



AMUNDI VIETNAM OPPORTUNITIES FUND  
(A SUB-FUND OF AMUNDI HARVEST FUNDS)  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2020

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## AMUNDI VIETNAM OPPORTUNITIES FUND

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## AMUNDI VIETNAM OPPORTUNITIES FUND

### MANAGEMENT AND ADMINISTRATION

#### Manager

Amundi Hong Kong Limited  
901-908 One Pacific Place  
88 Queensway  
Hong Kong

#### Directors of the Manager

Jean Yves Glain  
Christianus Pellis  
Zhong Xiao Feng  
Vincent Mortier  
Gilles Guerrier de Dumast

#### Custodian

CACEIS Bank, Luxembourg Branch  
5 Allée Scheffer, 2520 Luxembourg

#### Trustee and Registrar

CACEIS Hong Kong Trust Company Limited  
29th Floor, Two Pacific Place  
88 Queensway, Hong Kong

#### Legal Adviser to the Fund

Deacons  
Solicitors & Notaries  
5th Floor, Alexandra House  
16-20 Chater Road  
Central, Hong Kong

#### Auditor

PricewaterhouseCoopers  
**22/F Prince's Building**  
**Central, Hong Kong**

## AMUNDI VIETNAM OPPORTUNITIES FUND

### REPORT OF THE MANAGER

Successful containment of the COVID-19 outbreak has helped Vietnam to dodge an economic recession with the country expected to register Gross Domestic Product (GDP) growth of approximately 2.5% in 2020. Notably, it is the only ASEAN country forecasted to deliver positive growth this year. This is largely thanks **to the government's rapid and proactive response to the pandemic, including a sizeable stimulus package**, which meant that economic activity picked up significantly from 3Q20. This positivity was reflected in the stock market, with the fund returning +19.3% in absolute terms during the year (compared with MSCI Vietnam Index, up +13.2%).

**Vietnam's economic rebound** is expected to continue in 2021 with GDP projected to grow over 7% next year. Geared towards trade and tourism, there are many pillars of support for the economy. Firstly, growing domestic consumption alongside consumer confidence bounce-back has led to a swift recovery in retail and consumer related services. Secondly, robust state investment expansion, focused on infrastructure, will positively support economic growth. Thirdly, we should see strong expansion in manufacturing given the link to the recovery in global demand, led by the rebound of the Chinese economy. This has been particularly apparent in tech-related sectors which have been marked as the main contributor to export growth in 3Q20 data. In addition, a benign interest rate environment is supportive of the banks and real estate developers. Finally, foreign direct investment (FDI) inflows should continue to bolster the economy. Although FDI has fallen this year, Vietnam continues to gain regional FDI market share due to supply chain shifts and the fact that it remains a relatively attractive investment destination in the region.

However, there are still a few spots to be mindful of, in particular, tourism-related services remain in contraction and are likely to see a prolonged recovery until there is an effective vaccine. However, if the country opens to international tourism from April 2021 as scheduled it will be supportive of a pick-up. Overall, exports should accelerate driven by a meaningful recovery of global demand following vaccine rollout, and greater impact from the recent free trade agreements (Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the EU-Vietnam Free Trade Agreement (EVFTA) and the Regional Comprehensive Economic Partnership (RCEP)). One area **to watch is Vietnam's fiscal deficit which fell below the government's initial target of -3.4% of GDP to -5.6% of GDP this year on the back of the stimulus measures and fall in tourism receipts. This deficit should nudge the public debt-to-GDP ratio higher than the authorities' estimate of 56.1%, though it should still remain comfortably below the government's statutory limit of 65% debt-to-GDP.**

**Inflation is likely to stay below the State Bank of Vietnam's (SBV) 4% threshold (currently 3.7%), as upward pressure from rising oil prices is nullified by falling food inflation.** On the monetary front, the SBV has delivered a total of 200bps rate cuts to its refinancing rate so far in 2020, lowering it to 4%. This complemented previous measures, such as delaying and restructuring interest payments for hard-hit businesses. **As Vietnam's economy is likely set for a robust recovery in the coming quarters, and inflation remains contained, it is expected that the central bank will maintain its refinancing rate at 4% in the near term with the potential for a 25bp hike later in the year.**

Vietnamese Dong (VND) is likely to rise as Vietnam has been declared a currency manipulator due to an expanding trade surplus with the US, a large current account surplus (>2% of GDP), and foreign exchange (FX) interventions amounting to more than 2% of GDP. While it remains to be seen if the US Treasury will continue focusing on exchange rates under the new administration, it is likely that the US and Vietnam will come to an agreement **about gradually incorporating FX reforms, as the State Bank of Vietnam's FX reserves (\$88bn) can only cover about 4 months of imports.** Given this backdrop, VND appreciation pressures will persist.

## AMUNDI VIETNAM OPPORTUNITIES FUND

### REPORT OF THE MANAGER (CONTINUED)

**Notwithstanding the strong 2020 performance, we remain positive on the outlook for Vietnam's equity market, now the largest market in the MSCI Frontier Markets Index.** Beyond the strong economic and earnings recovery backdrop, there are a number of catalysts that can propel equities higher in 2021. The authorities are focused on policy reforms, with new laws improving the business environment coming into force in January. These include easing of Foreign Ownership Limits which have hampered access for international investors. The government has earmarked 30 State Owned Enterprises (SOEs) for divestment that should accelerate post the party congress in January 2021. Also, should the incoming Biden Administration join the Trans-Pacific Partnership (TPP), it would be a material positive for Vietnamese economic growth. Another potential catalyst would be an announcement from MSCI that it will place Vietnam on its watchlist for upgrade to Emerging Markets (EM) status. FTSE has already placed Vietnam under review for an upgrade to secondary emerging market status, and MSCI could follow in its mid-year review. Despite the rally in the market, stocks are reasonably valued with the VN Index trading on 14.3x 2021 expected P/E, at a discount to Emerging Markets on 14.8x 2021 expected P/E and MSCI Asia ex Japan Index on 15.8x.

