

*Ho Chi Minh city, March 21<sup>st</sup>, 2023*

**FISCAL YEAR 2022 PERFORMANCE REPORT OF DFN-FIX**

**I. Market updates**

The 2022 is considered as an uncertainty year for the global economy. Difficulties are forecasted to be bigger and tougher. It is possible to lead lots of countries in the world into recession. The Ukraine-Russia war has contributed a severe impact to global trade, supply chains disrupted, shortages of essential goods such as food, gas, and pushing commodity prices surged. Besides, China's Zero-Covid policy exacerbated difficulties to global trade. Inflation in the US and Europe increased sharply, nearing double digits, prompting these countries to accelerate the progress of tightening and raising interest rates.

Regarding the domestic environment, the Government has requested to open the economy after the epidemic. The Government issued Resolution 11/NQ-CP dated January 30, 2022 on the socio-economic recovery and development program and implemented Resolution No. 43/2022/QH15 of the National Assembly on fiscal and monetary policy in 2 years 2022-2023. Promote disbursement of public investment with key infrastructure projects as driven for socio-economic development. These policies have brought effectiveness and created a driving force for economic recovery. Socio-economic in 2022 has achieved many positive results as almost sectors have been recovered and growth back on track

In that general context, Vietnam's macroeconomy was supposedly stable and well recovered, Moody has upgraded Vietnam to Ba2 - stable outlook from Ba3 - positive outlook in Sep 2022. The gross domestic product ("GDP") in 2022 grew by 8.02% yoy, recording the highest level in the last ten years. However, it should be noted that the growth rate of the fourth quarter of 2022 has no longer maintained the momentum as the first three quarters of the year when it only reached 5.92% over the same period last year. In term foreign trading, the total import and export turnover in 2022 reached USD 732.5 billion, increase 9.5% yoy, of which exports value reached USD 371.8 billion, up 10.6% comparing to 2021; imports value reached USD 360.6 billion, up 8.4%; net trade surplus USD 11.2 billion (comparing USD 3.3 bn of 2021). Purchasing Managers' Index ("PMI") marked upper 50 in 13 months continuously until Oct 2022, but PMI of last 2 months dipped down under benchmark. PMI of December 2022 dropped to 46.4. PMI in Dec 2022 shows that business conditions are facing to headwinds as the input production costs as well as the shortage of orders are increasing pressure. The foreign direct investment ("FDI") accumulated full year 2022 is relatively stable when disbursed capital increased by 13.5% to reach 22.4 billion USD, while registered capital decreased slightly by 11 % over last year reached 27.7 billion USD. Regarding inflation, despite commodity prices rocketed, such as petrol, food, education service, Vietnam's inflation has been controlled quite well, below the Government's target of 4% (average CPI in 2022 marked at 3.15% compared to 2021).

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

### 1. Asset allocation

	As at 31.12.2022	As at 31.12.2021
	%	%
1. Debt security	38.56	9.49
2. Cash and cash equivalents	3.10	41.58
3. Other assets	58.34	48.93
	<u>100.00</u>	<u>100.00</u>

### 2. Performance indicators

	As at 31.12.2022	As at 31.12.2021
1. Net asset value of the Fund (VND)	63,434,389,971	63,074,823,316
2. Number of Fund units outstanding (units)	6,223,320.66	6,239,853.68
3. Net asset value per Fund unit (VND)	10,193.01	10,108.38
4. Net asset value per Fund unit – highest during the period (VND)	10,354.10	10,108.38
5. Net asset value per Fund unit – lowest during the period (VND)	10,061.64	9,982.19
6. Closing price of Fund unit at reporting date (VND)	Not applicable	Not applicable
7. Closing price of Fund unit at reporting date – highest during the period (VND)	Not applicable	Not applicable
8. Closing price of Fund unit at reporting date – lowest during the period (VND)	Not applicable	Not applicable
9. Total growth per Fund unit (%)	0.84	1.08
9.1. Capital growth per Fund unit (due to price change) (%)	Not applicable	Not applicable
9.2. Income growth per Fund unit (calculated using realised income) (%)	Not applicable	Not applicable
10. Gross distributed earning per unit (VND)	Not applicable	Not applicable
11. Net distributed earning per unit (VND)	Not applicable	Not applicable
12. Ex-date of distribution	Not applicable	Not applicable

13.	Operation expenses/Average NAV (%)	2.27	2.57
14.	Turnover of investment portfolio (%)	16.19	5.32

### 3. Growth by years

Period	Growth of NAV per Fund unit (%)	Annual growth of NAV per Fund unit (%)
1 year	0.84	0.84
From establishment date	1.93	1.01
	=====	=====

