417.30	14,176	(55)
4	31-Jan-17	97,148,245,371	6,709,417.30	14,479	303
5	2-Feb-17	97,645,793,829	6,709,417.30	14,554	75
6	9-Feb-17	98,081,212,487	6,709,417.30	14,618	64
7	16-Feb-17	98,996,786,352	6,723,058.01	14,725	107
8	23-Feb-17	100,414,262,771	6,723,058.01	14,936	211
9	28-Feb-17	99,993,846,413	6,723,058.01	14,873	(63)
10	2-Mar-17	99,814,122,349	6,723,058.01	14,847	(26)
11	9-Mar-17	101,962,033,936	6,723,744.06	15,164	317
12	16-Mar-17	102,943,696,473	6,723,875.55	15,310	146
13	23-Mar-17	104,200,435,057	6,723,715.39	15,497	187
14	30-Mar-17	104,912,975,024	6,737,226.69	15,572	75
15	31-Mar-17	104,873,959,274	6,736,427.94	15,568	(4)
16	6-Apr-17	104,792,611,288	6,736,427.94	15,556	(12)
17	13-Apr-17	104,104,912,425	6,737,942.61	15,451	(105)
18	20-Apr-17	103,109,754,269	6,737,942.61	15,303	(148)
19	27-Apr-17	104,481,425,298	6,737,942.61	15,506	203
20	30-Apr-17	105,045,668,560	6,740,134.92	15,585	79
21	4-May-17	106,525,804,145	6,740,134.92	15,805	220
22	11-May-17	108,145,598,728	6,740,134.92	16,045	240
23	18-May-17	108,765,271,479	6,741,248.76	16,134	89
24	25-May-17	112,483,381,653	6,741,248.76	16,686	552
25	31-May-17	111,767,665,962	6,743,581.27	16,574	(112)
26	1-Jun-17	112,231,252,450	6,743,581.27	16,643	69
27	8-Jun-17	113,733,854,563	6,741,378.42	16,871	228
28	15-Jun-17	114,635,854,211	6,741,378.42	17,005	134
29	22-Jun-17	116,917,971,976	6,764,947.59	17,283	278
30	29-Jun-17	116,877,854,061	6,764,947.59	17,277	(6)
31	30-Jun-17	117,008,700,019	6,764,802.34	17,297	20
32	6-Jul-17	117,471,442,936	6,764,802.34	17,365	68
33	13-Jul-17	117,069,655,235	6,764,802.34	17,306	(59)
34	20-Jul-17	114,467,788,466	6,766,218.03	16,918	(388)
35	27-Jul-17	115,903,407,514	6,767,194.06	17,127	209
36	31-Jul-17	116,979,671,392	6,767,194.06	17,286	159
37	3-Aug-17	118,096,719,562	6,767,194.06	17,451	165
38	10-Aug-17	117,335,499,383	6,767,251.19	17,339	(112)
39	17-Aug-17	116,279,521,701	6,764,126.21	17,191	(148)
40	24-Aug-17	117,075,314,528	6,764,416.18	17,308	117

