

The granting of permission by the State Securities Commission of Vietnam for fund certificates public offering shall strictly mean that its application for incorporating the Fund and issuing the investment fund certificates is undertaken in compliance with the applicable regulations, and such grant shall not be responsible for the content hereof, nor the Fund's investment strategy.

“Securities investment fund as described in this Prospectus is incorporated under the Law on Securities No.70/2006/QH11 passed by the National Assembly of the Socialist Republic of Vietnam on 29th June 2006 and the documents providing guidelines for its implementation. This Prospectus has been registered with State Securities Commission of Vietnam on 19 May 2017”

# PROSPECTUS

## SSI BOND FUND

### OPEN-ENDED FUND CERTIFICATE INITIAL PUBLIC OFFERING

1. License for Fund Certificate Public Offering No 15/GCN-UBCK issued by Chairman of State Securities Commission of Vietnam dated 19 May 2017

2. Effective date of the Prospectus: 19 May 2017

3. Information disclosure

Ms To Thuy Linh

Position: Deputy CEO – SSI Asset Management Company

Address: 5<sup>th</sup> Floor, 1C Ngo Quyen, Ly Thai To Ward, Hoan Kiem District, Ha Noi

Tel: (024) 3936 6321 Fax: (024) 3936 6337

4. Distribution of the Prospectus

The Prospectus together with other Fund materials (Fund Charter, financial reports and other necessary documents) are public in the website of SSI Asset Management Company ([www.ssi.com.vn/AssetManagement.aspx](http://www.ssi.com.vn/AssetManagement.aspx)), at offices of SSI Asset Management Company and the Fund's Distributors.

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## I. RESPONSIBLE PERSONS OF CONTENT OF THE PROSPECTUS

### 1. Fund Management Company

Mr. Nguyen Duy Hung	Designation: Chairman
Ms. Le Thi Le Hang	Designation: CEO
Mr. Nguyen Duy Hung	Designation: Chief Accountant (*)
Ms. Luu Thi Hai Ninh	Designation: Internal Control

SSI Asset Management Co., Ltd (SSIAM) ensures that all the information and data in the Prospectus are consistent with the fact that the company knows, or has investigated, collected in a reasonable manner.

(\*) *Chief Accountant has the same name with Chairman.*

### 2. Supervisory Bank

Bank For Investment And Development Of Vietnam JSC, Ha Thanh Branch (“BIDV Ha Thanh”)

Legal Representative: Ms Le My Linh

Designation: Deputy Branch Manager

Supervisory Bank ensures that the analysis, evaluation and selection of words in this Prospectus have been made reasonably and prudently based on the information and data provided by SSIAM.

## II. TERMS/DEFINITIONS

The following terms and abbreviated terms shall be defined and used throughout this Prospectus

<b>“Prospectus”</b>	The documents or electronic data publicizing objective, truthful and accurate information about the offer for sale or listing of Fund Certificates.
<b>“Fund” or “SSIBF”</b>	SSI Bond Fund, offering fund certificates to the public and established under legal regulations on securities and the Fund Charter.
<b>“Board of Fund Representatives”</b>	Representatives of Investors elected by the General Investors’ Meeting to act on their behalf to supervise the operations of the Fund, the Fund Management Company (SSIAM) and the Custodian Bank.
<b>“Auditing Company”</b>	An independent company which is approved by the SSC and appointed by the General Meeting of Investors according to Fund Charter and Vietnam prevailing regulations to perform the auditing of the Fund’s annual assets.
<b>“Fund Dividend”</b>	The remaining profit of the Fund after deducting eligible expenses and is approved by the General Meeting of Investors to distribute to Investors based on Investors’ holding ratios.
<b>“Fund Management Company” or “SSIAM”</b>	SSI Asset Management Co., Ltd (SSIAM) which is incorporated under the License No. 19/UBCK-GP issued by the SSC dated August 03, 2007 and the Adjusted License No 12/GPĐC-UBCK issued by the SSC dated July 27, 2011. SSIAM is the Fund Management Company of Fund SSI-SCA and has the rights and

obligations as per the Fund Charter.

<b>“Investment Fund Certificate” or “Fund Certificate”</b>	The securities issued by SSIAM on behalf of SSI-SCA Fund in the form of book-entry, which certify lawful rights and benefits of Investors with regard to the assets or capital of the Fund as counted in a proportion equal to the Fund’s unit contributed to the charter capital of SSI-SCA Fund by such Investors.
<b>“General Investors’ Meeting”</b>	A regular or irregular general meeting of investors where Investors are entitled to vote, to pass important matters relating to the Fund. It is the supreme power of the Fund.
<b>“Transfer Agent”</b>	Fund Management Company or a service provider delegated by the Fund Management Company to manage Register Book.
<b>“Distributor”</b>	The entity designated by the Fund Management Company to distribute Fund Certificates to Investors.
<b>“Point of Order Acceptance”</b>	The head office of Distributor or branches, transaction offices, representative offices of Distributor, which are designated to receive orders of Investors.
<b>“Fund Charter”</b>	The Fund Charter of SSI-SCA Fund, including the Fund Charter and the accompanied appendice and lawful amendments (if any).
<b>“Fund Unit”</b>	The Charter Capital divided into equal units with par value of VND10,000 (~USD 0.48) per unit at its initial issue. Each of which shall represent an equal proportion of profit and capital of the Fund.
<b>“Selling Price”/“Subscription Price”</b>	The price that Investors must pay Fund Management Company to buy a Fund Unit. The Subscription Price shall be determined as per Article 18 in the Fund Charter and Section IV of this Summary Prospectus.
<b>“Redemption Price”</b>	The price of a fund unit that Fund Management Company must pay to Investors. Redemption Price is determined by the Net Asset Value per Fund Unit as of the Fund certificate Trading Day minus Redemption Fee as prescribed in the Fund Charter.
<b>“Net Asset Value of the Fund”</b>	The total value of assets and investments owned by the Fund minus liabilities of the Fund at the time of valuation.
<b>“Supervisory Contract”</b>	The contract signed between the Fund Management Company and the Supervisory Bank agreed by the General Investors’ Meeting of SSI-SCA Fund.
<b>“Fiscal Year”</b>	A period of twelve months, which commences on the beginning of the 1st of January and ends on the end of the 31st of December according to calendar year. The first fiscal year of SSI-SCA Fund is calculated from the day on which it is officially issued under a license by the SSC until the end of the 31st of December of the same year.
<b>“Valuation Date”</b>	The date the Fund Management Company determines the Net Asset Value of the Fund according to Law On Securities and Fund Charter.

<b>“Dealing Date”</b>	The date when the Fund Management Company, on behalf of the Fund, issues or repurchases the fund certificates.
<b>“Supervisory Bank” or “Deutsche Bank”</b>	Deutsche Bank AG, Ho Chi Minh City Branch which is commercial bank which is established under Vietnamese laws license no.20/NH-GP, issued by the State Bank of Vietnam, dated 28 June 1995 and is issued the registration certificate for securities depository activities by the State Securities Commission, dated 16 October 2000, undertaking following services for investment funds established in Vietnam: (i) preservation and depository of securities, documents attesting the title to the Fund’s legal assets; economic contracts, documents in relation to the Fund’s assets and at the same time supervise the Fund’s operations; (ii) oversees fund asset management activities of the Fund Management Company. The rights and obligations of the Supervisory Bank shall be set out in Article 38 of this Circular.
<b>"Investor(s)"</b>	Any domestic and foreign individuals or organizations holding the Fund' Certificates.
<b>"Subscription Fee/Redemption Fee"</b>	The fee payable by an investor when buying/selling a fund certificate to the Fund. The Subscription Fee/Redemption Fee shall be calculated as the percentage of the Net Asset Value per fund unit as specified in the Fund Charter.
<b>"Fund Management Fee"</b>	The fee payable to the Fund Management Company that provides management services as prescribed in the Fund Charter.
<b>“Register Book”</b>	The document recording information of Investors holding Fund certificates
<b>“Cut-Off Time”</b>	The deadline on which the Distributor receives transaction orders from Investors to process.
<b>“State Securities Commission” or “SSC”</b>	State Securities Commission of Vietnam
<b>“Fund’s Charter Capital”</b>	The total capital in cash received during Initial Public Offering period, as recorded in the Fund Charter, contributed by all Investors.
<b>Other definitions</b>	Other definitions (if any) shall be construed as set forth in the Law On Securities and other relevant documents.

### III. INVESTMENT OPPORTUNITIES

Vietnam macroeconomic condition is considered to be stable demonstrated by a number of criteria such as inflation, interest rates, exchange rates and GDP growth rates. (Please refer to Appendix 6 for more details on macro overview of Vietnam).

Equity investment normally generates higher returns than other investment channels , especially in periods of low inflation, low and stable interest rate.

In Vietnam, cyclical industries have high growth rate but are dependent on business cycle; non-cyclical industries also enjoy moderately high growth rate contributed by fast-growing GDP (6.5%-7%), large consumer market of 90 million people, young population, the advancement of industrialization, infrastructure improvement etc. Therefore, there are always potential and attractive investment opportunities regardless of the economic conditions.

Vietnam stock market is getting more mature and developed, shown by the quantity and quality of stocks, market liquidity, transparency of information, more relaxed requirement of foreign investment flow ... These will attract more incoming funds into the market and bring new potential investment opportunities.

State-owned enterprise (SOE) equitization process and divestment of non-core business of SOEs are still pushed forward, providing quality investment opportunities into the market.

Vietnam are actively negotiating many multilateral trade agreements including VN-EU, AEC, and especially the Trans-Pacific Partnership agreement (TPP), which has been seen as a broader and higher version of WTO. The participation in those agreements could be the turning-point for the economy to improve the domestic investment environment, attract FDI, expand consumption market for domestic businesses, increase demand for supporting services and consequently bring many potential investment opportunities in the related sectors.

SSI Sustainable Competitive Advantage Fund (SSI-SCA) is managed by an excellent team with flexible asset allocation strategy, focusing on potential sectors based on the ability to assess the macroeconomic outlook periodically and pick high-growth stocks with sustainable competitive advantages, strong & transparent corporate governance, excellent management team, high dividend yield, strong financial health and attractive valuations. Sustainable competitive advantages of company may include economies of scale, monopoly position, intangible assets, cost advantage, barriers to entry.

Investing in open-ended fund has many advantages including:

- *Professional management:* Open-ended fund allows Investor access to professional asset managers, who have expertise, investment experience and resources to select an appropriate investment portfolio in light of the Fund's investment strategy, as well as to monitor and rebalance portfolio matching changes in stock market conditions.
- *Investment in a diversified portfolio with affordable cost:* Open-ended fund often invests in a diversified portfolio to ensure eliminate unsystematic risk. Moreover, instead of investing by themselves to many stocks with higher cost, Investor can own a diversify portfolio via investing in the Fund with much more affordable cost. The minimum investment amount is often low and affordable to Investor.
- *Liquidity:* Investor can redeem open-ended fund units to Fund Management Company at redemption price based on the Fund's NAV. This is an advantage of open-ended fund compare to closed-ended fund, which often see a difference between NAV per fund unit and price of one fund unit in the stock market.

#### IV. INFORMATION ABOUT FUND MANAGEMENT COMPANY

##### 1. Overview of Fund Management Company

Company name	SSI Asset Management Co., Ltd.
Business License	Business License No. 19/UBCK-GP issued by the SSC dated August 03, 2007 and the Adjusted License No 12/GPĐC-UBCK issued by the SSC dated July 27, 2011
Head office	5th Floor, 1C Ngo Quyen, Ly Thai To Ward, Hoan Kiem District, Hanoi
Phone	04 – 3936 6321
Fax	04 – 3936 6337
Charter capital	Thirty billion (30,000,000,000) dong

SSI Asset Management Co., Ltd. was established in 2007 and is a 100% subsidiary of Saigon Securities Inc. (SSI). SSIAM provides investment management services and offer investment products across all major asset classes to a diverse set of institutional and individual clients.

##### **Overview of Saigon Securities Inc.**

Saigon Securities Inc. (SSI) was established at the end of 1999. It was one of the first three securities companies in Vietnam as well as the first and only private securities companies in Vietnam at the time. SSI's initial capital was 6 billion VND and it provided only three main business services including investment advisory, brokerage and custody service. SSI now provides a full range of services of a securities company. As of 30 June 2014, SSI's charter capital was over 4,273 billion VND, total asset was over 10,877 billion VND and SSI is currently the largest securities company by market capitalization. SSI is also one of securities companies that manage the largest number of client accounts and managing the largest clients' asset.

SSI's main business units:

- Securities Services
- Investment Banking
- Treasury
- SSI Asset Management (SSIAM)

As a financial intermediary, SSI not only operates effectively its shareholder's capital, SSI also manages domestic and international investor's capital safely and effectively.

By 2015, SSI has received many awards from prestigious international organizations:

- "Best Broker in Vietnam" for 2008, 2009, 2010, 2011, 2014, 2015 – "Best Equity House in Vietnam" for four years 2008, 2009, 2010, 2012 – "Best ECM (Equity Capital Market) House in Vietnam" in 2014, 2015 – "Best Investment Bank in Vietnam" in 2010, 2011 by *FinanceAsia*.
- "Best Investment Bank in Vietnam" in 2011 – "Best Bond House in Vietnam" in 2011 – "Best Institutional Broker in Vietnam" in 2011, 2015 – "Best High Yield Bond Deal of the Year in Southeast Asia" in 2011 by *Alpha South East Asia*.
- "Best Domestic Investment Bank in Vietnam" for three consecutive years 2011, 2012, 2013; "Best Equity House in Vietnam" for three consecutive years 2011, 2012, 2013, by *The Asset*.



- “Best Local Brokerage in Vietnam” in 2013, 2014, 2015 by Asiamoney Brokers Poll – *Asiamoney*.

## 2. Business activities of SSIAM

Established in 2007, SSIAM is a 100% subsidiary of Saigon Securities Inc. (SSI). SSIAM's vision is to be Vietnam's leading asset management company, providing excellent returns to clients and to be the most reliable destination for international and regional Investors. To achieve this vision, over the last years, SSIAM has focused on building the highest international standards of professionalism and corporate governance. The firm applies a rigorous investment process, strictly follows regulations and commitment to clients, and uses international standard of risk management.

SSIAM has built a team of experienced and knowledgeable staff, who are active and whole-hearted, working upon cooperation and sharing. SSIAM values long-term relationship with clients and transparency in management of client's assets.

SSIAM's operating result over past years:

Unit: billion VND	2009	2010	2011	2012	2013	2014
Total revenue	88.4	26.3	28.0	31.5	30	74
Profit before tax	77.3	23.0	5.1	18.8	15	54.2
Charter capital	30	30	30	30	30	30

SSIAM is currently managing more than 5,700 billion VND of assets from institutional and individual clients in form of investment funds, investment portfolios and investment advisory contracts.

With continuous effort to improve investment efficiency and service quality, SSIAM is the only fund management company in Vietnam continuously receiving many awards from international prestigious financial institutions:

- *“Best Fund House” in Vietnam in 2012, 2013*  
*“CEO of the year” for Ms. Le Le Hang in 2012, 2013, 2014*  
*“CIO of the year” for Mr. Nguyen Thanh Tung in 2013, 2014 by Asia Asset Management.*
- *“Asset Management Company of the year” in 2012, 2014, 2015 by The Asset.*
- *“Best Onshore Fund House in Vietnam” in 2010*  
*“Asset Management Company of the Year” in 2015 by AsianInvestor.*
- *“Best Investment Management Company in Vietnam” in 2014 by World Finance.*

Funds and investment portfolios under SSIAM's management

- **DAIWA-SSIAM Vietnam Growth Investment Fund II**

The fund was established in July 2015, with current size of USD 32 million, investing in private equities in Vietnam.

- **SSI Investment Member Fund (SSIIMF)**

The fund was established in July 2010, investing in securities and other assets. Initial size was 360 billion VND. In May 2012, fund size increased to 390 billion VND.

- **SSI Sustainable Competitive Advantage Fund (SSI-SCA)**

SSI-SCA is an open-ended fund with investment objectives of pursuing long-term capital appreciation and regular return through investment in companies with sustainable competitive advantages and fixed income assets. The fund started operating from 26 September of 2014 with chartered capital of 111.9 billion VND.

- **SSIAM HNX30 ETF**

SSIAM HNX30 ETF is an exchange traded fund, with investment objects of tracking returns of HNX30 index. The fund started operating from 10 December 2014 with chartered capital of 101 billion VND.

- **SSI Vision Fund (SSIVF) – liquidated in November 2012**

SSIVF was the largest domestic member fund in Vietnam by initial fund size (1,700 billion VND raised in November 2007), investing in Vietnam securities market. Over 5 years of fund life, SSIVF was one of the best performing funds of its time, outperforming VNIndex considerably. While VNIndex lost over 60% of its value in the same period, SSIVF returned to investors nearly 90% of capital and mostly in cash.

- **DSCAP-SSIAM Vietnam Growth Investment Fund – liquidated in October 2015**

The fund was established in November 2009, with initial size of USD 30 million, invested in private equities in Vietnam.

- **Portfolio management services**

SSIAM provides discretionary and non-discretionary portfolio management services to domestic and international individuals and institutional investors. Since 2011, SSIAM has introduced *SSI Prestige* product to high-net-worth individual investors. SSI Prestige is SSIAM's discretionary portfolio management service, providing clients with freedom from the intensive effort that wealth management requires. With this service, SSIAM will work with client to establish a tailor-made investment strategy that matches with client's investment goals and risk appetite. An investment portfolio shall be built best-fitting client's investment strategy. Since the product launch, SSIAM is managing over VND 60 billion of assets of high-net-worth individual investors.

Information about SSIAM's operations in the past shall not be implied as a way to ensure its future operation results.

### 3. SSIAM's management team

#### Ms. Le Thi Le Hang – CEO

- Ms. Le Thi Le Hang was CEO of SSIAM since 2010. She has over 18 years experience in investment management and analysis including over 8 years at W.P. Stewart, a New York-based asset management firm, 3 years as Managing Director and Head of Saigon Securities Inc. (SSI)'s Research & Investment Advisory Department, cum. Assistant to Chairman of SSI and Head of Institutional Sales.
- Ms. Le Thi Le Hang is currently Vice Chairman of Vietnam Fund Management Company Club.
- Ms. Hang is member of Board of Directors of some listed companies including Chairman of Southern Seed Company (SSC), Vice Chairwoman of National Seed Company (NSC), board member of Pan Pacific Corp. (PAN), of Electronics Communications Technology Investment Development Joint Stock Company (ELC) and of Binh Thanh Import and Export Company (GIL).
- Ms. Hang holds a Master in Finance and BA in Accounting from American University, USA.

#### **Mr. Nguyen Khac Hai – Deputy CEO**

- Joined SSIAM since 2007, Mr. Nguyen Khac Hai is in charge of business development, operation, legal and compliance, human resources and information technology. Mr. Hai has over 14 years of experience of legal advisory in finance and information technology sectors including 8 years as Director of Legal and Compliance and DCEO of SSIAM and over 6 years as legal counsel for Bank for Foreign Trade of Vietnam and HIPT Group.
- Mr. Hai is a member of Board of Directors of National Seed Company (NSC) and Electronics Communications Technology Investment Development Joint Stock Company (ELC).
- Mr. Hai holds a BA Business Law from Hanoi National Economics University and a LLM from Nagoya University, Japan.

#### **Mr. Nguyen Thanh Tung – Deputy CEO**

- Joined SSIAM since 2007, Mr. Nguyen Thanh Tung is Chief Investment Officer of SSIAM. Mr. Tung has over 15 years of experience in banking and investment and has intensive knowledge in money market, analysis and management of credit risk, stock market analysis, company analysis and valuation. In 2007-2011, Mr. Tung acted as Portfolio Manager and Head of Research of SSIAM. Prior to that, he worked for VinaSiam Joint Venture Bank as Deputy Manager, Treasury and Correspondent Banking Head, Corporate Banking Head and later for Bao Viet Fund Management Company as Senior Equity Analyst.
- Mr. Tung is currently member of Board of Directors of Veglacera Ha Long (VHL) and Vietnam Fumigation Group (VFG) and Saigon Ground Services Company (SAGS)
- He holds a BA in Economics from the Hanoi Foreign Trade University and a Master in Finance & Banking from Hanoi National Economics University, Vietnam.

#### **Mr. Nguyen Phan Dung – Deputy CEO**

- Joined SSIAM since 2007, Mr. Nguyen Phan Dung is Deputy CEO cum. Head of Research of SSIAM. Mr. Dung is Portfolio Manager of DSCAP-SSIAM Vietnam Growth Investment Fund and some discretionary portfolios.
- Mr. Dung is member of Board of Directors of Transimex-Saigon JSC (TMS).
- Mr. Dung has many years of experience in finance and investment in financial institutions such as ABN AMRO, Chicago Board of Trade and InterCall in USA.
- He holds a BA in Economics from Knox College, and a MBA from Loyola University, USA, where he is a member of the school's Beta Gamma Sigma program and also a member of the International Risk Management Association.

### **V. CUSTODIAN AND SUPERVISORY BANK**

#### **Deutsche Bank AG, Ho Chi Minh City Branch**

**Address:** Level 14, Sai Gon Center Building, 65 Le Loi, District 1, Ho Chi Minh City

**Tel:** (84-8) 6299 8941, **Fax:** (84-8) 3824 4602

**Operating license No.** 20/NH-GP, issued by the State Bank of Vietnam, dated 28 June 1995

**Registration certificate No.** 09/GPHĐLK for securities depository activities by the State Securities Commission, dated 16 October 2000

**Fields of operation:** Deutsche Bank AG, Ho Chi Minh City Branch provides the following services for investment funds established in Vietnam: custodian service, fund accounting service, fund administration service, supervisory service and other services related to custody.

## **VI. AUDIT FIRM**

SSIAM will propose to the General Investors' Meeting at least two (02) audit companies for the Fund to ensure accuracy of reports to Investors.

SSIAM plans to propose KPMG or E&Y Vietnam or PriceWaterhouseCooper (PwC) to audit the Fund SSI-SCA.

For the year 2014, KPMG was the auditor of the Fund.

