

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 construed to hold the Fund certificates responsible for the content hereof, nor its Investment strategy.

# PROSPECTUS

## SSI BOND FUND (SSIBF)

The prospectus is updated and effective on **27/07/2021**

### 1. ISSUER

Fund name: SSI BOND FUND

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

Fund type: Open-ended fund

Registration date of the Prospectus:        /        /

Effective date of the Prospectus: 27/07/2021

### 2. INFORMATION DISCLOSURE

Ms. To Thuy Linh

Position: COO – SSI Asset Management Company Limited

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

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

### 3. DISTRIBUTION OF THE PROSPECTUS

The Prospectus and other Fund documents (Fund Charter, financial reports and other necessary documents) are available on the website of SSI Asset Management Company (<https://www.ssi.com.vn/en/ssiam/products-and-services-ssiam>), provided at the offices of SSI Asset Management Company and the Fund's Distributors.

SSI Bond Fund as described in this Prospectus is incorporated under the Law on Securities No.54/2019/QH14 passed by the National Assembly of the Socialist Republic of Vietnam on the 26th November 2019 and under documents providing guidelines for its implementation. This Prospectus has been registered with State Securities Commission of Vietnam on    /    /

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## I. RESPONSIBLE PERSONNEL OF THE PROSPECTUS CONTENTS

### 1. Fund Management Company

Mr. Nguyen Manh Hung                      Designation: Chairman

Ms. Le Thi Le Hang                         Designation: CEO

Ms. Mai Huyen Ngoc                        Designation: Chief Accountant

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

### 2. Supervisory Bank

Name of Supervisory Bank: The Joint Stock Commercial Bank for Investment and Development of Vietnam, Ha Thanh Branch (“BIDV Ha Thanh”)

Legal Representative: Ms. Ngo Thi Thu Cuc

Designation: Deputy Branch Manager

This Prospectus is part of the IPO documents written by SSIAM. We (“BIDV”), as the supervisory bank of SSIBF, shall confirm the information that relevant to the supervisory bank in this prospectus and be responsible for terms and conditions regulated in the custodian & supervisory contract between BIDV and SSIAM, which is the Fund Management Company of SSIBF, as well as regulated by regulations. Supervisory Bank ensures that the analysis, evaluation and selection of words in this Prospectus have been made reasonably and prudently by SSIAM and other responsible parties.

## II. TERMS/DEFINITIONS

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

<b>“Fund” or “SSIBF”</b>	SSI Bond Fund that operates initial public offering of Fund Certificates and established in accordance with the Law on Securities and the Fund Charter.
<b>“Prospectus”</b>	The documents or electronic data publicizing accurate, truthful, and objective information about the offer for sale and issuance of Fund Certificates.
<b>“Board of Fund Representatives”</b>	Representatives of Investors elected by the General Meeting of Investors to act on their behalf to supervise the operations of the Fund, the Fund Management Company (SSIAM) and the Supervisory Bank.
<b>“E-voting”</b>	An election method that allows Investors to exercise their voting rights using Internet, website, and mobile devices.
<b>“Audit Firm”</b>	An independent company which is approved by the State Securities Committee (SSC) and appointed by the General Meeting of Investors according to the Fund Charter and prevailing regulations in Vietnam to perform the auditing of the Fund’s assets annually.
<b>“Fund Dividend”</b>	The remaining profit of the Fund after deducting eligible expenses and 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) is incorporated under License No. 19/UBCK-GP issued by the State Securities Committee (SSC) dated 03 August 2007 and the Adjusted License No. 12/GPĐC-UBCK issued by the SSC dated 27 July 2011. SSIAM is the Fund Management

Company of the Fund and has the rights and obligations as per the Fund Charter.

<b>“Investment Fund Certificate” or “Fund Certificate”</b>	The securities certifying ownership of Investors regarding a part of capital contribution of the Fund. Par value of Fund Certificate is VND 10,000.
<b>“General Meeting of Investors”</b>	A periodic or extraordinary General Meeting of Investors where Investors are entitled to approve important issues relating to the Fund. General Meeting of Investors is the highest decision-making body of the Fund.
<b>“Transfer Agent”</b>	The Fund Management Company or a service provider which is delegated by the Fund Management Company to manage the Primary Investor Register Book. The scope of activities functions, and duties of Transfer Agent is stipulated in Article 45 of the Fund Charter.
<b>“Distributor”</b>	The entity signed the Fund Certificate distribution contract with the Fund Management Company or Fund Management Company playing the role of Distributor.
<b>“Omnibus”</b>	The distributor holding omnibus account and carrying out fund certificates transactions on behalf of Investors in the subsidiary investor in sub-register book.
<b>“Order Acceptance Point”</b>	The head office of the Distributor or its branches, transaction offices, representative offices, which are designated to receive transaction orders of Investors.
<b>“Fund Charter”</b>	The Fund Charter of SSIBF, including the Fund Charter and its accompanied appendices and lawful amendments (if any). The Fund Charter shall be drafted by the Fund Management Company and approved by the General Meeting of Investors.
<b>“Fund Unit”</b>	The Charter Capital divided into equal units with par value of VND 10,000 per unit at its initial issue. Each Fund Unit represents an equal proportion of profit and capital of the Fund.
<b>“Subscription Price”</b>	The price that Investor(s) must pay to buy a Fund Unit. The Subscription Price shall be determined as par value (in initial public offering), or Net Asset Value per Fund Unit plus Subscription Fee (if any) as specified in Article 18 of the Fund Charter and Section XI of this Prospectus.
<b>“Redemption Price”</b>	The price of a fund unit that Fund Management Company must pay to Investor(s) to repurchase a Fund Unit. The Redemption Price shall be determined as Net Asset Value per Fund Unit minus Redemption fee as specified in Article 18 of the Fund Charter and Section XI of this Prospectus.
<b>“Subscription Fee/Redemption Fee”</b>	The fee payable by an Investor when subscribes/redeems a fund unit to the Fund. The Subscription Fee/Redemption Fee shall be calculated as a percentage of the Net Asset Value per Fund Unit as specified in Article 19 of the Fund Charter.
<b>“Fund Management Fee”</b>	The fee payable to the Fund Management Company that provides management services as prescribed in the Article 61 of the Charter.
<b>“Supervisory Contract”</b>	The contract signed between the Fund Management Company and the Supervisory Bank.

<b>“Fiscal Year”</b>	A period of twelve (12) months, which commences on the beginning of the 1st of January and ends at the end of the 31st of December according to calendar year. The first fiscal year of the Fund is calculated from the day on which it is officially issued a license by the SSC until the end of the 31st of December of the same year.
<b>“Valuation Date”</b>	The day when the Fund Management Company determines the Net Asset Value of the Fund according to Law on Securities and the 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 “The Joint Stock Commercial Bank for Investment and Development of Vietnam”</b>	The Joint Stock Commercial Bank for Investment and Development of Vietnam, is established under Hanoi Authority for Planning and Investment License No. 0100150619-073 first granted on 12 September 2003, is amended for the 12th time on 16 June 2020 the Registration Certificate for Securities Depository Activities No. 510/QĐ-ĐKHĐLK issued by the State Securities Commission, dated on 01 August 2006, undertakes the following services for investment funds established in Vietnam: (i) preservation and custody of securities, documents attesting the title to the Fund’s legal assets; economic contracts, documents in relation to the Fund’s assets and supervise the Fund’s operations; (ii) oversee asset management activities of the Fund by the Fund Management Company. The rights and obligations of the Supervisory Bank shall be set out in Article 40 of the Fund Charter.
<b>"Investor(s)"</b>	Any domestic and foreign individual or organization holding the Fund Certificates.
<b>“Primary Investor Register Book”</b>	The document recording information of Investors holding Fund Certificates.
<b>“Closing Time of Order Book”</b>	The deadline on which the Distributor receives transaction orders from Investors to process for the Dealing Date.
<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 Certificate of Fund Establishment, 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.

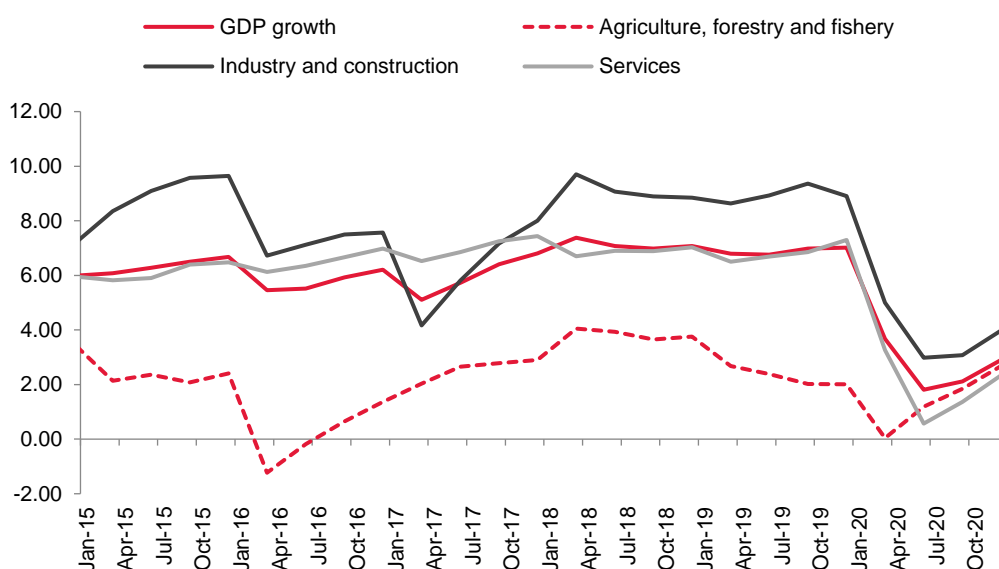
### III. INVESTMENT OPPORTUNITIES

#### Macroeconomics: Economic Situation and Prospect

In 2020, the spread of Coronavirus pushed the world economy into the greatest downturn since the 2007-2009 Global Financial Crisis. Economic growth has decreased in most countries compared to the same period previous year, especially in the Q1 and the Q2/2020 (at the peak of the pandemic). However, the containment of the pandemic along with expansion of Fiscal and Monetary Policy has showed its positive effects. The economy has recovered since the 3rd quarter of 2020 and is predicted to continue doing so over 2021.