## AMUNDI VIETNAM OPPORTUNITIES FUND

### REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager of Amundi Vietnam Opportunities Fund (the “Fund”) has, in all material respects, managed the Fund in accordance with the provisions of the trust deed dated 27 January 2004, as amended by the supplemental deeds dated 23 February 2004, 8 July 2004, 30 May 2005, 7 November 2006, 8 May 2007, 17 January 2008, 22 May 2008, 13 September 2010, 12 May 2017, 2 May 2018 and 31 December 2019 (collectively **the “Trust Deed”**), for the year ended 31 December 2020.

For and on behalf of  
CACEIS Hong Kong Trust Company Limited  
as the Trustee of Amundi Vietnam Opportunities Fund

Michele Tuen  
Head of Unit - Trustee and Legal

Hong Kong, 29 April 2021

## AMUNDI VIETNAM OPPORTUNITIES FUND

### STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

#### **Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong (the "Code") and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

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

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Trustee's Responsibilities**

The Trustee of the Fund is required by the Code and the Trust Deed to:

- ensure that the Fund, in all material respects, is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and the rights attaching thereto; and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

## **INDEPENDENT AUDITOR'S REPORT**

TO THE UNITHOLDERS OF AMUNDI VIETNAM OPPORTUNITIES FUND (A SUB-FUND OF AMUNDI HARVEST FUNDS)

Report on the Audit of the Financial Statements

Opinion

*What we have audited*

The financial statements of Amundi Vietnam Opportunities Fund (a sub-fund of Amundi Harvest Funds) **(the “Fund”) set out** on pages 9 to 30, which comprise:

- the statement of financial position as at 31 December 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

*Our opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 31 December 2020, and of its financial transactions and cash flows for the year then ended in accordance with **International Financial Reporting Standards (“IFRSs”)**.

Basis for Opinion

**We conducted our audit in accordance with International Standards on Auditing (“ISAs”).** Our responsibilities under those standards are further described in the **Auditor’s Responsibilities for the Audit of the Financial Statements** section of our report.

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

*Independence*

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards **Board for Accountants (the “IESBA Code”)**, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other Information

The Trustee and the **Manager (the “Management”)** of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial **statements and our auditor’s report thereon.**

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **INDEPENDENT AUDITOR'S REPORT**

TO THE UNITHOLDERS OF AMUNDI VIETNAM OPPORTUNITIES FUND (A SUB-FUND OF AMUNDI HARVEST FUNDS) (CONTINUED)

### **Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**In preparing the financial statements, the Management of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.**

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the trust deed dated 27 January 2004, as amended (the **"Trust Deed"**) and **Appendix E** of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the **"SFC Code"**).

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- **Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.**

## **INDEPENDENT AUDITOR'S REPORT**

TO THE UNITHOLDERS OF AMUNDI VIETNAM OPPORTUNITIES FUND (A SUB-FUND OF AMUNDI HARVEST FUNDS) (CONTINUED)

### **Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants

Hong Kong, 29 April 2021

# AMUNDI VIETNAM OPPORTUNITIES FUND

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 US\$	2019 US\$
Assets			
Financial assets at fair value through profit or loss	6	26,413,220	21,488,493
Dividends receivable		41,808	60,022
Amounts due from brokers		73,316	-
Amounts due from unitholders		18,318	95,409
Cash and cash equivalents		825,644	702,740
Total assets		<u>27,372,306</u>	<u>22,346,664</u>
Liabilities			
Amounts due to brokers		339,706	-
Amounts due to unitholders		222,949	32,136
Other accounts payable and accrued expenses	7	492,792	44,276
Total liabilities		<u>1,055,447</u>	<u>76,412</u>
Equity			
Net assets attributable to unitholders	8, 12	<u>26,316,859</u>	<u>22,270,252</u>

Approved and authorised for issue by the Trustee and the Manager  
Signed for and on behalf of:

.....  
CACEIS Hong Kong Trust Company Limited  
as the Trustee

.....  
Amundi Hong Kong Limited  
as the Manager

The notes on pages 13 to 30 form an integral part of these financial statements.

AMUNDI VIETNAM OPPORTUNITIES FUND

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 US\$	2019 US\$
Income			
Bank interest income		308	1,055
Dividend income		371,042	387,500
Net gains on financial assets at fair value through profit or loss	13	4,537,113	1,605,276
Net foreign currency loss on cash and cash equivalents		(3,984)	(3,353)
Total net income		<u>4,904,479</u>	<u>1,990,478</u>
Expenses			
Management fee	3, 10(b)	399,069	382,398
Performance fee	4, 10(b)	443,762	-
Trustee fee and valuation expenses	5, 10(c)	12,550	12,650
<b>Registrar's fee</b>	5, 10(c)	31,567	15,170
<b>Auditor's remuneration</b>		3,930	3,698
Legal fee		29,975	1,622
Consultant's fee		1,193	838
Transaction costs		15,276	-
Other operating expenses		90,831	96,404
Total expenses		<u>1,028,153</u>	<u>512,780</u>
Profit before tax		3,876,326	1,477,698
Withholding tax credit/(expense)		3,150	(3,150)
Total comprehensive income for the year		<u><u>3,879,476</u></u>	<u><u>1,474,548</u></u>

The notes on pages 13 to 30 form an integral part of these financial statements.

AMUNDI VIETNAM OPPORTUNITIES FUND

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 US\$	2019 US\$
Balance at the beginning of the year		22,270,252	19,696,822
Proceeds on subscription of units	8	8,116,184	5,800,587
Payments on redemption of units	8	(7,949,053)	(4,701,705)
Net subscriptions		167,131	1,098,882
Total comprehensive income for the year		3,879,476	1,474,548
Balance at the end of the year		26,316,859	22,270,252
		2020 Units	2019 Units
Units outstanding at the beginning of the year		2,142,882.01	2,036,265.62
Units issued		820,352.32	555,433.66
Units redeemed		(840,514.50)	(448,817.27)
Units outstanding at the end of the year		2,122,719.83	2,142,882.01

The notes on pages 13 to 30 form an integral part of these financial statements.