## **VII. DISTRIBUTORS**

SSI-SCA Fund Certificate is distributed at appointed distributors as below:

### **1. SSI Asset Management Co., Ltd.**

Registration certificate No.: 19/UBCK-GP issued by the State Securities Commission on 03 August 2007, and Amendment certificate No. 12/GPDC-UBCK issued by the State Securities Commission on 27 July 2011

Head Office: 5th Floor, 1C Ngo Quyen, Hoan Kiem District, Hanoi

### **2. Saigon Securities Inc. (SSI)**

Registration certificate No.: 03/GPHDKD issued by the State Securities Commission on 05 April 2000

Head Office: 72 Nguyen Hue, District 1, Ho Chi Minh City

### **3. Bao Viet Securities JSC (BVSC)**

Registration certificate No.: 01/GPHDKD issued by the State Securities Commission on 26 November 1999

Head Office: 8 Le Thai To, Hoan Kiem District, Hanoi

### **4. Vietcombank Securities Co., Ltd (VCBS)**

Registration certificate No.: 09/GPHDKD issued by the State Securities Commission on 24 April 2002

Head Office: 12&17 Floor, Vietcombank Tower, 198 Tran Quang Khai, Hoan Kiem District, Hanoi

### **5. ACB Securities Company (ACBS)**

Registration certificate No.: 06/GPHDKD GPHDKD issued by the State Securities Commission on 29 June 2000

Head Office: 41 Mac Dinh Chi, Da Kao Ward, District 1, TP.HCM

## **6. Ho Chi Minh City Securities Corporation (HSC)**

Registration certificate No.: 11/GPHĐKD GPHDKD issued by the State Securities Commission on 29 April 2003

Head Office: Level 5-6, AB Building, 76 Le Lai , District 1, Ho Chi Minh City

## **7. MB Securities Corporation (MBS)**

Registration certificate No.: 116/GP-UBCK GPHDKD issued by the State Securities Commission on 9 December 2013

Head Office: Level M-3-7 - 03 Lieu Giai Street, Lieu Giai Ward, Ba Dinh District, Ha Noi

## **8. VNDirect Securities Corporation (VNDS)**

Registration certificate No.: 22/UBCK-GPHĐKD issued by the State Securities Commission on 16 November 2006

Head Office: 1 Nguyen Thuong Hien, Nguyen Du Ward, Hai Ba Trung District, Ha Noi

## **9. VPBank Securities Company (VPBS)**

Registration certificate No.: 30/UBCK-GPHĐKD issued by the State Securities Commission on 20 December 2006 and Amendment certificate No. 341/UBCK-GP dated 09 August 2010, No. 350/UBCK-GP dated 27 September 2010 and No. 108/GPDC-UBCK dated 16 August 2012

Head Office: 362 Pho Hue, Pho Hue Ward, Hai Ba Trung District, Ha Noi

Points of Order Acceptance of Distributors are listed in Appendix 3 of this Prospectus.

## **VIII. AUTHORIZED SERVICE PROVIDERS**

### **1. Authorized service provider for Fund Administration service**

#### **Deutsche Bank AG, Ho Chi Minh City Branch**

Address: Level 14, Sai Gon Center Building, 65 Le Loi, District 1, Ho Chi Minh City

Tel: (84-8) 6299 8941, Fax: (84-8) 3824 4602

Operating license No. 20/NH-GP, issued by the State Bank of Vietnam, dated 28 June 1995

Registration certificate No. 09/GPHĐLK for securities depository activities by the State Securities Commission, dated 16 October 2000

Fields of operation: Deutsche Bank AG, Ho Chi Minh City Branch provides the following services for investment funds established in Vietnam: custodian service, fund accounting service, fund administration service, supervisory service and other services related to custody.

## **2. Authorized service provider for Transfer Agency service**

### **Vietnam Securities Depository Centre (VSD)**

Address: 15 Doan Tran Nghiep, Hai Ba Trung District, Hanoi

Operating license No. 171/2008/QD-TTg approved by Prime Minister on 18 December 2008 which transformed and re-organized the Securities Depository Centre to new form of operation as state-owned one member limited liability company according to Law On Securities.

## **IX. INFORMATION ABOUT THE FUND**

### **1. General information about the Fund**

#### **1.1. Name and address of the Fund**

- Name of Fund: QUY DAU TU LOI THE CANH TRANH BEN VUNG SSI
- Abbreviated name: SSI-SCA
- English name: SSI Sustainable Competitive Advantage Fund
- Nature of the Fund: Open-ended fund
- Address: SSI Asset Management Co., Ltd.  
5th Floor, 1C Ngo Quyen, Ly Thai To Ward, Hoan Kiem District,  
Ha Noi
- Phone: 04 3936 6321 Fax: 04 3936 6337

**1.2. IPO license No.:** 50/GCN-UBCK issued by State Securities Commission of Vietnam dated 26 June 2014

**1.3. Establishment and Operation Certificate No.:** 15/GCN-UBCK

**1.4. Nature and Duration of Fund:** Fund SSI-SCA is a public open-ended fund which operates under Vietnam applicable regulations. The Fund is responsible for the issuance and redemption of Fund Certificates issued as and when requested by its Investors on Dealing Date. The Fund has unlimited operation duration.

#### **1.5. Board of Fund Representatives**

##### **Mr. Tri Nguyen Pham – Independent member – Chairman of the Board**

##### **Former Chief Country Officer/General Manager, Deutsche Bank AG, Ho Chi Minh City branch**

- Mr. Tri Nguyen Pham has over 30 years experience in the field of financial analysis and banking. Mr. Tri Nguyen Pham served as Chief Country Officer/General Manager of Deutsche Bank AG, Ho Chi Minh City Branch from 2007 to 2014. Prior to that, he served as financial specialist cum auditor in many international organizations including financial advisor for East Asia and Pacific region, Senior Auditor - Internal Auditing department, Senior Financial Officer – Capital Markets Operations, Treasury Finance Department at The World Bank, Senior Planning and Budgeting Officer - Controller's and Budgeting Department of the International Finance Corporation (IFC).
- Mr. Tri Nguyen Pham holds a Master of Business Administration (MBA) in Finance and Investment at the George Washington University (GWU), Washington DC, USA; Bachelor of Economics at the Catholic University of America, Washington DC, USA.

**Mr. Nguyen Manh Hung – Independent member**

**Partner, Honor Partnership Law Company Limited (HPLaw)**

- Mr. Nguyen Manh Hung has over 20 years experience in the legal profession. He is the founder of HPLaw. He is also the Director of Nguyen Sai gon (an investment advisory firm, founded in 2010). Previously, he was Director of Y&P Consulting Co., Ltd, lawyer at Nghiem & Chinh Law Office, and legal expert at PETEC Ho Chi Minh, a member company of Vietnam Oil and Gas Corporation.
- Mr. Hung is currently a lawyer of the Ho Chi Minh City Attorney Association, a member of the Vietnam Bar Federation (VBF).

**Ms. Tran Thanh Y - Independent Member**

**Director of Administration and Accounting, Regus Center (Vietnam)Limited.**

- Ms. Tran Thanh Y has nearly 20 years experience in the field of accounting and auditing. She is currently the Chief of Administration and Accounting of Regus Center (Vietnam) Limited. She was previously the Head of Administration and Accounting of Keppel Land and Senior Auditor of KPMG Limited, a subsidiary of KPMG Global specializing in audit, tax and financial advisor services.
- Ms. Tran Thanh Y holds a Bachelor of Banking and Finance at the National Economics University, Certified Public Accountant (CPA) of the Ministry of Finance, Chief Accountant Certificate of the National Economics University, Certificate of Finance and Banking of ING Bank, Sonny, Cambridge University Press.

**Ms. Le Thi Le Hang – Member**

**Chief Executive Officer (CEO), SSI Asset Management Co., Ltd.**

See the introduction at Section IV, General information of Fund Management Company.

**1.6. Fund Managers**

**Mr. Nguyen Thanh Tung**

**Chief Investment Officer**

See the introduction at Section IV, General information of Fund Management Company.

**Mr. Bui Nam Giang**

**Investment Officer**

- Joined SSIAM since 2013, Mr. Giang is currently an investment officer of SSIAM.
- Mr. Giang has 13 years of experience in finance and investment. Before joining SSIAM, Mr. Giang was working at Financial Advisory Department of Petrovietnam Securities Inc. and in Advisory Department of BaoViet Securities Company.
- Mr. Giang holds a bachelor degree in financial management from Thang Long University, Vietnam.

**2. Fund Charter**

The Fund Charter is summarized in Appendix 4 of this Prospectus. Investor should refer to the SSI-SCA Fund Charter. In case there is any difference between the Fund Charter and the Fund Prospectus then the content in the Fund Charter shall prevail. If Investor is doubtful about his/her investment decisions, Investor should research for more information or consult experts' recommendations to have appropriate investment decisions.

### **3. Investment objectives and investment strategies of the Fund**

#### **3.1. Investment objectives**

The Fund pursues long-term capital appreciation and regular return through investment in companies with sustainable competitive advantages and fixed income assets.

#### **3.2. Investment strategy**

The Fund shall apply active investment strategy, focusing on listed securities of companies with sustainable competitive advantages, high market share, good corporate governance, healthy financial conditions, good capabilities of operation in disadvantageous market conditions and attractive valuation compared with the potential growth in the future of the company.

The Fund shall also invest in fixed income securities with high credit rating to preserve capital and bring stable income for the Fund.

#### **3.3. Investment Assets**

According to applicable regulations, the Fund can invest in the following assets: <sup>1</sup>

- a. Fixed income assets:
  - Deposits at commercial banks as stipulated by banking laws;
  - Money market instruments, foreign currencies, valuable papers, transferable instruments in accordance with banking laws;
  - Government bonds, Government guaranteed bonds and municipal bonds;
  - Listed bonds of issuers that are established and operating in accordance with the law of Vietnam;
  - Bonds to be listed or registered for trading, of issuers that are established and operate pursuant to the law of Vietnam and have sufficient documents to prove that these issuers shall complete all the documents for listing at Stock Exchange within 12 months from the transaction date.
- b. Shares:
  - Listed shares or shares registered for trading of issuers that are established and operate pursuant to the law of Vietnam;
  - Shares to be listed or registered for trading of issuers that are established and operate pursuant to the law of Vietnam and have sufficient documents to prove that these issuers shall complete all the documents for registration or listing at Stock Exchange within 12 months from the transaction date;
- c. Derivatives securities
  - Listed derivatives securities traded on Stock Exchanges only for hedging purposes.

All the Fund's investments in shares and bonds to be listed or registered for trading need approval in writing of the Board of Fund Representatives regarding the type, stock code, quantity, transaction value, transaction time.

#### **3.4. Asset allocation**

The Fund has flexibility in asset allocation based on market conditions and investment opportunities at every point of time and on the view of the Fund Management Company, with the aim being at all times to protect the interest of the Investors. However, the Fund's asset allocation shall strictly comply with the investment restrictions in Section 5 of the Prospectus.

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<sup>1</sup> Point 15.2 Circular 183/2011/TT-BTC by the Ministry of Finance guiding the Establishment and Management of the Open-ended Fund



Under normal market conditions the Fund shall invest up to 98% of the Fund's asset in equities, the rest shall be invested in fixed income assets, cash, or cash equivalents. Among equity investment, the Fund may invest up to 20% in companies with lower market capitalization and liquidity but meet the objective of sustainable growth and potential development.

Temporary investment strategy: when market and economic conditions are considered unfavorable, the Fund may apply conservative strategy in order to preserve Investor's capital by investing up to 100% of the Fund's assets in cash, cash equivalents, bonds and other fixed income assets but still comply with the investment restrictions in Section 5 of the Prospectus. Under these circumstances, the Fund may not achieve its investment objective.

#### **4. Investment selection principles**

SSI-SCA shall apply an active investment strategy to screen and select investment candidates. Based on macroeconomic research and analysis, the Fund shall construct an asset allocation model that is compatible with its investment objective and market conditions from time to time. For every investment, the Fund shall screen and invest in securities that are having attractive market valuation compared to their fundamental value. At the same time, the Fund shall also determine potential risks and develop techniques to manage these risks.

With this method, The Fund shall build investment portfolio that include assets of high quality to increase the Fund's value through the active investment strategy.

##### **4.1. Fixed income assets selection method**

Under the normal conditions, the Fund might invest up to 20% of the Fund's asset in term deposits, Government bonds, municipal bonds, Government guaranteed bonds, convertible bonds.

The Fund may consider investing in corporate bonds only if these bonds are issued by corporates with high credit rating or are guaranteed bonds.

##### **4.2. Stock selection method**

The Fund shall mainly invest in shares of listed companies with high market capitalization, high liquidity. These companies must have sustainable competitive advantages, which are defined as market leaders, long-term growth potential, quality management, good corporate governance, healthy financial conditions, and have high return on capital. Besides, the Fund shall also allocate a part of its assets in shares of listed companies with lower market capitalization and lower liquidity but have sustainable potential growth and good value.

The Fund shall follow the below steps in selecting stocks in its investment portfolio:

*Step 1: Top-down analysis to identify potential growth industries:*

The Fund shall apply top-down approach including macroeconomic analysis and industry analysis to select industries/sectors which will generate the best returns and have high growth potential. After that, the Fund shall select leading companies in those industries for further analysis. These steps shall help the Fund to focus its investments on industries with good potential growth.

*Step 2: Select companies of good quality that meet the following criteria:*

- High market capitalization and high liquidity, market leader, good operational capabilities.
- Good corporate governance and transparency.
- Healthy financial conditions.
- High return on capital compared to other companies in the same industry.
- Long term growth potential.

These criteria are evaluated through detailed analysis and research of fundamental ratios of companies through documents, periodical financial reports, interviews with Board of management, Board of Directors, feedback of customers and providers, threat of new competitors, and competition among companies in the same industry...

Besides, the Fund shall actively search for companies that are not included in industries in Step 1 but still meet all the criteria of sustainable competitive advantages and the criteria in step 2 to ensure high quality investment portfolio for the Fund.

*Step 3: Diversifying investment portfolio:*

- Based on the analysis of fundamental ratios, growth potential of the company and the industry, operation efficiency, operational risks, financial risks, liquidity risk....the Fund shall actively build up a diversified investment portfolio which includes shares of companies of different industries.

## **5. Investment restrictions according to applicable regulations**

The Fund's investments shall be diversified and comply with applicable regulations.

**5.1.** The Fund's portfolio shall include securities of at least six (06) issuers and comply with the following investment restrictions:

- a. The Fund shall not invest more than forty nine percent (49%) of the Fund's total asset value in deposits at commercial banks as stipulated by banking laws; Money market instruments, foreign currencies, valuable papers, transferable instruments in accordance with banking laws;
- b. The Fund shall not invest more than thirty percent (30%) of the Fund's total asset value in the following assets if these assets are issued by the same company or by a group of companies that have ownership relation, in which value of derivatives securities equals the committed value of the contract as stipulated according to applicable regulations:
  - Deposits at commercial banks as stipulated by banking laws;
  - Money market instruments, foreign currencies, valuable papers, transferable instruments in accordance with banking laws;
  - Listed shares, shares registered for trading, listed bonds of issuers that are established and operating in accordance with the law of Vietnam;
  - Shares, bonds to be listed or registered for trading, of issuers that are established and operating pursuant to the law of Vietnam;
  - Derivatives securities listed and traded on the Stock Exchanges only for hedging purposes.
- c. The Fund shall not invest more than twenty percent (20%) of the Fund's total asset value in outstanding shares of an issuer, including all valuable papers, transferable instruments, bonds, voting shares and non-voting preferable shares, convertible bonds;
- d. The Fund shall not invest in more than ten percent (10%) of outstanding shares of a single issuer.
- e. The Fund shall not invest more than ten percent (10%) of the Fund's total asset value in shares, bonds to be listed, registered for trading of issuers that are established and operating in accordance with the law of Vietnam;
- f. The total value of large investment items in the Fund's investment portfolio shall not exceed forty percent (40%) of the Fund's total asset value;
- g. At any point of time, the total committed value in derivatives securities transactions, outstanding loans and other payables of the Fund shall not exceed Net Asset Value of the

## Fund

- h. The Fund shall not invest in securities investment funds, shares of securities investment companies that are set up and operating in Vietnam;
- i. The Fund shall not directly invest in real estates, precious stones and metals.

**5.2.** Except for the circumstances stated in points g, h and i, Clause 5 of this Section, the investment structure of the Fund may be deviant but not exceeding fifteen percent (15%) from investment restrictions stipulated in Clause 5.1 and only due to the following reasons:

- a) Fluctuations in market prices of assets in the fund's investment portfolio;
- b) Execution of eligible payments of the fund;
- c) Implementation of transaction orders of Investors;
- d) Merge, consolidation and acquisition activities of issuers;
- e) The new fund has just been licensed for establishment due to the splitting, merging, consolidation, and the operation time has not exceeded six (06) months from the date of issuance of the Certificate of fund establishment.
- f) The Fund is under dissolution process.

**5.3.** The Fund Management Company must adjust the portfolio to meet the investment restrictions prescribed in Clause 5.1 within three (03) months, from the date when discrepancies happen.

**5.4.** In case discrepancies are caused by the Fund Management Company's failing to comply with investment restrictions prescribed by the Law or the Fund Charter, the Fund Management Company shall be responsible for adjusting the portfolio within fifteen (15) days from the date discrepancies happen and shall bear all costs incurred related to these transactions and losses (if incurred). If profits arise, these profits must be recorded into the account of the Fund.

**5.5.** The Fund is only allowed to invest in Bank deposits, money market instruments, foreign currencies, valuable papers, transferable instruments in accordance with banking laws issued at banks in the list of banks approved in written by the Board of Fund Representatives.

## **6. Lending, borrowing, repo and margin transactions**

- The Fund Management Company shall not be allowed to use the capital and assets of the Fund to lend or guarantee any loan, except for investments in bank deposits in accordance with banking laws;
- The Fund Management Company is not allowed to borrow in order to finance the operations of the Fund, except for short – term loans to cover necessary costs for the Fund. The total value of short – term loans of the Fund shall not exceed five percent (5%) of the Net Asset Value of the Fund at any time and the maximum duration of the loans is thirty (30) days. All the loans must be approved by the Board of Fund Representatives and confirmed by Supervisory Bank that the Fund has equivalent receivables in the same borrowing period.
- The Fund Management Company is not allowed to use the Fund's assets to conduct margin transactions (borrowing to purchase securities) for the Fund or for any other person or organization.
- The Fund Management Company is not allowed to use the Fund's assets to conduct short selling transactions, securities lending.
- The Fund is entitled to conduct Government Bonds repo transactions in line with applicable regulations of the Ministry of Finance on trading management of Government Bonds.

## 7. Risks associated when investing in the Fund

Similar to any other type of investment, investing in Fund SSI-SCA involves risks. Investors should be aware of these risks, their own risk appetite and consider carefully prior to making investment decisions in the Fund. As the investment manager, SSIAM applies risk management techniques; however, there still exist some risks. It is important that Investors note that:

- Investment in the Fund is not guaranteed by any Supervisory Bank or any other institutions that the Fund will achieve its investment goal. Returns of investment may be lower than Investor expected or lower than other investment alternatives that were available at the time of the original investment over the same investment period or Investors' principal may be partially or wholly lost. The Fund, SSIAM, their directors and employees make no guarantee against loss of principal or returns on the investment.
- SSI-SCA aims to achieve long-term growth of the fund Net Asset Value and create stable income for Investors. Investors should not expect immediate and/or short-term returns and income from the investing in the Fund.
- There is no guarantee or assurance on the frequency or amount of any dividends. Dividend distribution depends on sources of profit distribution, the Fund's profit distribution policy and approval of the Fund's annual General Investors' Meeting and/or Board of Fund Representatives. Subject to sources of profit distribution, Investor may not receive the amount of dividend as expected or at the time expected.
- The name of the Fund does not indicate either the quality of the Fund or its future prospects and returns.
- Past performance of a fund, of SSIAM or of its owner, do not indicate or guarantee the future performance of the Fund.
- SSIAM is not liable for investment risks of the Fund, nor are its Chairman, directors and employees liable for operational risks of SSIAM managing the Fund.
- The Fund is an open-ended fund, therefore Investor can redeem fund units to the Fund Management Company. When subscribing or redeeming fund units, Investor may have tax obligation as required by applicable law. Tax obligation of Investor does not reflect in the Fund's operating result.

Following are the major risks of investing in securities (but may not cover all risks of investing in the Fund):

- **Market Risk:** This type of risks occurs when the investment assets of the Fund decrease in value wholly or partially within a period of time. This risk may result in decrease in value of the whole market. This systematic risk goes beyond the Fund Management Company's control. However, there are many factors that contribute to market risk, which can be minimized by identifying and specifically managing each type of risk, for example, inflation risk, interest rate risk, price volatility risk, and exchange rate risk.
- **Inflation risk:** Inflation risk is the risk that the value of the Fund's investments decline due to inflation. Inflation risks have different effects on stocks and bonds.

Bond prices often moves inversely to changes in inflation, since increased inflation will increase bond yields, resulting in lower bond prices. In addition, continuously high inflation rate would reduce the real value of the bonds' face value and coupons received every period.

The Fund may reduce inflation risk on Fund's asset allocated to bonds by reducing the term of the bonds or hold more bonds that have floating interest rate if inflation is expected to rise; or vice versa.

Inflation has indirect effects on stocks because companies can pass the increased costs due to inflation to their consumers. However, in overall, in increasing inflation environment,

increased borrowing costs due to generally high interest rate will lead to reduction of business investment. As a result, business value and growth shall decline. The Fund may reduce risks of inflation on Fund's asset allocated to stocks by investing in stocks of companies with sustainable competitive advantages, including the capability of the companies to transfer majority of the inflation impacts to customers and consumers.

- **Interest rate risk:** Interest risk is the risk that the fair value or future cash flows of financial instruments held by the Fund fluctuate due to changes in market interest rates resulting from changes in monetary demand/supply and other macroeconomic factors. Interest rate risk directly affects bonds and indirectly affects stocks.

Increased interest rates will decrease the bond prices in the secondary market to make actual bonds yields increase equally to market interest rates. Higher interest rates directly impact on the demand for loans and debt structure of each company, the company's ability to raise selling prices to offset the increased financial costs, inflation expectations; these factors indirectly affect the stock prices.

To minimize this risk, the Fund Management Company shall regularly analyse and evaluate the macro economic conditions, bond market movements and interest rate expectations in each period to make appropriate asset allocation decisions. For the assets allocated to bonds, the Fund will keep the term of the bonds suitably with expectations of the interest rate.

- **Exchange rate risk:** Exchange rate risk is the risk that value of investments and financial instruments of the Fund is affected by fluctuations in exchange rates. The Fund's investments shall be exposed to exchange rate risk when the companies in which the Fund invests have import and export operations or liabilities denominated in foreign currencies. These investments will be monitored through a thorough analysis of revenues & liabilities of the companies.

