

Hanoi, 30<sup>th</sup> March 2020

**PROPOSAL ON SELECTION OF AN AUDITING COMPANY AND UPDATE THE FUND'S CHARTER  
REGARDING TRANSACTION FREQUENCY**

**To: General Investors' Meeting of SSI Sustainable Competitive Advantage Fund**

SSI Asset Management Company Limited (SSIAM) kindly submits to the General Investors' Meeting of SSI Sustainable Competitive Advantage Fund (SSI-SCA) to select an auditing company to review semi-annual financial statements and audit financial statements for the year 2020 of SSI-SCA Fund and approve the update of the Fund's Charter regarding trading frequency as follows:

1. *Regarding to the selection of an auditing company to review semi-annual financial statements and audit financial statements for the year 2020 of SSI-SCA Fund:*

a. Proposal basis and criteria to select auditing company:

- According to the Article 49 of the Fund's Charter:

*"Each year, the Fund Management Company shall propose at least two (2) Auditing Companies to the General Investors' Meeting for their selection. In case the General Investors' Meeting authorizing the Board of Fund Representatives as prescribed in Clause 4 Article 28 of this Charter, the Board of Fund Representatives shall select an Auditing Company to conduct auditing for the Fund. Selected Auditing Company shall satisfy the following conditions:*

a) *Having obtained auditing license issued by the Ministry of Finance;*

b) *Having full capacity to provide auditing services;*

c) *Having approved by the State Securities Commission for auditing investment fund;*

d) *Not being an affiliated person of the Fund Management Company or the Supervisory Bank."*

- The members of the Board of Fund Representatives are specialists with many experiences on accounting, auditing and represent for interests of Investors.

b. Auditing period:

The year of 2020, from 01 January 2020 to 31 December 2020.

c. Proposal:

Propose the General Investors' Meeting to authorize the Board of Fund Representatives to select an auditing company to review semi-annual financial statements and audited financial statements for the year 2020 of the Fund from the list of auditing companies proposed by SSIAM, which meets all criteria provided in Article 49 of the Fund's Charter and is one of the largest multinational auditing firms (Big 4) operating in Vietnam, namely PricewaterhouseCoopers (PwC), Ernst& Young (EY), Deloitte, KPMG and has competitive fee.

2. *Regarding to the update of some provisions in the Fund's Charter regarding daily trading frequency and new legal documents*

a. Proposal basis:

- Article 16, clause 2 of the Fund's Charter has provided that:

"2. *Trading frequency of the Fund:*

- a) *Fund Certificates will be traded once per week on every Thursday ("Dealing Day")*
- b) *If the Dealing Day falls on a public holiday, the Fund Management Company shall inform Investors, Distributors, and other related service providers and disclose in the website of the Fund Management Company.*
- c) *The increase in trading frequency, the effective date of new trading frequency will be announced publicly, updated in the Prospectus, informed to the Supervisory Bank and disclosed in accordance with laws by the Fund Management Company. The Fund Management Company shall update this change in the Fund Charter at the nearest annual General Investors' Meeting. The decrease of trading frequency shall be approved by the General Investors' Meeting and must be ensured that the trading frequency shall not be less than twice (02) per month."*

- Pursuant to Article 16, clause 2, item c and the demand of Investors, in order to increase the liquidity of SSI-SCA fund certificates, SSIAM decided to increase trading frequency of fund certificates into daily, taken effective since 02 January 2019. The increase in trading frequency was updated in the Prospectus with effective date of 02 January 2019 and announced to Investors at the same time. In the General Investors' Meeting for the year 2020, SSIAM proposes to update it into the Fund's Charter.

b. Proposal:

Propose the General Investors' Meeting to approve the update of provisions in the Fund's Charter related to the trading frequency being increased to daily and the update of new legal documents as follows:

No.	Provisions in the current Charter	Updating provisions	Reasons
1	<p>I. LEGAL BASIS</p> <p>.....</p> <p>16. Circular No. <u>242/2016/TT-BTC</u> dated 11 November 2016 of the Ministry of Finance on regulations on prices of securities-related services applied at securities trading organizations and commercial banks joining Vietnam's securities market;</p> <p>.....</p>	<p>I. LEGAL BASIS</p> <p>.....</p> <p>16. Circular <u>242/2016/TT-BTC</u> No. <u>128/2018/TT-BTC</u> dated <del>11</del><u>27</u> <del>November</del> <u>December</u> <del>2016</del><u>2018</u> of the Ministry of Finance on regulations on prices of securities-related services applied at securities trading organizations and commercial banks joining Vietnam's securities market;</p> <p>.....</p>	<p>Update the new legal document</p>
2	<p><b>Article 16. FUND CERTIFICATE TRANSACTIONS</b></p> <p>.....</p> <p>2. Trading frequency of the Fund:</p> <p>a) Fund Certificates will be traded <u>once per week on every Thursday ("Dealing Day")</u></p>	<p><b>Article 16. FUND CERTIFICATE TRANSACTIONS</b></p> <p>.....</p> <p>2. Trading frequency of the Fund:</p> <p>a) Fund Certificates will be traded <u>once per week on every Thursday daily, on working day from Monday to Friday</u> ("Dealing</p>	<p>Update the trading frequency increasing daily in accordance with notification regarding to increase frequency since 02 January 2019.</p>