**Eastspring Investments Vietnam Navigator Fund**

**Notes to the financial statements for the year ended 31 December 2017 (continued)**

**Form B06 – QM**

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

**For the year ended 31/12/2017**

No.	NAV period	Net Asset Value (NAV) VND [1]	Number of Fund units Units [2]	NAV per Fund unit VND/unit [3] = [1]/[2]	Increase/ (decrease) in NAV per Fund unit VND/unit
41	31-Aug-17	118,048,273,916	6,764,416.18	17,451	143
42	7-Sep-17	117,588,508,488	6,766,701.43	17,378	(73)
43	14-Sep-17	118,082,336,335	6,766,758.80	17,450	72
44	21-Sep-17	118,774,016,573	6,766,758.80	17,553	103
45	28-Sep-17	118,589,077,474	6,767,326.79	17,524	(29)
46	30-Sep-17	119,129,989,876	6,768,464.65	17,601	77
47	5-Oct-17	118,761,379,246	6,768,464.65	17,546	(55)
48	12-Oct-17	120,134,318,420	6,758,467.21	17,775	229
49	19-Oct-17	119,927,573,050	6,759,140.29	17,743	(32)
50	26-Oct-17	118,453,666,120	6,761,378.35	17,519	(224)
51	31-Oct-17	119,048,287,436	6,764,734.70	17,598	79
52	2-Nov-17	117,949,125,787	6,764,734.70	17,436	(162)
53	9-Nov-17	120,888,850,384	6,764,734.70	17,870	434
54	16-Nov-17	124,404,846,947	6,765,292.61	18,389	519
55	23-Nov-17	126,735,121,916	6,781,286.68	18,689	300
56	30-Nov-17	130,114,682,219	6,784,633.30	19,178	489
57	5-Dec-17	129,808,542,072	6,784,633.30	19,133	(45)
58	7-Dec-17	130,193,975,536	6,813,943.68	19,107	(26)
59	14-Dec-17	138,731,200,516	7,341,012.12	18,898	(209)
60	21-Dec-17	141,499,657,868	7,346,815.37	19,260	362
61	28-Dec-17	143,252,974,702	7,359,239.04	19,466	206
62	31-Dec-17	143,963,332,047	7,360,647.49	19,559	93
Average NAV during the year		113,910,987,675			
The highest level of NAV per Fund unit during the year				19,559	
The lowest level of NAV per Fund unit during the year				14,176	

**Eastspring Investments Vietnam Navigator Fund**

**Notes to the financial statements for the year ended 31 December 2017 (continued)**

**Form B06 – QM**

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

**For the year ended 31/12/2016**

No.	NAV period	Net Asset Value (NAV) VND [1]	Number of Fund units Units [2]	NAV per Fund unit VND/unit [3] = [1]/[2]	Increase/ (decrease) in NAV per Fund unit VND/unit
1	7-Jan-16	80,395,111,863	6,782,239.27	11,854	-
2	14-Jan-16	79,802,244,293	6,782,485.46	11,766	(88)
3	21-Jan-16	77,606,716,553	6,782,485.46	11,442	(324)
4	28-Jan-16	79,239,763,020	6,782,485.46	11,683	241
5	31-Jan-16	79,704,926,475	6,772,488.02	11,769	86
6	4-Feb-16	79,376,560,187	6,772,488.02	11,720	(49)
7	18-Feb-16	80,753,098,723	6,772,488.02	11,924	204
8	25-Feb-16	81,037,159,811	6,772,488.02	11,966	42
9	29-Feb-16	81,675,912,456	6,770,988.02	12,063	97
10	3-Mar-16	83,358,189,608	6,770,988.02	12,311	248
11	10-Mar-16	83,883,857,120	6,771,149.98	12,388	77
12	17-Mar-16	83,910,696,127	6,769,879.23	12,395	7
13	24-Mar-16	84,220,698,211	6,764,960.32	12,450	55
14	31-Mar-16	83,497,694,318	6,765,678.88	12,341	(109)
15	7-Apr-16	84,493,028,510	6,759,242.95	12,500	159
16	14-Apr-16	85,366,184,842	6,759,242.95	12,630	130
17	21-Apr-16	84,373,528,525	6,754,578.00	12,491	(139)
18	28-Apr-16	85,020,413,492	6,754,578.00	12,587	96
19	30-Apr-16	85,530,021,992	6,754,578.00	12,663	76
20	5-May-16	85,693,535,968	6,754,578.00	12,687	24
21	12-May-16	86,442,105,681	6,762,381.26	12,783	96
22	19-May-16	86,410,785,062	6,770,180.68	12,763	(20)
23	26-May-16	85,723,603,429	6,708,171.81	12,779	16
24	31-May-16	86,493,596,563	6,708,171.81	12,894	115
25	2-Jun-16	86,733,328,090	6,708,171.81	12,930	36
26	9-Jun-16	87,440,564,848	6,708,171.81	13,035	105
27	16-Jun-16	88,685,345,613	6,708,171.81	13,220	185
28	23-Jun-16	90,551,135,049	6,710,434.29	13,494	274
29	30-Jun-16	91,677,902,776	6,710,434.29	13,662	168
30	7-Jul-16	95,195,388,599	6,710,434.29	14,186	524
31	14-Jul-16	93,802,750,678	6,710,434.29	13,979	(207)
32	21-Jul-16	93,292,301,987	6,715,566.93	13,892	(87)
33	28-Jul-16	93,798,947,121	6,722,743.72	13,952	60
34	31-Jul-16	94,241,339,437	6,722,743.72	14,018	66
35	4-Aug-16	91,657,214,260	6,722,743.72	13,634	(384)
36	11-Aug-16	93,940,705,882	6,722,743.72	13,974	340
37	18-Aug-16	95,721,960,665	6,729,878.39	14,223	249
38	25-Aug-16	95,905,488,732	6,729,878.39	14,251	28
39	31-Aug-16	96,803,382,591	6,723,878.39	14,397	146
40	8-Sep-16	97,231,567,636	6,723,878.39	14,461	64
41	15-Sep-16	96,067,327,545	6,723,878.39	14,287	(174)
42	22-Sep-16	97,656,663,220	6,723,878.39	14,524	237