In other respects, the Fund shall not protect and be responsible for exchange rate risk for foreign investors who purchase SSI-SCA Fund Certificates by using the only currency accepted by the Fund - Vietnam Dong. Therefore, foreign investors will need to protect themselves from this risk.

- **Price volatility risk:** Price volatility risk is the risk that the market value of the financial instruments decline when the market index changes and the value of each securities change. Decline in market price shall lead to decrease in the value of the Fund's investments.

The Fund invests in stocks of companies with good fundamentals which should be generally exposed to lower volatility than the market. In addition, the Fund also aims to create, accumulate and increase the safety margin of the investment's costs over the long term portfolio holdings to reduce impact and dependence on the momentary fluctuations of share prices in the short term.

- **Legal risk:** As Vietnam securities market as well as the legal framework are still young,

The Government is still in the process of completing and adjusting the legal framework for securities operations and securities market. These adjustments may influence the Fund's operations or the Fund's asset value in the future.

The Fund Management Company will assess the impact of these changes on the Fund and the companies in the Fund's portfolio to change portfolio structure accordingly.

- **Risk of investment strategies:** is the risk arising directly from the Fund's investment strategy when choosing value investment approach: the price of value stock may not increase as expected by the Fund and the investors in SSI-SCA Fund certificates if other investors in the market do not realize the value of these stocks, or the fundamental value that the Fund expected can not help the stock price to increase to the actual value assessed by the Fund.

The Fund will maintain a diversified portfolio include stocks of companies that have sustainable competitive advantages in different industries. In addition, the Fund shall also diversify its investment appropriately by investing in stocks with different market capitalization. However, the ability of risk management of the Fund may also be limited by the number of investment stocks at one period of time.

- **Risk of investment restriction:** As the characteristics of the open-ended fund only allow the Fund to invest in listed shares, shares registered for trading, shares to be listed, delays in the progress of equitization and listing, registration of shares of potential companies shall reduce the diversity and representation and also limit investment opportunities of the Fund in the best companies of different industries and market capitalization in the market.

The bond market in Vietnam is currently quite limited in terms of quantity, issuer, industry, issuance frequency as well as the diversity of terms and product categories. Hence SSIAM may encounter difficulties in searching for investment opportunities following asset allocation strategy chosen or difficulty in diversifying investment portfolio.

- **Risk of reinvestment:** This is the specific risk of bond investments when cash flows from bond coupons are reinvested at lower interest rates than the market interest rates at the time of purchasing these bonds. This risk occurs when market interest rate tends to decrease.

The reinvestment risk management shall be done by closely monitoring the interest rate expectations in the market reflected in the yield curve and the term of the bond portfolio. Long-term bonds shall be preferred when interest rates are high and are expected to decrease. Short-term bonds or floating rate bonds shall be preferred if interest rates are expected to increase.

- **Risk of valuation:** This is the risk when the interest rates used for valuation are different from the real interest rate that makes the market value of assets purchased/sold different to the book value. The discount rate used for valuation is based on the interest rate listed on the HNX/ VBMA/ Bloomberg/ Reuters; this is only the reference interest rate, depending on the timing and quality of information, this interest rate may not be close to the actual transacting interest rate.

- **Settlement risk:** This is the risk that the Fund deals with a partner who does not pay for the stock purchase or transfer the securities to the Fund after the Fund has paid for the purchase.

For stocks, this risk is generally related to transactions of unlisted companies. However, the open-ended fund shall only invests in listed shares, shares registered for trading. In addition, transactions are conducted through the trading system of the Stock Exchanges or securities firms having custody system, supervision according to applicable laws, to ensure lawful and sufficient holding balances of securities and sufficient cash balances of stakeholders.

For bonds and debt securities, this risk is generally related to the case when the bond issuers or the guarantors fail to pay the principal and interest amounts at maturity to the Fund. To minimize this risk, the Fund may invest in Government Bonds, Bonds guaranteed by the Government, municipal bonds, which are less risky and payment is more certain. For corporate bonds (if any), until Vietnam has intermediary financial institutions responsible for evaluating credit ratings, the Fund may apply statistical techniques, internal system, and refer to the assessment of the credit ratings of the available intermediary organizations to make appropriate investment decisions to reduce risks

- **Risk of lacking of hedging instruments:** In accordance with the Law of Vietnam, the Fund SSI-SCA can use listed derivative securities for hedging purposes. However, the current derivative instruments have not been developed in Vietnam so there may be no available necessary tools to use.
- **Liquidity Risk:** This risk happens when the Fund could not sell enough assets to pay for redemption orders in one Dealing Date or within a specific period of time due to low market

liquidity; or the redemption/switch orders can only be partially processed as the Fund's NAV falls below the NAV threshold prescribed by law, or the redemption/switch orders exceeds the maximum withdrawal under the provisions of law. Also, in force majeure circumstances, investors can not redeem fund units during the trading suspension period.

Fund Management Company reserves the right to process partial redemption or extend the time limit for redemption payment in situations specified in the fund certificates transaction mechanism section in this Prospectus. When the redemption orders takes longer to process than required by applicable law due to the reasons specified above, the Fund Management Company will publish information about the reasons and expected time to process redemption orders of Investors.

To minimise liquidity risk, the Fund shall maintain an appropriate level of liquidity by investing an appropriate ratio of its assets in high liquidity securities; the redemption payment in most cases will be processed on time and shall not be affected by the temporary illiquid stocks.

- **Risk of Fund Management Operation:** This is the risk that not all investment decisions of SSIAM are profitable or meet expectations at the time of making these investments, or when the key investment staffs of SSIAM have left position.
- **Conflict of interest risk:** the Fund Management Company shall face conflicts of interest between the investment funds and other financial products which it manages. This risk can be managed by establishing separate management team for each fund as well as an internal "Chinese Wall" aimed at minimizing the risk.
- **Force Majeure risk:** This is the risk when unforeseeable events occurs objectively and go beyond the control of the Fund Management Company, these events may have critical and sudden impact on the value of all or some of the Fund's assets. These events may include:
  - Natural disasters (earthquakes, floods), fire, nuclear disaster;
  - Business environment such as the financial crisis, the banking system crisis, or loss of managing ability of key directors;
  - Crisis, computer and information system malfunction.

## **X. INITIAL PUBLIC OFFERING AND SUBSEQUENT FUND CERTIFICATE TRADING**

### **1. Applicable regulations**

The establishment and operation of Fund SSI-SCA and related issues are governed by:

- Law on Securities passed by the National Assembly of the Socialist Republic of Vietnam, on 29 June 2006, effective as from 01 January 2007;
- Law No. 62/2010/QH12 dated 24 November 2010 by the National Assembly amending, supplementing a number of articles of Law on securities, and effective as from 01 July 2011;
- Decree No. 58/2012/ND-CP dated 20 July 2012 by the Government detailing and guiding a number of articles of the Law on Securities and the Law Amending and Supplement a Number of Articles of the Law on Securities, effective as from 15 September 2012;
- Decree 60/2015/ND-CP dated 26 June 2015 by the Government amending, supplementing a number of articles of Decree No. 58/2012/ND-CP;
- Decree No. 108/2013/ND-CP dated 23 September 2013 by the Government on Sanctioning of Administrative Violations in domain of Securities and Securities Market;
- Circular No. 183/2011/TT-BTC dated 16 December 2011 by the Ministry of Finance guiding the Establishment and Management to the Open-ended Fund;

- Circular No. 212/2012/TT-BTC dated 5 December 2012 by the Ministry of Finance had Guidelines on the Establishment, Organization and Operation of the Fund Management Company;
- Circular No. 125/2011/TT-BTC dated 05 September 2011 by the Ministry of Finance on Accounting Guideline apply to the Fund Management Company;
- Circular No. 198/2012/TT-BTC dated 15 November 2012 by the Ministry of Finance promulgating the accounting regime applicable to the Open-ended Fund;
- Circular No. 213/2012/TT-BTC dated 6 December 2012 by the Ministry of Finance guiding the activities of foreign Investors on the Stock Market;
- Decision No. 15/2008/QD-BTC dated 27 March 2008 by the Ministry of Finance issuing the Regulations on Securities Practice;
- Circular No. 147/2012/TT-BTC dated 10 September 2012 by the Ministry of Finance to amend and supplement a number of articles of "Securities Regulations Practice" is attached under Decision No. 15/2008/QD-BTC dated 27 March 2008 of the Minister of Finance;
- Circular No. 52/2012/TT-BTC dated 5 April 2012 by the Ministry of Finance guiding for the disclosure of information on the stock market;
- Other relevant applicable regulations.

## 2. Initial Public Offering (IPO)

- Name of the fund	SSI Sustainable Competitive Advantage Fund
- Abbreviated Name	SSI-SCA
- Nature of the Fund	An open-ended balanced fund
- Fund Investors	Domestic and foreign individual investors and legal entities
- Fund operating period	Unlimited
- Minimum expected Charter Capital	50,000,000,000 (fifty billion) VND
- Currency	Vietnam Dong (VND)
- Par Value	10,000 (ten thousand) VND/Fund Unit
- Subscription Fee	1% or 100 (one hundred) VND/Fund Unit
- Subscription Price (including Subscription Fee)	10,100 (ten thousand one hundred) VND/Fund Unit
- Minimum initial subscription amount	2,000,000 (two million) VND
- Issue Date	Will be specified in the offering notice issued after SSI-SCA Fund had been licensed for public offering
- IPO period	Minimum twenty (20) days and maximum ninety (90) days from the effective date of the IPO license.
- Extension of IPO period	State Securities Commission will consider for extension but not longer than thirty (30) days from the end of IPO period.



**a. Points of Order Acceptance**

SSI-SCA Fund Certificate is issued at appointed Distributors.

Names and addresses of Points of Order Acceptance at appointed Distributors where Investors can subscribe for Fund Certificates are listed in the Appendix 3 of this Prospectus.

**b. Initial subscription orders**

- Minimum subscription amount: 2,000,000 (two million) VND.
- Investor need to open an open-ended fund certificate trading account by submitting “Open-ended Fund Account opening Application Form” and related documents, and directly submit “Open-ended Fund Certificate Subscription Form” (see sample of this form in the Appendix 2 of this Prospectus) to the appointed Distributor.
- Investor transfer subscription money to the Fund’s account at Supervisory Bank in Vietnam Dong. Investor can make the transfer from Investor’s bank account, from Investor’s securities account at Distributor or from legally authorized person’s bank account. Investor bears the transfer fee. Distributors will provide information about the Fund’s account at Supervisory Bank.
- Payment period: The payment must be made before the end date of the IPO period.
- The number of distributed Fund Certificates is calculated using the following formula:

$$\text{Number of allotted Fund Units} = \frac{\text{Subscription amount}}{\text{Subscription Price}}$$

- Number of allotted fund units will be rounded down to two decimal places.
- In case the amount of money transferred to the Fund’s account is less than the minimum subscription amount, the subscription order is considered invalid. This amount will be refunded to Investor within five (05) working days after the end of the IPO period. Transfer fee will be deducted from this refunded amount.
- In case the actual amount transfered into the Fund’s account is different from the amount recorded on the subscription order, but not lower than the minimum subscription amount, the number of allotted Fund Units shall be based on the actual amount transferred to the Fund’s account.

**c. Distributing Fund Certificates**

Fund Certificates will be distributed fairly, publicly during IPO period and complies with current regulations about limited ownership.

- In case the total valid subscription amount exceeds the minimum expected charter capital, Investors will be allotted in full the registered number of Fund Certificates based on the actual subscription amount which has been transferred to the Fund’s account.
- Fund Certificate ownership confirmtion will be sent to Investors within five (05) days from the effective date of the Certificate of Fund Establishment.
- In the event that at the end of the IPO period (including extended time), the total subscription amount is less than fifty (50) billion VND, or the Fund has less than one hundred (100) Investors, not including professional securities Investors, The Fund Management Company will cancel the Fund Certificate issuance and report to the State Securities Commission, at the same time disclose information about the unsuccessful issuance within twenty four (24) hours after the end of the IPO period. The Fund Management Company will refund the full subscription to Investors and bear all the related costs incurred within fifteen (15) days from the cancellation date of the issuance.

- Fund Certificates will not be listed on the stock exchanges. Investors can place orders for subsequent transactions post IPO at appointed Distributors after the Certificate of Fund Establishment is issued to the Fund Management Company.

**d. Related parties in the IPO period**

- Issuer	SSI Sustainable Competitive Advantage Fund
- Issuing representatives	SSI Asset Management Co., Ltd.
- Supervisory Bank	Deutsche Bank AG - Ho Chi Minh City Branch
- Proposed auditing company	E&Y Vietnam Co.,Ltd or KPMG Vietnam
- Distributors	Points of Order Acceptance of Distributors are listed in Appendix 3 of this Prospectus.

**3. Subsequent Fund Certificate Trading**

**3.1. General principles for fund certificate trading**

**a. Dealing Date**

- Dealing Date: SSI-SCA Fund Certificate is traded once a week, on every Thursday (day T).
- If the Dealing Date falls on a public holiday, the transaction will be executed on the next working day unless otherwise notified by Fund Management Company. If the next working day falls on Wednesday, the transaction will be executed on Thursday of that week. The Fund Management Company shall announce details of the trading schedule in case of public holiday to Investors, Distributors, and other related service providers in the Fund Management Company's website.

**b. Trading method**

- Investors place orders at Distributor's Points of Order Acceptance (note: Investor investing in the Fund for the first time has to open an open-ended fund trading account and provide KYC information to the Fund Management Company, Distributors).
- Investor can place orders at more than one Distributors, however Investor needs to open an open-ended fund trading account at each Distributor that Investor would like to place the order. Investor's accounts at different Distributors will be managed separately. Investor can place orders using the trading account opened at one Distributor at any Points Of Order Acceptance of that Distributor.
- Authorized transaction: Investor can authorize other individual to place orders on their behalf and has to fill in details of the authorized person in the "Open-ended Fund Account Opening Application Form". The authorized person cannot be changed until Investor submits the amendment of the authorized person details at the same Distributor.
- Lists of appointed Distributors and Points of Order Acceptance of Distributors are listed in Appendix 3 of this Prospectus.

**c. Cut-off Time**

- Is the latest time that Distributors receive transaction orders from Investors to process on the Fund Certificate Dealing Date.
- Cut-Off Time: 10:30 am on the last working day prior to the Dealing Date (Date T-1).

#### ***d. Fund Certificate trading price***

- Subscription Price per Fund Unit (price the Investor must pay for the Fund Management Company)  
Subscription Price = Net Asset Value per Fund Unit calculated on the Fund Certificate Dealing Date + Subscription Fee

- Redemption Price per Fund Unit (price the Fund Management Company must pay for the Investor)

Redemption Price = Net Asset Value per Fund Unit calculated on the Fund Certificate Dealing Date – Redemption Fee

- Net Asset Value per Fund Unit is determined regularly the on dealing date..
- Net Asset Value per Fund Unit and Fund Certificate trading price shall be published on the Fund Management Company's website within three (03) days working day from Valuation Date.
- Subscription Fee, Redemption Fee, and Fund Certificate Switching Fee are specified in the *Fees and Charges* section below.

#### ***e. Trade Confirmation***

- The Transfer Agent shall be responsible for updating information about holdings of Investors in the Register Book within three (03) days from the Dealing Date, then Investors shall receive the trade confirmation.

#### ***f. Deadline for redemption payment***

- Redemption payments shall be made directly to Investors' bank accounts within five (05) days from the Dealing Date.

#### ***g. Cancelling orders***

- The Fund Certificate cancellation order is only accepted if received by Distributors before the Cut-Off Time. Investor submits the cancellation requests at the Distributors which the Investor has previously registered the trading orders.
- In case the Investor send cancellation request after transferring money to the Funds' account, this amount of money shall be refunded to Investors within five (05) days from Dealing Date. Any related bank charge for the transfer shall be borne by the Investor.

#### ***h. Maintaining Fund Certificate trading account***

- Minimum quantity to maintain the trading account is 100 units.
- When the Investor's trading account has a zero (0) balance and has not incurred any transaction within one (01) year, the status of the account shall be changed to "Inactive". Account reactivation is not required in case Investor would like to continue trading with this account.

### **3.2. Subscription order**

- Minimum subscription amount: 2.000.000 (two million) dong.
- Subscription orders are sent to the Distributors together with valid documents to prove that the Investors have transferred the subscription payment into the Fund's account opened at Supervisory Bank. Fund Certificate subscription amount can be transferred from bank account of the Investor, securities trading account of the Investor at Distributor, or from bank account of the legally authorized person. Any related bank charge for the transfer is borne by the Investor.
- In case the subscription amount received by the Fund is different from the amount recorded in the Subscription form but not lower than the minimum subscription

amount, the number of Fund Units allotted shall be based on the actual subscription amount paid into the Fund's account.

- The number of allocated fund units is calculated as the following formula:

$$\begin{array}{r} \text{Number of} \\ \text{allocated fund} \\ \text{units} \end{array} = \frac{\text{Subscription amount x (1-} \\ \text{Subscription Fee (\%))}}{\text{NAV per unit at the Dealing} \\ \text{Date}}$$

and shall be rounded down to two decimal places. The odd number of Fund Unit shall not affect the ability to redeem of Investors.

- **INVALID SUBSCRIPTION ORDERS AT FUND CERTIFICATE DEALING DATE**
  - Subscription order is sent to Distributor after Cut-Off Time
  - Investor/authorized person for trading transfers money to subscribe for Fund Units but does not submit Subscription Form to Distributor.
  - By 17:00 on the last working day prior to the Dealing Date (day T-1), the Fund has not received Subscription money from Investor.
  - Subscription money is not transferred directly from the bank account of Investor, or from the securities account of the Investor at Distributor, or from the bank account of the authorized person for trading.
  - Subscription amount received is less than the minimum subscription amount.

In case of invalid subscription order, the subscription amount will be refunded to the source bank account unless this amount will be invested in the Fund in upcoming Dealing Date. Bank charge shall be deducted from this refund amount.

### 3.3. Redemption order

- Investor registers the number of units to be redeemed in the Redemption Form.
- Minimum quantity for redemption order: 100 (one hundred) Fund Units.
- The number of Fund Units redeemed could be rounded down to 2 decimal places.
- Redemption Amount received by the Investor is calculated using the following fomula: Redemption amount = Number of redeemed fund units x NAV per unit on Dealing Date x (1 - Redemption Fee (%))

The amount received by Investor will be equal to the Redemption amount minus bank charge and applicable taxes prescribed by law (if any)

- In case after redemption order execution, the remaining quantity of Fund Units falls below the minimum number of Fund Units to maintain the trading account, the number of remaining Fund Units shall be automatically redeemed on the same Dealing Date.
- Redemption orders may not be executed or only partially executed as prescribed at the section "*Partial trading execution, suspension of fund certificate trading*" of this Prospectus.
- If the redemption order is only partially executed, the requirements on the minimum quantity of fund units of each transaction and the minimum holding balance shall no longer apply.
- The redemption amount shall be transferred directly to the Investor's account registered at "*Open-ended Fund Account Opening Application Form*" in five (05)

working days from the Dealing Date. The redemption amount will be rounded up to the unit. Transfer fee will be deducted from this redemption amount.

- **INVALID REDEMPTION ORDERS AT FUND CERTIFICATE DEALING DATE**
  - Redemption order is sent to Distributor after the Cut-Off Time.
  - Number of units registered for redemption is more than the number of outstanding units.

### **3.4. Switching order**

- Investor can place switching orders between open-ended funds managed by SSIAM
- The switching form must be filled in completely (see the template form in Appendix 2) and submitted at the Distributor before the Cut-Off Time.
- Investor can choose to switch a portion or their entire outstanding Fund Units. The number of Fund Units switched out must not be less than one hundred (100). If the number of remaining Fund Units after switching is less than the required minimum number of Fund Units to maintain trading account, the number of remaining Fund Units shall automatically be switched to the target fund.
- Principles of executing switching order: the redemption order of Fund Certificates of the switched-out fund is executed first, followed by the subscription order of Fund Certificates of the target fund. The orders are executed at Dealing Dates of the corresponding funds.
- Requirement of minimum subscription number of Fund Certificates for each subscription order and to hold minimum number of Fund Certificates to maintain trading account in target fund shall not apply for switching.
- Investors must pay switching fee but not Subscription and Redemption Fees for the number of Fund Certificates registered to switch. Switching fee is specified in the section *Fees and Charges* below.
- Investors will receive trade confirmation of the switching order within three (03) days from the Dealing Date of the target fund.
- Note: the switching order can be partially executed according to the provisions in Section 3.6 below.
- **INVALID SWITCHING ORDERS ON FUND CERTIFICATE DEALING DATE**
  - Switching order is sent to Distributor after the Cut-Off Time
  - Number of units registered for switching is more than the number of outstanding units.

### **3.5. Systematic Investment Plan (SIP)**

Systematic Investment Plan is a systematic investment program, whereby Investor will pay a certain amount of investment periodically (such as monthly or quarterly) to purchase Fund Certificates. Systematic Investment Plan is popular in countries that have developed open-ended funds industry and attracts the participation of many investors due to the benefits that this investment plan can bring to investors.

#### *a. Benefits of Systematic Investment Plan*

- Systematic Investment Plan benefits Investors by allowing Investors to regularly spend a certain amount of money on purchasing fund certificates in a certain period of time. For example, Investor allocates 1 million VND/month or 3 million VND/quarter to buy SSI-SCA Fund Certificates . By spending a certain amount of money periodically, Investors could actually buy more low-priced fund certificates and less

high-priced fund certificates. As a result, at the end of the investment period, Investor's average cost of investment per Fund Unit would often be lower than average Fund Certificate Price, regardless of the fluctuations of fund certificate price. With this plan, Investors would benefit without regularly monitoring the fluctuations of Fund Certificates price, which also helps to maintain discipline in their investment activities.

Example:

An investor participates in Systematic Investment Plan. In the first year, the investor pays 3 million VND quarterly in order to purchase Fund Certificates. The number of Fund Certificates that the investor purchases is equivalent to the monthly Fund Certificate Price as follows (assuming no Subscription Fee)

Quarter	Price (NAV per Fund Unit)	Amount Invested	No. of Funds allocated
1	10,000	3,000,000	300
2	12,000	3,000,000	250
3	15,000	3,000,000	200
4	11,000	3,000,000	272.72
Total		12,000,000	1022.72

Investors' average cost of investment per fund unit is:

Average cost of investment =  $12,000,000 / 1,022.72 = 11,733$  VND/Fund Unit

Average Selling Price/Subscription Price =  $(10,000 + 12,000 + 15,000 + 11,000) / 4 = 12,000$  VND

This example illustrates the benefits obtained by Investors participating in Systematic Investment Plan without regularly monitoring Fund Certificate price (NAV)

More over, when participating in Systematic Investment Plan, Investors have the following benefits:

- Pay lower Subscription Fee
- Participate with a smaller subscription amount compared to regular subscription.