# AMUNDI VIETNAM OPPORTUNITIES FUND

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 US\$	2019 US\$
Cash flows from operating activities		
Total comprehensive income for the year	3,879,476	1,474,548
Adjustments for:		
- Bank interest income	(308)	(1,055)
- Dividend income	(371,042)	(387,500)
- Net foreign currency loss on cash and cash equivalents	3,984	3,353
- Withholding tax (credit)/expense	(3,150)	3,150
	<hr/>	<hr/>
Operating profit before working capital changes	3,508,960	1,092,496
Increase in financial assets at fair value through profit or loss	(4,924,727)	(1,814,804)
Increase in amounts due from brokers	(73,316)	-
Increase in amounts due to brokers	339,706	-
Increase/(decrease) in other accounts payable and accrued expenses	448,516	(103,284)
	<hr/>	<hr/>
Cash used in operations	(700,861)	(825,592)
Dividends received, net	392,406	338,029
Interest received	308	1,055
	<hr/>	<hr/>
Net cash used in operating activities	(308,147)	(486,508)
	<hr/>	<hr/>
Cash flows from financing activities		
Proceeds on subscriptions received	6,826,776	5,707,958
Payments on redemptions	(6,391,741)	(4,705,131)
	<hr/>	<hr/>
Net cash generated from financing activities	435,035	1,002,827
	<hr/>	<hr/>
Net increase in cash and cash equivalents	126,888	516,319
Cash and cash equivalents at the beginning of the year	702,740	189,774
Net foreign currency loss on cash and cash equivalents	(3,984)	(3,353)
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	825,644	702,740
	<hr/>	<hr/>

The notes on pages 13 to 30 form an integral part of these financial statements.

## AMUNDI VIETNAM OPPORTUNITIES FUND

### NOTES TO THE FINANCIAL STATEMENTS

#### 1 General information

Amundi Vietnam Opportunities Fund (the **“Fund”**), a sub-fund of Amundi Harvest Funds, is a unit trust constituted by a trust deed dated 27 January 2004 entered into between Société Générale Asset Management S.A. as the manager and HSBC Trustee (Cayman) Limited as the trustee. The trust deed, **as amended (the “Trust Deed”)**, was governed and regulated under the Mutual Funds Law of the Cayman Islands. The Fund is authorised by the Securities and Futures Commission of Hong Kong (the **“SFC”**) **under Section 104(1) of the Hong Kong Securities and Futures Ordinance** and is required to comply with the Code on Unit Trusts and Mutual Funds issued by the SFC.

On 31 December 2009, Société Générale Gestion S.A. was appointed as the manager of the Fund. Amundi Group, a joint venture between Société Générale S.A. and Credit Agricole S.A., was also established to combine the activities of Société Générale Asset Management S.A. and Credit Agricole Asset Management Hong Kong Ltd on 31 December 2009. On 2 March 2010, Credit Agricole Asset Management Hong Kong Ltd changed its name to Amundi Hong Kong Limited, which is an indirect wholly-owned subsidiary of Amundi Group. On 13 September 2010, Amundi Hong Kong Limited was appointed as the manager of the Fund (the **“Manager”**).

On 12 May 2017, CACEIS Hong Kong Trust Company Limited has been appointed as the trustee of the Fund (the **“Trustee”**). The Fund was also re-domiciled from the Cayman Islands to Hong Kong with effect from 12 May 2017.

The Fund is a collective investment scheme which seeks to provide investors with long-term capital growth by investing directly or indirectly in a diversified portfolio of securities including equities and debt securities of issuers with actual or prospective business operations in Vietnam in order to provide economic exposure to the Vietnam market. The Fund intends to invest mainly in listed companies with existing operations, assets or investments in Vietnam and those Vietnam related companies which have publicly announced or made public their plans to expand and/or acquire similar or complimentary operations in Vietnam, with earnings enhancement potentials.

#### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### (a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (**“IFRSs”**). **The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.**

Standards, amendments and interpretation to existing standards effective 1 January 2020

There are no standards, amendments to standards or interpretations that are effective for the year beginning on 1 January 2020 that have a material effect on the financial statements of the Fund.

## AMUNDI VIETNAM OPPORTUNITIES FUND

### NOTES TO THE FINANCIAL STATEMENTS

#### 2 Summary of significant accounting policies (Continued)

##### (a) Basis of preparation (Continued)

New standards, amendments and interpretations effective after 1 January 2020 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after **1 January 2020, and have not been early adopted in preparing these financial statements**. None of these are **expected to have a material effect on the financial statements of the Fund**.

##### (b) Financial assets at fair value through profit or loss

###### (i) Classification

The Fund classifies its investments as financial assets measured at fair value through profit or loss. Financial assets at fair value through profit or loss are acquired principally for the purpose of selling in the near term.

Financial assets at fair value through profit or loss are those that are managed and their performance evaluated on a fair value basis in accordance **with the Fund's investment strategy. The Fund's policy is for the Manager and the Trustee to evaluate the information about these financial assets on a fair value basis together with other related financial information. All the Fund's assets are held for the purpose of being traded or are expected to be realised within one year.**

###### (ii) Recognition/derecognition

Regular purchases and sales of investments are recognised on the trade date, the date on which the Fund commits to purchase or sell the investment. 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.

###### (iii) Measurement

Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income. Subsequent to initial recognition, all investments are measured at fair value. Gains and losses arising from changes in the fair value of **'financial assets at fair value through profit or loss' category** are presented in the statement of comprehensive income in the year in which they arise.



## AMUNDI VIETNAM OPPORTUNITIES FUND

### NOTES TO THE FINANCIAL STATEMENTS

#### 2 Summary of significant accounting policies (Continued)

##### (b) Financial assets at fair value through profit or loss (Continued)

###### (iv) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Trustee and the Manager (“the Management”) will determine the point within the bid-ask spread that is most representative of fair value.