Vietnam's Economy is also not out of the trend. The economy is most affected in the Q2/2020 as the Government implemented social distancing regulations for 3 weeks in April. Since then, the economy has been able to recover dramatically since Q3/2020 after implementing more suitable social distancing measures. Comparing with other countries in the region, Vietnam is the leading country in containing Covid-19 and keeping the economic growth. At the end of 2020, Vietnam's gross domestic product (GDP) grew by 2.91%, passed Thailand (-7.7%), Malaysia (-6%), Singapore (-5.4%), The Philippines (-9.5%), China (2.3%), Korea (-1.88%).

*Vietnam GDP Growth*



*Source: SSI*

Vietnam's economy has grown rapidly since the country officially joined lots of Free Trade Agreements such as TPP and EVFTA. Vietnam's economy has developed more sustainably as systemic risks, foreign exchange risk and inflation have receded while the Incremental Capital Output Ratio (ICOR) has been increasing quite significantly, thereby upgrading the stock market, upgrading Sovereign Credit Rating as well as rating of credit institutions by banks and enterprises. This improvement helps the Government, Local Government, and enterprises access to debt capital market for infrastructure projects, expansion of Commercial Bank Balance Sheets and promoting businesses. Those facilitate bonds to be sold on the stock market and investment opportunities in fund.

#### INVESTMENT OPPORTUNITIES IN SSIBF

The Fund shall invest 80%-100% its total net assets in leading corporate bonds, certificate of deposit, term deposit and other fixed-income instruments. Along with the growth of economy, there are more and more corporations and individuals participating in the bond market. In addition, the economic regulatory policies of Central Bank and the Ministry of Finance have created legal frameworks and effective risk management. For medium-term prediction, Macro environment will have more favorable conditions, the main macroeconomic variables will continuously encourage investments and give more opportunities to invest in bonds. In addition, the economic is expected to be facilitated by FTAs that Vietnam has signed. For details of investment opportunities in bonds, please find in the appendixes.

SSIBF is managed by an excellent team with flexible asset allocation strategies, focusing on bonds and fixed-income instruments with better liquidity and lower risks based on the ability to assess the periodic macroeconomic outlook.

Investing in open-ended fund has many advantages including:

- *Professional Management:* Open-ended fund connects Investor with professional asset Managers, who have expertise, Investment experience and resources to build an appropriate Investment portfolio accounting for the Fund's Investment strategy, as well as to monitor and rebalance portfolio according to the market fluctuations.
- *Reasonable allocation:* The Fund invests 80%-100% its total net assets in listed bonds, unlisted bonds (less than or equal to 10% its total net assets), certificates of deposits and deposits of top credit institutions.
- *Liquidity:* Investor can redeem open-ended fund certificates to Fund Management Company at redemption price based on the Fund's NAV. This is an advantage of open-ended fund compared to closed-ended one, which often sees a difference between NAV per fund unit and price of one fund unit in the stock market.
- *Higher safety for investors:* Most of assets are invested in listed bonds, deposits, certificates of deposits of banks. Therefore, it maintains fund liquidity and ensures redeemability in any cases.
- *The buying/selling price of open-ended fund certificates does not fluctuate out of the Net Asset Value as listed closed one:* Open-ended Funds allow investors to buy/sell fund certificates at buying/selling price equal to the Net Asset Value per unit of the Fund on the transaction date plus subscription fee/minus redemption fee, bank transfer fee and taxes (if any).
- *The flexibility of "Family of Funds":* Open-ended funds belong to the "Family of Funds" managed by the fund management company. The Fund's investment strategy changes, investors can easily switch from one open-end fund to another with a much smaller expense than restructuring individual stocks.

#### IV. 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 03 August 2007 and the Adjusted License No 12/GPĐC-UBCK issued by the SSC dated 27 July 2011
Head office	5th Floor, 1C Ngo Quyen, Ly Thai To Ward, Hoan Kiem District, Hanoi, Vietnam
Phone	024 – 3936 6321
Fax	024 – 3936 6337
Charter capital	Thirty billion dong (VND 30,000,000,000)

SSIAM was established in 2007 and is a 100% subsidiary of SSI Securities Corporation (SSI). SSIAM provides investment management services and offers investment products across all major asset classes to a diverse set of institutional and individual clients.

##### Overview of SSI Securities Corporation

SSI Securities Corporation (SSI) was established at the end of 1999 with the original name Sai Gon Securities Inc. which was one of the first three securities companies in Vietnam as well as the first and only



private securities companies in Vietnam. SSI's initial capital was VND6 billion, 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. SSI's charter capital exceeded VND 6,000 billion, and total assets reached over VND 35,700 billion as of 31/12/2020, placing SSI as the current largest securities company by market capitalization. SSI is also one of the securities companies that manages the largest number of client accounts and highest total assets.

SSI's main business units are as follows:

- Securities Services
- Investment Banking
- Treasury
- Fund Management

As a financial intermediary, SSI not only effectively utilizes its shareholder's capital, but the firm also manages domestic and international investors' capital safely and effectively.

## 2. Business activities of SSIAM

Established in 2007, SSIAM is a 100% subsidiary of SSI Securities Corporation (SSI) (formerly named Saigon Securities Inc.). 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 standards 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 operation result over past years:

Unit:	2016	2017	2018	2019	2020
VND billion					
Total revenue	119.1	151.7	90.8	99.6	55.4
Profit before tax	78.0	104.9	44.6	56.4	12.8
Charter capital	30	30	30	30	30

With continuous efforts 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, 2016  
*"CEO of the year"* for Ms. Le Thi Le Hang in 2012, 2013, 2014, 2015, 2016, 2020  
*"CIO of the year"* for Mr. Nguyen Thanh Tung in 2013, 2014, 2015  
*"Fund Launch of the year"* for SSIAM VNFIN LEAD ETF in 2020  
by *Asia Asset Management*.
- *"Best Overall Asset & Fund Manager"* in 2020, 2021  
*"Best Fund Managers for Insurance, ILP Mandates & Private Retirement Schemes"* in 2020, 2021  
by *Alpha Southeast Asia*.
- *"Asset Management Company of the year"* in 2012, 2014, 2015, 2016, 2017, 2018, 2021

*“Best ETF Provider” in 2021 by The Asset.*

- *“Best Onshore Fund House in Vietnam” in 2010*  
*“Asset Management Company of the Year” in 2015, 2016, 2017, 2018*  
*by Asian Investor.*

**Funds and Investment portfolios under SSIAM’s Management are as follows:**

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

The fund was established in July 2015, with the size of USD 32 million as of 31<sup>st</sup> December 2015, investing in private equities in Vietnam.

- **DAIWA-SSIAM Vietnam Growth Fund III - DAIWA-SSIAM III**

- The fund was established in October 2020 with the tentative size of USD 100 million to generate superior returns for its investors by effectively deploying capital and taking exposure mainly in private and unlisted companies in Vietnam with attractive risk-adjusted return profiles, in some particular sectors, including: F&B, retails, logistics, manufacturing, healthcare, pharmaceutical, etc.; industries that may benefit from the young population, fast urbanization and the rise of middle-class, together with Vietnam’s extensive integration into global supply chain. The Fund also considers potential equitization or divestment opportunities of state-owned enterprises.

- **Vietnam Growth Investment Fund - VGIF**

The fund was established in October 2020 with the tentative size of USD 100 - 150 million. The VGIF’s objectives focus on 3 main points, including (i) Companies that have competitive advantages and the potential to grow rapidly in the coming years; (ii) Companies with listing potential or privatize state-owned companies with attractive valuation; (iii) Listed via PIPEs (Private Investment in Public Equity), or spin-offs of listed group subsidiaries.

- **SSI Investment Member Fund - SSIIMF**

The fund was established in July 2010 and primarily invest in equities and other assets. It raised VND 360 billion at closing. In May 2012, additional contribution increased fund size to VND 390 billion.

- **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 VND 111.9 billion.

- **SSIAM VNX50 ETF**

SSIAM VNX50 ETF (formerly named SSIAM HNX30 ETF) is an exchange-traded fund with the investment objective of achieving similar returns to the VNX50 benchmark index. From 10th December 2014 to August 2017, the fund tracks the HNX30 index. After obtaining acceptance by the States Securities Commission on 21st August 2017, the Fund officially changes its tracking index to the VNX50 index. The charter capital of the fund (capital from the first issuance of the fund) is VND 101 billion.

- **SSIAM VN30 ETF**

SSIAM VN30 ETF is an exchange-traded fund with the investment objective of tracking similar returns to the VN30 Index. The charter capital of the fund (capital at the first issuance of the fund) is VND 56 billion.

- **SSIAM VNFIN LEAD ETF**

SSIAM VNFIN LEAD ETF is an exchange-traded fund with the investment objective of tracking similar returns to the VNFIN LEAD index. The charter capital of the fund (capital at the fund first issuance) is VND 262 billion.

- **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 to best fit the client's Investment strategy.

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

### **3. SSIAM's Management team**

#### **Ms. Le Thi Le Hang – CEO**

- Ms. Le Thi Le Hang is the CEO of SSIAM since 2010. She has many years of 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 SSI Securities Corporation (SSI)'s Research & Investment Advisory Department and Assistant to Chairman of SSI and Head of Institutional Sales.
- Ms. Le Thi Le Hang is currently Vice Chairwoman of Vietnam Fund Management Company Club.
- Ms. Hang is member of Board of Directors of some listed and/or unlisted companies.
- Ms. Hang holds a master's in finance and BA in Accounting from American University in USA.

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

- Since joining SSIAM in 2007, Mr. Dung is Deputy CEO of SSIAM. Mr. Dung is Portfolio Manager of Daiwa – SSIAM II and Daiwa- SSIAM III.
- Mr. Dung is member of Board of Directors of some listed and/or unlisted companies.
- Mr. Dung has many years of experience in finance and investment in financial institutions such as Chicago Board of Trade, InterCall in USA, and ABN AMRO.
- He holds a BA in Economics from Knox College, and an MBA from Loyola University, Chicago, USA, where he is a member of Beta Gamma Sigma program and a member of the International Risk Management Association.

#### **Ms To Thuy Linh – COO**

- Since joining SSIAM in 2011, Ms. Linh is the COO in charge of business operation. Previously, she is the Director of Product Development of SSIAM.
- Ms. Linh is member of Board of Directors of some listed and/or unlisted companies.
- Ms. Linh has a Master in Banking from the University of New South Wales and Bachelor in Finance and Accounting from the University of Sydney, Australia.