Note for Investors: Systematic Investment Plan does have benefits, but can not guarantee profits for Investors.

#### ***b. Participation Method***

- Minimum participation period: one (01) year, with continuous payment made monthly or quarterly.

Note: the SIP will continue until investors terminate the payment.

- Minimum amount: 1,000,000 (one million) VND/month (for monthly SIP) or 3,000,000 (three million) VND/quarter (for quarterly SIP)
- Registration to participate: Investor registers to participate in the SIP by filling in the form "Systematic Investment Plan Agreement" and submit the form to Distributor.

- Payment deadline: Deadline for making payments is 17:00 on the tenth of every month (for monthly SIP) or on the tenth of January, April, July and October (for quarterly SIP). Investors can actively transfer the investment money to the account of the Fund monthly/quarterly or place a Standing instruction/Direct Debit at the banks where Investors open their accounts.
- Dealing date: Fund Certificate subscription orders shall be executed on the Dealing Date after the 10th of every month (for monthly SIP) or after the 10th of January, April, July and October (for quarterly SIP).
- Inception date of SIP: is the first allotment date of Fund Certificate purchasing.
- Fees for participating in SIP: refer to subscription fee specified in Chapter XI, section 2.1 of the Prospectus.
- Discontinue SIP: In the event Investor discontinues the SIP or sell the Fund Units, or switch to other funds within one (01) year since the inception of the SIP, Investor shall pay an exit fee of 0.4% (zero point four per cent) of the redemption amount or the switching out amount in addition to the normal Redemption Fee/switching fee.

In case of transferring Fund Certificates in a non-commercial transaction, the exit fee will be applied at the time of transfer. Afterwards, Fund Certificates held by the transferee will become freely transferable Fund Certificates.

The SIP will be considered as discontinued when Investors do not make full payment registered on time.

### 3.6. Partial Execution or suspension of redemption orders/ switching orders

3.6.1. The Fund Management Company has the right to execute part of an Investor's redemption or switching orders under the following circumstances:

- a. The total value of redemption orders (including switch-out order) minus the total value of subscription orders (including switch-in order) on the Dealing Date exceeds ten percent (10%) of the Net Asset Value of the Fund; or
- b. The implementation of all of the Investors' redemption orders shall lead to the Net Asset Value of the fund falling below fifty (50) billion VND. In this case, the Fund Management Company can partially execute the redemption/switching orders until the Net Asset Value reaches exactly fifty (50) billion VND.
- c. The selling of securities in the portfolio for cash to make payment for redemption orders cannot be executed due to the following circumstances:
  - Low market liquidity.
  - One (or more) securities in the Fund's portfolio is suspended for trading following decision of the stock exchange.

3.6.2. Regarding partial execution mentioned in Point 3.6.1 above, Fund Management Company shall apply the same-rate-principle.

- The executed value will be allocated for all Investors registered for redemption/switching at the same period, using the same rate between executed value and registered value.
- The number of redeemed fund certificates in this case shall be calculated using the following formula:

$$X_i = SLDK_i * \frac{SLTT}{\sum SLDK_i}$$

In this formula:

$X_i$ : The actual fund certificates that Investor can redeem (or the number of fund certificates actually executed in the redemption order). The result shall be rounded to two decimal places;

$SLDK_i$ : Number of fund certificates that an investor has registered to redeem;

$SLTT$ : Total number of fund certificates that the Fund management can actually redeem;

$\sum SLDK_i$  : Total number of fund certificates that investors have registered to redeem in one trading cycle.

- The unexecuted part of redemption orders shall automatically be cancelled. Investors must submit the redemption form in the next Dealing Date.
- In case of partial redemption, the minimum requirement for holding balance shall not apply.

3.6.3. Fund Certificate trading may be suspended if one of following events happens:

- Fund Management Company cannot execute redemption orders as requested due to force majeure conditions;
- Fund Management Company is unable to determine the Net Asset Value of the fund at the Valuation Date because securities in the fund's portfolio are suspended for trading following decision of the stock exchange.
- Other cases that the State Securities Commission deems necessary.

Duration for suspension of Fund Certificate trading shall be notified to Investors by the Fund Management Company depending on the actual situation but no more than ninety (90) days from the last Fund Certificate Dealing Date.

Within thirty (30) days after the expiration of suspension of fund certificate trading period as provided above, the Fund Management Company shall hold a General Investors' Meeting to consult Investors of the dissolution, splitting of the Fund or the extension of the suspension duration.

Within the time frame to convene the General Investors' meeting, if the reasons for such suspension of fund certificate trading terminate, the Fund Management Company may cancel the convention of the General Investors' meeting.

### **3.7. Non-commercial transactions (transfer of ownership, present, gift, inheritance...)**

- Non-commercial transactions for an institution/individual shall be executed at Distributors.
- Investor fills in all the information in the "Open-ended Fund Transfer Order" and provide all the necessary required documents according to applicable regulations to Distributors before the Cut-Off Time of each trading cycle.
- Transfer fee: see section *Fees and Charges* below
- Investor must pay all the applicable fees and taxes related to the non-commercial transfer according to applicable regulations.

### **3.8. Notes for foreign Investors**

- Before opening the open-ended fund trading accounts, foreign Investor must register securities trading code prescribed in regulation about operations of foreign Investors in the stock market, issued by the Ministry of Finance.



- Foreign individual/institutional Investors are defined in Decision 123/2015/TT-BTC by the Ministry of Finance, dated December 06, 2012 regarding the investment activities of foreign investors in Vietnam stock market and Circular No. 05/2004/TT-NHNN issued by the State Bank guiding opening and using foreign indirect investment capital (FIIC) account in commercial banks to perform foreign indirect investments in Vietnam. Purchases of Fund Certificates must be made through foreign investor's FIIC account. Investors must provide confirmation of FIIC account opening from the commercial bank to Distributors at the time of opening trading accounts of Fund Certificates.
- Any subscription amount transferred from any bank accounts other than FIIC account will be considered invalid. Foreign investors must take responsibility if the transfer amount is not transferred from FIIC account in accordance with the relevant law.
- Authorized persons for trading of foreign Investors in Vietnam must meet the conditions regulated in Clause 6, Article 3 of Circular No. 123/2015/TT-BTC by the Ministry of Finance Guiding Foreign Investors activities In Vietnam Stock Market.

#### **4. ANNOUNCEMENT OF NET ASSET VALUE AND TRADING RESULT**

##### **4.1. Determination and disclosure of the Net Asset Value**

- The Fund Management Company determines the Net Asset Value of the Fund and the Net Asset Value of a Fund unit, based on the market price or fair value (in case of lacking market prices) of assets in the Fund's portfolio.
- The Net Asset Value of the Fund and the Net Asset Value of a Fund unit must be confirmed by the Supervisory Bank in compliance with the provision of laws and the Fund Charter. The confirmation must be made in writing, or can be accessed via the electronic information system of the Supervisory Bank approved by the Fund Management Company. If the valuation is incorrect, the Supervisory Bank must notify and request the Fund Management Company to adjust it within twenty four (24) hours.
- Within three (03) working days from the date of valuation, the Net Asset Value of the Fund and the Net Asset Value of a Fund unit shall be public on the website of the Fund Management Company, related service providers, Distributors and mass media in accordance with the regulations on information disclosure in the stock market.
- The Fund Management Company may authorize related service providers to determine the Net Asset Value of the Fund, the Net Asset Value of a Fund unit based on the prices quoted by service providers. The Fund Management Company is responsible for checking, supervising in order to ensure that the determination of the Net Asset Value is accurate and in compliance with applicable laws.
- The Net Asset Value of the Fund shall be determined periodically and publicly notified on the mass media after being verified by Supervisory Bank and the information is valid until the next announcement.

##### **4.2. Principles of Valuation Method of the Net Asset Value**

- **Valuation Date**

The Net Asset Value of the Fund is determined on Dealing Date of Fund Certificates. In case the Valuation Day falls on a public holiday, the Valuation Day shall be the next working day right after unless otherwise notified. In case the next working day is Wednesday, the Valuation Day is Thursday of that week.

For monthly valuation, the Valuation Day is always the last day of month.

- **Method of valuation**

The Net Asset Value (NAV) means the total asset value of the Fund's portfolio minus liabilities of Fund, including fees, debts and obligation payments of the Fund at the date prior to the valuation date.

The Net Asset Value of a Fund unit is the Net Asset Value of the fund divided by the total number of outstanding fund units on the Dealing Date closest to the valuation date. The Net Asset Value shall be rounded according to regulations on accounting and auditing. The residual amount after the rounding shall be included in the Fund.

The valuation method is detailed in “Valuation handbook” prepared by the Fund Management Company in accordance with the provisions of the laws and clearly mentioned in Appendix 5 of this Prospectus.

#### **4.3. Announcement of the trading result**

The Fund Management Company will publish information about the latest Fund Certificate trading result and amount of outstanding fund units on the Fund Management Company's website.

## **XI. FUND OPERATING RESULT**

### **1. Financial reports**

Financial reports and the audited reports shall be published and updated annually by the Fund Management Company after being approved by General Investors' meeting.

Investors can refer to the financial reports published on the Fund Management Company's website or contact the Fund Management Company's head office.

### **2. Fees, charges and performance bonus**

#### **2.1. Fees paid by Investors**

##### **a. Subscription Fee during Initial Public Offering (IPO)**

- Is the fee that Investors have to pay when subscribing for fund unit during the IPO period. This fee is payable upon the first issuance, added to the face value and calculated as a percentage of the face value of a Fund unit.
- Subscription Fee during IPO period: 1% (equivalent to Subscription Price of VND 10.100/Fund unit)

##### **b. Subscription Fee for subsequent investment post IPO**

- Is the fee that Investors have to pay when subscribing for fund unit in subsequent trading cycle post IPO. This fee is payable upon the issuance and is calculated as a percentage of the subscription amounts.
- Subscription Fee for subsequent investment post IPO
  - 1.5% of subscription amount for investment under 1 billion dong).
  - 1% of subscription amount for investment from 1 billion to less than 10 billion dong.
  - 0.5% of subscription amount for investment from 10 billion dong.

##### **c. Redemption Fee**

- Redemption fee is the fee that Investors must pay when redeeming Fund units in subsequent trading cycles post IPO. Such fee is deducted from the redemption amount and calculated as a percentage of the redemption amount executed.
- Redemption Fee applied for subsequent trading post IPO:
  - 1% if the unit holding period is less than 12 months
  - 0.5% if the unit holding period is more than 12 months - 24 months inclusive
  - 0% if the unit holding period is more than 24 months

The unit holding period is determined using “First In First Out” (FIFO) principle

#### **d. Switching fee**

- Is the fee Investors must pay when placing switching order in subsequent trading cycles after the establishment of the Fund. Investors do not have to pay any Subscription or Redemption Fee for the switching orders.
- Switching fee: 0.2% of the switching amount
  - If Subscription Fee of target fund is greater than the transferred fund's, Investors will pay switching fee equaling to the difference between Subscription Fees of these 2 funds.
  - If Subscription Fee of target fund is smaller or equal to the transferred fund's, switching fee will be zero.

#### **e. Transfer fee**

- Is the fee Investors must pay for non-commercial transfer transactions e.g donations, gifts and inheritance...)
- Transfer fee: VND 200,000 / transfer.

#### **f. Subscription Fee applied for Systematic Investment Plan ("SIP")**

- Is the subscription fee applied for SIP
- Subscription fee:
  - 1.05% of subscription amount for investment under VND 1 billion.
  - 0.7% of subscription amount for investment from VND 1 billion to less than VND 10 billion.
  - 0.35% of subscription amount for investment from VND 10 billion.
- Exit fee for discontinuing SIP: In the event Investor discontinues the SIP or sell the Fund units, or switch to other funds within one (01) year from the inception of the SIP, Investor shall pay an exit fee of 0.4% (zero point four per cent) of the redemption amount or the switching out amount in addition to the normal Redemption Fee/switching fee.

#### **g. Fees payment**

The above mentioned fees shall be paid to the Fund Management Company and Distributors. The payment made to Distributors shall be calculated as per the Distributor contract signed between the Fund Management Company and Distributor. The Fund will give instruction to pay these fees to the Fund Management Company and Distributors based on the calculation results made by related service providers.

### **2.2. Fees paid by the Fund**

#### **a. Fund Management Fee**

- Fund Management Fee is the fee paid to the Fund Management Company to carry out the fund management service for the Fund. The Fund Management Fee is calculated as percentage of the Fund's NAV.
- Fund Management Fee of the Fund is 1.5%\*NAV per annum. In every case, total of the Fund Management Fee, Fund administration fee and transfer agency fee shall comply with the maximum fee charge consistent with applicable regulations.
- The monthly fee is the total of accrued fees calculated on each valuation cycle in a month.
- Fund Management Fee at each trading cycle is calculated as below:

Fund Management Fee for the valuation cycle = % Management fee (year) x NAV on valuation day x number of actual days of the valuation cycle/ number of actual days in a year (365 or 366)

- In case NAV of the Fund is calculated monthly, the Fund Management Fee is calculated as below:

Monthly Fund Management Fee = [% management fee (year) x NAV on valuation day of the first valuation cycle in the month x actual number of days from the beginning of the month to the valuation day of the first valuation cycle in the month /

actual days in a year (365 or 366)] + total Fund Management Fees of the remaining valuation cycles in the month + [% management fee (year) x NAV on the valuation day at the end of the month x actual remaining days in the month/ actual days in a year (365 or 366)].

#### **b. Custody and supervision fee**

- Custody and supervision fee shall be paid to the Custody and Supervising Bank for providing the custody and supervising services for the Fund. This fee is calculated at every valuation cycle based on the NAV of Fund.
- Custody fee payable to Supervisory Bank: 0.03% NAV annual, minimum of VND 10,500,000 /month.
- Supervising fee payable to Supervisory Bank: 0.04% NAV annual, minimum of VND 16,800,000 /month.
- The maximum of custody and supervising fee needs to comply with applicable law.
- The monthly fee is the total of accrued fees calculated on each valuation cycle in a month.
- Custody and supervising fee at each valuation cycle are calculated as below:

Custody and supervision fee (not including securities transaction fee) = % Custody and supervision fee (year) x NAV on the valuation day x number of actual days of the valuation cycle/ number of actual days in a year (365 or 366)

- In case the Fund values NAV monthly, the monthly custody and supervision fees are calculated as below:

Monthly custody and supervision fee (not including securities transaction fee) = [% custody and supervision fee (year) x NAV on valuation day of the first valuation cycle in the month x actual number of days from the beginning of the month to the valuation day of the first valuation cycle in the month / actual days in a year (365 or 366)] + total custody and supervision fees of the remaining valuation cycles in the month + [% custody and supervision fee (year) x NAV on the valuation day at the end the month x actual remaining days in the month/ actual days in a year (365 or 366)].

#### **c. Fund administration fee**

- The fund administration fee is the fee paid to the fund administration service provider.
- Fund administration fee payable to fund administration service provider: 0.04% NAV annual, minimum of VND 10,500,000/month.
- The monthly fee is the total of accrued fees calculated on each valuation cycle in a month.
- Fund administration fee at each valuation cycle is calculated as below:

Fund administration fee = % fund administration fee (year) x NAV on the valuation day x actual days of the valuation cycle/ actual days in a year (365 or 366)

- In case that the fund shall value NAV monthly, the monthly fund administration fee is calculated as below:

Monthly fund administration fee = [% fund administration fee (year) x NAV on the valuation day of the first valuation cycle in the month x actual number of days from the beginning of the month to the day prior to the valuation day/ actual days in a year (365 or 366)] + total fund administration fees of the remaining valuation cycles in the month + [%fund administration fee (year) x NAV on the valuation day at the end of month x actual remaining days in the month/ actual days in a year (365 or 366)].

#### **d. Transfer agent fee**

- Transfer agent fee is the fee the Fund pays to the transfer agent service provider.
- Transfer agent fee:
  - Fixed fee: VND 10,000,000/month.
  - Transaction fee (for purchase, sales of, switching, rights transfer, bank transfer): free for the first 400 transactions/ month. From 401th transactions onwards, transaction fee will be 0.01% of value of the transaction.
- Transfer agent fee at each valuation cycle is calculated as below:

Fixed fee = VND 10,000,000 \* actual number of days of the valuation cycle/actual number of days of the month.

Transaction fee = 0.01% of transaction value

Transaction value = number of Fund Certificates of the transaction \* NAV/Unit at dealing date.

(All the fees mentioned above do not include VAT)

#### **e. Other expenses and fees**

Other operating expenses of the Fund may include:

- Expenses and fees relating to auditing services for the Fund;
- Legal advisory fee, quotation fee and other reasonable fees for the Fund;
- Expenses relating to printing, publication, and announcement of the Fund's activities, issuance of the Prospectus, summary Prospectus, financial reports, annual reports, trade confirmations, account statements, and other documents for Investors, expenses for public announcement; expenses for organizing General Investors' Meeting and Board of the Fund Representatives;
- Reasonable, valid brokerage fees relating to the transactions of the Fund's assets;
- Expenses for engaging independent organizations to provide valuation, asset valuation services for the Fund;
- Expenses for amending the Fund Charter for the benefit of Investors;
- Remuneration for the Board of the Fund Representatives;
- Other reasonable fees and expenses approved by the Board of the Fund Representatives;
- Insurance expenses (if applicable)
- Administration fee (application fee for IPO license and Certificate of Fund Establishment).
- Taxes, fees and charges payable in accordance with applicable laws;
- Interest payable from loans incurred by the Fund in accordance with applicable laws and the Fund Charter.
- Other reasonable, valid fees and expenses in accordance with the applicable laws.

### **3. Operating ratios**

Within forty five (45) days from the end of the second and fourth quarters every year, the Fund Management Company shall disclose information on the Fund's operating expense ratio as well as the Fund's portfolio turnover rate on the website of the Fund Management Company and Distributors after being verified and confirmed by the Supervisory Bank.

#### **3.1. Operating expenses ratios of the Fund**

- Operating expenses of the Fund shall include the following after-tax costs:
  - The Fund Management Fee paid to the Fund Management Company;
  - Custody and supervision fees paid to the Supervisory Bank;

- Fund administration fee, transfer agent fee and other costs paid by the Fund management company to related service providers;
  - Audit fees;
  - Legal advisory fee, quotation fee and other reasonable fees for the Fund and compensation fees for the Board of the Fund Representatives;
  - Expenses relating to printing, publication, and announcement of the Fund's activities, issuance of the Prospectus, summary Prospectus, financial reports, annual reports, trade confirmations, account statements, and other documents for Investors, expenses for public announcement; expenses for organizing General Investors' Meeting and Board of the Fund Representatives;
  - Reasonable fees relating to the transactions of the Fund's assets;
- Operating expense ratio of the fund is determined by the following formula:

$$\text{Operating expense ratio (\%)} = \frac{\text{Total operating cost} \times 100\%}{\text{Average Net Asset Value of the Fund in the year}}$$

Average Net Asset Value of the fund in the year is the total Net Asset Value of the Fund at the Valuation Days divided by number of Valuation Day in the year.

- In case the fund has operated for less than one year, the operating expense ratio shall be determined as follows:

$$\text{Operating expense ratio (\%)} = \frac{\text{Total operating expense} \times 365 \times 100\%}{\text{Average Net Asset Value of the fund in the reporting period} \times \text{number of days of operation of the fund (from the Fund Establishment date)}}$$

### 3.2. Turnover rate of the Fund's portfolio

- Turnover rate of the Fund's portfolio is determined as follows:

$$\text{Turnover rate of the portfolio (\%)} = \frac{(\text{Total value of purchase in the period} + \text{total value of sales in the period}) \times 100\%}{2 \times \text{Average Net Asset Value of the Fund in the year}}$$

- In case the Fund has operated for less than one year, the turnover rate of the Fund's portfolio shall be determined as follows:

$$\text{Rate of turnover of the Fund's portfolio (\%)} = \frac{(\text{Total value of purchase in the period} + \text{total value of sale in the period}) \times 100\% \times 365}{2 \times \text{Average Net Asset Value of the Fund in the reporting period} \times \text{number of days of operation of the Fund (from the Fund establishment date)}}$$

### **3.3. Profit distribution policy**

- The Fund shall distribute profit when:
  - The Fund fulfills or has financial capability to fulfill its taxation obligations and other financial obligations regulated by the applicable law;
  - The Fund has established sufficient provisions as regulated by the Fund Charter;
  - After finishing the profit distribution, the Fund is still able to fulfill its obligations of debts, other payments that are due.
- Profit distribution will be sourced from retained earning of the Fund. Profit distribution to be carried out based on the proposal of Fund Management Company and must be approved by the annual General Investors' Meeting or the Board Fund Representatives (if authorized).
- Profit distribution may be in cash or in fund unit.
- The Fund Management Company shall deduct all tax, charge, fee as regulated by law prior to profit distribution to Investor.
- Name of the Investor is included in the list of Investors receiving dividend announced by SSIAM on record date are considered eligible to receive dividends. In case the Investors has transferred some of their units in the time period between the record date and the payment date, the transferors will receive profit.
- Dividend distribution and dividend reinvestment: when the Fund pays dividend in cash, Investor may choose to receive cash or to reinvest in additional fund units. If Investor chooses to reinvest in the Fund, this dividend amount will be used to subscribe the fund units in next Dealing Date at its Subscription Price. Investor does not have to pay Subscription Fee for the reinvestment.
- Investor needs to register their choice of receiving cash dividend or reinvesting in the Open-ended Fund Account Opening Application Form as per the template form in Appendix 2. If no choice is indicated in the form, reinvestment dividend is the default option.
- After profit is distributed, the Fund Management Company must send the final report on the fund profit sharing to Investors, including the following:
  - Form of profits distribution (in cash or in fund units);
  - Total profit for the period and accumulated profits, details of each profit category;
  - Profit valuation division, the number of fund units issued for distribution (in the case of profit distribution in fund units);
  - The Net Asset Value per fund unit before and after profit distribution
  - The influences on the Net Asset Value of the Fund after the distribution.

### **4. Tax policy**

Investor may need to pay taxes for Fund Certificate trading. These tax obligations relate directly to Investors and are not reflected in the overall performance of the Fund.

### **5. Forecast of the Fund's operating result**

The projections, estimations on the macroeconomic and stock market mentioned in this Prospectus do not imply guarantee of the Fund's future performance.