The Fund may from time to time invest in financial instruments that are not traded in an active market. The fair value of such instruments is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

###### (v) Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

##### (c) Derivative financial instruments

Derivatives are measured at fair value through profit or loss. Changes in fair value are recognised in the statement of comprehensive income.

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value. Fair value is obtained from quoted market prices in active markets, including recent market transactions, and through the use of valuation techniques, as appropriate. All derivatives are carried as assets when fair value is positive and liabilities when fair value is negative.

##### (d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position where the Fund currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

##### (e) Amounts due from and due to brokers

Amounts due from and due to brokers represent receivables for investments sold and payables for investments purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

##### (f) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks with original maturities of three months or less.

## AMUNDI VIETNAM OPPORTUNITIES FUND

### NOTES TO THE FINANCIAL STATEMENTS

#### 2 Summary of significant accounting policies (Continued)

##### (g) Income and expenses

Dividend income is recognised on the ex-dividend date with the corresponding foreign withholding taxes recorded as an expense.

Interest income is recognised on a time-proportionate basis using the effective interest method. It includes interest income from cash and cash equivalents.

All expenses are accounted for on an accrual basis.

##### (h) Units

**The Fund issues units, which are redeemable at the holder's option and classified as equity.**

The net asset value of the Fund is computed daily. Initial subscription of units of the Fund was at an offer price of US\$10 per unit during the initial offer period. The initial offer period ended on 8 June 2007. Prices for subscriptions and redemptions are based on the net asset value at the close of **business on the relevant dealing day. The Fund's** net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

Proceeds and payments for units issued and redeemed are shown as movements in the statement of changes in equity for the Fund.

##### (i) Foreign currency translation

###### (i) Functional and presentation currency

The performance of the Fund is measured and reported to the unitholders in United States **dollars ("US\$"). The Trustee and the Manager consider the US\$ as the currency that** most faithfully represents the economic effects of the underlying transactions, events and conditions of the Fund. The financial statements are presented in US\$, which is the functional and presentation currency of the Fund.

###### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rates prevailing at the statement of financial position date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income. Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within net foreign currency gain/(loss) on cash and cash equivalents. Foreign exchange gains and losses relating to financial assets carried at fair value through profit or loss are presented in the statement of comprehensive income within net gains/(losses) on financial assets at fair value through profit or loss.

## AMUNDI VIETNAM OPPORTUNITIES FUND

### NOTES TO THE FINANCIAL STATEMENTS

#### 2 Summary of significant accounting policies (Continued)

##### (j) Related parties

Parties are considered to be related 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 or operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Details of related party transactions are disclosed in Note 10.

#### 3 Management fee

The Manager is entitled to receive a monthly management fee from the Fund at a rate of 1.8% per annum of the net asset value calculated and accrued on a daily basis.

#### 4 Performance fee

The Manager is entitled to receive a performance fee, payable annually in arrears after the end of the relevant performance period, which shall be the end of each period ending on 31 December each year. Any performance fee payable in respect of a performance period shall be paid within 20 days after that performance period.

As at each valuation day, the performance fee accrual is calculated as 15% of the difference between the net asset value per unit of the Fund on such valuation day (net of all other fees and expenses) and the High Water Mark.

The High Water Mark is defined as the higher of the issue price and the highest net asset value per unit as at the end of any previous performance period, adjusted by deducting performance fees and distributions.

When there is a positive performance fee accrual during a period of significant new subscriptions into the Fund followed by a period of negative performance, all unitholders will participate (in proportion to their unitholdings) in the reduction in the cumulative performance fee accrual, regardless of their actual contribution to the cumulative performance fee accrual. Also, if the net asset value per unit is rising but is still below the High Water Mark, the Manager will not benefit from any performance fee accrual, including units that are newly issued and which only experience positive performance.

If any units are realised or converted to units in another fund on a dealing day during a performance period, the cumulative performance fee accrued during such performance period in respect of those units shall be crystallised and become payable to the Manager.

The performance fee will not be calculated on a unit-by-unit basis, and no equalisation or series of units provisions will apply. As such, the performance fee payable may not reflect the performance of the individual units. The performance fee is accrued on a daily basis, the issue price and realisation price per unit would have reflected an accrual for the performance fee upon the issue and realisation of units during the financial year.

## AMUNDI VIETNAM OPPORTUNITIES FUND

### NOTES TO THE FINANCIAL STATEMENTS

#### 5 Trustee fee, registrar's fee and valuation expenses

##### (a) Trustee fee

The Trustee is entitled to receive fees from the Fund for itself and its service provider. The fee is calculated in accordance with the rate agreed between the Fund and the Trustee. The amount of fee charged for the year is shown in the statement of comprehensive income. The fee is paid by the Fund monthly in arrears.

Under the terms of the Explanatory Memorandum, the maximum trustee fee is 1% per annum of the net asset value of the Fund calculated on each valuation day (i.e. on a daily basis), not including the fees of registrar (Note (b) below), valuation (Note (c) below), transaction and other miscellaneous fees.

##### (b) **Registrar's fee**

CACEIS Hong Kong Trust Company Limited, **the Registrar, is entitled to receive a registrar's fee.** The fee is calculated in accordance with the rate agreed between the Fund and the Registrar. The **amount of registrar's fee charged for the year is shown** in the statement of comprehensive income.

##### (c) Valuation expenses

The Trustee is entitled to receive a valuation expense of US\$50 for each daily valuation. The fee is paid by the Fund monthly in arrears.