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

**Name of Supervisory Bank:** The Joint Stock Commercial Bank for Investment and Development of Vietnam, Ha Thanh Branch ("BIDV Ha Thanh")

**Address:** 74 Tho Nhuom Street, Tran Hung Dao Ward, Hoan Kiem District, Hanoi

**Tel:** (84-24) 3941 1840

**Fax:** (84-24) 3941 1847

**Operating license No.** 0100150619-073, issued by Hanoi Authority for Planning and Investment, dated on 12 September 2003, amended for the 12<sup>th</sup> time on 16 June 2020.

**Depository Registration Certificate No.** 510/GPHDLK issued by the State Securities Commission dated on 1 August 2006.

**Fields of Operation:** providing 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 annually propose an audit firm with international credibility and approval among the list of audit firms by the State Securities Commission for General Meeting of Investors' approval or Board of Fund Representatives' consideration according to delegation of power of General Meeting of Investors.

SSIAM plans to propose one of the 4 largest audit companies (Big 4) operating in Vietnam including KPMG, Ernst & Young (EY), PriceWaterhouseCooper (PWC), Deloitte to audit the Fund.

## **VII. DISTRIBUTORS, OMNIBUS**

The List of Fund Distributors (including Omnibus and order acceptance points of Distributors are listed on the website of the Fund Management Company. If there is a new Distributor (or Omnibus) of Fund Certificate, the Fund Management Company will update accordingly.

## **VIII. AUTHORIZED SERVICE PROVIDERS**

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

The Joint Stock Commercial Bank for Investment and Development of Vietnam, Ha Thanh Branch ("BIDV Ha Thanh")

Address: 74 Tho Nhuom Street, Tran Hung Dao Ward, Hoan Kiem District, Hanoi

Operating license No. 0100150619-073, issued by Hanoi Authority for Planning and Investment, dated on 12 September 2003.

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

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

Address: 112 Hoang Quoc Viet, Co Nhue 1 Ward, North Tu Liem 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: SSI BOND FUND
- Abbreviated name: SSIBF
- Type of Fund: Open-ended fund
- Address: SSI Asset Management Company Limited

5th Floor, 1C Ngo Quyen, Ly Thai To Ward, Hoan Kiem District, Hanoi

- Phone: 024 3936 6321 Fax: 024 3936 6337

- Website: <https://www.ssi.com.vn/en/ssiam/products-and-services-ssiam>

## 1.2. IPO License:

IPO License No.15/GCN-UBCK issued by State Securities Commission of Vietnam dated 19 May 2017.

## 1.3. Establishment and Operation Certificate

Establishment and Operation Certificate No. 26/GCN-UBCK issued by the State Securities Commission of Vietnam dated 30 August 2017.

## 1.4. Nature and Duration of Fund:

SSIBF is a public open-ended fund which operates under Vietnam applicable regulations. The Fund is responsible for the subscription and redemption of Fund Certificates to Investors on Dealing Date. The Fund has no operation duration.

## 1.5. Board of Fund Representatives

### Mr. Nguyen Thanh Phuong – Independent member – Chairman of the Board

#### Dean of the Faculty of Finance, Banking Academy of Vietnam

- Mr. Nguyen Thanh Phuong has many years of experience in securities business. Currently, Mr. Nguyen Thanh Phuong is Dean of Faculty of Finance at Banking Academy of Vietnam. Prior to that, he managed and taught securities business, he also was the chair of securities business at Banking Academy of Vietnam
- Mr. Nguyen Thanh Phuong holds a Doctorate and a master's in finance and Banking - Banking Academy, and a bachelor's in finance and Banking - National Economics University, Vietnam.

### Mr. Nguyen Khac Hai – Independent Member

#### Deputy General Director, Bamboo Airways

- Before joining Bamboo Airways, Mr. Hai was the Deputy General Director of the Pan Group and Deputy General Director in charge of legal and compliance control, business development, and product development, operations, personnel, and information technology of SSIAM. Mr. Hai has many years of experience in legal consulting in the information technology and finance industry for HiPT, Vietcombank and SSIAM.
- Mr. Hai holds a BA of Business Law from National Economics University, and Master of Law from Nagoya University, Japan.

### Mr. Bui Ngoc Binh - Independent Member

#### Deputy CEO - VACO Audit Firm Limited

- Mr. Bui Ngoc Binh has many years of experience in accounting, auditing, valuation, compilation and conversion of financial statements and operations consulting. He is currently the Deputy CEO - VACO Audit Firm Limited and in charge of management audit, monitoring and reviewing the quality of audit services of VACO Auditing Co., Ltd. He is former Deputy General Director at Vietnam International Audit Firm Limited – VIA and in charge of auditing. With extensive experience and knowledge, he has directly consulted and audited, appraised, consulted on the transformation of financial statements, and advised on operations for many large domestic and foreign corporations including State-owned companies, multinational corporations, foreign-invested enterprises, and listed or public companies...
- Mr. Bui Ngoc Binh holds a Bachelor of Banking at the National Economics University, a Master of Professional Accounting at LaTrobe university, Australia, and a Master of Financial Analysis at LaTrobe university, Australia.

## 1.6. Fund Managers

### **Ms. Nguyen Xuan Quynh - Portfolio Manager**

- Ms. Quynh has 13 years of experience in banking and investment in Vietnam. Before joining SSIAM, she managed Credit Portfolio Management Department and took responsibility as Director of Macro Economic and Industry Risk Analysis at Techcombank's Risk Management Division. As a PM of SSIAM, she is in charge of deal sourcing, analysis/diligence, transaction closing/process management, and post-investment following for equities and fixed income investment portfolios.
- Ms. Quynh holds a bachelor's degree in economics from National Economics University and a Master of Business Administration from National University.

### **Mr. Nguyen Minh Hanh - Portfolio Manager**

- Mr. Hanh has over 10 years of work experiences including 8 years in the financial industry, acting as Finance Manager for several manufacturing companies, Head of Research cum Securities Index Development for Petrovietnam Securities Incorporated. He has several years of corporate restructuring consulting experience for large corporates in Vietnam including Mobifone, Viet Nam Agribank Gold Corporation, Nam Kim Steel Corporation...
- Mr. Hanh holds a bachelor's degree in economics from National Economics University, Vietnam.

## **2. Fund Charter**

The Fund Charter is summarized in Appendix 3 of this Prospectus. Investors should note that the contents in Appendix 3 are a summary of the Fund Charter. For complete information, Investors need to refer to the 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 their 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's investment objective is to optimize returns for investors on the basis of exploiting investment opportunities in fixed income instruments.

### **3.2. Investment strategy**

The Fund shall apply active investment strategy bases on general analysis of macro, economic prospects, growth rate of industries and evaluation of financial health of issuers. Fund portfolio will be diversified in assets with low to high risk in an appropriate ratio to achieve long-term investment goals. In addition, the Fund Management Company will flexibly take advantages of market opportunities to add value to the Fund in short-term.

### **3.3. Investment Assets**

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

- a) Deposits at commercial banks as stipulated by the banking laws;
- b) Money market instruments, including valuable papers, transferable instruments in accordance with relevant laws and regulations;
- c) Government debt instruments, Government-backed bonds and municipal bonds;
- d) Listed shares, shares registered for trading, listed bonds on Stock Exchanges, and public fund certificates;
- e) Shares initially offered, bonds offered to the public; corporate bonds privately issued by listed organizations with credit institutions' payment guarantee or the issuer's commitment to repurchase at least once in 12 months and each commitment for redemption at least 30% total value of this IPO.

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<sup>1</sup> Point 35 Circular 98/2020/TT-BTC ("Circular 98") dated 16 November 2020 by the Ministry of Finance guiding the Establishment Agent and Management of the Open-ended Fund

Fund's investment in asset according to Item dd Clause 3.3 shall satisfy the following conditions:

- Approved by Board of Representatives in writing regarding types, stock code, quantity, transaction value and transaction time.
  - Having sufficient documents that prove payment guarantee or documents of redemption commission of issuers.
- f) Derivative securities listed and traded in Stock Exchanges for hedging purpose only for underlying securities held by the Fund.
- g) Rights that may arise in connection with securities held by the Fund.

### **3.4. Asset allocation**

The Fund shall invest in bonds, money market instruments, deposits and other fixed-income instruments with the investment weight greater than or equal to 80% its total net asset. Duration of the bond portfolio will be average duration of asset group for long-term investment objectives and asset group for short-term investment objectives and better liquidity.

## **4. Investment restrictions portfolio applicable regulations**

The Fund's Investments shall be diversified and complied with applicable regulations.

### **4.1. The Fund's investment portfolio shall comply with the following restrictions:**

- a) Total fund investment in bonds, money market instruments, term deposits and other fixed income instruments shall be a least 80% of the Fund's net asset value.
- b) The fund shall not invest more than 30% of total value of its assets in the assets specified in Points a, b, d, e and f Clause 3, Article 9 of the Fund Charter of the same company or a group of companies: parent company-subsidiaries; companies holding more than 35% of each other's shares/stakes; subsidiaries of the same parent company In which, the investment in derivatives shall be the value agreed upon in the contract.
- c) The fund shall not invest more than 20% of total value of its assets in outstanding securities and other assets (if any) specified in Points a, b Clause 3, Article 9 of the Fund Charter of an issuer, except Government's debt instruments
- d) The fund shall not invest in more than 10% of total value of outstanding securities of an issuer, except Government's debt instruments
- e) The fund shall not invest more than 10% of total value of its assets in the assets specified in Point e, Clause 3, Article 9 of the Fund Charter
- f) Total value of derivative transactions, outstanding debts and amounts payable of the fund shall not exceed the fund's NAV at any time
- g) The fund shall not invest in its fund certificates
- h) The fund may invest in other public fund certificates and public securities investment companies managed by other fund management companies, but shall not:
  - Invest in more than 10% of total outstanding fund certificates of a public fund or total outstanding shares of a public securities investment company;
  - Invest more than 20% of total value of its assets in fund certificates of a public fund or shares of a public securities investment company;
  - Invest more than 30% of total value of its assets in public fund certificates or shares of public securities investment companies;
- i) The fund shall not directly invest in real estate, precious stones and precious metals

1. An open-end fund's investments may only exceed the limits specified in Points a, b, c, d, e and h Clause 1 of this Article for the following reasons:

- a) Price fluctuation of the assets in the fund's investment portfolio;
  - b) Making payments of the fund as prescribed by law, including implementation of trading orders of investors;
  - c) Full or partial division, consolidation or merger of the issuers;
  - d) The fund is newly established or established from a partial division, consolidation or merger of funds within the last 06 months from the issue date of the certificate of registration of fund establishment;
  - e) The fund is undergoing dissolution.
2. Within three (03) months from the date on which the discrepancies happen due to the reasons specified at Points a, b, c and d, Clause 2 of this Article, the Fund Management Company is obliged to notify the The State Securities Commission and adjusted the investment portfolio structure to be consistent with the provisions of Clause 1 of this Article.
  3. In case discrepancies are caused by the Fund Management Company's incompliance 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.
  4. Within 05 working days from the date of completion of the adjustment of the investment portfolio, the Fund Management Company must disclose information as prescribed, and at the same time notify the State Securities Commission of the deviations. portfolio structure, causes, time arising or discovering the incident, extent of damage and compensation to the Fund (if any) or profits generated for the Fund (if any), remedial measures, execution time, remedy results.
  5. The Fund may indirectly invest overseas in accordance with the laws and regulations on investment after being approved by the State Securities Commission and guarantee adherence to the following:
    - a) The Fund has obtained the indirect outward investment limits set by State Bank of Vietnam (SBV).
    - b) The Fund shall only make indirect outward investment in the assets specified in the Fund's charter and in conformity with SBV's regulations.
    - c) The Fund's outward investment shall not exceed 20% of its NAV and its registered investment limit certified by SBV.
    - d) The Fund's indirect outward investments, indirect outward investment limits and adjustment thereof shall comply with regulations on investments, investment limits and adjustment thereof laid down in this Article.

## **5. Borrowing, lending, repo and margin transactions**

- The Fund Management Company is not allowed to use the Fund's capital and assets to provide loans or loan guarantees.
- The Fund Management Company must not get loans to make investments, except short-term loans prescribed by the banking law for covering necessary costs of the Fund or paying for Fund certificate transactions with investors. Total value of short-term loans of the fund shall not exceed 5% of its NAV at any time and the loan term shall not exceed 30 days.
- The Fund Management Company is not allowed to use the Fund's assets to conduct margin trading (borrow money to purchase securities) for the Fund or any entity,
- The Fund Management Company is not allowed to use the Fund's assets to conduct short sale or lend securities.
- If permitted by the Fund's Charter, the Fund may conduct repo transactions in the Government debts in accordance with the Ministry of Finance's regulations on management of transactions in Government debts.



## 6. Risks associated when investing in the Fund

Similar to any other type of Investment, investing in SSIBF may have 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 manner, 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 Investors' expectation 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.
- SSIBF aims to achieve long-term growth of the Fund's Net Asset Value and create stable income for Investors. Investors should not expect immediate and/or short-term returns and income from investing in the Fund.
- There is no guarantee or assurance on the frequency or amount of any dividend. Dividend distribution depends on sources of profit distribution, the Fund's profit distribution policy and approval of the Fund's annual General Meeting of Investors and/or Board of Fund Representatives. Subject to sources of profit distribution, Investors may not receive the amount of dividend as expected or at the time expected.
- Past performance of funds, of SSIAM or of its owner, does 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 freely subscribe or redeem fund units to the Fund Management Company based on market. When subscribing or redeeming fund units, Investor may have tax obligation as required by applicable laws. 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 value of the Fund decreases partially or wholly within a period of time. This risk may result in an decrease in value of the whole market. This systematic risk goes beyond the Fund Management Company's control. However, there are many factors contributed to market risk, which can be minimized by identifying and specifically controlling 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 require an increase in 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 with 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 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 rate risk is the risk that the fair value or future cash flows of financial instruments held by the Fund fluctuates due to changes in market interest rates resulting from changes in monetary demand/supply and other macro-economic 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 are 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 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 a decrease in the value of the Fund's Investments.

The Fund invests in stocks of companies with good fundamentals which should generally be 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 short term.

- **Legal risk:** Vietnam securities market as well as its legal framework are still young, and 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 adjust the portfolio's structure accordingly.

- **Risk of investment strategies:** The risk arises directly from the Fund's Investment strategy when choosing a value Investment approach: the stock price may not increase as expected by the Fund and the investors holding Fund Certificates if other investors in the market do not realize the value of these stocks, or the fundamental value that the Fund expectation can not help the stock price to increase to the actual value assessed by the Fund.

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

- **Risk of Investment restriction:** relevant regulations only allow the Fund to invest in listed shares, shares registered for trading, shares to be listed, delays equitization and listing, registration of shares of potential companies shall reduce the diversification and representation and also limit Investment opportunities of the Fund in the best companies of different industries and market capitalization.

The bond market in Vietnam is currently quite limited in terms of quantity, issuer, industry, issuance frequency as well as the diversification of terms and product categories. Hence SSIAM may

encounter difficulties in searching for investment opportunities following asset allocation strategy chosen or difficulty in investment portfolio diversification.

- **Risk of valuation:** The risk arises when the interest rates used for valuation are different from the actual ones, which makes the market value of assets purchased/sold different from 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 data, this interest rate may not be similar to the actual one.
- **Settlement risk:** The risk arises when 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 the transactions of unlisted companies. However, the open-ended fund shall only invests in listed shares, or shares registered for trading. In addition, transactions are conducted through the trading system of the Stock Exchanges or through securities companies with a custody system, and supervision according to applicable laws, to ensure lawful and sufficient holding balances of securities and sufficient cash balances of stakeholders.

For bonds and debt instruments, 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, Government-backed bonds, 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 shortage of hedging instruments:** In accordance with the local regulations, the Fund 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 products to invest.
- **Liquidity Risk:** The risk arises when the Fund could not liquidate its 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 exceed the maximum withdrawal under the provisions of law. Moreover, 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 take 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 ratios of its assets in high liquidity securities to ensure redemption orders could be carried out; the redemption payment in almost cases will be processed on time and shall not be affected by the stocks with low liquidity.

- **Risk of Fund Management Operation:** The risk arises when not all Investment decisions by SSIAM are profitable or meet expectations at the time of execution, or when the key Investment staffs of SSIAM have left position.
- **Conflict of interest risk:** the Fund Management Company shall face conflicts of interests between the investment funds and other financial products that 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:** The risk arises when unforeseeable events occur 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 operations of SSIBF and related issues are governed by:

1. Law on Enterprises No. 59/2020 /QH14 passed by the National Assembly on June 17, 2020, effective from January 1, 2021, and documents guiding the implementation of the Law on Enterprises.
2. Law on Securities No. 54/2019/QH14 passed by the National Assembly of the Socialist Republic of Vietnam, on 26 November 2019, effective from 01 January 2021.
3. Decree No. 155/2020/ND-CP dated 31 December 2020 by the Government detailing and guiding several articles of the Law on Securities, effective from 01 January 2021.
4. Decree No. 156/2020/ND-CP dated 31 December 2020 by the Sanctioning of Administrative Violations in domain of Securities and Securities Market, effective from 01 January 2021.
5. Circular No. 98/2020/TT-BTC dated 16 November 2020 by the Establishment and Management to the Open-ended Fund, effective from 01 January 2021.
6. Circular No. 99/2020/TT-BTC dated 16 November 2020 by the Ministry of Finance guiding the Establishment and Management to the Open-ended Fund, effective from 01 January 2021.
7. Circular No. 198/2012/TT-BTC dated 15 November 2012 by the Ministry of Finance on Accounting Guideline apply to the open-ended funds, effective from 01 January 2013.
8. Circular No. 123/2015/TT-BTC dated 18 August 2015 by the Ministry of Finance guiding the activities of foreign Investors on the Stock Market, effective from 01 October 2015.
9. Circular No. 197/2015/TT-BTC dated 3 December 2015 by the Ministry of Finance issuing the Regulations on Securities Practice, effective from 01 October 2016.
10. Circular No. 96/2020/TT-BTC dated 16 November 2020 by the Ministry of Finance guiding for the disclosure of information on the stock market, effective from 01 January 2021.
11. Circular 127/2018/TT-BTC dated 27 December 2018 by Ministry of Finance regulating the securities service prices applicable at the Stock Exchange and the Vietnam Securities Depository by issued by the Minister of Finance, effective from February 15, 2019.
12. Circular No. 128/2018/TT-BTC dated 27 December 2018 by Ministry of Finance to regulate services price for in securities sector, applicable for securities firms, commercial banks that participate in the Stock Market, effective from February 15, 2019.
13. Other relevant applicable regulations.

### **2. Initial Public Offering (IPO)**

The Fund was granted the Public Offering Registration Certificate 15/GCN-UBCK dated 19/05/2017 by the State Securities Commission. After the IPO, the Fund had met the required fund launch conditions and was granted the Open-ended Fund Establishment License 26/GCN-UBCKNN by the State Securities Commission on 30/08/2017.

### **3. Subsequent Fund Certificate Transactions**

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

##### ***a. Dealing Date***

- Dealing Date: SSIBF Certificate is traded daily from Monday to Friday (working day) (day T).
- If the Dealing Date falls within a public holiday, the Fund Management Company will notify the Investors, Distributors and other related service providers on the Fund Management Company's website.

##### ***b. Trading method***

- Investor places orders at Order Acceptance Points of Distributions (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, and Distributors). Investor can place the orders on the online trading platform pursuant to prevailing regulations.
- Investor can place orders at more than one Distributor, 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 Order Acceptance Point of that Distributor.
- Authorized transaction: Investor can authorize other individual to place orders on their behalf and 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 Order Acceptance Point of Distributors are listed in Appendix 2 of this Prospectus.
- Foreign Investors can kindly refer to Section 3.8 – "Notes for Foreign Investors".

**c. Closing time of order book**

- The latest time that Distributors receive transaction orders from Investors to process on the Fund Certificate Dealing Date.
- Closing time of order book: no later than closing time of stock exchange on the last working day prior to the Dealing Date – 14h40 date T-1.
- In case the Dealing Date falls within a public holiday, the Closing Time of Order Book will be carried out on the previous working day of the public holiday. The Fund Management Company will notify Investors, Distributors, and other service providers the trading schedule and Closing Time of Order Book on the Fund Management Company's website or via email.