### **6. Time and locations providing Fund's operating reports**

The Fund's operating reports include:

- NAV report: published within three (3) days from the Valuation Date (Fund certificates Dealing Date)
- Periodic operating reports prepared periodically in accordance with applicable law

These reports will be published on the website of the Fund Management Company, and provided to Investors at the head office of Fund Management Company and at the appointed Distributors.

## **XII. CONFLICT OF INTEREST**

1. To eliminate the conflict of interests between the Fund and other funds managed by the Fund Management Company, the conflict of interest between the Fund and the Fund Management Company, the Fund Management Company is obliged to ensure:
  - Segregation of investment objectives, investment strategies of each Fund managed by the Fund Management Company
  - Segregation of the assets of the Fund Management Company with the assets of the Funds managed by the Fund Management Company; assets of the Investors, assets of different funds managed by the Fund Management Company
2. All securities transactions of the Company Owner (Saigon Securities Inc. (SSI)), Fund Management Company's Chairman, members of the Board of Directors, Supervisor, Fund manager must be reported and monitorily appropriately consistent with the Fund Charter and applicable laws.
3. Internal control and risk management system has been established to monitor conflict of interests within the Fund Management Company.

## **XIII. INFORMATION DISCLOSURE**

The Fund's information disclosure will be conducted via the following channels:

- Website of Fund Management Company, website of Distributors; or
- Other mass media consistent with applicable regulations.

Fund Management Company must send trading statistics, account balances, and reports on changes in the Net Asset Value of the Fund to Investors periodically e.g monthly, quarterly and yearly.

The Fund Management Company shall provide to Investor the Fund's documents including Fund's Prospectus, Fund's financial statements, operation reports of the Fund, report of transaction fee of the Fund's investment operation, report on the criteria assessing the performance of the Fund as required by applicable law. These documents shall be provided free of charge to Investor via Website of the Fund Management Company or sent directly to Investor's email.

If requested by Investors, Fund Management Company must provide risk management process, outlining the investment restrictions, methods of risk prevention and management used to manage assets of the Fund.

## **XIV. CONTACT ADDRESSES FOR INVESTORS' INQUIRIES**

Investor's queries and request shall be dealt with at the office of SSIAM and/or Distributors during office hours.

SSIAM shall respond to all questions of Investor via phone (84.4) 3936 6327 or Investor can email their questions to [ssiam@ssi.com.vn](mailto:ssiam@ssi.com.vn)

## **XV. COMMITMENT**

Fund Management Company shall hereby undertake, in its good faith, to bear full liability for the accuracy and authenticity of the content in this Prospectus and other documents as attached herein.



**XVI. APPENDICES**

1. Appendix 1: Fund Certificate Trading Process And Instruction
2. Appendix 2: Open-Ended Fund Transaction Forms
3. Appendix 3: List of Distributors and Points of Order Acceptance
4. Appendix 4: Summary of Fund Charter
5. Appendix 5: Methods of Asset valuation
6. Appendix 6: Update of Macro-Economic Overview

**SSI ASSET MANAGEMENT CO., LTD.**

## **APPENDIX 1 : FUND CERTIFICATE TRADING PROCESS AND INSTRUCTION**

### **1. Subscription process at Initial Public Offering (IPO) period**

Step 1: Investor needs to open an open-ended fund trading account by completing the "Open-ended Fund Account Opening Application Form" in Appendix 2 and submit the form to Distributor and provides necessary documents as directed by Distributor.

Step 2: Investor transfers subscription money to the Fund account at Supervisory Bank. Fund account number will be provided to Investors by Distributor. Investor fills in the "Open-ended Fund Subscription Form" in Appendix 2 and submit the form to Distributor.

Step 3: Distributor checks the completeness and accuracy of the information recorded on the "Open-ended Fund Account Opening Application Form" and "Open-ended Fund Subscription Form", and may request Investor to amend or provide additional information in accordance with applicable regulations.

Step 4: Distributor transfers the forms to the Fund's Transfer Agent.

Step 5: Transfer Agent executes subscription orders and allocates Fund Units to valid subscription orders.

Step 6: Subscription confirmation will be sent to Investors after Fund receives the Certificate of Fund Establishment.

### **2. Fund Certificate transactions after IPO**

Step 1: Open an open-ended fund trading account

Investor trading Fund Certificate the first time after IPO needs to open an open-ended fund trading account by completing the "Open-ended Fund Application Form" in Appendix 2 and submit the form to Distributor and provide necessary documents as directed by Distributor.

Step 2: For subscription order, transfer subscription money to Fund's account

Investor transfers subscription money to the Fund account at Supervisory Bank. Fund account number will be provided to Investor by Distributor.

Step 3: Submit order form

Investor fills in the Subscription/ Redemption/ Switching/ Transfer forms, Systematic Investment Plan form, order cancellation form, change of investor registration detail form in Appendix 2 and submit the form to Distributor.

Step 4: Distributor examines the completeness and accuracy of the information recorded on the "Open-ended Fund Account Opening Application Form" and "Open-ended Fund Subscription Form", and may request Investor to amend or provide additional information in accordance with applicable regulations.

Step 5: Distributor transfers the forms to the Fund's Transfer Agent.

Step 6: Transfer Agent executes transaction orders and allocates Fund Units to valid orders.

Step 7: Transaction confirmation will be sent to Investors within three (03) working days after the Fund's Dealing Date.

Step 8: Redemption payment.

Redemption payment will be transferred to Investor's bank account registered in Application form within five (05) working days after the Dealing Date.

## **APPENDIX 2: OPEN-ENDED FUND TRANSACTION FORMS**

Open-ended Fund Account Opening Application Form

Open-ended Fund subscription Form

Open-ended Fund Redemption Form

Open-ended Fund Switching Form

Open-ended Fund Cancellation Form

Open-ended Fund Transfer Form

Change of Investor registration details

Systematic Investment Plan Agreement

### APPENDIX 3: LIST OF POINTS OF ORDER ACCEPTANCE OF DISTRIBUTORS

SSI-SCA Fund Certificate is distributed at appointed distributors as below:

#### 1. SSI Asset Management Co., Ltd (SSIAM)

**Head Office:** 5<sup>th</sup> Floor, 1C Ngo Quyen, Hoan Kiem District, Hanoi

Tel: +84 4 39366321 - Fax: +84 4 39366337

**Points of order acceptance of SSIAM include:**

**Head Office:** 5<sup>th</sup> Floor, 1C Ngo Quyen, Hoan Kiem District, Hanoi

Tel: +84 4 39366321 - Fax: +84 4 39366337

#### 2. SAIGON SECURITIES INC. (SSI)

**Head Office:** 72 Nguyen Hue, District 1, HCM City

Tel: +84 8 38242897; Fax: +84 8 38242997

**Points of order acceptance of SSI include:**

##### NORTHERN AREA

**Ha Noi Branch:** 1C Ngo Quyen, Hoan Kiem, Ha Noi

Tel: +84 4 39366321; +84 4 62888885; Fax: +84 4 39366311

**Tran Binh Trong Transaction Office:** 25 Tran Binh Trong, Hoan Kiem, Ha Noi

Tel: +84 4 39413383; Fax: +84 4 39413385

**My Dinh Branch:** Level G, The Manor Building, My Dinh, Me Tri, Tu Liem, Ha Noi

Tel: +84 4 37946699; Fax: +84 4 37946677

**Hai Phong Branch:** 22 Ly Tu Trong, Hong Bang District, Hai Phong City

Tel: +84 31 3569123; Fax: +84 31 3569130

##### SOUTHERN AREA

**Head Office:** 72 Nguyen Hue, District 1, HCM City

Tel: +84 8 38242897; Fax: +84 8 38242997

**Nguyen Cong Tru Branch:** 92-94-96-98 Nguyen Cong Tru, District 1, HCM City

Tel: +84 8 38218567; Fax: +84 8 38213867

**Vung Tau Branch:** 4 Le Loi, Vung Tau City

Tel: +84 64 3521906; Fax: +84 64 3521907

**Nha Trang Branch:** 50 Le Thanh Phuong, Nha Trang City

Tel: +84 58 3816969; Fax: +84 58 3816968

#### 3. BAO VIET SECURITIES JSC (BVSC)

**Head Office:** 8 Le Thai To, Hoan Kiem District, Ha Noi

Tel: (+84.4) 3928 8080; Fax: (+84.4) 3928 9888

**Points of order acceptance of BVSC include:**

**Head Office:** 8 Le Thai To, Hoan Kiem District, Ha Noi

Tel: (+84.4) 3928 8080; Fax: (+84.4) 3928 9888

**Nguyen Cong Tru Transaction Office:** 11 Nguyen Cong Tru, District 1, Ho Chi Minh City

Tel: (84-8) 3.821 8564; Fax: (84-8) 3.821 8566

#### **4. VIETCOMBANK SECURITIES CO., LTD (VCBS)**

**Head Office:** Level 12&17, Vietcombank building, 198 Tran Quang Khai, Hoan Kiem, Ha Noi

Tel: 04.39366990; Fax: 04.39360262

**Points of order acceptance of VCBS include:**

**Head Office:** Level 12&17, Vietcombank building, 198 Tran Quang Khai, Hoan Kiem, Ha Noi

Tel: 04.39366990; Fax: 04.39360262

**Ho Chi Minh City Branch:** Level 1&7, Green Star building, 70 Pham Ngoc Thach, Ward 6, District 3, Ho Chi Minh City

Tel: 08.38208116; Fax: 08.38208117

#### **5. ACB SECURITIES COMPANY (ACBS)**

**Head Office:** 41 Mac Dinh Chi, Da Kao precinct, Dist 1, Ho Chi Minh City

Tel: 08.38234159 Fax: 08.38235060

**Points of order acceptance of ACBS include:**

**Transaction Office – Headquarter:** 41 Mac Dinh Chi, Da Kao precinct, Dist 1, Ho Chi Minh City

Tel: 08.38234159 Fax: 08.38235060

**Le Ngo Cat Branch:** 107N Truong Dinh, Ward 6, Dist 3, Ho Chi Minh City

Tel: 08.5404 3054 Fax: 08 3930 2427

**Hanoi Branch:** 10 Phan Chu Trinh, Hoan Kiem Dist, Hanoi

Tel: 04.39429395 Fax: 04.39429408

#### **6. HO CHI MINH SECURITIES CORPORATION (HSC)**

**Head Office:** 5th floor, AB building, No. 76 Le Lai, Ben Thanh precinct, Dist 1, Ho Chi Minh City

**Points of order acceptance of HSC include:**

**Transaction Office - Headquarter:** 5th floor, AB building, No. 76 Le Lai, Ben Thanh precinct, Dist 1, Ho Chi Minh City

Tel: 08.38233299 Fax: 08.3823330

**Hanoi Branch:** 4<sup>th</sup>&5<sup>th</sup> floors, 66A building Tran Hung Dao, Hoan Kiem Dist, Hanoi

Tel: 04. 39334693 Fax: 04. 39334822

#### **7. MB SECURITIES CORPORATION (MBS)**

**Head Office:** MB Building, No. 3 Lieu Giai, Ba Dinh Dist, Hanoi

Tel: 04.37262600 Fax: 04.37262601

**Points of order acceptance of MBS include:**

**Transaction Office – Headquarter:** MB Building, No. 3 Lieu Giai, Ba Dinh Dist, Hanoi

Tel: 04.37262600 Fax: 04.37262601

**Nguyen Cong Tru Transaction Office:** 1<sup>st</sup> floor, 150 Nguyen Cong Tru, Nguyen Thai Binh precinct, Dist 1, Ho Chi Minh City

Tel: 08.73057386

Fax: 08.39140938

#### **8. VNDIRECT SECURITIES CORPORATION (VNDS)**

**Head Office:** No. 1 Nguyen Thuong Hien, Hai Ba Trung, Hanoi

Tel: 04.39724568

Fax: 04.39724600

**Points of order acceptance of VNDS include:**

**Transaction Office – Headquarter:** No. 1 Nguyen Thuong Hien, Hai Ba Trung, Hanoi

Tel: 04.39724568

Fax: 04.39724600

**Ho Chi Minh Branch:** THE 90th PASTEUR building, No. 90 Pasteur, Dist 1, Ho Chi Minh City

Tel: 08.3914 6925

Fax: 08.39146924

#### **9. VPBANK SECURITIES COMPANY (VPBS)**

**Head Office:** 362 Pho Hue, Pho Hue Ward, Hai Ba Trung District, Ha Noi

Tel: 19006475

Fax: 04.39743656

**Points of order acceptance of VPBS include:**

**Head Office:** 362 Pho Hue, Pho Hue Ward, Hai Ba Trung District, Ha Noi

Tel: 19006475

Fax: 04.39743656

**Ho Chi Minh Branch:** 3<sup>rd</sup> Floor, 76 Le Lai, Ben Thanh Ward, Dist 1, Ho Chi Minh City

Tel: 08.38238608

Fax: 08.38238609/10

**Nguyen Chi Thanh Transaction Office:** 3<sup>rd</sup> Floor, 129 Nguyen Chi Thanh, Ward 9, Dist 5, Ho Chi Minh City

Tel: 08.62964210

Fax: 08.39573037

## **APPENDIX 4: SUMMARY OF FUND CHARTER**

Charter of SSI Sustainable Competitive Advantage Fund includes 15 chapters, 68 articles and 03 Appendice. The Fund Charter includes the following main contents:

### **1. Chapter I: General provisions**

This Chapter includes 7 articles, from Article 1 to Article 7, providing information related to name, address, and duration of the Fund, total capital and the number of offering Fund Certificates, information of the Fund Management Company, Supervisory Bank and related service providers. The Charter Capital mobilized in the Fund's initial public offering shall be at least fifty billion dong (VND50,000,000,000). The par value of a Fund Unit is ten thousand dong (VND10,000).

### **2. Chapter II: Provisions on investment objectives, policies and restrictions**

This Chapter includes 5 articles, from Article 8 to Article 12, providing investment objectives, strategies and restrictions, borrowing, lending, repurchase agreements and margin trading and investment selection principles. The content of this Chapter is also specified in section 3, part IX of the Prospectus.

### **3. Chapter III: Investor, Register Book of Investors and Fund Certificate transactions**

This Chapter includes 8 articles, from Article 13 to Article 20, providing content about Investors, rights and obligations of Investors, Register Book of Investors and Fund Certificate transactions, partial execution, suspension of Fund Certificate transactions, subscription price, redemption price, inheritance of Fund Certificate.

Investors of the Fund may be domestic and foreign individuals or incorporated entities. Such Investors shall not be liable or have any other obligations to Fund other than those within the number of Fund Certificates owned by them.

Incorporated Investors shall include socio-economic organizations recognized by Vietnam law. Such incorporated Investors shall appoint representatives to represent the number of Fund Certificates owned by them. Any appointment, removal or substitution of such representatives shall be notified in writing and signed by legal representative.

*Rights and obligations of Investor are prescribed in Article 14 of Fund Charter:*

1. Investor shall be entitled to:

- a) Benefit from the Fund's investments in proportion to the number of Fund Units held by them;
- b) Benefit from the interests and assets legally distributed from the liquidation of the Fund's assets;
- c) Request the Fund Management Company to redeem Fund Certificates or switch Fund Certificates on behalf of the Fund;
- d) Implement their rights via the General Investors' Meeting;
- e) Other rights in accordance with legal regulations and this Charter.

2. Investors shall be obliged to:

- a) Abide by decisions of the General Investors' Meeting;
- b) Fully pay for Fund Certificates purchased and responsible for other debts and liabilities of the Fund within the amount of money paid when purchasing Fund Certificates;
- c) Other obligations in accordance with legal regulations and this Charter.

*Register Book of Investors is prescribed in Article 15 of the Fund Charter:*

1. The Fund Management Company shall establish or authorize the relevant service provider to establish a Register Book of Investors (the Register) or the omnibus Distributor to establish and manage a sub-register and confirm Investor's ownership of Fund Certificates.

2. The Register Book, Sub-register Book shall contain the following information:
  - a) Where such Investor is an individual: name and surname of such Investor, valid ID number or passport number; address, telephone number and email address (if any);  
Where such Investor is an organization: full name, abbreviated name, business name, head office, establishment and operation certificate number/business registration certificate number; full name, valid ID number or passport number, telephone number, email of the individual authorized by the organization to trade in Fund Certificates.
  - b) Account number; sub account number and omnibus account number; securities trading registration code (where such Investor is a foreigner);
  - c) Number of Fund Units held; holding registration date (entered into the Register).
3. The Fund Management Company and the relevant service provider shall have sufficient information of each Investor; including Investor trading from omnibus account. Information about an Investor's Fund Units on the Register Book shall be the evidence of his/her ownership to Fund Certificates. Such ownership shall be established from the time at which the information on such Investor's holding is updated in the Register.

#### **4. Chapter IV: General Investors' Meeting**

This Chapter includes five (5) articles, from Article 21 to Article 25, providing content related to General Investors' Meeting, Rights and duties of General Investors' Meeting, Conditions, proceedings of the General Investors' Meeting, Decisions of General Investors' Meeting and Opposition decisions of the General Investors' Meeting.

*General Investors' Meeting is prescribed in Article 21 of the Fund's Charter and includes the following content:*

1. The General Investors' Meeting is the highest authority of the Fund. All Investors named in the Investors register list at the time the Fund Management Company convenes the General Investors' Meeting shall be entitled to attend such meeting.
2. The annual General Investors' Meeting shall be held within thirty (30) days from the date of the annual financial statements audited by Auditing Company. Such meeting shall be held in the form of collection of opinions in writing based on the Resolution of Board of Fund Representatives, except otherwise related to provisions as prescribed in Clause 2, 3 and 4 Article 22 of this Charter.
3. An extraordinary General Investors' Meeting shall be held in the following events:
  - a) The Fund Management Company or the Supervisory Bank or the Board of Fund Representatives deems such meeting necessary for the Fund's interests;
  - b) Upon request of an Investor or a group of Investors representing at least 10% of total Fund Units in issue within at least 6 successive months as of the date of convening of such meeting;
4. The convening of such extraordinary General Investors' Meeting as mentioned in Clause 3 of this Article shall be conducted within thirty (30) days from the date when the Fund Management Company receives request for convening of an extraordinary General Investors' Meeting which specifies reasons and purposes of the meeting.
5. Except for the case where meetings are enforcedly held to collect Investor's opinions on issues as stipulated at Clause 2, 3 and 4 of Article 22 of the Charter, in other cases, the Fund Management Company can collect written opinions from Investors instead of convening meetings.



*Rights and duties of General Investors' Meeting are prescribed in Article 22 of the Fund Charter:*

1. To approve the amendment and supplement of the Fund Charter, the Supervisory Contract;
2. To approve fundamental changes in the Fund's investment policies and objectives or profit distribution plan;
3. To increase the fee payable to the Fund Management Company or the Supervisory Bank; to replace the Fund Management Company or the Supervisory Bank;
4. To approve the consolidation or acquisition of the Fund;
5. To temporarily suspend Fund Certificate transactions; to split the Fund;
6. To dissolve the Fund;
7. To elect, remove or discharge the Chairman or a member of the Board of Fund Representatives; to approve the remuneration and operating expenses of the Board of Fund Representatives; to approve the selection of the approved auditing company to audit annual financial statements of the Fund; to approve reports on the financial position, assets and annual operations of the Fund;
8. To consider and deal with any breaches of the Fund Management Company, the Supervisory Bank or the Board of Fund Representatives;
9. To require the Fund Management Company or the Supervisory Bank to submit accounting books or transaction source documents to the General Investors' Meeting;
10. Other issues within its authority as specified in Article 85 of the Securities Law, legal regulations on enterprises and the Charter.

*Conditions, proceedings of the General Investors' Meeting and collecting written opinions of Investors are prescribed in Article 23 of the Fund Charter:*

1. The time, agenda and proposed content of the General Investors Meeting shall be publicly notified to Investors and reported to the State Securities Commission at least fifteen (15) business days prior to the date on which the meeting is to be held.
2. Investors can attend the General Investors' Meeting directly or authorize a representative to attend or attend through other forms.
3. The General Investors' Meeting shall be conducted when the number of present Investors represents at least fifty one percent (51%) of the total Fund Units in circulation.
4. If the first meeting fails to satisfy conditions as stipulated in Clause 3 of this Article, the second meeting shall be convened within thirty (30) days from the tentative convening day of the first meeting. In such case, the General Investors' Meeting shall be held regardless of the number of Investors present.
5. The proceedings and form of the General Investors' Meeting:
  - a) General Investors' Meeting can be held in the form of meeting in one location or multi-locations in which Investor or authorized representative of Investor who is in different geographical locations can simultaneously participate in the meeting. The main location of the meeting is the location named in the invitation and where the Chairman of the meeting attends.
  - b) Chairman of Board of Fund Representatives presides the General Investors' Meeting. If the Chairman of Board of Fund Representatives is absent, the Vice Chairman of Board of Fund Representatives or the remaining members will assign a member of the Board of Fund Representatives to preside the meeting.
6. All the minutes of General Investors' Meetings must be in writing and archived in the head office of the Fund Management Company.

7. Principles, content, procedure of collecting written opinions of Investors:

- a) Fund Management Company must be in charge of preparing the opinion inquiry, drafted decisions of General Investors' Meeting and other explanatory documents. The opinion inquiry, attached with drafted decision and explanatory documents must be sent by a secured mail to residential address of each Investor;
- b) The opinion inquiry must contain the following main contents:
  - Name, number and issuing date of the Certificate of Fund Establishment; name, head office, number and issuing date of Fund Management Company's establishment certificate;
  - Purpose of the opinion consultation;
  - Full name, residential address, nationality, ID number, passport or other relevant personal certification of the individual Investors; name, head office, nationality, number of establishment or registration of the institutional Investors and their authorized representatives; number of Fund Units of each type and number of votes of Investors;
  - Matters subjected to opinion consultation;
  - Proposed votes: "for", "against" and "blank";
  - Deadline for sending the opinion inquiry back to the Fund Management Company;
  - Name and signature of the legal representative of the Fund Management Company;
  - The opinion inquiry must be signed by individual Investor or by authorized representative or legal representative of institutional Investor.
- c) The opinion inquiry that is sent back to the Company must be put in a sealed envelope and no one is entitled to open before counting the votes. An opinion inquiry that is sent back to the Fund Management Company later than the deadline or is opened will be considered as invalid.
- d) The minute of counting votes must contain following content:
  - Name, number and issuing date of the Certificate of Fund Establishment; name, head office, number and issuing date of Fund Management Company's establishment certificate;
  - Purposes and matters subjected to the opinion consultation;
  - Number of Investors and total number of votes, in which number of valid and invalid votes should be distinguished and attached list of voting Investors.
  - Total number of votes "for", "against" or "blank" in relation to respective matters;
  - Adopted decisions.
- e) Members of the vote counting team must be jointly liable to the accuracy and truthfulness of the minute as well as losses derived from implementing decisions that are adopted due to inaccurate and dishonest counting of votes.
- f) Returned opinion inquiry, minute and full-text adopted decisions and other related documents that are attached with the opinion inquiry must be retained at the head office of the Fund Management Company.