#### 6 Financial assets at fair value through profit or loss

	2020 US\$	2019 US\$
<u>Listed/quoted investments</u>		
Equities	26,413,220	21,488,493
	<hr/>	<hr/>
Total fair value of financial assets at fair value through profit or loss	26,413,220	21,488,493
	<hr/> <hr/>	<hr/> <hr/>
Total costs of financial assets at fair value through profit or loss	16,386,083	15,446,668
	<hr/> <hr/>	<hr/> <hr/>

AMUNDI VIETNAM OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS

7 Other accounts payable and accrued expenses

	2020 US\$	2019 US\$
Management fee payable	38,975	33,668
Performance fee payable	443,762	-
<b>Valuation expenses and registrar's fee payable</b>	2,333	2,333
<b>Auditor's remuneration payable</b>	570	-
Others	7,152	8,275
	<u>492,792</u>	<u>44,276</u>

8 Number of units in issue and net assets attributable to unitholders

	2020 Number of units	2019 Number of units
Units at the beginning of the year	2,142,882.01	2,036,265.62
Units subscribed during the year	820,352.32	555,433.66
Units redeemed during the year	(840,514.50)	(448,817.27)
	<u>2,122,719.83</u>	<u>2,142,882.01</u>
Units at the end of the year		
	2020 US\$	2019 US\$
Net assets attributable to unitholders (Note 12)	<u>26,316,859</u>	<u>22,270,252</u>
Net assets attributable to unitholders per unit	<u>12.398</u>	<u>10.393</u>

9 Taxation

(a) Hong Kong

No provision for Hong Kong profits tax has been made for the Fund as it is authorized as a collective investment scheme under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

(b) Vietnam

Transfers of securities (such as bonds, shares of public joint stock companies, etc.) by a foreign entity are subject to Corporate Income Tax on a deemed basis at 0.1% of the gross sales proceeds.

# AMUNDI VIETNAM OPPORTUNITIES FUND

## NOTES TO THE FINANCIAL STATEMENTS

### 9 Taxation (Continued)

#### (c) Withholding tax

The Fund incurs withholding taxes imposed by Vietnam on transfer of securities, dividend income and interest income. Such income is recorded gross of withholding tax in the statement of comprehensive income.

### 10 Transactions with the Manager and its connected persons, and the Trustee and its related parties

The following is a summary of transactions entered into during the year between the Fund and the Manager and its connected persons, and the Trustee and its related parties in addition to those disclosed elsewhere in the financial statements. Connected persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds issued by the SFC. All such transactions were entered into in the ordinary course of business and on normal commercial terms.

#### (a) Subscription and redemption of units

There were no subscriptions and redemptions of units of the Fund by the Manager, or directors or other connected persons of the Manager during the years ended 31 December 2020 and 2019.

For the years ended 31 December 2020 and 2019, there was no income accrued to the Manager and its connected persons in relation to subscriptions and redemptions of the units of the Fund.

#### (b) Management fee and performance fee

The Manager charged management fee and performance fee to the Fund. For the calculation methodologies, please refer to Notes 3 and 4 respectively. The fees charged to the Fund for the year are set out below:

	2020 US\$	2019 US\$
Management fee	<u>399,069</u>	<u>382,398</u>
Performance fee	<u>443,762</u>	<u>-</u>

For management fee payable and performance fee payable as at 31 December 2020 and 2019 for the Fund, please refer to Note 7 for details.

# AMUNDI VIETNAM OPPORTUNITIES FUND

## NOTES TO THE FINANCIAL STATEMENTS

### 10 Transactions with the Manager and its connected persons, and the Trustee and its related parties (Continued)

#### (c) Trustee fee, registrar's fee and valuation expenses

The Trustee charged registrar's fee and valuation expenses to the Fund. For the calculation methodologies, please refer to Note 5. The expenses charged to the Fund for the year are set out below:

	2020 US\$	2019 US\$
Trustee fee and valuation expenses	<u>12,550</u>	<u>12,650</u>
Registrar's fee	<u>31,567</u>	<u>15,170</u>

#### (d) Other operating expenses

The Trustee charged other operating expenses to the Fund. The fees charged to the Fund for the year are set out below:

	2020 US\$	2019 US\$
Global custodian fee	<u>75,717</u>	<u>80,442</u>

Global custodian fee relates to fee on safekeeping of investments.

#### (e) Interest income

During the year ended 31 December 2020, bank interest income received from CACEIS Bank, Luxembourg Branch, a fellow subsidiary of the Trustee, amounted to US\$308 (2019: US\$1,055).

## AMUNDI VIETNAM OPPORTUNITIES FUND

### NOTES TO THE FINANCIAL STATEMENTS

#### 10 Transactions with the Manager and its connected persons, and the Trustee and its related parties (Continued)

##### (f) Bank balances

The bank balances maintained by the Fund with CACEIS Bank, Luxembourg Branch as at year end are set out below:

	2020 US\$	2019 US\$
Bank balances	825,644	702,740

#### 11 Financial risk management

##### (a) Strategy in using financial instruments

The Fund seeks to provide investors with long-term capital growth by investing directly or indirectly in a diversified portfolio of securities including equities and debt securities of issuers with actual or prospective business operations in Vietnam in order to provide economic exposure to the Vietnam market. The Fund intends to invest mainly in listed companies with existing operations, assets or investments in Vietnam and those Vietnam related companies which have publicly announced or made public their plans to expand and/or acquire similar or complimentary operations in Vietnam, with earnings enhancement potentials.

The Fund is exposed to market price risk, interest rate risk, credit and counterparty risk, liquidity risk and currency risk. The risks and the respective risk management policies employed by the Manager to manage these risks are discussed below.

##### (b) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

**All securities investments present a risk of loss of capital. The Fund's investment activities** expose the Fund to various types of market risks which are associated with the markets in which it invests. **The Fund's equity security** investments are susceptible to market price risk arising from uncertainties about future prices of the instruments.

**The Fund's market** price risk is managed through (i) securities selection and (ii) diversification of the investment portfolio.