**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 (if any)
- 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 (if any)
- Net Asset Value per Fund Unit is determined regularly on the Dealing date.
- Net Asset Value per Fund Unit and Fund Certificate trading price shall be announced on Stock Exchange market as prescribed in current regulations.
- 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 Investors' holding in the Primary Investor Register Book within one (01) working day from the Dealing Date and The Fund Management Company will send the trade confirmation letter within two (02) working days from the Dealing Date.

**f. Deadline for redemption payment**

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

**g. Order cancellation**

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

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

- Zero balance account without any transaction within one (01) year may be regarded as “Inactive” or “Closed” by Fund Management Company. Investor shall inform Distributor for further details in this case.

#### **3.2. Subscription order**

- Minimum subscription amount: VND 500.000 (five hundred thousand).
- Subscription orders are sent to the Distributors together with valid documents to prove that the Investors have successfully transferred the subscription payment into the Fund’s account opened at Supervisory Bank. Fund Certificate subscription amount can be in cash or transferred from a bank account not under the name of the investor, securities trading account of the Investor at Distributor. If subscription payment is transferred from bank account of others not investor, the valid documents of payment confirmation must clearly state full name, trading account, and payment amount of the beneficiary. Any related bank charge for the transfer is borne by the Investor. For foreign investors, please refer to Section 3.8 Chapter “Notes for foreign Investors”. The money transfer should be as follows:
  - Beneficiary name: **SSIBF**
  - Account number: According to the account number of each Distributor & updated on the website: <https://www.ssi.com.vn/ssiam/giao-dich-ssibf>
  - Bank name: Joint Stock Commercial Bank for Investment and Development of Vietnam – Ha Thanh Branch
  - Amount: Subscription amount
  - Transfer content:
    - + Normal order: [Full name of Investor] [Open-ended fund account number] buy SSIBF
    - + SIP order: [Full name of Investor] [Open-ended fund account number] buy SIP SSIBF
- In case the subscription amount received by the Fund is different from the amount in the Subscription form but not lower than the minimum subscription amount, the number of Fund Units allotment shall be based on the actual subscription amount.
- The number of allocated fund units is calculated as the following formula:

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

and shall be rounded down to two decimal places. The rounding of Fund Unit shall not affect the redemption of Investors.

- **INVALID SUBSCRIPTION ORDERS ON FUND CERTIFICATE DEALING DATE**
  - Subscription order is sent to Distributor after Closing Time of Order Book.
  - Investor/authorized person 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), Subscription money has not been credited to the Fund’s account in supervisory bank; or the money has been credited but the Investor’s open-ended account number in the transfer content is wrong.

- Actual Subscription amount is less than the minimum subscription amount or the registered amount in the Subscription Form.

In case of invalid subscription order, the subscription amount will be refunded into the Investor's registered account within five (5) working days from the latest Dealing date by the Fund Management Company, except this subscription amount is re-invested in the next trading period of the Fund as investors' request and approval of Fund Management Company to hold money. In case the Fund Management Company does not have enough information to determine the beneficiary of the amount of money transferred to the Fund, the Fund Management Company will refund within five (05) working days since the Fund Management Company has enough accurate evidence on the beneficiary's information. The transfer fee will be deducted from this refund.

### 3.3. Redemption order

- Investor registers the number of units to redeem in the Redemption Form.
- The number of Fund Units to redeem could be rounded down to 2 decimal places.
- Redemption Amount received by the Investor is calculated using the following formula:  
**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 Redemption amount minus bank charge and applicable taxes prescribed by law (if any).**
- 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.
- The redemption amount shall be transferred directly to the Investor's bank account registered at "*Open-ended Fund Account Opening Application Form*" within 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 ON FUND CERTIFICATE DEALING DATE**
  - Redemption order is sent to Distributor after the Closing Time of Order Book.
  - 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 and submitted at the Distributor before the Closing Time of Order Book.
- Investor can choose to switch a portion or their entire outstanding Fund Units. Principles of switching order execution: 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.
- Investors must pay switching fee and taxes (if incurred) but not Subscription and Redemption Fees on the number of Fund Certificates registered to switch. Switching fee is specified in the section *Fees and Charges* below.
- Investors will receive trade confirmation letter of the switching order within three (03) working 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 Closing Time of Order Book.
  - Number of fund units to switch is more than the number of outstanding fund units.

### 3.5. Investment plans and fund participation

#### a) NORMAL SUBSCRIPTION METHOD

Investor can participate in the Fund on any Dealing date. Investor places order at the Fund Distributor on any Dealing date. Method of normal subscription will follow section 3.1 to section 3.4 of this prospectus.

#### b) SYSTEMATIC INVESTMENT PLAN (SIP)

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

##### Benefits of Systematic Investment Plan (SIP)

Systematic Investment Plan benefits Investors by allowing them to regularly spend a certain amount of money to purchase fund certificates in a certain period. For example, Investor allocates VND 1 million/month or VND 3 million/quarter to buy SSIBF Certificates. By spending a certain amount of money periodically, Investor could buy more low-price fund certificates and less high price fund certificates. As a result, at the end of the Investment period, Investor's adverse 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, Investor would benefit without regularly monitoring the fluctuations of Fund Certificates price, which also helps maintain disciplines in their investment activities.

**Example:** An investor participates in Systematic Investment Plan. In the first year, the investor pays VND 3 million quarterly 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)	Invested Amount	Number of allocated Fund units
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
<b>Total</b>		<b>12,000,000</b>	<b>1022.72</b>

Investors' adverse cost per fund unit is:

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

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

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

**Moreover, as participating in Systematic Investment Plan of SSIBF, Investor has the following benefit:**

- Pay lower Subscription Fee compared to normal plan.

**Note for Investor:** Systematic Investment Plan can benefit Investor but cannot guarantee profits for them.



### Requirements for Systematic Investment Plan:

- **Minimum participation period:** twelve (12) months or four (04) quarters, with continuous payment made monthly or quarterly.

Note: the SIP will continue until Investor terminates their payment.

- **Minimum amount:** VND 500,000 (five hundred thousand)/month (for monthly SIP) or VND 1,500,000 (one million five hundred thousand) /quarter (for quarterly SIP)
- **Registration to participate:** Investor registers to participate SIP by filling in the form “Systematic Investment Plan Agreement” and submits the form to Distributor, or place the order via online trading.
- **Payment deadline:** The Fund's deadline for receiving payments is 5:00 PM on the 10th of every month (for monthly SIP) or on the 10th of January, April, July and October (for quarterly SIP). In case the tenth day falls on a public holiday, the deadline for the Fund to receive payment from the Investor is 17:00 the latest working day before the tenth. Investor can actively transfer the subscription money to the account of the Fund monthly/quarterly or place a Standing instruction/Direct Debit at the banks where Investor opens 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.
- **Discontinuation SIP:** When discontinuing the SIP, Investor fails to pay the full amount registered on time, or sell, or switch to other funds within one (01) year since the inception date of SIP.
- **Fee of SIP discontinuation:** In case the Investor wants to terminate their Systematic Investment Plan, they must pay the Fee of SIP discontinuation (calculated as a percentage of Fund Certificate redemption/switching amount) apart from the normal redemption/switching fee. The fee of SIP discontinuation will be determined when the investor terminates their SIP and settled when they sell the Fund Certificates. The pricing of SIP discontinuation is announced on the website of the Fund Management Company.

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

### c) Flexible Systematic Investment Plan (SIPLH)

Flexible Systematic Investment Plan is designed for Investors with a long-term investment with consistent monthly amount. The Flexible Systematic Investment allows the Investor to accumulate wealth in long term. The Flexible Systematic Investment is distributed by SSIAM, Investors participating in the program will bear the redemption/subscription fees of this plan. Detail of these fees will be announced on the website of SSIAM.

#### Requirement for Flexible Systematic Investment Plan

- **Participation duration:** No participation duration.
- **Minimum requirement:** VND 500,000 (five hundred thousand)/month
- **Investment frequency:** Monthly
- **Amount contributed for participation:** Investor is not required to pay a fixed amount each period. The Investor can invest any amount equal to or larger than the minimum requirement, the amount can be changed at any period.
- **Participation registration:** Investor can register to participate in the Flexible Systematic Investment Plan by filling out the “Systematic Investment Plan Agreement” and send it to SSIAM or register online.
- **Date of fund transfer for Flexible Systematic Investment Plan:** is the date that the Investor transfers money into the account of the Fund at the Supervisory Bank. Date of payment could be any working day of the month.

- **Dealing Date for Flexible Systematic Investment Plan:** is the nearest date after the Fund receives money for the Flexible Systematic Investment Plan of the Investor (thus, every dealing date could be a SIP date).
- **Amount of order allotment in a month:**
  - One (01) order/month, allotted on the nearest Dealing date (after the money is credited to the Fund's account) for the total amount the Fund receives up to that date.
  - For subsequent orders by the Investor in that month, the Fund Management Company will return the amount to the Investor's bank account within five (05) working days unless the amount is requested for subsequent Dealing date. Then the Fund Management Company will retain the money. In case the Fund Management Company does not have full information about the beneficiary of the transfer, the Fund Management Company will return the amount within five (05) working days since the beneficiary's information is identified. Transaction fee will be deducted from this amount.
- **Discontinuation of Flexible Systematic Investment Plan:** The Flexible Systematic Investment Plan is discontinued when the Investor has more than three (03) months from the date the Investor places the last order.

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

The Fund Management Company has the right to execute part of Investors' redemption or switching orders under the following circumstances:

- a) The total value of redemption orders (including switch-out ones) minus the total value of subscription orders (including switch-in ones) on the Dealing Date exceeds ten percent (10%) of the Net Asset Value of the Fund; or
- b) The execution of all the Investors' redemption orders shall lead to the Net Asset Value of the Fund falling below VND fifty (50) billion. In this case, the Fund Management Company has the right to partially execute the redemption/switching orders until the Net Asset Value reaches exactly VND fifty (50) billion.
- 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 from trading due to decision of the stock exchange.

**For partial execution mentioned as above, Fund Management Company shall apply pari-passu principle.**

- The executed value will be allocated for all Investors registered for redemption/switching at the same Dealing date, 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:

$$X_i = SLDK_i * \frac{\sum GTPB}{\sum GTGD}$$

In this formula:

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

$SLDK_i$ : Number of fund certificates that the Investor has registered to redeem;

GTPB: Total number of fund certificates that the Fund Management can redeem;

GTGD: Total number of fund certificates that Investors have registered to redeem/switch in one dealing date.