- g) Decisions that are adopted in form of consulting opinion have the same validity as those adopted at the General Investors' Meeting.

*Decisions of General Investors' Meeting are prescribed in Article 24 of the Fund Charter:*

1. Each Fund Unit shall have a voting right. The Supervisory Bank, the Fund Management Company, the Auditing Company and the law firm providing services to the Fund shall be entitled to attend the General Investors' Meeting yet shall not be entitled to vote.
2. The decision of the General Investors' Meeting shall be approved at the meeting if the following conditions are fully met:
  - a) Such decision is approved by Investors representing at least fifty one percent (51%) of the total number of Fund Units in circulation; and
  - b) Total number of votes for the decision must be at thirty percent (30%) at minimum of the total number of Fund Units in circulation as at the voting time.
3. For provisions as stipulated in Clause 2, 3 and 4 of Article 22 of the Fund Charter, the decision of the General Investors' Meeting shall be passed if the following requirements are fully met:
  - a) Such decision is approved by Investors representing at least sixty five percent (65%) of the total number of Fund Units in circulation; and
  - b) Total number of votes for the decision must be at forty percent (40%) at minimum of the total number of Fund Units in circulation as at the voting time.
4. If the second General Investors' Meeting is held according to provisions in Clause 4, Article 23 of this Charter, the decision of the General Investors' Meeting shall be passed if the number of participating Investors representing for at least fifty one percent (51%) of the total number of Fund Units agree with it. For provisions as stipulated in Clause 2, 3 and 4 Article 22 of the Charter, decision of General Investors' Meeting shall be passed if the number of participating Investor representing for at least sixty five percent (65%) agree with it.
5. In case of collecting Investor's written opinions, decisions of General Investors' Meeting are passed when approved by Investors representing for at least sixty five percent (65%) of the total Fund Units in circulation.
6. The Fund Management Company and the Supervisory Bank have duties to review and ensure that all decisions of General Investors' Meeting are in accordance with applicable laws and Fund Charter.
7. Within seven (07) days, after the General Investors' Meeting or deadline for obtaining Investors' written opinions as mentioned in Clause 4 of this Article, the Fund Management Company shall be liable to prepare minutes and resolutions of the General Investors' Meeting to be submitted to the Supervisory Bank and provided to Investors, or for information disclosure on the Fund Management Company's website as stipulated in applicable laws and report to the State Securities Commission.

## **5. Chapter V: Board of Fund Representatives**

This Chapter includes seven (7) articles, from Article 26 to Article 32, providing the main content of Board of Fund Representatives including: the number of members of Board of Fund Representatives, structure of Board of Fund Representatives; Criteria for selection of members of the Board of Fund Representatives; rights and duties of Board of Fund Representatives, Chairman of the Board of Fund Representatives, procedures for management of the Board of Fund Representatives; suspension and

dismissal of members of the Board of Fund Representatives; meeting minutes of the Board of the Fund Representatives.

Board of Fund Representatives is elected by General Investors' Meeting to supervise the regular activities of the Fund, Fund Management Company, Supervisory Bank. Members of the Board of Fund Representatives must meet criteria including:

- a) having full capacity for civil acts;
- b) not being prohibited from establishing and managing an enterprise;
- c) having expertise in economic management, finance and/or laws.

When the authorized representative of institutional Investor is member of the Board of Fund Representatives, the change of the authorized representative of that institutional Investor will terminate the role of that representative as member of the Board of Fund Representatives. The new authorized representative of the institutional Investor will not automatically become member of the Board of Fund Representatives unless elected by the General Investors' Meeting in pursuant to this Charter.

*Rights and obligations of the Board of Fund Representatives are prescribed in Article 28 of the Fund Charter, including:*

1. To represent the interest of Investors; to carry out activities in line with legal regulations to protect the interest of the Fund and Investors;
2. To approve the list of quotation providers, the principles and method of net asset value determination; to approve the list of deposit taking banks of the Fund, money instruments and other assets in which the Fund is authorized to invest according to points a, b, e Clause 3 Article 9 of Fund Charter; to approve transactions in the Fund's assets within its authority for put through transactions and sales or purchases of unlisted securities or securities not registered for trading.
3. To approve the profit to be distributed; the time limit and procedure for profit distribution or handling of losses arising out of the course of business; to approve issues not agreed by the Fund Management Company and the Supervisory Bank on the basis of applicable regulations;
4. As provided in the Fund Charter and authorized by the last General Investors' Meeting, the Board of Fund Representatives shall have the right to decide on the issues as set out in points 2, 3, 4, 5, 6, 7 and 8, Article 22 of this Charter.
5. To request the Fund Management Company and the Supervisory Bank to provide sufficient materials and information about asset management and supervision activities in a timely manner;
6. Other rights and obligations in pursuant to applicable regulations.
7. The Board of Fund Representatives via the Fund Management Company, within fifteen (15) days from the day on which it decides on the issues as prescribed in clause 4 of this Article, shall send the meeting minute and its resolutions to the State Securities Commission and provide information on its decision to Investors in the website of the Fund Management Company and Distributors.
8. In implementing its rights and obligations, the Board of Fund Representatives comply with the applicable regulations, the Fund Charter and the decision of the General Investors' Meeting. In the event the decision approved by the Board of Fund Representatives is contrary to the applicable regulations or harmful to the Fund, members who agree to approve must jointly take personal responsibility for such decision and must indemnify for the Fund; members who protest through such decision shall be discharged for their responsibility.

*Chairman of the Board of Fund Representatives is prescribed in Article 29 of the Fund Charter, as following:*

1. The General Investors' Meeting shall elect the Chairman of the Board of Fund Representatives among its members. The Chairman of the Board of Fund Representatives shall be an independent member.
2. The Chairman of the Board of Fund Representatives shall have the following rights and obligations:
  - a) To prepare working programs and plans of the Board of Fund Representatives;
  - b) To prepare meeting programs, content and documents; to convene and chair meetings of the Board of Fund Representatives;
  - c) To monitor the implementation of the decisions of the Board of Fund Representatives;
  - d) Other rights and duties as prescribed in the Fund Charter.

*Procedures for management of the Board of Fund Representatives are prescribed in Article 30 of the Fund Charter:*

In the event that the Chairman of the Board of Fund Representatives is absent or has lost his/her ability to perform assigned duties, a member of the Board of Fund Representatives authorized by the Chairman shall perform the rights and duties of the Chairman of the Board of Fund Representatives. In case of the absence of such member, other members of the Board of Fund Representatives shall select one person from the independent members to temporarily hold the position of the Chairman in accordance with the principle of unanimity. Re-election of the Chairman of the Board of Fund Representatives shall be carried out at the next annual General Investors' Meeting.

*A member of the Board of Fund Representatives shall be suspended or dismissed in the case prescribed in Article 31 of the Fund Charter:*

1. A member of the Board of Fund Representatives shall be automatically suspended or dismissed in the following cases:
  - a) Be indicted or prosecuted;
  - b) Be declared lost, died or has limited capacity of civil acts by court;
  - c) Be forbidden from being a Member of the Board of Fund Representatives by laws, State Securities Commission or competent authorities;
  - d) Resigns, passes away, or his term is expired.
  - e) Institutional Investor sends a written notice of termination the role of its authorized representative for that member.
2. A member of the Board of Fund Representatives shall be suspended or dismissed in the following cases:
  - a) Be suspended or dismissed according to this Charter.
  - b) Reveals secrets which are contrary to or make a breach of interests of the Fund;
  - c) Is suspended or dismissed according to Decision of General Investors' Meeting;
  - d) Not participating in activities of the Board of Fund Representatives for six (6) consecutive months, except for force majeure cases;
  - e) To infringe serious obligations and threatening damages for the Fund.
  - f) Not satisfying the criteria and conditions stipulated in article 27 of this Charter;

*Meeting of Board of Fund Representatives is prescribed in Article 32 of the Fund Charter:*

1. The Chairman of the Board of Fund Representatives is entitled to convene meetings of the Board of Fund Representatives. The Board of Fund Representatives shall meet at least once per quarter, or may convene any extraordinary meeting if necessary.

2. A meeting of the Board of Fund Representatives shall be held when at least two-thirds (2/3) of its members are present, of which independent members shall make up fifty one percent (51%) or more.
3. Decisions of the Board of Fund Representatives shall be approved by the vote at direct meetings, telephone, internet and means of communications, audio, visual or in the form of take written opinions and in the other forms suitable for Board of Fund Representatives. Each member of the Board of Fund Representatives has one vote. Members not directly attending meetings shall be entitled to vote in writing.
4. Decisions of the Board of Fund Representatives shall be approved if from fifty-one percent (51%) or more of attending members and from fifty-one percent (51%) or more of independent members approve.
5. Meetings of the Board of Fund Representatives must be fully recorded in minutes. The Chairman and secretary must jointly take responsibility for the accuracy and truth of meeting minutes of the Board of Fund Representatives.

## **6. Chapter VI: Fund Management Company**

This Chapter includes four (4) articles, from Article 33 to Article 36, providing content of criteria to select the Fund Management Company; duties and rights of the Fund Management Company; termination of rights and obligations of the Fund Management Company; restriction of operations of the Fund Management Company.

*According to Article 33 of the Fund Charter, criteria to select the Fund Management Company are as followings:*

- To have license to manage fund from State Securities Commission.
- To be independent from the Supervisory Bank.
- To have sufficient capability to manage fund.
- To agree to commit to the Fund as indicated in the Appendix 1 and Appendix 3 of the Charter.

*Rights and obligations of Fund Management Company are prescribed in Article 34 of the Fund Charter:*

### **1. Obligations of Fund Management Company:**

- a) To comply with the provisions of law and the charter of the Fund Management Company. Implement the entrusted asset management as stipulated in the Fund Charter. To comply with the rules of professional ethics, voluntariness, fairness, honesty and for the Fund' sack of the best interests.
- b) Fund Management Company is the authorized representative of the Fund, on behalf of the Fund to execute the ownership toward the assets of the Fund in an honest and careful manner.
- c) When managing the Fund's assets, the Fund Management Company must:
  - Sign Supervisory Contract with Supervisory Bank; deposit all assets arising in the territory of Vietnam and store full, timely and accurate information on data of ownership, the original legal documents verifying the ownership of property at the Supervisory Bank;

In case of making deposit for the Fund, the Fund Management Company can only make deposit in the banks in the list approved by the Board of Fund Representatives; store the original or valid copy of the contract of deposit, loan contract in Supervisory Bank for the institution to periodically cross-check with the bank of deposit;

In case of investment or capital contribution; trading assets, shares, unlisted shares for Fund; the Fund Management Company must store the original contracts, the permit of establishment and operation or business registration certificate (if any), the book of shareholders or documents certifying the ownership of assets in Supervisory Bank for the institution to periodically cross-check with the organizations receiving investment capital;

- Separate assets of the Fund and assets of the Company, entrusted customers; adequate and timely storage of accounting books, transaction documents and other documents related to transactions and ownership of Fund' assets; collect fully, accurately and timely information on Fund' s assets and place for depository, storage of assets;
  - Establish a mechanism of examination, regular crosscheck of three parties to ensure the consistency of data of Fund's assets on the system of accounts of Fund managed in the Company, the depository system of assets of funds in Supervisory Bank with the issuers, the Vietnam Securities Depository, the organization managing the registrars of shareholders, project owners, organizations receiving investment capital, banks of deposit. The Fund Management Company shall establish a mechanism for Supervisory Bank to actively, directly cross-check with the above organizations to inspect, monitor, sum up fully and accurately information of depository, property registration and management of Fund's assets.
  - Invest the Fund's assets in accordance with the provisions of law and Fund Charter;
  - Assign at least two (02) fund managers to manage the Fund. The fund managers mentioned above must have practical experience in the asset management activities for at least two (02) years and have not been sanctioned for administrative violations in the field of securities and securities markets. Information on qualifications and professional skill, experience managing assets of the fund managers must be disclosed in the Prospectus.
- d) With regard to fund administration activities, the Fund Management Company is responsible for ensuring:
- To determine the Net Asset Value of Fund; the Net Asset Value per Fund Unit consistent with applicable regulations and Fund Charter;
  - To make, store and update timely, completely and accurately the Registrar Book of Investors.
- e) The Fund Management Company can authorize the fund administration activities. The authorization for the activities shall comply with the provisions of law on guiding the establishment, organization and operation of Fund Management Company and Fund Charter.
- f) The Fund Management Company is obliged to provide timely, completely the necessary information of the Fund, information of the Fund's asset transactions, information of the place to make depository of Fund's assets, other concerned information (if any) and create all the necessary convenient conditions for Supervisory Bank at the request in writing of this organization to fulfill the rights and responsibilities to the Fund in accordance with the law provisions. At least once a (01) month, the Fund Management Company is obliged to compare the list of assets of the Fund with Supervisory Bank.
- g) Within fifteen (15) days from the date that the Supervisory Bank detects and informs the Fund Management Company on Fund's asset transactions contrary to the provisions or exceeding the competence of the Fund Management Company in accordance with law provisions, provisions in Fund Charter, the Fund Management Company must cancel the transactions, or perform the

transactions in order to restore the position for the Fund. The Fund Management Company shall bear all costs incurred related to the transactions and the losses (if any). In case the transactions generate profit, all profits have to be accounted for the Fund.

- h) The Fund Management Company must build the processes and establish organizational structure, risk management system in accordance with the scale and type of the Fund. Risk management system should be based on the policy, risk management process built according to international practice in accordance with market conditions in Vietnam to ensure a full identification, to determine a potential scale of risk in the Fund's portfolio. Depending on the type of risk and level of complexity of invested assets and requirements of the Fund, the Company must give an appropriate level of acceptable risk.
- i) The Fund Management Company is responsible for compensating for the losses caused to the Fund due to the employee's fault, malfunction or error of technical system and professional process of the Fund Management Company or because the Fund Management Company fails to comply with its obligations under the provisions of law and Fund Charter. The compensation for the Fund and for Investors shall comply with the provisions of the law on the establishment and management of open-ended fund and the agreement between the concerned parties.
- j) The Fund Management Company must purchase professional liability insurance for their professional staffs (when necessary), or set up a risk reserve fund as prescribed by law to compensate for the Fund in the cases specified in point i of this Clause.
- k) The Fund Management Company shall conduct; require Distributors, related service providers to set up a system and organize the implementation of processes to collect information, identify customers accordance with the provisions of law on anti-money laundering and the provisions of the law on brokerage and securities transactions.
- l) The use of the Fund's assets to invest in securities issued by foreign institutions, issuers subject to foreign law, securities issued in foreign countries and the other assets abroad must comply with the provisions of the law on foreign investment, foreign exchange management and the provisions of relevant law. Before the implementation, the Fund Management Company must seek approval in writing by General Investors' Meeting and the competent state management authorities.
- m) When making transactions of the Fund's assets, the Fund Management Company ensures that:
  - The volume or value of the transactions during the year through a securities company shall not exceed 50% of the total volume or value of transactions in the year of the Fund; and
  - The volume or value of the transactions during the year through a securities company related to the Fund Management Company shall not exceed 20% of the total volume or value of transactions in the year of the Fund.
- n) The Fund Management Company is responsible for keeping confidentiality of information of the Fund, information on asset transactions, Fund's portfolio and other relevant information, except for providing information to the State Securities Commission and the competent authorities on demand.
- o) Other obligations in pursuant to legal regulations on establishment, organization and operations of the Fund Management Company.

## 2. Rights of the Fund Management Company:

- a) To select custodian bank in accordance with Article 38 of this Charter;



- b) To authorize Supervisory Bank and related services providers to execute some or all of Fund administration activities. The Fund Management Company is responsible for the authorization, and ensures the relationship of authorization shall not adversely affect the benefit of Investors;
- c) To refuse issuance of Fund Certificates to organization that is not allowed to invest in the Fund as prescribed by law or for individual Investors who do not have full civil act capacity;
- d) To execute all the rights, obligations and responsibilities for the assets owned by the Fund on behalf of the Fund in accordance with the law;
- e) To sign fund-unit distribution agreements with Distributor;
- f) To be entitled to fees in accordance with this Charter and the prevailing laws;
- g) To be entitled to conduct business and provide services in accordance with the prevailing laws;
- h) To participate in the periodic and extra-ordinary meeting of the General Investors' Meeting and the Board of Fund Representatives;
- i) To make decision Fund's investment in accordance with this Charter and the prevailing laws.

*Termination of rights and obligations of the Fund Management Company is prescribed in Article 35 of the Fund Charter:*

1. The Fund Management Company shall terminate its rights and obligations to the Fund in the following circumstances:

- a) At the request of the Board of Fund Representatives approved by the General Investors' Meeting;
- b) The Fund Management Company's licence is revoked;
- c) The Fund Management Company is merged or acquired by other Fund Management Company;
- d) The term of operation of the Fund is terminated.
- e) Other circumstances in pursuant to legal regulations.

2. In the case stipulated in Clause 1 of this Article, the rights and obligations of the Fund Management Company to the Fund must be transferred to another Fund Management Company which agreed to replace. The replaced Fund Management Company must transfer promptly all documents and any information relating the Fund to the replacing Fund Management Company in order to ensure that the replacing Fund Management Company has enough information to perform fully its rights and obligations in accordance with Securities Law and other related legal documents.

3. Before minimum of six (06) months from the expected time of termination of the rights and obligations to the Fund, the Fund Management Company must hold a General Investors' Meeting to collect Investors' opinions on termination of rights and obligations for the Fund.

4. Compensation when changing the Fund Management Company

In case of changing the Fund Management Company in accordance with point a Clause 1 of this Article, the Fund shall pay to the Fund Management Company a compensation amount (in addition to the fees provided for under this Charter) according to the below schedule:

<b>Fee based on NAV of the Fund</b>	<b>Time of changing Fund Management Company</b>
2.0%	Within 03 years from the commencement date of operation of the Fund
1.5%	After 03 years from the commencement date of operation of the Fund

NAV used to calculate the compensation to the Fund Management Company is the average NAV reported in the fifty two (52) weeks immediately proceeding the time that the General Investors' Meeting approve to change the Fund Management Company and certified by Supervisory Bank.

Such fee is to compensate for all arising cost to the Fund Management Company as the consequence of downsize, change of personnel, management system and infrastructure.

If the General Investors' Meeting decides to change the Fund Management Company due to the violation of the laws and this decision is not opposed by State Securities Commission, the Fund in this case is not obligated to pay the above mentioned fee to the Fund Management Company.

*Restriction of operations of the Fund Management Company is prescribed in Article 36 of the Fund Charter:*

1. The Fund Management Company shall not be an affiliated person of the Supervisory Bank of the Fund. Chairman of Company, Supervisor, Executive Board, internal audit department's staffs, employees of the Fund Management Company shall not work in the departments providing services of depository, supervision, fund management at Supervisory Bank, and vice versa.

2. Unless otherwise approved by the General Investors' Meeting, employees of the Fund Management Company or an affiliated person of the Fund Management Company or its staff shall only be permitted to purchase or sell Fund Units at the subscription price and redemption price.

3. All securities transactions conducted by Chairman of Company, Supervisor, Executive Board, internal audit department's staffs, employees of the Fund Management Company must be reported to the internal controlling department prior to and immediately after such transactions. Information about the above-mentioned transactions shall comprise classes of securities, number, price of securities, the total value of transactions, trading time, trading methods trading account numbers, securities companies where trading accounts are opened. Reports on individual transactions shall be recorded and centrally managed at the internal control division and provided to the State Securities Commission upon request.

3. Chairman of Company, Supervisor, Executive Board, internal audit department's staffs, employees of the Fund Management Company are not allowed to ask for, demand or receive, in personal or corporate capacity, any compensation, profit or interest to the exclusion of fees and fee levels expressly described in Fund Charter.

4. In the management of entrusted assets, the Fund Management Company must ensure that:

- a) Not use the assets of the Fund to invest in the other Funds, securities investment companies managed by The Fund Mangement Company;
- b) Not use the Fund's assets to invest in entrusted customers managed by the Fund Mangement Company;
- c) Not use the Fund's assets to invest in the Fund Management Company itself; not invest in the organizations as affiliated persons of the Fund Management Company; not invest in the organizations that Chairman of Company, Supervisor, Executive Board, internal audit

department's staffs and employees of the Company are shareholders or members holding more than ten percent (10%) of the charter capital;

- d) Not use the Fund's assets to lend under any form, guarantee for the loans in any form or make payment for the debt obligations of the Fund Management Company, the affiliated persons of the Fund Management Company, other organizations and individuals. This provision shall not apply in the case of lending in the form of investment of deposits in the credit institutions in accordance with the provisions of banking law, or purchase of bonds issued, bond transactions in accordance with the provisions of law.

5. The Fund Management Company cannot authorize, outsource any organizations in the territory of Vietnam to provide securities investment consultancy service, entrusted asset management service.

6. Other restrictions comply with the provisions of law on guiding the establishment, organization and operation of fund management companies.

## **7. Chapter VII: Supervisory Bank**

This Chapter includes four (4) articles, from Article 37 to Article 40, providing criteria of for selecting the Supervisory Bank; duties and rights of Supervisory Bank; Operation of the Supervisory Bank; Termination of rights and obligations of the Supervisory Bank

*Article 37 of the Fund Charter determines the criteria of for selecting the Supervisory Bank as following:*

- ✓ The Supervisory Bank selected by the Fund Management Company shall satisfy all requirements as provided in Clause 1 Article 98 of the Securities Law.
- ✓ The Supervisory Bank, members of the Board of Directors, Board of Management, direct staff of the Supervisory Bank discharging the duties of supervision services and preserving fund assets shall not be affiliated persons or have an ownership, lending or borrowing relationship with the Fund Management Company or vice versa.
- ✓ The Supervisory Bank, members of the Board of Directors, Board of Management, direct staff of the Supervisory Bank discharging the duties of supervision services and preserving assets of the Fund shall not be permitted to be purchasers or sellers in transactions of the purchase and sale of assets of the Fund.
- ✓ Having sufficient capability to provide supervisory and depository services.
- ✓ Agreeing to fulfill its commitments to the Fund as stated in Appendix 2 and Appendix 3 of this Charter.