**Eastspring Investments Vietnam Navigator Fund**

**Notes to the financial statements for the year ended 31 December 2017 (continued)**

**Form B06 – QM**

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

**For the year ended 31/12/2016**

No.	NAV period	Net Asset Value (NAV) VND [1]	Number of Fund units Units [2]	NAV per Fund unit VND/unit [3] = [1]/[2]	Increase/ (decrease) in NAV per Fund unit VND/unit
43	29-Sep-16	98,378,888,871	6,724,113.87	14,631	107
44	30-Sep-16	98,080,377,351	6,724,113.87	14,586	(45)
45	6-Oct-16	99,241,782,336	6,724,113.87	14,759	173
46	13-Oct-16	98,906,083,931	6,735,597.71	14,684	(75)
47	20-Oct-16	98,129,724,191	6,735,937.19	14,568	(116)
48	27-Oct-16	96,200,649,663	6,742,096.58	14,269	(299)
49	31-Oct-16	96,849,507,444	6,742,306.19	14,364	95
50	3-Nov-16	95,607,773,167	6,742,306.19	14,180	(184)
51	10-Nov-16	96,647,466,390	6,746,218.88	14,326	146
52	17-Nov-16	95,958,470,298	6,746,636.42	14,223	(103)
53	24-Nov-16	96,643,716,361	6,746,636.42	14,325	102
54	30-Nov-16	94,785,418,261	6,754,988.25	14,032	(293)
55	1-Dec-16	94,669,186,533	6,754,988.25	14,015	(17)
56	8-Dec-16	91,911,250,120	6,755,699.60	13,605	(410)
57	15-Dec-16	93,136,387,821	6,763,320.09	13,771	166
58	22-Dec-16	92,269,162,948	6,704,298.48	13,763	(8)
59	29-Dec-16	93,965,661,421	6,706,616.94	14,011	248
60	31-Dec-16	94,324,897,681	6,706,616.94	14,064	53
Average NAV during the year		90,001,985,872			
The highest level of NAV per Fund unit during the year				14,759	
The lowest level of NAV per Fund unit during the year				11,442	

**Eastspring Investments Vietnam Navigator Fund**  
**Notes to the financial statements for the year ended 31 December 2017 (continued)**

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**17. Number of outstanding Fund units**

	<b>31/12/2017</b>	<b>31/12/2016</b>
	<b>Fund unit</b>	<b>Fund unit</b>
Number of outstanding Fund units within 1 year	686,278.39	82,954.92
Number of outstanding Fund units over 1 year	6,674,369.10	6,623,662.02
	<hr/>	<hr/>
	7,360,647.49	6,706,616.94
	<hr/>	<hr/>

**18. Related parties and key contracts**

**(a) Related parties**

*Transactions with Eastspring Investments Fund Management Limited Liability Company, the Fund Management Company*

	<b>2017</b>	<b>2016</b>
	<b>VND</b>	<b>VND</b>
Management fees	1,705,894,068	1,347,890,402
	<hr/>	<hr/>

In accordance with the Fund Charter, the Fund Management Company is entitled to receive annual management fee of 1.5% calculated based on the Fund's NAV (2016: 1.5% per annum). Any changes in the management fee rate must be approved at the Annual General Meeting to ensure total management fee and other fees paid by the Fund to the Fund Management Company are in compliance with legal requirements. Fees are calculated for each valuation cycle based on NAV at the date before the valuation date.