## AMUNDI VIETNAM OPPORTUNITIES FUND

### NOTES TO THE FINANCIAL STATEMENTS

#### 11 Financial risk management (Continued)

##### (b) Market price risk (Continued)

In the management of the investment portfolio of the Fund, the Manager expects to perform fundamental analysis of listed companies in the relevant investment universe using the following factors:

- (i) Management quality: Assessment made on corporate governance track record, long-term management strategy, market focus and adaptability to changes in the economic and political environment;
- (ii) Balance sheet: Working capital, long-term ratio, earnings volatility, free cash flow, net debt ratio and inventory and accounts receivable are considered;
- (iii) Operational efficiency: Profit margin, return on equity and financial and tax burdens are key areas of focus;
- (iv) Industry prospects: Long-term specific sensitivity analyses, the impacts of deregulation and any new technological advancement are evaluated; and
- (v) Growth analyses: Volume/capacity expansion, pricing power, merger and acquisition activity, new product pipeline, cost control measures and earnings per share.

The Manager expects to monitor market price risk on a daily basis, supplemented with regular investment meetings. Country analyses, macro-economic outlook and market valuations are used to establish the investment strategy for the Fund.

In addition, on a monthly basis, the Manager will verify the sources of risks in the Fund identified through performance and risk attribution systems and check that there is no anomaly with the intended investment process as disclosed in the Explanatory Memorandum.

#### Net market exposures

The table below shows the net market exposures of the Fund to various markets, incorporating the underlying market risks through all financial assets and liabilities held by the Fund.

	2020 US\$	2019 US\$
Vietnam	<u>26,413,220</u>	<u>21,488,493</u>

There are no individual investments with fair value exceeding 10% of the net asset value of the Fund as at 31 December 2020 and 2019.

## AMUNDI VIETNAM OPPORTUNITIES FUND

### NOTES TO THE FINANCIAL STATEMENTS

#### 11 Financial risk management (Continued)

##### (b) Market price risk (Continued)

The table below summarises **the impact on the Fund's net assets attributable to unitholders as a result of increases/decreases of the key market index to which the Fund is exposed**. The analysis is based on the assumptions that the index had increased/decreased by the stated percentages with **all other variables held constant and that the fair value of the Fund's investments moved according to the historical correlation with the index**.

	2020		2019	
	Change in market index (+/-)	Impact (+/-)	Change in market index (+/-)	Impact (+/-)
100% Ho Chi Minh Stock Index <sup>1</sup>	23.04%	6.1 million	16.54%	US\$3.6 million

The Manager has used its judgment of what would be a reasonable shift in each key market in order to estimate the percentage change used in the sensitivity analysis above with reference to historical information.

<sup>1</sup> The Fund is managed on an absolute return basis and hence has no official benchmark. For the purpose of complying with the disclosure requirements for market price risk under IFRS 7 "Financial instruments: Disclosures", the reference market index comprises 100% Ho Chi Minh Stock Index which is used for presenting the sensitivity analysis above.

##### (c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Fund is not subject to significant risk due to fluctuations in the prevailing levels of market interest rates because:

- (i) The majority of the financial assets and liabilities held by the Fund are non-interest bearing as the Fund invests mainly in listed equities;
- (ii) Bank deposits and bank balances held by the Fund are exposed to interest rate risk which is considered by the Manager to be minimal as they are short-term in nature and represent mainly the residual balances from trade settlement arising from the management of the Fund.

##### (d) Credit and counterparty risk

Credit risk is the risk that an issuer or a counterparty will be unable or unwilling to pay amounts in full when they fall due.

All transactions in listed equities are arranged under a delivery versus payment process using pre-approved and reputable brokers. The risk of default is considered minimal since the delivery of securities sold is only made when the broker has received payment. Payment is made on a purchase when the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. In addition, brokers are pre-approved by an internal risk committee of the Manager after completion of a due diligence exercise which takes into account, amongst various factors, the **brokers' financial strength or credit ratings and whether they are regulated by recognised stock exchanges** which impose minimum financial terms and conditions.

# AMUNDI VIETNAM OPPORTUNITIES FUND

## NOTES TO THE FINANCIAL STATEMENTS

### 11 Financial risk management (Continued)

#### (d) Credit and counterparty risk (Continued)

The Manager aims at limiting **the Fund's** exposure to credit risk by transacting the majority of its securities and contractual commitment activities with broker-dealers and banks with high credit ratings through regular exchanges that the Manager considers to be well established.

In instances where brokers are not on the list of pre-approved brokers, specifically in the case of a public offering or private placement, prior written approval is required.

The investments and exposures of the Fund have to follow the relevant provisions regulating single issuer limits, usually set at 10%. Not more than 10% **of the Fund's net asset value may consist of securities issued by a single issuer. In addition, the value of the Fund's holding of securities that are not listed or quoted on an exchange may not exceed 15% of its net asset value.** A monitoring process is in place to ensure adherence to these mentioned limits.

**The Fund's financial assets which are potentially subject to concentrations of credit and counterparty risk** consist principally of bank deposits, amounts due from brokers and assets held with the custodian.

The table below summarises the net assets placed with custodians, banks and brokers:

	Amount US\$	Credit rating	Source of credit rating
As at 31 December 2020			
<u>Custodian</u>			
CACEIS Bank, Luxembourg Branch	26,413,220	A+	Standard & <b>Poor's</b>
<u>Bank</u>			
CACEIS Bank, Luxembourg Branch	825,644	A+	Standard & <b>Poor's</b>
<u>Broker</u>			
Ho Chi Minh City Securities Corporation	73,316	N/A	N/A
As at 31 December 2019			
<u>Custodian</u>			
CACEIS Bank, Luxembourg Branch	21,488,493	A+	Standard & <b>Poor's</b>
<u>Bank</u>			
CACEIS Bank, Luxembourg Branch	702,740	A+	Standard & <b>Poor's</b>

Vietnamese regulatory requirements prescribe that only one local broker can be used. In view of this regulatory requirement, it is the policy of the Manager to check that enhanced due diligence procedures have been performed before the broker is selected. Factors such as financial strength and shareholders of the broker are considered and reference is taken from local custodian.

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit losses.