*Rights and obligations of Supervisory Bank are prescribed in Article 38 of the Fund Charter as following:*

### **1. Obligations of the Supervisory Bank:**

- a) To always act for the best interest of the Investors;
- b) To take responsibility for losses causing to the Fund due to the Supervisory Bank's errors;
- c) To ensure supervising the activities of the Fund Management Company in managing the Fund's assets as prescribed at the Securities Law, relevant regulations and the Fund Charter;
- d) To supply services of supervision, asset deposit of the Fund according to the relevant legal regulations, the Supervision Contract and the Fund Charter;
- e) To separate the Fund's assets from assets of the Fund Management Company, assets of other funds managed by the same Fund Management Company, assets of other customers of the Supervisory Bank and assets of the Supervisory Bank. In all cases, capital and assets of the Fund can not use to pay or guarantee for debt of any individual or organizations other than the Fund;

- f) To ensure and take full responsibility for the Fund's assets in case of authorizing sub-custodian organizations;
- g) To supervise or calculate the Net Asset Value of Fund appropriate to the legal regulations and the Fund's Charter to ensure that the calculation of Net Asset Value of Fund is accurate;
- h) To settle securities transactions appropriate to the valid instructions of the Fund Management Company, the Supervisory Bank may refuse such instructions if the Supervisory Bank may believe that these instructions are illegal or inappropriate to the Fund Charter. The refusal specifying reasons must be sent in writing to the Fund Management Company, its copy must be sent to the SSC;
- i) To regularly cross check assets of the Fund with Fund Management Company;
- j) To pay reasonable, valid expenses of the Fund according to the valid instruction of the Fund Management Company, ensure that such expenses are appropriate to the legal regulations and the provisions of the Fund Charter;
- k) To make payment to Investors when Investors redeem Fund Certificates with Fund Management Company, or when the Fund distributes income or when the Fund liquidates, winds up or pays to Investors and other cases as stipulated by the law, the Fund Charter in accordance with the valid instruction of the Fund Management Company, ensure that payments made are appropriate to the Fund Charter;
- l) To keep a separate tracking book about changes of the total issued Fund Certificates, the number of Fund Certificates owned by every person holding certificate, name, address, nationality, address and other identification factors of such person and immediately update all changes (if any);
- m) To confirm reports relating assets and operation of the Fund which are made by the Fund Management Company or Service Providers authorized by the Fund Management Company;
- n) To report and manage files according to the laws, the Fund Charter and the Supervisory Contract;
- o) To comply fully with the regulations of the Law on Securities, related laws, the Fund Charter and the Supervisory Contract;
- p) Not receive any other interests (except the fees according to Supervisory Contract) for itself or any third person.

## 2. Rights of Supervisory Bank:

- a) Supervisory Bank shall be entitled to service fees of supervising and preserving assets of the Fund as stipulated in the Fund Charter in accordance with the prevailing laws.
- b) To participate in the periodic and extra-ordinary meeting of the General Investors' Meeting and the Board of Fund Representatives.

*Operations of the Supervisory Bank are prescribed in Article 39 of the Fund Charter:*

1. The scope of supervision limits only within the Fund Management Company's activities relating to the fund for which the Bank carries out the supervision function. In the operation of supervisory activities, Supervisory Bank shall:
  - a) Co-ordinate with the Fund Management Company to periodically review internal procedure of principle, method for calculating Net Asset Value of Fund; to inspect and supervise the calculation of Net Asset Value of Fund; to ensure that Net Asset Value per Fund Unit is correct, exact and in consistent with regulations of applicable law and the Fund Charter.
  - b) To inspect, supervise investment activities and transactions of the Fund's assets, including assets that are not centrally registered at Vietnam Securities Depository; to inspect, supervise asset transactions between the Fund, the Fund Management Company and affiliated persons. In case of detecting violations of provisions of law, Supervisory Bank shall report immediately to the State Securities Commission and notify the Fund Management Company within

twenty four (24) hours, upon the detection of such case, meanwhile request corrections or to conduct remedy activities within the time limit.

c) To supervise the organization and implementation and the appraisal of results of merger, consolidation, dissolution and liquidation of the fund's assets.

d) To supervise, ensure legal status and only using fund's asset to make payment for expenditures consistent with regulations of law and the Fund Charter.

e) The Fund Management Company may from time to time place cash held by the Fund with any bank in the list of banks approved by the Board of Fund Representatives, and the Supervisory Bank shall, whenever receiving and follow instruction of the Fund Management Company, transfer money to such bank. Notwithstanding any other provisions herein contained the Supervisory Bank shall not be responsible for the safekeeping of cash placed with such bank and will not be liable for any loss occasioned by reason of the liquidation, bankruptcy or insolvency of such bank.

f) To inspect, supervise other activities of the Fund Management Company in asset management of the Fund according to regulations of Article 98, Securities Law and the Fund Charter.

2. The Supervisory Bank shall be liable to prepare and maintain files, documents in either hard copy or electronic files within ten (10) years for confirming the compliance of the Supervisory Bank in supervising the Fund Management Company in accordance with applicable laws. Such documents must be provided upon written request of State Securities Commission.
3. The Supervisory Bank shall be liable to provide the Fund Management Company and appointed auditing company with necessary information in a timely, accurate and sufficient manner so that those organizations can fully implement the rights and obligations to the Fund according to the applicable regulations of the laws and the Fund Charter.
4. The Supervisory Bank shall reserve the right to check the Fund Management Company, review, appraise the capacity of computer system and computer software, require the Fund Management Company to timely provide their procedures for asset management, internal control, risk management, valuation manual, procedures of receiving and executing orders of Investors and necessary information related to management of the Fund's assets to ensure that the Supervisory Bank may fulfill their rights and duties to the Fund as prescribed by applicable regulations of the laws.
5. The Supervisory Bank may use services provided by Auditing Company and other organizations to implement such duties stipulated in Clause 4 of this Article. The Supervisory Bank, organizations/individuals conducting examination and supervision over the Fund Management Company at the Supervisory Bank's request shall be responsible for keeping confidential all information of the Fund Management Company, the Fund and Investors following applicable regulations. The report of examination with confirmation of relevant parties and other supporting documents must be provided to the Board of Fund Representatives, SSC by any written request.
6. In the case the Fund Management Company must compensate to Investors, the Supervisory Bank must coordinate with the Fund Management Company to execute payment timely and sufficiently to Investors according to valid instructions of the Fund Management Company. The Supervisory Bank is jointly liable and must compensate to Investors and the Fund in case of occurrence of damages because the Supervisory Bank fails to adequately and timely implement responsibilities for supervising the Fund's investment activities, determining the Net Asset Value of Fund and other supervision activities to the Fund according to the applicable regulations of the laws. Compensation rate shall be implemented based on civil agreements between the Fund Management Company and the Supervisory Bank.

*Rights and obligations of the Supervisory Bank to the Fund are terminated in the circumstances in Article 40 of the Fund Charter:*

1. The Supervisory Bank shall terminate its rights and obligations with respect to the Fund in the following events:

a) Supervisory Bank is splitted, separated, dissolved, goes in bankruptcy, consolidated, merged or acquired by other Fund, converse legal person temporarily ceases, terminates its operation, dissolves or declares bankruptcy; or The Custodian bank services license is revoked pursuant to the Article 51.2 of the Law on Securities;

b) Unilaterally terminate the Supervisory Contract;

c) The Fund is dissolved, merged or acquired by other fund;

d) Upon the decision of the General Investors' Meeting;

e) Other cases comply with the provisions of law.

2. In the cases as stated in Clause 1 of this Article, the rights and obligations of the Supervisory Bank to the Fund are transferred to the other Supervisory Bank in accordance with the prevailing laws.

#### **8. Chapter VIII: Related services provider**

This Chapter includes five (5) articles from Article 41 to Article 45, providing the authorized operations (outsourced services), criteria for selecting related service providers, responsibilities of related service providers, and responsibilities of the Fund Management Company for authorized activities and termination of the authorization.

#### **9. Chapter IX: Distributor**

This Chapter includes three (03) articles, from Article 46 to Article 48, providing criteria for selecting Distributor, operations of Distributor, general provisions on fund certificate distribution. Accordingly, criteria for selecting Distributor are:

- Being securities company having brokerage business, fund management company, custodian bank, insurance company, commercial bank. In case of commercial bank and insurance company, it is required to conduct procedures to register with SSC for distributing fund certificates;

- Having at least one business place that is selected as distribution place for open ended fund certificates at the time of registration which meet all requirements of distribution place of open ended fund certificates;

- Having procedures on fund certificate distribution, including the process, procedure of analysis, update and identification of Investor's and beneficiaries' information, code of conducts applied to staff who deal with fund certificate distribution, internal rules on prevention of late trading and arbitrage activities based on taking advantage of time differences, market timing in accordance with international practices.

#### **10. Chapter X: Auditting, accounting and reporting regime**

This Chapter includes five (5) articles, from Article 49 to Article 53, providing criteria for selecting and changing Auditting Company, fiscal year, accounting regime, financial statements and other reports. Selected auditing company shall satisfy the following conditions:

(i) Having obtained auditing licence by the Ministry of Finance.

(ii) Having full capacity to provide auditing service.

(iii) Having approved the SSC for providing auditing services to the Fund.

(iv) Not being an affiliated person to the Fund Management Company or the Custodian bank.

The Fiscal year is twelve months calculated from 1<sup>st</sup> January to 31<sup>st</sup> December each calendar year. The first Fiscal year of the Fund shall commence on the date the SSC grants the Certificate of Fund Establishment to the Fund and end on 31st December of that year.

In case the period from the date the SSC grants the certificate of establishment of a Certificate for Fund Establishment and operation to 31st December of the same year is less than 90 days, the first Fiscal year of the Fund shall commence on the issuance date of the establishment and operation license and end on the 31st December of the following year.

The Fund shall apply the Vietnamese Accounting Standard (VAS) and comply with other regulations related to the accounting works of the Fund as provided for by the competent authorities.

#### **11. Chapter X: Net Asset Value (NAV) of Fund**

This Chapter includes five (5) articles, from Article 54 to Article 58, providing contents related to Determination of the Net Asset Value (NAV) of Fund. Contents of this Chapter are prescribed in section X of this Prospectus.

#### **12. Chapter XII: Profit and and administration expenses**

This Chapter includes two (2) articles, from Article 59 to Article 60, providing principles, form of profit distribution and administration expenses of the Fund.

The Fund Management Company may distribute Fund's profits to Investors as provided at the Fund Charter and the policy of profit distribution is disclosed at the Prospectus. The distributed profits are deducted from the retained profit or from the Fund's income. The profit is only distributed by the Fund Management Company when the Fund completes or has enough the financial capacity to fulfill the tax obligations and other financial obligations as stipulated by the law; to fully deduct and establish funds as provided at the Fund Charter; just after fully paying defined profits, the Fund must ensure to fully pay due debts and asset obligations. The schedule and plan on implementation must be disclosed publicly on the website of the Fund Management Company.

The form of profit distribution is made in cash or by Fund Unit. The profit distribution made by the Fund Unit must be approved by the General Investors' Meeting or the Board of Fund Representatives (if the latest General Investors' Meeting authorizes the Board of Fund Representatives to make decisions appropriate for the regulations at the Fund's Charter) or specified at the Fund Charter, the Prospectus.

The Fund Management Company must deduct all duties, fees, charges as stipulated by the law before distributing profits to Investors.

After distributing profits, the Fund Management Company must send Investors the summary report on the Fund's profit distribution, including the following contents:

- a) Method of profit distribution (in cash or by Fund Unit);
- b) Total profits of the current term and accumulated profits, detailed items of profit;
- c) The distributed value of profits, the number of Fund Unit issued to distribute (in case of distributing profits by Fund Unit);
- d) The Net Asset Value per Fund Unit before profit distribution and after profit distribution;
- e) Influences affecting on the Net Asset Value of Fund.

#### **13. Chapter XIII: Fund restructuring**

This Chapter includes three (3) articles, from Article 61 to Article 63, providing the conditions for the fund consolidation, merger, splitting and dissolution of the Fund.

*Conditions for the Fund consolidation and merger are prescribed in Article 61 of the Fund Charter as following:*

1. The Fund consolidation, merger shall be only carried out in the cases provided by the law and approved by the General Investors' Meeting.
2. The fund consolidation, merger must be approved by the SSC.

*Conditions for the fund splitting are prescribed in Article 62 of the Fund Charter:*

1. The Fund splitting must be approved by the General Investors' Meeting in the following cases:
  - a) The Fund Management Company fails to determine the Net Asset Value of Fund at the Valuation Date when open-ended Fund Certificates are redeemed because the Stock Exchange decides to suspend the securities transaction in the Fund's portfolio;
  - b) Other events provided by the Fund's Charter or the State Securities Commission considers necessary.
2. The fund splitting must be approved by the State Securities Commission.

*Conditions for the fund dissolution are prescribed in Article 62 of the Fund Charter:*

1. The Fund dissolution, liquidation shall be carried out in the following cases:
  - a) The Fund Management Company is dissolved, bankrupted or its License for Establishment and Operation is revoked but the Board of Fund Representatives fails to establish a replacing Fund Management Company within two (02) months from the date of arising the event;
  - b) The Supervisory Bank is dissolved, bankrupted or its Supervision Contract is unilaterally terminated or terminated by the Fund Management Company; or the certificate of registration for securities depository is revoked by the Fund Management Company fails to establish a replacing Supervisory Bank within two (02) months from that date of arising the event;
  - c) The Fund finishes the term of operation mentioned in the Fund Charter and in the Certificate of Fund Establishment but may not extend (for the Fund with the term of operation);
  - d) The fund dissolution as determined by the General Investors' Meeting;
  - e) The Net Asset Value of Fund is reduced below ten (10) billion in six (6) consecutive months;
  - f) Other cases as provided by the Fund Charter
2. The Fund liquidation and dissolution is made subject to the legal regulations.

#### **14. Chapter XIII: Settlement of conflicts of interests**

This Chapter includes one (1) article (Article 64) providing principles on control of conflicts of interests between the Fund and other funds, investment trust clients of the Fund Management Company and between the Fund and the Fund Management Company.

#### **15. Chapter XV: Information disclosure and amendment, supplementation of the Charter**

This Charter includes four (4) articles, from Article 65 to Article 68, providing contents of information disclosure, information supply to Investors and amendment, supplementation of the Charter, registration of the Charter and implementation provisions. The Fund shall be formally established as from the date of issuance by the SSC of the Certificate of Fund Establishment. The Fund



Management Company has responsibilities to complete all procedures and documents as provided in legal regulations.

In addition, the Fund Charter includes 03 Appendices:

Appendix 1: Commitment of the Fund Management Company

Appendix 2: Commitment of the Supervisory Bank

Appendix 3: General commitments of the Fund Management Company and the Supervisory Bank.

## APPENDIX 5: THE METHOD FOR DETERMINATION OF ASSET VALUE

### A- Asset Value

No.	Type of Asset	Principle for valuation of the transactions on the market
Cash and cash equivalents, money market instruments		
1	Cash (VND)	Cash balance on date before the Valuation Date
2	Foreign currency	The value is converted into VND using Vietcombank's average exchange rate on date prior to the Valuation Date.
3	Term deposit	<p>Deposit value plus accrued interest as of the date prior to the Valuation Date, of which</p> <p>Accrued Interest = deposit value x interest rate x n/360</p> <p>n: number of actual days from deposit date to the date prior to the Valuation Date</p> <p>(Note: Accrued interest is accounted for as income, not reflected in asset valuation)</p>
4	Treasury bills, bank drafts, commercial papers, transferable deposit certificates, and discounted money market instruments	<p>Purchase price plus accumulated interest as of the date prior to the valuation date</p> <p>(Note: Accrued interest is accounted for as income of the Fund as of the date prior to the Valuation Date)</p>
Bonds		
5	Listed bonds	<ul style="list-style-type: none"> <li>- Average clean price on the transaction system at the Stock Exchange on the latest date having transactions prior to Valuation Date plus accumulated interest;</li> <li>- In case of no transaction in more than two (02) weeks until Valuation Date, value of bond is determined by and in the order below: <ul style="list-style-type: none"> <li>+ Purchase price plus accumulated interest; or</li> <li>+ Face value plus accumulated interest; or</li> <li>+ Price determined by the method which was approved by the Board of Fund Representatives.</li> </ul> </li> </ul> <p>(Note: Accumulated interest is accounted for as income, not reflected in asset valuation)</p>
6	Unlisted bonds	<p>Value of bond is determined by and in the order below:</p> <ul style="list-style-type: none"> <li>+ Clean Price (if any) on quotation systems plus accumulated interest to the date before the Valuation Date; or</li> <li>+ Average value based on quoted price of 03 quotation organizations who are not an affiliated party in the latest trading day before the</li> </ul>

		<p>Valuation Date.</p> <ul style="list-style-type: none"> <li>+ Purchase price plus accumulated interest; or</li> <li>+ Face value plus accumulated interest; or</li> <li>+ Price determined by other methods which were approved by the Board of Fund Representatives.</li> </ul> <p>Bonds' accumulated interest mentioned in sections 5 and 6 was calculated using the following formula:</p> <p>Accumulated Interest = Coupon Interest x Face value x n/ number of actual days in the year</p> <p>n: number of actual days from the last coupon payment date to the date prior to the Valuation Date.</p>
Shares		
7	Shares listed on Ho Chi Minh City Stock Exchange and Ha Noi Stock Exchange	<ul style="list-style-type: none"> <li>- Closed price on latest date having transaction prior to Valuation Date;</li> <li>- In case of no transaction in more than two (02) weeks until valuation date (including suspended trading, or delisting or cancelling of register for trading ), the valuation is determined in the following order of priority: <ul style="list-style-type: none"> <li>+ Purchase price; or</li> <li>+ Book value; or</li> <li>+ Price determined by other methods which were approved by the Board of Fund Representatives.</li> </ul> </li> </ul>
8	Shares of public companies registered for trading on UpCom	<ul style="list-style-type: none"> <li>- Closed price on latest date having transaction prior to the Valuation Date</li> <li>- In case of no transaction in more than two (02) weeks until Valuation Date, the valuation is determined in the following order of priority: <ul style="list-style-type: none"> <li>+ Purchase price; or</li> <li>+ Book value; or</li> <li>+ Price determined by other methods which were approved by the Board of Fund Representatives.</li> </ul> </li> </ul>
9	Shares which were registered and held in custody but not yet listed, shares not yet registered for trading	<ul style="list-style-type: none"> <li>- Average value based on quoted price (average price of transactions in valuation period) of at least 03 quotation organizations who are not affiliated parties in the latest trading day before the Valuation Date.</li> <li>- In case of not enough quotation of at least 03 quotation organizations, the valuation is determined in following order of priority: <ul style="list-style-type: none"> <li>+ Average quoted price; or</li> <li>+ Price of latest quotation period but not more than three (03) months until Valuation Date; or</li> <li>+ Purchase price; or</li> <li>+ Book value; or</li> <li>+ Price determined by other methods which were approved by the Board of Fund Representative board.</li> </ul> </li> </ul>

10	Shares of organizations in the process of winding-up or bankruptcy	Is one of the following prices : - 80% of liquidating value of such shares on latest date of preparing balance sheet prior to Valuation Date ; or - Price determined by other methods, which were approved by the Board of Fund Representatives.
11	Stocks, other contributed capital	Is one of the following prices: + Purchase price/contributed capital value; or + Book value; or + Price determined by other methods which were approved by the Board of Fund Representatives.
12	Share purchase rights	Value of purchase right = Max{0; (Share price – Exercise price) x right ratio}
Derivative securities		
13	Listed derivative securities	Closed price on latest day having transactions prior to the Valuation Date.
14	Listed derivative securities without transaction within two weeks or more	Price determined by other methods that were approved by the Board of Fund Representatives.
Other assets		
15	Other permitted investment assets	Price determined by other methods that were approved by the Board of Fund Representatives.

Notes:

Accumulated interest: the interest that is calculated from the latest interest paying date to the date prior to Valuation Date;

Book value of a share is determined on basis of the latest financial statement that has been audited or reviewed.

In this section of the appendix, day means calendar day.

**B- Total liabilities:**

Total liabilities of the funds are debts or payment obligation of the Fund to the date prior to the Valuation Date. The method of determining the values of the debts and payment obligation must be confirmed by Supervisory Bank and conform to the provisions of applicable laws.

Net Asset Value of the Fund (NAV) = Total assets of the Fund – Total liabilities of the Fund

Net Asset Value per fund unit = Net Asset Value of the Fund / Total number of outstanding fund units as of the trading date before the Valuation Date; and is rounded to 2 decimal places.

**C - Commitment value from derivative contracts**

1) Commitment value (global exposure) is the value converted to money which Fund is the party with the obligation of contract implementation. The commitment value is determined upon the market value of underlying assets, payment risks, market changes and the time necessary for position liquidation.

2) In calculating the commitment value, Fund Management Company may apply:

- Net offset principle of derivative position (reverse) for the same underlying securities, for example the long position of a call option of XYZ securities reduces (makes up) the commitment value from the short position of a call option of XYZ securities;
- Net offset principle of derivative position and spot delivery position of the same securities, for example the long position (holding) of XYZ securities makes up (reduces) the commitment value deriving from the short position of XYZ securities call option;
- Other principles according to the international practice ensuring the risk management.

No.	Type of Asset	Commitment value
1	Stock option (purchase of put option, sale of put option, sale of call option)	Delta adjusted market value of option position <sup>2</sup> = Number of contracts x Number of shares per contract x current market value of share x delta coefficient <sup>3</sup>
2	Bond option (purchase of put option, sale of put option, sale of call option)	Delta adjusted Market value of option position <sup>4</sup> = Number of contracts x Face value x current market price of bonds x delta coefficient
3	Index future contract	Market value of future position = Number of contracts x value calculated on an index point x Current index level
4	Bond future contract	Market value of future position = Number of contracts x value of contracts calculated under notional value x market value of the cheapest bonds for delivery
5	Other contracts	Using valuation model selected by the Fund Management Company, agreed by the Supervisory Bank and approved by the Board of Fund representatives.

<sup>2</sup> If the fund holds long position, the market value may be adjusted to increase premium.

<sup>3</sup> Delta coefficient is the first derivation of option price over underlying securities price. In the simple case, the delta coefficient may be considered 1. In case of complex case, the delta coefficient shall be determined by Fund Management Companies and Supervisory Bank and approved by the Board of Fund Representatives.