### 4. Annual growth

Period	From 31.12.2021 to 31.12.2022
Growth per Fund unit (%)	0.84

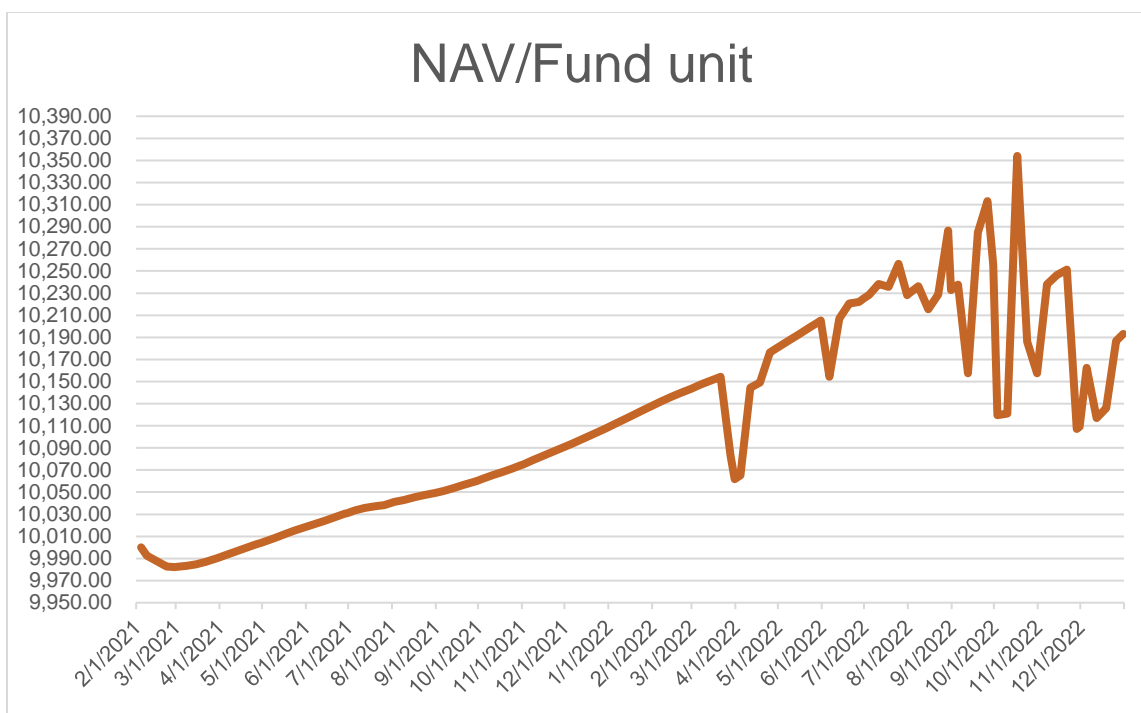
### 5. Details of the Fund's performance indicators

Item	1 year to reporting date (%)	From inception to reporting date (%)
Income growth per Fund unit	Not applicable	Not applicable
Capital growth per Fund unit	Not applicable	Not applicable
Total growth per Fund unit	0.84	1.93
Annual growth per Fund unit	0.84	1.01
Growth of component portfolio (*)	Not applicable	Not applicable
Price change per Fund unit (**)	Not applicable	Not applicable

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

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

- The net asset value growth per share of the Fund Certificate from the foundation to 31 December 2022



### III. Market prospects

In 2022, the Government has set a target to accelerate disbursement of public investment, and this is also an important driving force to boost the economy and support the post-pandemic recovery period. In the context of declining international capital for investment and development, especially ODA, domestic mobilized capital will continue to play an important role and the pressure to issue government bonds is huge.

Government bond market plays a key role in the bond market; and is an important channel of capital mobilization for the needs of State budget capital and disbursement of public investment. Total outstanding of listed Government bonds as of December 31 2022 reached VND 1,543 trillion, equivalent to 15% of GDP (Vietnam GDP was adjusted from 2021).

In addition, the State Bank is expected to continue operating monetary policy proactively and flexibly but maintaining low interest rates to support economic recovery. However, the trend of interest rates raising by global central banks in 2022 has been confirmed, in order to face with inflation rising pressure. This will affect to the interest rate level and made the Vietnamese government bond market becoming riskier by the year end of 2022, as well as continuing to 2023.

In term of the corporate bond market, after the booming period in 2020 - 2021, the private corporate bond market recorded a quietness for most of the period in 2022 with a sharp decrease in issuance volume and liquidity. As of December 2022, the total issuing volume was only reached VND255 trillion, decreased more than 60% to the same period in 2021. The total outstanding corporate bonds value by 2022 is VND1,300 trillion, equivalent to about 14% of GDP. The reason is that from the second half of 2022, the private corporate bond market witnessed a widespread psychological "shock" when investors witnessed the scandals at Tan Hoang Minh Group and Van Thinh Phat Group. Declining investors' confidence combined with the shortage of cash flows liquidity to repay the bonds value of the Issuer has made this market riskier.

New regulations on private bond issuance have been promulgated in the direction of controlling the purpose of issuance and the type of investors. State agencies are actively controlling this activity to help the market development healthier in the long term.

**DAI-ICHI LIFE VIETNAM FUND MANAGEMENT  
COMPANY, LIMITED**