No.	Provisions in the current Charter	Updating provisions	Reasons
	...	Day") ...	
3	<p><b>Article 60. OPERATION COSTS OF THE FUND</b></p> <p>.....</p> <p>2. The Custody Fee and Supervision Fee:</p> <p>.....</p> <p>b) The Custody Fee: <u>0.05% per annum on the NAV, minimum of VND 16,000,000/month. In the case the trading frequency of the Fund is increased to twice per week or daily, the Custody Fee is: 0.05% per annum on the NAV, minimum of VND 11,500,000/month.</u></p> <p>c) The Supervision Fee: <u>0.03% per annum on the NAV, minimum of VND 16,000,000/month (excluding VAT 10%).</u> <u>In the case the trading frequency of the Fund is increased to twice per week, the Supervision Fee is: 0.03% per annum on the NAV, minimum of VND 16,000,000/month (excluding VAT 10%).</u> <u>In the case the trading frequency is increased into daily, the Supervision Fee is: 0.03% per annum on the NAV, minimum of VND 16,500,000/month (excluding VAT 10%).</u></p> <p>....</p> <p>3. The Fund Administration Fee:</p> <p>.....</p> <p>b) The Fund Administration Fee: <u>0.04% per annum on the NAV, minimum of VND 22,000,000/month (excluding VAT 10%).</u> <u>In the case the trading frequency is</u></p>	<p><b>Article 60. OPERATION COSTS OF THE FUND</b></p> <p>.....</p> <p>2. The Custody Fee and Supervision Fee:</p> <p>.....</p> <p>b) The Custody Fee: <del>0.05% per annum on the NAV, minimum of VND 16,000,000/month. In the case the trading frequency of the Fund is increased to twice per week or daily, the Custody Fee is: 0.05% per annum on the NAV, minimum of VND 11,500,000/month.</del></p> <p>e) The Supervision Fee: <del>0.03% per annum on the NAV, minimum of VND 16,000,000/month (excluding VAT 10%).</del> <del>In the case the trading frequency of the Fund is increased to twice per week, the Supervision Fee is: 0.03% per annum on the NAV, minimum of VND 16,000,000/month(excluding VAT 10%).</del> <del>In the case the trading frequency is increased into daily, the Supervision Fee is: 0.03% per annum on the NAV, minimum of VND 16,500,000/month (excluding VAT 10%).</del></p> <p>....</p> <p>3. The Fund Administration Fee:</p> <p>.....</p> <p>b) The Fund Administration Fee: <del>0.04% per annum on the NAV, minimum of VND 22,000,000/month (excluding VAT 10%).</del></p>	<p>Remove the provisions of custody fee, supervision fee and fund administration fee applied when the trading frequency is once a week or twice per week.</p>

No.	Provisions in the current Charter	Updating provisions	Reasons
	<p><u>increased to twice per week, the Fund Administration Fee is: 0.04% per annum on the NAV, minimum of VND 41,500,000/ month (excluding VAT 10%). Fee for financial statements compilation of the Fund in accordance with laws and is VND 70,500,000 per annum.</u></p> <p><u>In the case the trading frequency is increased into daily, the Fund Administration Fee is: 0.04% per annum on the NAV, minimum of VND 54,000,000/month (excluding VAT 10%). Fee for financial statements compilation of the Fund in accordance with laws and is VND 70,500,000 per annum.</u></p> <p>.....</p>	<p><del>In the case the trading frequency is increased to twice per week, the Fund Administration Fee is: 0.04% per annum on the NAV, minimum of VND 41,500,000/ month (excluding VAT 10%). Fee for financial statements compilation of the Fund in accordance with laws and is VND 70,500,000 per annum</del></p> <p><del>In the case the trading frequency is increased into daily, the Fund Administration Fee is: 0.04% per annum on the NAV, minimum of VND 54,000,000/month (excluding VAT 10%). Fee for financial statements compilation of the Fund in accordance with laws Circular No. 183/2011/TT-BTC and Circular No. 198/2012/TT-BTC and is VND 70,500,000 per annum</del></p> <p>.....</p>	

Sincerely,

**SSI ASSET MANAGEMENT COMPANY LIMITED**

**(Signed and sealed)**

**Le Thi Le Hang**

**Chief Executive Officer**