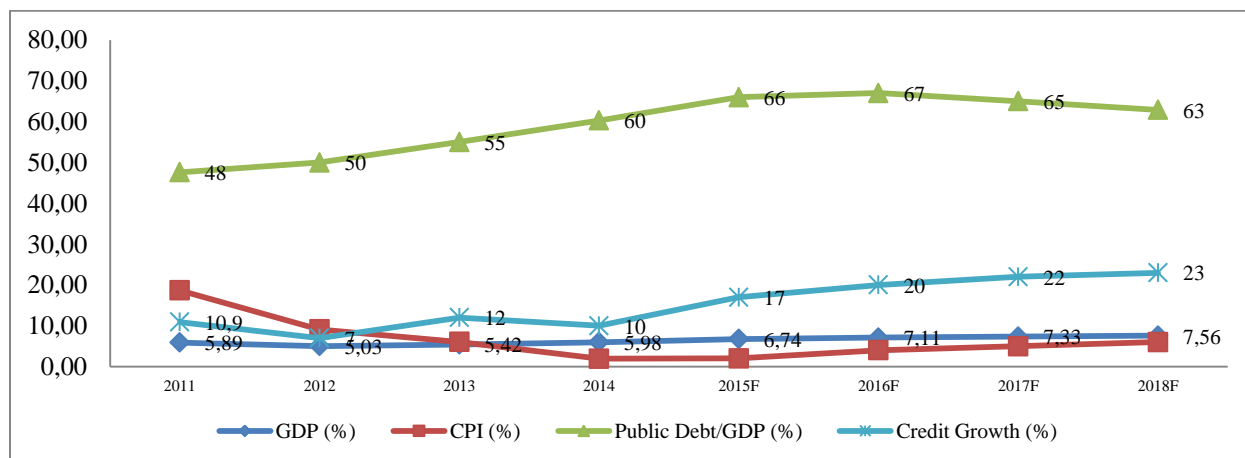
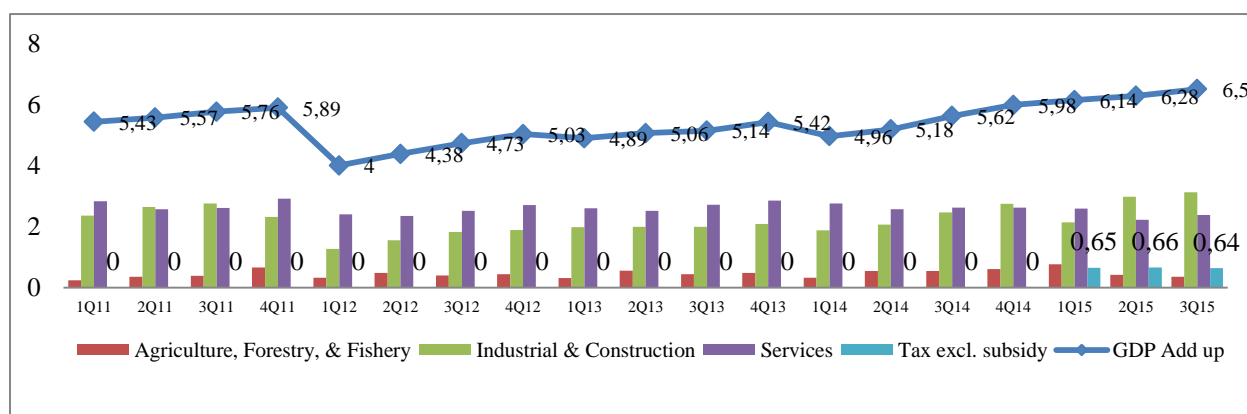
<sup>4</sup> If the fund holds long position, the market value may be adjusted to increase premium.

## APPENDIX 6: UPDATE OF THE MACRO-ECONOMIC

### OVERVIEW

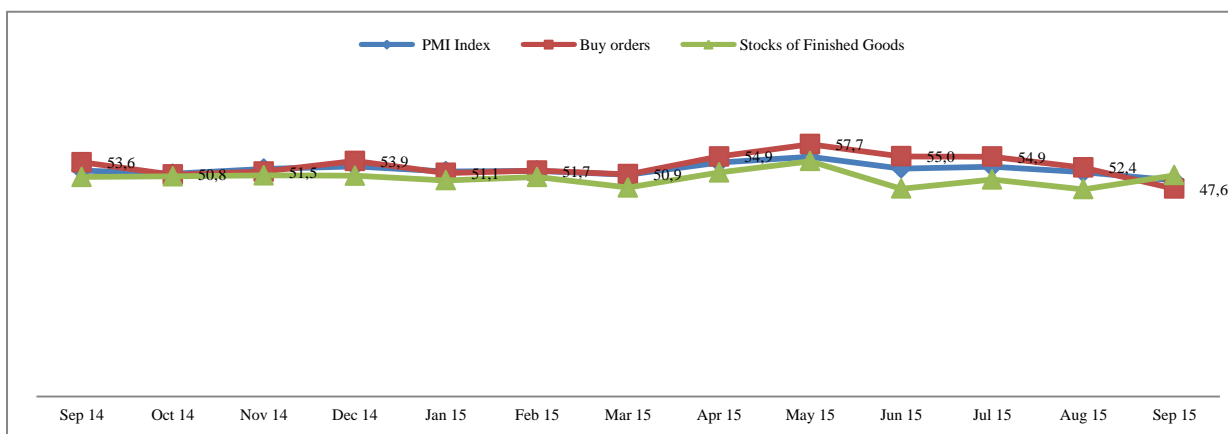
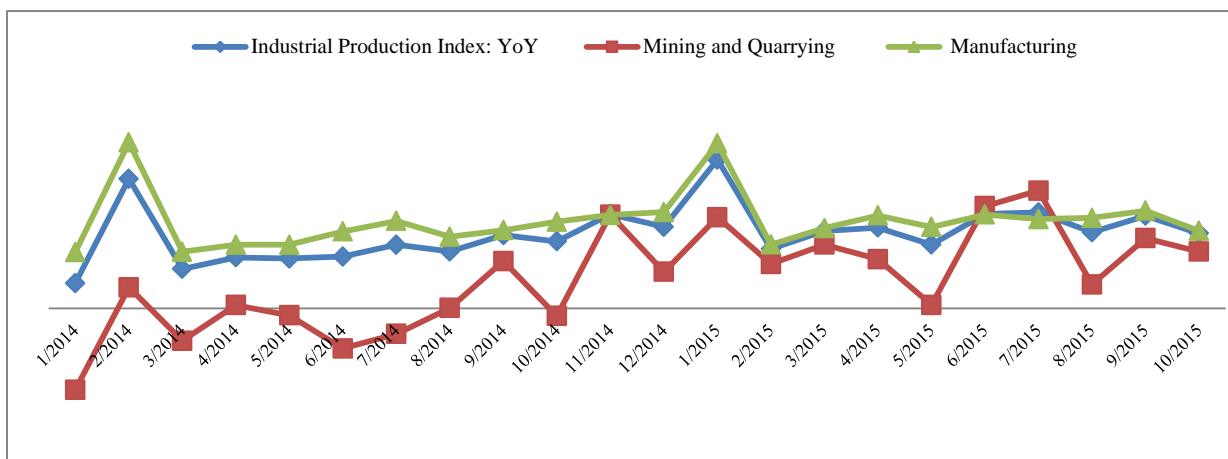
#### Overview of 2015 economy

During the first 9 months, Vietnam's economy achieved positive GDP growth with Quarter 3 GDP increased by 6.81% from the contribution in Manufacturing & Construction sectors, followed by incremental portion from taxes excluding subsidy components. To make GDP in Q3/2015 more accelerating, gauges in Q1 and Q2 previously saw encouraging 4-year increases, creating a sustainable its growth trend. Thus, we expect FY2015 GDP to be 6.74% and FY2016's one at 7.11%, somehow similar to the rate of growth over 1995-2000. Vietnam's growth resulted from internal issues, mainly in three key points including: (i) Banking system; (ii) Public investment; (iii) State-owned enterprises, which all were completed.



#### Overview of production performance

During the last 9 months, Vietnam's production has grown in line with speed of acceleration in industrial processing industry. Meanwhile, mining sector ended up its level of zero or negative growth too completed to enter initial business cycle. HSBC, therefore, released its results on PMI gauge of Vietnam coming at 50.1 in October while that in previous month stood at 49.7 for the first time over the last two years. On considering many related factors, this slowdown in September was contributed by declining new orders and higher inventories after three months of decreases. This, nevertheless, needs more consideration as well as follow-ups before making any forecast for domestic manufacturing.

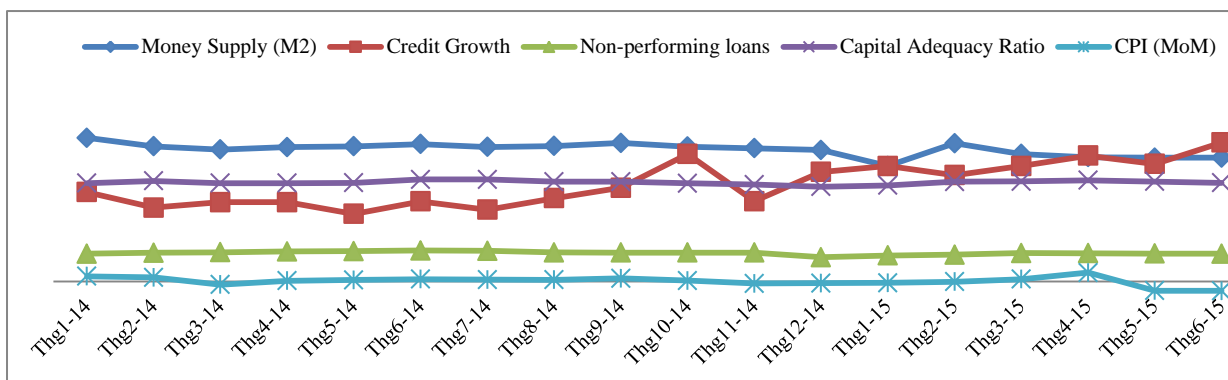


## Monetary sector

Data showed monetary policies imposed many positive bulletins on the economy with continuingly low CPI indices. The average CPI over the first 9 months and 9-month CPIs rose by 0.74% YoY and 0.4%, respectively, compared to that in late 2014. It will be estimated that FY2015 CPI of below 2%, the lowest over many recent years, that will actually help the SBV to expand its stimulus.

Over the period, the SBV attempted to restructure banking system through merging with many badly-performing banks such as PG Bank, MHB and PNBANK, that were merged into Vietinbank, BIDV, and Sacombank, respectively while nationalized some banks such as Oceanbank, GP Bank and VNCB or assigned its senior posts to manage banks such as Eximbank and Dong A. Additionally, there were many supportive adjusting circulars launched to limit cross ownership and wrong lending processes, that helped to decrease instability substantially as before, including Circular no 36, Circular no 02, Circular no 09, Circular no 14 and Circular No 19.

Consequently, liquidity throughout banking system was been improved significantly with continuously stable within H1, credit increased sharply to 18.77% in June and 10.23% for the first 9 months. In addition, financial strength through better NPL and CAR ratios was shown. The SBV forecast bad debts reached at below 3% before the end of Q3/2015, completing 12-month plan with one quarter earlier.

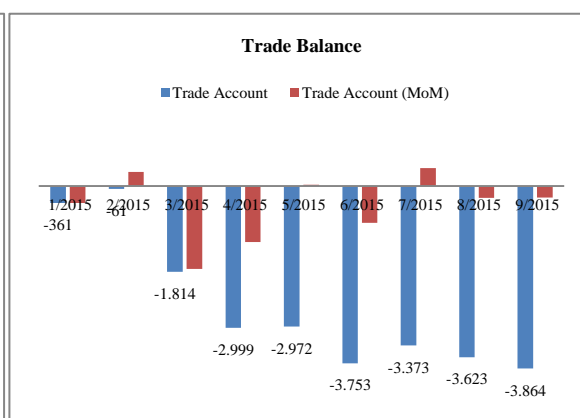
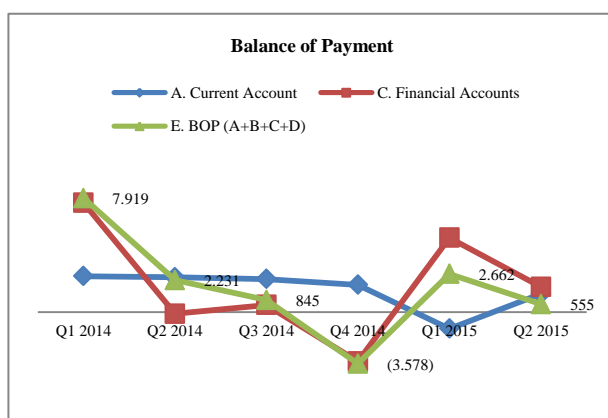


### External economics

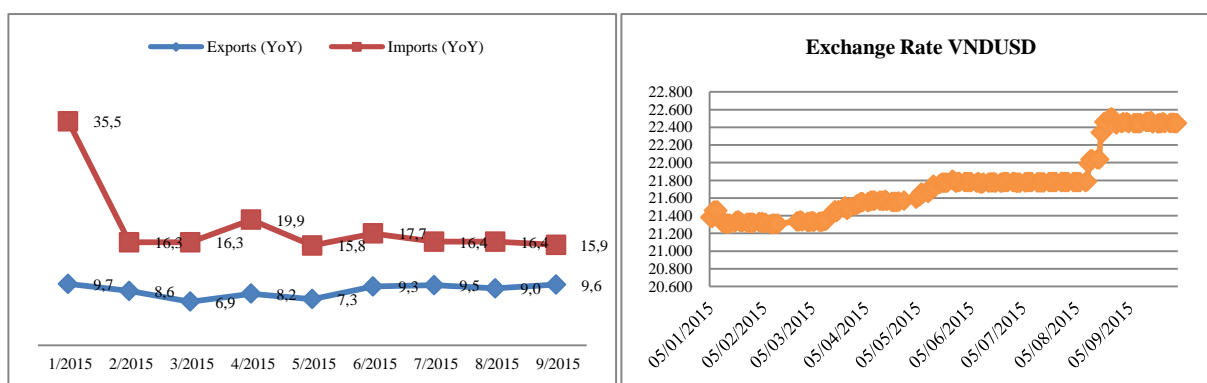
Overall, payment surplus reached USD3.2bn, contributed by surplus in current accounts and financial accounts over the first 9 months. Considering trade balance, net imports reached USD3.864bn over the period, with increases over months. However, exports from Vietnam still got positive signals with average growth rate of 9% month by month.

The most striking feature driving through domestic and global economies was sliding oil prices and bad outlooks in China, resulting in exchange rate fluctuations and falling commodity prices over the period. Along with that, the SBV adjusted exchange rates for 4 times with three times of declining 1% per each time and two times entrenching exchange rate range from 1% to 3%. Currently, interbank average trading exchange rate of VND/USD is 21,890 and exchange rate range within +/-3%. It was considered as suitable to adapt with China's devaluation in the Yuan to a total percentage of 4.6% for 3 consecutive times of decreasing the Yuan. Besides, other neighbor countries as well as competitive exporters to Vietnam also decreased their domestic currencies sharply to protect their export turnovers, such as Malaysia, Indonesia, Thailand, and Korea. In our opinion, the SBV propagated their policies to protect domestic exports and to secure markets against disadvantages.

Besides, throughout 2015, other prominent spotlights came from signed treaties for Vietnam. Vietnam completed signing two large trade treaties with the Eurasian customs union on 29/5/2015 and with Korea on 5/5/2015, alternatively. Additionally, Vietnam completed negotiating two treaties such as (i) the EVFTA on 4/8/2015; (ii) the TPP treaty on 5/10/2015. With all on-going treaties, Vietnam will get developed thanks to newly-signed treaties to take advantage of exports and increase people's incomes.







### Fiscal sector

During the first 9 months, the fiscal condition shows positive signals with state budget deficit which was relatively closed with and achieved 62% of target. It was noticed that, the low level of oil revenues at only 56% of target after 3 quarters mainly due to significant decrease in oil price during last 12 months. Although the oil price movement was expected, the price fall affects budget revenues because budget oil revenues in the first 9 months of 2015 reached only 48% of year 2014. Besides, revenues from import-export activities also dropped in comparison with the 2015 planning and was equivalent to that figure of the same period of year 2014 in the context that several trade agreements became effective, especially the Asean-China FTA (ACFTA).

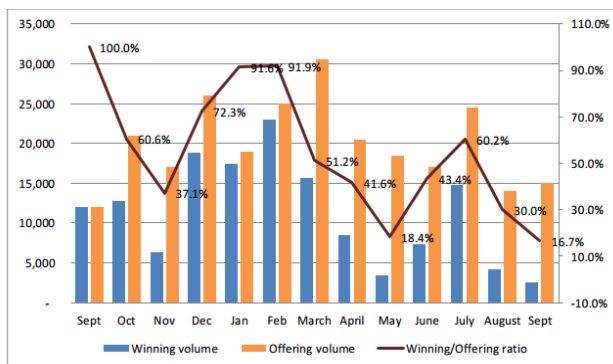
Content	2014	2015P	3Q2015	%2015Forecast	%2014
<b>A</b> TOTAL STATE BUDGET REVENUE	846,400	921,100	683,000	74%	81%
<i>I</i> State budget balancing revenues	846,400	911,100	683,000		
<b>1</b> Domestic revenues	574,100	638,600	504,300	79%	88%
<b>2</b> Oil revenues	107,000	93,000	51,780	56%	48%
<b>3</b> Revenues from import-export	160,800	175,000	123,400	71%	77%
<b>B</b> TOTAL STATE BUDGET BALANCING EXPENDITURES	1,070,400	1,147,100	823,970	72%	77%
<b>1</b> Development investment expenditures	169,100	195,000	127,280	65%	75%
<b>2</b> Repayment of debts and aids	120,000	150,000	114,790	77%	96%
<b>3</b> Expenditures on socio-economics, defense, public security, public administration	717,500	767,000	574,890	75%	80%

<b>C STATE BUDGET DEFICIT</b>	224,000	226,000	140,970	62%	63%
<i>Budget deficit as percentage of GDP</i>	5.30%	5.00%	5%		

**About Government’s capital mobilization**

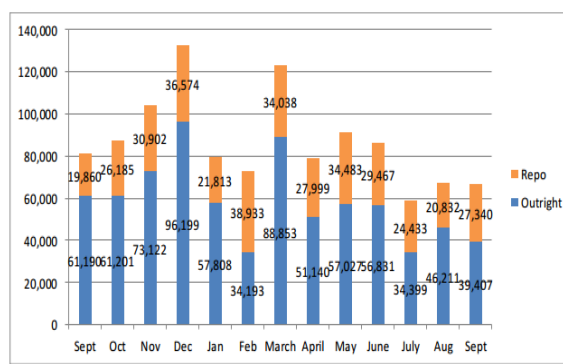
Despite of favorable conditions and low inflation, trading of Government bonds experienced disadvantages such as low successful bidding rate and falls in trading volume. Other than the policy that restrains commercial banks investing in bonds (Circular 36), the difference between expected rates of return and deposit interest rates induces a decline in liquidity of Government bond market. In the context that liquidity of commercial banks system improved, productions and capital absorption capacities rose considerably, commercial banks also prioritize allocation of assets for lending activities rather than products having protection nature like Government bonds in their investment portfolios.

Bidding and Wining Value of VGB

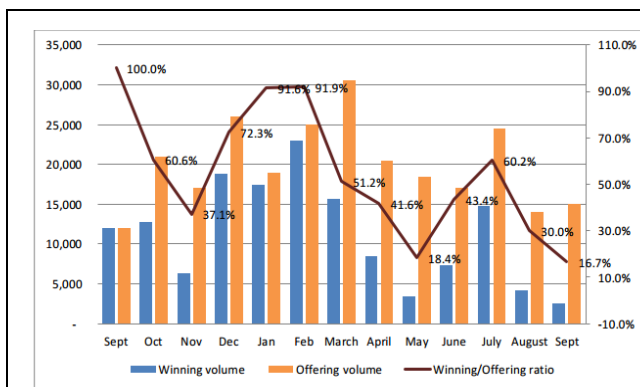


Nguồn: HNX, VBMA

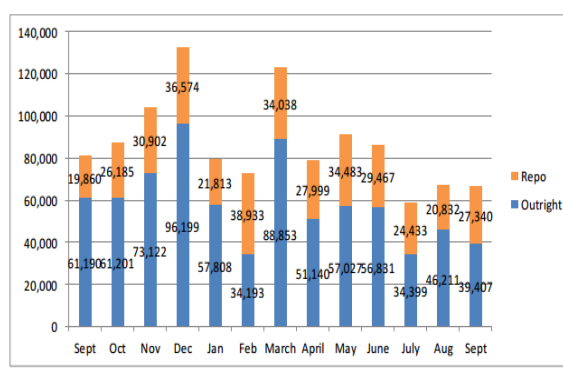
Trading Value of VGB



Nguồn: HNX, VBMA



Nguồn: HNX, VBMA



Nguồn: HNX, VBMA

**Condition of national public indebtedness**

Regardless of positive statistics of budget, market still has certain concerns about transparency of public debt data (foreign and local currencies) of Vietnam. In October of 2014, the market were still believing in public debt at around 50% of GDP, the official figure announced by the Government in National Assembly was 64% of 2015 GDP and 65% of 2016 GDP. However, in a recent report of the

Academy of Policy and Development – Ministry of Planning and Investment, recalculated figure of public debt was at 66.4% of GDP and thus exceed ceiling level allowed by the National Assembly. Though, the Ministry of Finance thereafter ruled out this figure in their Q3/2015 regular report and showed that public debt has still been under permitted ceilings (<65%). The inconsistency in the figure of public debt induces us to believe that it is still in consideration in coming periods. In the situation that oil revenues is worsening in the meanwhile capital mobilization through Government bonds is experiencing interferences, Government might break targets of maintaining low interest rate by pushing up return rate of Government bond mobilization and accordingly enable to issue sufficiently for funding its investment expenditures.

## **II. Outlooks for 2016**

Given positive outcomes of the economy during the first 9 months, expectations of growths continue to prolong based on favorable conditions which are immanent improvements of the economy as long as supports from several FTA agreements. These FTA agreements help attracting domestic and foreign direct investments which enhances investment expenditures in Vietnam in order to utilize available advantages. However, the story of economy in Q4/2015 and 2016 depends largely on tendency and movements of public debt situation as well as should China economy be landed safely without causing deeply fall in international commodities markets which easily bring troubles for Vietnam