- The unexecuted part of redemption orders shall automatically be cancelled. In case Investors must submit still want to continue the rest amount of redemption, they shall submit another redemption form for the canceled part before the Closing Time of Order Book for the next Dealing Date executed with the principle of the same ratio. If investors do not continuously redeem/switch the rest part, they shall submit cancelation to Distributors before the closing time of order book.
- In case of partial redemption, minimum requirement for holding balance shall not apply.
- For the case specified in point a Section 3.6.1 above, the Fund Management Company may extend the payment period, but not exceed thirty (30) days after approved by the Board of Fund Representatives, from Dealing Date of Fund Certificate.

**Fund Certificate trading may be suspended in the following circumstances:**

- 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 there is/are securities in the Fund's portfolio suspended for trading due to decision of the stock exchange.
- Other cases that the State Securities Commission deems necessary.

The Fund Management Company must report to Board of Fund Representatives, State Securities Commission within twenty-four (24) hours since one of the Fund Units trading suspension events occurred except for State Securities Commission's request, the redemption of open-ended fund certificates must be continued right after these events are terminated.

Suspension of Fund Certificate trading shall be notified to Investors by the Fund Management Company depending on the actual situation but no longer 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 above, the Fund Management Company shall hold a General Meeting of Investors to get Investor's approval on dissolution, splitting of the Fund or the extension of the suspension duration.

Within the time frame to convene the General Meeting of Investors, if the reason for such suspension of Fund Certificate trading terminates, the Fund Management Company may cancel the convention of the General Meeting of Investors.

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

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

**3.8. Notes for foreign Investors**

- Before opening the open-ended fund trading accounts, foreign Investors must register for securities trading code required by relevant regulations about operations of foreign Investors in the stock market, issued by the Ministry of Finance.
  - Foreign individual/institutional Investors are defined in Circular 05/2014/TT-NHNN guiding the opening and usage of indirect investment capital account in Vietnam, the subscription money must be transferred from the Indirect Investment Capital Account (IICA) of foreign Investor at a

commercial bank. The investor must submit a bank confirmation for the opening of the IICA to the Distributor in Fund Certificate subscription.

- Any subscription amount transferred from a bank account other than IICA will be considered as invalid. Foreign investors must take responsibility for the transfer not from IICA in accordance with relevant regulations.
- Foreign individual/institutional investor who is a resident can transfer money from accounts not IICA. In case the settlement for subscription order is carried out by an individual or institution rather than the ultimate Investor, the order and confirmation documents must clearly state the name, account number and transaction value of the beneficiary. The Fund Management Company advises foreign Investor who is a resident to carry out transactions from their own bank account to avoid difficulties in overseas cash withdrawal.
- For foreign investor who is a resident, the account registration for Fund Certificate redemption and money transfer not from an IICA must be provided and updated with the Distributor with a valid resident permit in Vietnam on the Dealing date and update the changes (if any) in the shortest time. If the resident permit is expired while the Investor holds the Fund Certificate and the Investor does not renew the permit, the Fund Management Company may decline transactions from the Investors until a valid permit is presented. Authorized personnel to represent the transaction on Investor' behalf must satisfy the conditions stated in clause 6 article 3 Circular No.123/2015/TT-BTC issued by the Ministry of Finance on the Investment of Foreign Parties in Vietnam Stock Market.

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

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

- Fund Management Company determines the Net Asset Value of the Fund and the Net Asset Value of the Fund unit pursuant to related regulations and the Fund Charter.
- The Net Asset Value of the Fund and the Net Asset Value of the Fund unit must be confirmed by the Supervisory Bank in compliance with the provision of regulations and the Fund Charter. The confirmation must be made in writing or can be accessed via the electronic information system of the Supervisory Bank with the agreement by the Fund Management Company. If the valuation is incorrect, the Supervisory Bank must notify and request the Fund Management Company to adjust properly within twenty-four (24) hours (or in case the Supervisory Bank provides verification service Net Asset Valuation)
- Within five (05) working days from the date of discovering that the Net Asset Value is mispriced, the Fund Management Company or the Supervisory Bank (in case the Supervisory Bank provides verification service Net Asset Valuation) must revise and disclose information in accordance with regulations and notify the State Securities Commission of the wrong valuation including reason, wrong valuation time, remedy measures. The content of the notice must be signed for confirmation by the Fund Management Company and the Supervisory Bank.
- Fund Management Company can supervise the Supervisory Bank to determine the Net Asset Value of the Fund, Net Asset Value per Fund Unit. In this case, the Fund Management Company and the Supervisory Bank must compare, review, check, and monitor to ensure that the Net Asset Value determination is accurate and appropriate to the Valuation Handbook, the Fund Charter, and regulations.
- The Fund's Net Asset Value is determined periodically and disclosed on the stock market to investors after Supervisory Bank confirms and is valid until further notice.
- The Fund Management Company is responsible for proposal to the Board of Fund Representatives for list of quotation service providers to the Fund. The quotation service provider must be established, operate in accordance with the related regulations, having full capability of providing quotation services, and is not a related party with the Fund Management Company and the Supervisory Bank.
- Other regulations on Net Asset Value determination are implemented in accordance with the Fund Charter and relevant regulations.

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

- **Frequency of determining Net Asset Value**

The Net Asset Value of the Fund is determined on **Dealing Date of Fund Certificates**. In case the Valuation Date falls on a public holiday, the Valuation Date shall be notified to Investors, Distributors and other service providers and announced on the website.

For monthly valuation, the Valuation Date for SSIBF is the first day of the following month.

▪ **Valuation method**

- The Net Asset Value (NAV) is equal to the total assets of the Fund minus total liabilities of Fund. The total asset value of the fund is determined according to the market price or fair value of the assets (in case the market price cannot be determined). Total liabilities of the Fund are debts, payment obligations of the Fund up to the latest date before 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 nearest to the Valuation Date. The Net Asset Value shall be rounded pursuant to accounting and auditing regulations. The residual amount after rounding shall be recorded in the Fund. The Net Asset Value of a Fund Unit may be in decimal form, rounding down to two decimal places.

The specific method of determination is specified in the 'Valuation Handbook' written by the Fund Management Company in accordance with the law and is also specified in Appendix 4 of this Prospectus.

▪ **Announcement of the Net Asset Value**

The Fund Management Company is required to disclose the change in Net Asset Value weekly and announce the Net Asset Value of the Fund at the following working day of the Valuation Date in accordance with the law on guiding the operation and management of securities investment funds.

The Investor must be aware that this is only reference information, SSIAM will not be held accountable for any losses or damage the Investor may incur based on the aforementioned disclosures.

**Guidelines for the Investor participation into the Fund: see Appendix 1 of this Prospectus.**

## **XI. FUND OPERATING RESULT**

### **1. Financial reports**

The semi-annual/annual financial statements shall be reviewed semi-annually/independently annually by the selected audit firm. Copies of the audited financial statements and the semi-annual and annual summary reports of activities of the Fund will be sent by the Fund Management Company to each member of the Board of Representatives and publicly announced on the website of the Fund Management Company. Fund List for Investor's reference.

Investors can refer to the Fund's report on changes in net asset value and monthly, quarterly, semi-annual, and annual financial statements published on the Fund Management Company's website or contact the Fund Management Company's head office for further details.

### **2. Redemption and Subscription of Fund Certificates**

Subscription and redemption of Fund Certificates is updated on the website of the Fund as the following link: <https://www.ssi.com.vn/ssiam/cong-bo-thong-tin-ssibf>

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

#### **3.1. Fees paid by Investors.**

##### **a. Subscription Fee**

- Subscription fee is the fee that Investor must pay for SSIBF subscription. This fee is payable upon the Fund Certificate issuance and is calculated as a percentage of the subscription amount.
- Subscription Fee of normal transaction: **not exceeding 5% subscription amount**. (Please find the announcement of the Fund Management Company for more information)

#### **b. Redemption Fee**

- Redemption fee is the fee that Investor must pay for SSIBF redemption. Thus, fee is deducted from the redemption amount and calculated as a percentage of the redemption amount.
- Redemption Fee of normal transaction: **not exceeding 3% of redemption amount** based on holding period.  
(Please find the announcement of the Fund Management Company for more information).

#### **c. Switching fee**

- Switching fee is the fee that Investor must pay for SSIBF switching to another open-ended Fund of SSIAM. Investor does not have to pay any further Subscription or Redemption Fee for the switching orders.
- Switching fee for all Investment Programs of the Fund: 0% applied to all switching orders.

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

- Transaction fee is the fee that Investor must pay for non-commercial transfer transactions e.g., donations, presents, gifts, and inheritance, etc.
- Transfer fee for all Investment Programs of the Fund: 0% applied to all transactions.

#### **e. Fee payment**

- The above fees shall be paid to the Fund Management Company and Distributors. The payment to Distributors shall be calculated as per the Distributor agreement signed between the Fund Management Company and Distributor. The payment instruction to the Fund Management Company and Distributors shall be based on the calculation results by related service providers.

### **3.2. 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 a percentage of the Fund's NAV.
- Fund Management Fee of the SSIBF is **1%\*NAV per annum**. Total of the fund management fee, fund administration fee and transfer agency fee per point c and d shall comply with the maximum rate pursuant to applicable regulations.
- Fund Management Fee at each trading cycle is calculated as below:  
  
Fund Management Fee for the valuation cycle = % Management fee (annual) x NAV on Valuation Date 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 (annual) x NAV on Valuation Date of the first valuation cycle in the month x actual number of days from the beginning of the month to the Valuation Date 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 (annual) x NAV on the Valuation Date 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: 0.05% per year based on NAV, minimum of VND 15,000,000 /month.
- Supervising fee payable to Supervisory Bank: 0.02% per year based on NAV, minimum of VND 5,000,000 /month (VAT excluded).
- Total of Custody and Supervising fee needs to comply with applicable law.
- 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 (annual) x NAV on the Valuation Date 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 (annual) x NAV on Valuation Date of the first valuation cycle in the month x actual number of days from the beginning of the month to the Valuation Date 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 (annual) x NAV on the Valuation Date 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: 0.03%/NAV annual, minimum of VND 15,000,000/month.
- Fund administration fee at each valuation cycle is calculated as below:

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

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

Monthly fund administration fee = [% fund administration fee (annual) x NAV on the Valuation Date 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 Date/ actual days in a year (365 or 366)] + total fund administration fees of the remaining valuation cycles in the month + [%fund administration fee (annual) x NAV on the Valuation Date 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 subscription, redemption, switching, rights transfer, fund certificate transfer): 0,01% trading value/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 operating 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, Prospectus summary, valuation handbook, annual reports, trade confirmations, account statements, and other documents for Investors, expenses for public announcement; expenses for General Meeting of Investors and Board of the Fund Representatives.
- Brokerage fees relating to the transactions of the Fund's assets.