*Transactions with Fund Representative Board*

	<b>2017</b>	<b>2016</b>
	<b>VND</b>	<b>VND</b>
Fund Representative Board's remunerations (Note 15)	180,000,000	180,000,000
	<hr/>	<hr/>

Other than remunerations in accordance with the Fund Charter, there are no contracts to which the Fund and any member of the Fund Representative Board is a party where a member of the Fund Representative Board has a material interest. Remunerations to members of the Fund Representative Board are recognised as expenses of the Fund in the statement of income.

**Eastspring Investments Vietnam Navigator Fund**  
**Notes to the financial statements for the year ended 31 December 2017 (continued)**

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**Percentage of Fund units held by related parties**

<b>Related parties</b>	<b>Relationship</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
Eastspring Investments (Hong Kong) Limited	Member of Eastspring Investments Group	71.4706%	78.4404%
Dinh Ba Thanh	Chairman of Fund Representative Board	13.5858%	14.9106%
Phan Ngoc Lan	Relatives of Chief Executive Officer of Fund Management Company	2.2439%	2.4627%
Trieu Thi Ngoc Tham	Relatives of Employee of Fund Management Company	0.2717%	0.2982%
Le Nguyen Binh	Employee of Fund Management Company	0.1359%	0.1491%
Phan Thi Anh Minh	Employee of Fund Management Company	0.1087%	0.1193%
Nguyen Minh Tung	Employee of Fund Management Company	N/A	0.1305%
Tran Thi Hue	Relatives of Employee of Fund Management Company	0.0679%	0.0746%
Tran Trong Phuong Thao	Employee of Fund Management Company	0.0136%	0.0149%
Dang Thi Thanh Trang	Employee of Fund Management Company	0.0136%	0.0149%
Le Minh Thuy	Employee of Fund Management Company	0.0136%	0.0149%
Tong Cong Cuong	Employee of Fund Management Company	0.0014%	0.0015%
		<b>87.9267%</b>	<b>96.6316%</b>

**Eastspring Investments Vietnam Navigator Fund**  
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**(b) Key contracts**

*HSBC Bank (Vietnam) Ltd. - Supervising bank*

	<b>2017</b>	<b>2016</b>
	<b>VND</b>	<b>VND</b>
Custody fees	109,487,795	98,884,474
Supervising fees	25,019,781	19,769,155
Fund administration fees	43,784,617	34,595,114
Transfer agency fees	184,308,627	156,107,119
	362,600,820	309,355,862

The Fund has appointed HSBC Bank (Vietnam) Ltd. ("HSBC") to be the Custodian Bank and Supervising Bank of the Fund. HSBC was authorised by the Fund Management Company to provide fund administration service and transfer agency service. In accordance with the Fund Charter, the Fund has to pay custody and supervising fees, fund administration fees and transfer agency fees to the respective service providers on a monthly basis. Fees are calculated on each valuation period based on NAV at the date before valuation date. The monthly fees are total fee calculated for valuation periods within the month which are not less than minimum fees but do not exceed the maximum fees frame as follows:

- Supervising fees: 0.02% annual NAV.
- Custody fees: 0.06% annual NAV.
- Securities clearing transaction fees: VND150,000 per transaction.
- Custody fees paid to Vietnam Securities Depository ("VSD"): monthly fee according to the fee schedule of VSD collected by HSBC on behalf of VSD.
- Fund administration fees: 0.035% annual NAV.
- Transfer agency fees include two groups of fee as follows:
  - Group of fee calculated based on NAV or transaction value include:
    - Annual Fund Unitholders maintenance fees: 0.05% annual NAV.
    - 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 bulk mails delivery fees, distribution service fees, fees for calculation of distributors commission and trailer fees.