# AMUNDI VIETNAM OPPORTUNITIES FUND

## NOTES TO THE FINANCIAL STATEMENTS

### 11 Financial risk management (Continued)

#### (d) Credit and counterparty risk (Continued)

As at 31 December 2020 and 2019, all dividends receivable, amounts due from brokers, amounts due from unitholders and cash and cash equivalents were held with the counterparty with a credit rating of A+ and were due to be settled in a short period of time. Management considers the probability of default to be insignificant as the counterparty generally has a strong capacity to meet its contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

#### (e) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in settling a liability, including a redemption request, or selling a financial asset quickly at close to its fair value.

The Fund is exposed to daily cash redemptions of units. To mitigate liquidity risk, the Fund invests the majority of its assets in investments that are traded in active markets and which can be readily disposed of.

With a view to protecting the interests of unitholders, the Manager is entitled at its discretion and with the approval of the Trustee to limit the number of units in the Fund redeemed on any dealing day to 10% of the total number of units of the Fund in issue. In addition, the Manager may suspend the right of the unitholders to require the redemption of units and/or delay the payments of any moneys in respect of any such redemption during any period in which the determination of the net asset value of the Fund is suspended pursuant to Clause 3.3 of the Trust Deed.

The Fund may be leveraged by borrowing up to 25% of its latest available net asset value as at the time of the borrowing should the Manager consider this necessary but only on a temporary basis for the purpose of meeting realisation requests or other expenses.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant.

	Less than 1 month US\$	1 to 3 months US\$	Over 3 months US\$	Total US\$
As at 31 December 2020				
Amounts due to brokers	339,706	-	-	339,706
Amounts due to unitholders	222,949	-	-	222,949
Other accounts payable and accrued expenses	492,792	-	-	492,792
	<u>1,055,447</u>	<u>-</u>	<u>-</u>	<u>1,055,447</u>
As at 31 December 2019				
Amounts due to unitholders	32,136	-	-	32,136
Other accounts payable and accrued expenses	44,276	-	-	44,276
	<u>76,412</u>	<u>-</u>	<u>-</u>	<u>76,412</u>

# AMUNDI VIETNAM OPPORTUNITIES FUND

## NOTES TO THE FINANCIAL STATEMENTS

### 11 Financial risk management (Continued)

#### (f) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Fund has assets and liabilities which are denominated in currencies other than the United States dollar, the functional currency of the Fund. The Fund is therefore exposed to currency risk as the value of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

The table below summarises the Fund's net exposure to foreign currencies:

	2020		2019	
	US\$ Monetary	US\$ Non- monetary	US\$ Monetary	US\$ Non- monetary
Vietnam Dong	408,644	26,413,220	596,326	21,488,493

The table below summarises the impact on **the Fund's** net assets attributable to unitholders as a result of increases/decreases of the key exchange rates to the exposures detailed above. The analysis is based on the assumption that the exchange rates had increased/decreased by the stated percentages with all other variables held constant.

	Change +/- %	2020 Impact +/- US\$ Monetary	2020 Impact +/- US\$ Non- monetary	Change +/- %	2019 Impact +/- US\$ Monetary	2019 Impact +/- US\$ Non- monetary
Vietnam Dong	0.32	1,308	84,522	0.01	60	2,149

#### (g) Fair value estimation

In accordance with IFRS 13 "**Fair value measurement**", the Fund utilises the last traded market prices to value the financial assets. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

# AMUNDI VIETNAM OPPORTUNITIES FUND

## NOTES TO THE FINANCIAL STATEMENTS

### 11 Financial risk management (Continued)

#### (g) Fair value estimation (Continued)

The Fund has classified its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the assets or liabilities.

The determination of what constitutes observable requires significant judgment by the Trustee and the Manager. The Trustee and the Manager of the Fund consider observable data to be such market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below analyses the financial assets measured at fair value of the Fund as at 31 December 2020 and 2019.

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
As at 31 December 2020				
Financial assets at fair value through profit or loss				
- Equities	<u>26,413,220</u>	<u>-</u>	<u>-</u>	<u>26,413,220</u>
As at 31 December 2019				
Financial assets at fair value through profit or loss				
- Equities	<u>21,488,493</u>	<u>-</u>	<u>-</u>	<u>21,488,493</u>

## AMUNDI VIETNAM OPPORTUNITIES FUND

### NOTES TO THE FINANCIAL STATEMENTS

#### 11 Financial risk management (Continued)

##### (g) Fair value estimation (Continued)

Financial instruments whose values are based on quoted market prices in active markets are classified within Level 1. The Fund does not adjust the quoted price for these instruments.

There were no Level 2 or Level 3 financial instruments held by the Fund as at 31 December 2020 and 2019.

There were no transfers between levels in the fair value hierarchy for the years ended 31 December 2020 and 2019.

As at 31 December 2020 and 2019, the Fund invested in equities listed on the Vietnam stock exchanges. The Manager considers that there is no liquidity concern for the Fund as it has no issue with paying the redemption proceeds to unitholders on a timely basis.

The assets and liabilities included in the statement of financial position, other than financial assets at fair value through profit or loss, are carried at amortised cost; their carrying amounts are a reasonable approximation of fair value.

#### 12 Net assets attributable to unitholders

The net assets attributable to unitholders of the Fund represent equity in the statement of financial position.

**In accordance with the provisions of the Fund's constitutive documents, investment positions are valued based on the last traded market prices for the purpose of determining the net asset value per unit for subscriptions and redemptions.**

##### Capital management

**The Fund's capital is represented by the units in the Fund and shown as net assets attributable to unitholders in the statement of financial position.** Subscriptions and redemptions of units of the Fund for the years ended 31 December 2020 and 2019 are shown in the statement of changes in equity.

In order to achieve the investment objectives, the Fund endeavors to invest its capital in accordance with the investment policies as outlined in Note 11(a), whilst maintaining sufficient liquidity to meet redemption requests. Such liquidity is augmented by the holding of liquid investments.

**The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the investment activities of the Fund.**

**In order to maintain or adjust the capital structure, the Fund's policy** is to perform the following:

- monitor the level of subscriptions and redemptions relative to the liquid assets; and
- redeem and issue units in accordance with the Trust Deed of the Fund.