- Expenses for independent organizations to provide valuation handbook, asset valuation services for the Fund.
- 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 regulations and the Fund Charter.
- Expenses arising from the replacement of the Supervisory Bank (if any) or the replacement of other relevant service providers.
- Other reasonable, reasonable fees and expenses in accordance with the applicable laws.

#### 4. Operating ratios

Within forty-five (45) days from the end of the second and fourth quarter every year, the Fund Management Company shall disclose information on the Fund's operating expense ratios as well as the Fund's portfolio turnover rate on the website of the Fund Management Company and Distributors

##### 4.1 Operating expenses ratios of the Fund

- Operating expenses of the Fund shall include the following after-tax expenses:
  - 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 expenses paid by the Fund 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 Meetings of Investors and Board of the Fund Representatives.
  - Reasonable fees relating to the transactions of the Fund's assets.
  - Reasonable fees relating to the change of Custody and Supervising Bank
- Expense ratio of the Fund is determined by the following formula:

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

##### 4.2 Turnover rate of the Fund's portfolio

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

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



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$$= \frac{\quad}{2 \times \text{Average Net Asset Value of the Fund in the year}}$$

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

#### **4.3 Profit distribution policy**

- The Fund shall distribute profits when:
  - The income distributed to investors is taken from the profit in the period or accumulated profit after the fund has fulfilled all tax and financial obligations in accordance with the law.
  - The rate of dividend payment must be in accordance with the fund's profit distribution policy as stipulated in the Fund Charter and approved by the General Meeting of Investors or the Board of Fund Representatives (if authorized).
  - After the profit distribution, the Fund is still able to fulfill its obligations of debts, other payments due date, and the Net Asset Value after profit is paid must not be less than fifty (50) billion VND.
- Profit distribution may be in cash or by fund unit.
- The Fund Management Company shall deduct all taxes, charges, fees as regulated by relevant regulations prior to profit distribution to Investors.
- Investors in the list of investors on record date are considered eligible to receive dividends announced by SSIAM. In case the Investor has transferred some of their holding between the record date and the payment date, the transferor will receive profit.
- Dividend distribution and dividend re-investment: when the Fund pays dividend in cash, Investor may choose to receive cash or to reinvest additional fund units. If Investor chooses to reinvest in the Fund, this dividend amount will be used to subscribe for new fund units in next Dealing Date at 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 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 by fund units).
  - Total profit for the period and accumulated profits, details of each type of profit.
  - Profit valuation division, the number of fund units issued for distribution (in case profit distribution in fund units).
  - Net Asset Value per fund unit before and after profit distribution.
  - Influences on the Net Asset Value of the Fund after the distribution.

#### **5. Tax policy**

In the process of buying / selling Fund Certificates, investors may incur tax responsibility in accordance with related regulations. For local and foreign individual investors as well as institutional investors selling Fund Certificates, the Fund Management Company will declare and pay taxes on behalf of Investors pursuant to relevant regulations (if any) before transferring redemption amount to the latter. In case Investors are requested to provide documents to confirm the tax amount, Investor should send a written request to the Fund Management Company.

The tax responsibility directly to Investors is not reflected in performance of Fund.

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

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

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

The Fund's operating reports include:

- NAV reports: Fund Management Company reports on changes in asset value of the fund on a weekly basis and announces the Net Asset Value of the Fund on the following working day of Valuation Date in accordance with the law on operation and management of securities and investment funds.
- Periodical operating reports prepared periodically in accordance with applicable regulations.

These reports will be announced 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' locations.

## **XII. CONFLICT OF INTEREST**

1. To eliminate the conflict of interests between SSIBF and other funds managed by the Fund Management Company, the conflict of interests 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 (SSI Securities Corporation (SSI)), Fund Management Company's Chairman, members of the Board of Directors, Supervisor, Fund manager must be reported and monitor appropriately consistent with the Fund Charter and applicable regulations.
3. Internal control and risk management system have 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 Investor the Fund's documents including Fund's Prospectus, the Fund's financial statements, operation reports of the Fund, brokerage fee report of the Fund, report on the performance of the Fund as required by applicable regulations. 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 of the Fund.

## **XIV. CONTACT FOR INVESTOR'S 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 investor's queries via phone (84.24) 3936 6321 or Investor can send an email 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: List of Order Acceptance Points of Distributors
3. Appendix 3: Fund Charter Summary
4. Appendix 4: Asset valuation method

**Hanoi, 2021**

**Authorized Representative of  
The Supervisory Bank**

**CEO of the Fund Management  
Company**

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

### **Step 1: Opening an account**

To do the transaction after the Fund Establishment, the Investor must fulfill "Open-Ended Fund Subscription Form" and submit necessary documents to the Distributor.

### **Step 2: Transfer money to subscribe for Fund Certificates.**

Investor transfers money to subscribe for Fund Certificate to the Fund's account at the Supervisory Bank. The account number of the Fund is provided to the Investor by the Distributor.

### **Step 3: Register to trade**

The Investor fills in the "Redemption/Subscription/Switch/Transfer Fund Certificate Form", signs up for the Strategic Investment Plan, order cancellation, changes information using relevant forms provided by the Distributor. In case the Investor has registered for online trading, they can carry out Fund Certificate Redemption/Subscription/Switching via the online channel/platform.

Step 4: The Distributor checks the accuracy and completeness of the Investor's order form, and the Distributor can request the Investor to change the information according to the Investor guidelines.

Step 5: The Distributor sends the information about the transaction to the Transfer Agent.

Step 6: The Distributor collects the transaction orders for their Investors.

Step 7: Trade confirmation will be sent to Investors within two (02) working days from the Dealing Date.

### **Step 8: Settlement of Redemption Orders**

Redemption amount will be settled into the registered bank account of Investor within five (05) working days from the Dealing date.

## **APPENDIX 2: LIST ORDER ACCEPTANCE POINTS OF DISTRIBUTORS AND ORDER ACCEPTANCE POINTS:**

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 24 39366321 - Fax: +84 24 39366337

**Order acceptance points of SSIAM include:**

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

Tel: +84 24 39366321 - Fax: +84 24 39366337

### **2. SSI SECURITIES CORPORATION (SSI)**

**Head Office:** 72 Nguyen Hue, Ben Nghe Ward, District 1, Ho Chi Minh City

Tel: +84 28 38242897; Fax: +84 28 38242997

**Order acceptance points of SSI include:**

#### **1. SSI Securities Corporation (SSI)**

72 Nguyen Hue Street, Ben Nghe Ward, District 1, Ho Chi Minh City

Tel: (028) 3824 2897

Fax: (028) 3824 2997

#### **2. SSI Securities Corporation (SSI) – Hanoi Branch**

1C Ngo Quyen Street, Ly Thai To Ward, Hoan Kiem District, Hanoi

Tel: (024) 3936 6321

Fax: (024) 3936 6320

#### **3. SSI Securities Corporation (SSI) – Nguyen Cong Tru Branch**

7<sup>th</sup> Floor, TNR Tower, 180-192 Nguyen Cong Tru Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City

Tel: (028) 3821 8567

Fax: (028) 3821 3867

#### **4. SSI Securities Corporation (SSI) – My Dinh Branch**

G Floor, The Manor Tower, My Dinh Ward, Tu Liem District, Hanoi

Tel: (024) 3794 6699

Fax: (024) 3794 6677

#### **5. SSI Securities Corporation (SSI) – Hai Phong Branch**

22 Ly Tu Trong Street, Hong Bang District, Hai Phong

Tel: (0225) 356 9123

Fax: (0225) 356 9130

Beside Order acceptance points of SSIAM and SSI, Fund Certificates can be distributed through other companies. Details on the website : <https://www.ssi.com.vn/en/ssiam/dealing-SSIBF>.

## **APPENDIX 3: FUND CHARTER SUMMARY**

Fund Charter of SSI Bond Fund includes 15 chapters, 70 articles and 03 Appendices. The Fund Charter includes the following main contents:

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

This Chapter includes seven (07) 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 in the Fund's shall be at least fifty billion dong (VND50,000,000,000). The par value of a Fund Unit is ten thousand dongs (VND10,000).

This Chapter includes five (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.

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

This Chapter includes five (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 nine (9) articles, from Article 13 to Article 21, 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 of fund unit; subscription fee, redemption fee, switching fee of Fund Certificate; inheritance of Fund Certificate and Dealing with the Fund losses.

Investors of the Fund may be domestic and foreign individuals or entities. Investors shall not be legally 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 laws of Vietnam. Such institutional 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 competent representative.

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

1. Investor shall be entitled to:
  - a. Benefit from the Fund's investments in proportion to their Fund Unit holding ratio.
  - 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 Meeting of Investors; Right to attend General Meetings of Investors and vote at General Meeting of Investors directly or through authorized representatives or remote voting (by post, fax, email, attending online meeting, e-voting or other electronic forms).
  - e. Initiate lawsuit against the Fund Management Company, the Custodian Bank and other related organization if such organization violate the Investor's legitimate rights and interests.
  - f. Right to be treated fairly, each fund certificate creates equal rights, obligations, and benefits to the holder.
  - g. Right to full access to periodic and extraordinary information about the Fund's operations.
  - h. Right to freely transfer fund certificates, except for cases of transfer restriction as provided by laws and the Fund Charter;
  - i. Other rights in accordance with laws on securities and Fund Charter.