**Eastspring Investments Vietnam Navigator Fund**  
**Notes to the financial statements for the year ended 31 December 2017 (continued)**

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**19. Indices**

	2017	2016
<b>I Investment performance</b>		
<i>Expense ratio</i>		
1 Management fees/Average NAV during the year (%)	1.50%	1.50%
2 Custody and supervising fees/Average NAV during the year (%)	0.12%	0.13%
3 (Fund administration fees, transfer agency fees and other expenses)/Average NAV during the year (%)	0.20%	0.21%
4 Audit fees/Average NAV during the year (%)	0.34%	0.43%
5 Remunerations to Fund Representative Board/Average NAV during the year (%)	0.16%	0.21%
6 Operating expenses/Average NAV during the year (%)	2.54%	2.69%
<i>Turnover ratio</i>		
7 Turnover ratio of investment portfolio during the year = (Total value of purchase transactions + total value of sales transactions)/2 x Average NAV during the year (%)	61.24%	70.05%
	<b>2017</b>	<b>2016</b>
	<b>VND</b>	<b>VND</b>
<b>II Others</b>		
<b>1 Fund size at the beginning of the year (calculated at par value of Fund unit)</b>		
Total number of outstanding Fund units at the beginning of the year	6,706,616.94	6,782,239.27
Total value of outstanding Fund units at the beginning of the year	67,066,169,400	67,822,392,700
<b>2 Change in Fund size during the year (calculated at par value of Fund units)</b>		
Number of Fund units subscribed during the year	689,306.84	83,277.74
Value of capital subscribed during the year (at par value)	6,893,068,400	832,777,400
Number of Fund units redeemed during the year	(35,276.29)	(158,900.07)
Value of capital redeemed during the year in respond to Fund Unitholders' command (at par value)	(352,762,900)	(1,589,000,700)
<b>3 Fund size at the end of the year (calculated at par value of Fund units)</b>		
Total number of outstanding Fund units at the end of the year	7,360,647.49	6,706,616.94
Total value of outstanding Fund units at the end of the year	73,606,474,900	67,066,169,400

**Eastspring Investments Vietnam Navigator Fund**  
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	2017 VND	2016 VND
4 Proportion of Fund units held by the Fund Management Company and related parties at the end of the year (%)	87.9267%	96.6316%
5 Proportion of Fund units held by ten largest Unitholders at the end of the year (%)	96.91%	98.60%
6 Proportion of Fund units held by foreign Unitholders at the end of the year (%)	78.56%	78.44%
7 Number of Fund Unitholders at the end of the year	158	132
8 NAV/Fund unit at the end of the year	19,559	14,064

## 20. 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 shares and bonds. 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 Fund's portfolio is monitored closely to ensure that it complies with asset allocation required by regulations and the Fund Charter.

### (a) Credit risk

Credit risk is the risk of financial loss to the Fund if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Fund's cash in banks, debt securities investments and accounts receivables.

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

**Eastspring Investments Vietnam Navigator Fund**  
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The Fund's listed shares will only be traded on or subject to the rules of the Ho Chi Minh City Stock Exchange and the Hanoi Stock Exchange or with counterparties which have a specified credit rating. All transactions in listed securities are settled or paid via VSD and for upon delivery using approved brokers. The risk of default is considered minimal.

Bonds that the Fund invests in are government bonds and bonds guaranteed by the Government. Therefore, the Fund Management Company does not expect any losses arising from the non-performance of these bond issuers.

Receivables includes interest receivables from banks deposits, dividends and interest receivables from bonds and receivables from disposals of investments. The Fund Management Company believes that no allowance for doubtful debts was considered necessarily for these receivables as at 31 December 2017 and 2016.

The maximum exposure to credit risk faced by the Fund is equal to the carrying amounts of cash in banks and cash equivalents and 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 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 term and long term.

The Fund's financial assets on 31 December 2017 and 2016 included listed securities. The Fund's investments in listed securities are considered to be readily realisable 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 liquid some of its investments in due time in order to meet its liquidity requirements.