The Manager monitors capital on the basis of the value of net assets attributable to unitholders.

# AMUNDI VIETNAM OPPORTUNITIES FUND

## NOTES TO THE FINANCIAL STATEMENTS

### 13 Net gains on financial assets at fair value through profit or loss

	2020 US\$	2019 US\$
Net realised gains	551,801	698,587
Net change in unrealised gains	3,985,312	906,689
	<u>4,537,113</u>	<u>1,605,276</u>

### 14 Soft commission arrangements

During the years ended 31 December 2020 and 2019, the Manager and its connected persons did not enter into any soft commission arrangements with brokers relating to dealing in the assets of the Fund.

### 15 Distributions

The Manager does not intend to make distributions in respect of the Fund. Income earned by the Fund will be reinvested in the Fund and reflected in the value of the units of the Fund.

No distribution was made during the years ended 31 December 2020 and 2019.

### 16 Approval of financial statements

The financial statements were approved for issue by the Trustee and the Manager on 29 April 2021.



AMUNDI VIETNAM OPPORTUNITIES FUND

INVESTMENT PORTFOLIO (UNAUDITED)  
AS AT 31 DECEMBER 2020

	Holdings	Fair value US\$	% of net assets
Listed/quoted investments			
Equities (100.37%)			
Vietnam (100.37%)			
AIRPORTS CORP OF VIETNAM	209,900	736,570	2.80
BAOVIET HOLDINGS	77,300	221,024	0.84
FPT CORP	818,583	2,095,882	7.96
GEMADEPT CORP	131,840	186,201	0.71
GIA LAI ELECTRICITY JSC	230,000	197,292	0.75
HO CHI MINH CITY INFRASTRUCTURE INVESTMENT JSC	314,240	291,334	1.11
HO CHI MINH CITY DEVELOPMENT JOINT STOCK COMMERCIAL BANK	325,301	334,708	1.27
HOA BINH CONSTRUCTION AND REAL ESTATE CORP	224,370	156,011	0.59
HOA PHAT GROUP JOINT STOCK COMPANY	1,379,651	2,477,481	9.41
JOINT STOCK COMMERCIAL BANK FOR INVESTMENT AND DEVELOPMENT OF VIETNAM	703,230	1,459,316	5.55
JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM	503,063	2,133,642	8.11
KINH BAC CITY DEVELOPMENT SHARE HOLDING CORPORATION	730,570	772,268	2.93
MASAN GROUP CORP	329,720	1,269,883	4.83
MILITARY COMMERCIAL JOINT STOCK BANK	1,886,860	1,880,113	7.14
MOBILE WORLD INVESTMENT CORP	40,000	206,043	0.78
SAIGON BEER ALCOHOL BEVERAGE CORP	76,860	649,309	2.47
SAIGON CARGO SERVICE CORPORATION	17,840	98,928	0.38
SAIGON SECURITIES CORPORATION	562,323	806,363	3.06
TASECO ASECO AIR SERVICES JSC	129,320	321,584	1.22
TIEN PHONG PLASTIC JSC	219,767	342,753	1.30
TRAPHACO JSC	54,780	169,923	0.65
VIETNAM CONTAINER SHIPPING JOINT STOCK COMPANY	44,670	106,631	0.41
VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY	459,185	2,164,378	8.22
VIETNAM ENGINE AND AGRICULTURAL MACHINERY CORPORATION	136,600	326,076	1.24
VIETNAM JS COMMERCIAL BANK	875,890	1,311,035	4.98
VIETTEL POST JSC	111,900	525,989	2.00
VINCOM JSC	350,703	1,643,930	6.25
VINCOM RETAIL JOINT STOCK COMPANY	1,255,782	1,708,285	6.49
VINHOMES JOINT STOCK COMPANY	469,457	1,820,268	6.92
		<hr/>	<hr/>
		26,413,220	100.37
		<hr/>	<hr/>
Total listed/quoted equities investments		26,413,220	100.37
		<hr/>	<hr/>

AMUNDI VIETNAM OPPORTUNITIES FUND

INVESTMENT PORTFOLIO (UNAUDITED)  
AS AT 31 DECEMBER 2020 (CONTINUED)

	Fair value US\$	% of net assets
Total investments	26,413,220	100.37
Other net liabilities	(96,361)	(0.37)
	<hr/>	<hr/>
Net asset attributable to unitholders as at 31 December 2020	26,316,859	100.00
	<hr/>	<hr/>
Total investments, at cost	16,386,083	
	<hr/>	

AMUNDI VIETNAM OPPORTUNITIES FUND

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Percentage of net assets at 31 December 2020 %	Percentage of net assets at 31 December 2019 %
Listed/quoted investments		
Equities		
Vietnam	100.37	96.49
Total listed/quoted investments	100.37	96.49
Other net liabilities	(0.37)	3.51
Net asset attributable to unitholders	100.00	100.00

## AMUNDI VIETNAM OPPORTUNITIES FUND

### HOLDINGS OF COLLATERAL (UNAUDITED) FOR THE YEAR ENDED 31 DECEMBER 2020

As at 31 December 2020, there were no holdings of collateral, including cash, cash equivalents and money markets investments, debt securities issued by government or corporate (whether investment grade/non-investment grade), or any other asset types.

# AMUNDI VIETNAM OPPORTUNITIES FUND

## PERFORMANCE TABLE (UNAUDITED) FOR THE YEAR ENDED 31 DECEMBER 2020

### Net asset value

Year	Total net asset value US\$	Net asset value per unit US\$
31 December 2020	26,316,859	12.398
31 December 2019	22,270,252	10.393
31 December 2018	19,696,822	9.673

### Performance record

Financial year	Highest issue price per unit US\$	Lowest redemption price per unit US\$
2020	12.310	7.118
2019	10.976	9.489
2018	13.144	9.661
2017	11.228	8.305
2016	9.032	6.185
2015	7.679	6.273
2014	8.450	6.596
2013	6.833	5.754
2012	5.996	4.460
2011	6.025	4.437