As at 31 December 2017 and 2016, the contractual maturities of non-derivative financial liabilities were as follows:

	Carrying amount VND	Undiscounted contractual cash flows VND	Within 1 year VND
<b>As at 31 December 2017</b>			
Subscription fee payables to Distribution Agents	34,343,000	34,343,000	34,343,000
Accrued expenses	440,666,812	440,666,812	440,666,812
Payables to Fund Unitholders for Fund units redemption	124,144,876	124,144,876	124,144,876
Fund's service fees payable	211,198,374	211,198,374	211,198,374
	810,353,062	810,353,062	810,353,062

**Eastspring Investments Vietnam Navigator Fund**  
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	Carrying amount VND	Undiscounted contractual cash flows VND	Within 1 year VND
<b>As at 31 December 2016</b>			
Subscription fee payables to Distribution Agents	487,767	487,767	487,767
Accrued expenses	364,275,024	364,275,024	364,275,024
Payables to Fund Unitholders for Fund units redemption	116,674,492	116,674,492	116,674,492
Fund's service fees payable	144,839,784	144,839,784	144,839,784
	626,277,067	626,277,067	626,277,067

**(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. The Fund's exposure to market risk due to change in interest rates is minimal since the Fund only holds cash in banks and term deposits with fixed 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 functional currency.

**(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 careful selection of securities within specified limits.



**Eastspring Investments Vietnam Navigator Fund**  
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As at 31 December 2017, the market value of the Fund's listed shares is VND103,486,512,900 (31/12/2016: VND60,838,908,800). For the year ended 31 December 2017, the difference between the highest and lowest monthly VN-Index was approximately 41% (for the year ended 31 December 2016: 26%). Had the market prices of these securities declined or increased by 41% as at 31 December 2017 with all other variables remaining constant, the Fund's Net Asset Value would have decreased or increased by VND42,429,470,289 respectively (31/12/2016: VND15,818,116,288).

**(d) Fair values**

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.

**(i) Fair value versus carrying value**

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

	As at 31/12/2017		As at 31/12/2016	
	Carrying value VND	Fair value VND	Carrying value VND	Fair value VND
<b>Financial assets</b>				
<i>Categorised as financial assets at fair value through profit or loss</i>				
▪ Investments	103,486,512,900	103,486,512,900	90,630,347,000	90,630,347,000
<i>Categorised as held-to-maturity investments</i>				
▪ Term deposits	24,753,400,000	24,753,400,000	-	-
<i>Categorised as loans and receivables</i>				
▪ Cash in banks and cash equivalents	14,983,240,624	14,983,240,624	2,868,370,684	2,868,370,684
▪ Receivables from disposals of investments	375,902,735	375,902,735	-	-
▪ Interest and dividend receivables	1,174,636,329	1,174,636,329	1,453,274,836	1,453,274,836

**Eastspring Investments Vietnam Navigator Fund**  
**Notes to the financial statements for the year ended 31 December 2017 (continued)**

**Form B06 – QM**  
*(Issued under Circular No. 198/2012/TT-BTC  
dated 15 November 2012 of the Ministry of Finance)*

	As at 31/12/2017		As at 31/12/2016	
	Carrying value VND	Fair value VND	Carrying value VND	Fair value VND
<b>Financial liabilities</b>				
<i>Categorised as liabilities at amortised cost</i>				
▪ Subscription fee payables to Distribution Agents	34,343,000	34,343,000	487,767	487,767
▪ Accrued expenses	440,666,812	440,666,812	364,275,024	364,275,024
▪ Payables to Fund Unitholders for Fund units redemption	124,144,876	124,144,876	116,674,492	116,674,492
▪ Fund's service fees payable	211,198,374	211,198,374	144,839,784	144,839,784

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

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

- Fair values of cash in banks and term deposits are account balance at the reporting date.
- Fair values of securities which are listed on the Ho Chi Minh City Stock Exchange and the Hanoi Stock Exchange are the closing prices (or other names, depending on the internal regulations of the Stock Exchange) of 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 2017 due to their short-term maturity of these financial instruments.

**Eastspring Investments Vietnam Navigator Fund**  
**Notes to the financial statements for the year ended 31 December 2017 (continued)**

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

**21. Approval for issue the financial statements**

The financial statements as at 31 December 2017 and for year then ended were authorised for issue by the Fund Representative Board on 28 March 2018.

Eastspring Investments Fund Management Limited Liability Company  
Prepared by: Approved by:



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Ms. Le Thi Thuy Phuong  
*Manager, Operations and Performance Analytics*



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Mr. Nguyen Tuan Thên An  
*Chief Executive Officer*