2. Investors shall be obliged to:
  - a) Participate in General Meeting of Investors; Abide by decisions of the General Meeting of Investors.
  - 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 laws on securities and the Fund Charter.
3. Investors and Group of Investors holding 5% or more of total number of outstanding Fund Certificates shall be entitled to:
  - a) Review and extract the minutes book and resolutions of the Board of Fund Representatives, annual financial statements and reports of the Supervisory Bank relating to the operation of the Fund.
  - b) Request the Fund Management Company to convene an extraordinary General Meeting of Investors in the following cases:
    - There is proof that the Fund Management Company, the Supervisory Bank violates the Investors' rights or the Fund Management Company, the Supervisory Bank or make decision beyond authorities specified in the Fund Charter, the Supervisory Contract or assigned by the General Meeting of Investors, causing losses to the Fund.
    - The Board of Fund Representatives has expired for more than 06 months but has not been elected to replace it.
    - Other cases as stipulated in the Fund Charter.
  - c) Request the Fund Management Company and Supervisory Bank to explain unusual issues related to assets, management, and transaction activities of the Fund. Within fifteen (15) days from the date of receiving the request, the Fund Management Company and the Supervisory Bank must reply to the Investors.
  - d) Propose issues to be included in the agenda of the General Meeting of Investors. The proposal shall be in writing and sent to the Fund Management Company at least three (03) working days before opening date.
  - e) Other rights and obligations in accordance with the Fund Charter.
4. Investor or group of Investors owning 10% or more of total number of outstanding Fund Certificates has the right to nominate candidates to the Board of Fund Representative. The nomination orders and procedures are in accordance with laws on enterprises, applicable to the nomination of a person to the Board of Directors by a shareholder or a group of shareholders owning 10% or more of total number of common shares.
5. Requests and recommendations of Investors or group of Investors under the provisions of Clause 3, 4 of this Article shall be in writing and contain the full name, contact address, number of identity card or citizen ID or passport or other legal personal identification; name, office address, nationality, number of the establishment decision or number of the certificate of enterprise registration for the institutional investor, the number of Fund Certificates held and the holding time of each Investor, the total number of Fund Certificates of the group of Investors and the ownership percentage in the total outstanding Fund Certificates of the Fund; requests and recommendations content; basis and reasons. In case of convening the extraordinary General Meeting of Investors as provided for at Point b, Clause 3 of this Article, there must be documents to verify the reason for convening the extraordinary General Meeting of Investors; or documents, evidence about the violations of the Fund Management Company, the Supervisory Bank, violation level or the decisions beyond its authority as prescribed in the Fund Charter, the Supervisory Contract.

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

1. The Fund Management Company shall establish or authorize the Transfer Agent to establish and manage Primary Investor Register Book (the main Register Book) or authorize to the Omnibus to establish and manage a sub-register (the Sub-Primary Investor Register Book) and confirm Investor's ownership of Fund Certificates.
2. The Primary Investor Register Book, Sub-register Book shall contain the following information:
  - a. Name, head office address of the Fund Management Company: name head office address of the Supervisory Bank; full name of the Fund.

- b. The total number of Fund Certificates offering, the total number of Fund Certificates sold and the total value of contributed capital;
- c. List of Investors:
  - Where such Investor is an individual: name and surname of such Investor, the number of valid ID or citizen ID or valid passport or other valid identification; address, telephone number and email address (if any);
  - Where such Investor is an institution: full name, abbreviated name, head office address, establishment and operation certificate number/enterprises registration certificate number; full name, number of valid ID or citizen ID or passport or other valid identification, contact address, telephone number, email (if any) of the individual authorized by the institution to trade in Fund Certificates.
- d. Account number; sub account number and omnibus account number; securities trading registration code (where such Investor is a foreigner);
- e. The number of Fund Units held, holding percentage; date of subscription registration and settlement date.
- f. The date of the Primary Investor Register Book establishment.

3. The Fund Management Company, the Transfer Agent must have sufficient information about ownership of each Investor, including Investor trading from omnibus account. Information about an Investor's Fund Units on the Register Book, including Investor trading from omnibus account, 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 main Register.

- ✓ Guidelines on fund certificate transactions stated in Article 16 and Article 17 of the Fund Charter.
- ✓ Guideline on the subscription price, redemption price stated in Article 18; subscription fee, redemption fee, switch fee of Fund certificates stated in Article 19 of the Fund Charter.
- ✓ Guideline on Inheritance of Fund Certificates stated in Article 20 of the Fund Charter.
- ✓ Guideline on loss solutions of the Fund stated in Article 21 of the Fund Charter.

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

This Chapter includes five (5) articles, from Article 22 to Article 26, providing content related to General Meeting of Investors; Rights and duties of General Meeting of Investors; Conditions, proceedings of the General Meeting of Investors and Collecting Written Opinions of Investors; Decisions of General Meeting of Investors; and Opposition decisions of the General Meeting of Investors.

*General Meeting of Investors is prescribed in Article 22 of the Fund Charter and includes the following content:*

1. The General Meeting of Investors is the highest authority of the Fund. All Investors named in the Primary Investor Register Book before the time the Fund Management Company convenes the General Meeting of Investors shall be entitled to attend such meeting.
2. The annual General Meeting of Investors shall be held within four (04) months from the end of the fiscal year. As proposed by the Board of Fund Representatives, the annual General Investors' Meeting may be extended for no more than six (06) months from the end of the fiscal year which shall be informed the State Securities Commission.
3. An extraordinary General Meeting of Investors 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 as provided in Point b, Clause 3, Article 14 of the Fund Charter.
4. The convention of such extraordinary General Meeting of Investors 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 Meeting of Investors 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, 4 and 5 of Article 23 of the Charter, in other cases, the Fund Management Company can collect written opinions from Investors instead of convening annual or extraordinary meetings.
6. In case the Fund Management Company fails to convene the General Meeting of Investors as prescribed in Clause 4 of this Article, the Fund Management Company shall take legal responsibility and make compensation for any damage to the Fund. If the Fund Management Company fails to convene the General Meeting of Investors as prescribed in Clause 4 of this Article, within thirty (30) following days, the Board of Fund Representatives or the Supervisory Bank shall convene the General Meeting of Investors on behalf of the Fund Management Company according to procedures provided herein.

*Rights and duties of General Meeting of Investors are prescribed in Article 23 of the Fund Charter:*

1. To amend and supplement of the Fund Charter.
2. To approve fundamental changes in the Fund's Investment policies and objectives.
3. To change 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 separation or division, merge, or consolidation of the Fund, to change the term of the Fund.
5. To approve the dissolution the Fund
6. To approve profit distribution plan.
7. To elect, remove or discharge the Chairperson or a member of the Board of Fund Representatives; to approve remuneration and operating expenses of the Board of Fund Representatives; to approve the selection of the approved audit firm 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 resulting to losses for the Fund.
9. To require the Fund Management Company or the Supervisory Bank to submit accounting books or transaction source documents to the General Meeting of Investors.
10. Other issues within its authority as specified by legal regulations on securities and in the Fund Charter.

*Conditions, proceedings of the General Meeting of Investors and collecting written opinions of Investors are prescribed in Article 24 of the Fund Charter:*

1. Agenda and proposed content of the General Meeting of Investors and other related documents in which the reasons and objectives of meeting shall be specified shall be publicly notified to Investors and reported to the State Securities Commission at least seven (07) working days prior to the date on which the meeting is to be held.
2. Investors can attend the General Meeting of Investors directly or authorize a representative to attend or remote voting (by post, fax, email, attending online meeting, e-voting or other electronic forms).
3. The General Meeting of Investors shall be conducted if the number of participating Investors represents more than fifty percent (50%) of the voting rights.

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 Meeting of Investors shall be held regardless of the number of participating Investors.
5. The proceedings and form of the General Meeting of Investors:
  - a) General Meeting of Investors can be held in the form of meeting in one location or multi-locations through collecting written opinions, online meeting, electronic voting (e-voting) or other electronic forms. If the General Meeting of Investors is held in multi-locations, the location of the meeting is the location where the Chairperson of the meeting attends.
  - b) Chairperson of Board of Fund Representatives presides the General Meeting of Investors. If the Chairperson of Board of Fund Representatives is absent, the Vice Chairperson of Board of Fund Representatives or the remaining members shall assign a member of the Board of Fund Representatives to preside the meeting.
6. All the minutes of General Meeting of Investors 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 in charge of oversee preparing the opinion inquiry/letter, drafted decisions of General Meeting of Investors and other explanatory documents. The opinion inquiry/letter must be sent by a secured mail to residential address of each Investor or through email or other electronic forms to registered address of each investor.
  - b) The opinion inquiry/letter 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.
  - c) The full-filled opinion shall be sent back to the Company by one of the following methods: post, fax, email, electronic voting (e-voting) or other electronic forms. An opinion that is sent back later than the deadline provided in the inquiry/letter or is opened in case of sending by post or is revealed in case of sending by other methods will be considered as invalid. An opinion inquiry/letter not sent back will be excluded from voting.
  - 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 license.
    - 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) Persons attending to the counting votes must be jointly liable to the accuracy and truthfulness of the minutes as well as losses derived from implementing decisions that are adopted due to inaccurate and dishonest counting of votes.
  - f) Returned opinion, minutes 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 Meeting of Investors.

*Decisions of General Meeting of Investors are prescribed in Article 25 of the Fund Charter:*

1. Each Fund Unit shall have a voting right. The Supervisory Bank, the Fund Management Company, the Audit firm, and the law firm providing services to the Fund shall be entitled to attend the General Meeting of Investors yet shall not be entitled to vote.
2. Except for the cases prescribed in Clause 3 of this Article, the decision of General Meeting of Investors shall be approved at the meeting if such decision is approved by a number of Investors that represents more than fifty percent (50%) of votes of attending Investors.
3. For provisions as stipulated in Clause 2, 3, 4, and 5 of Article 23 of the Fund Charter, the decision of the General Meeting of Investors shall be passed if such decision is approved by a number of Investors that represents more than sixty five percent (65%) of votes of attending Investors.
4. In case of collecting Investor’s written opinions, decisions of General Meeting of Investors are passed when approved by Investors representing for more than fifty percent (50%) votes of attending Investors.
5. The Fund Management Company and the Board of Representatives have duties to review and ensure that all decisions of the General Meeting of Investors are in accordance with applicable laws and the Fund Charter. In case any decision of the General Meeting of Investors does not comply with any legal provision or the Fund Charter, the General Meeting of Investors shall be convened to collect opinions or under collecting opinion in written forms.
6. Within twenty-four (24) hours after the General Meeting of Investors or completion of counting of Investors’ written opinions as mentioned in Clause 4 of this Article, the Fund Management Company shall be responsible to prepare minutes and resolutions of the General Meeting of Investors to be submitted to the Supervisory Bank and provided to Investors, or for information disclosure on the Fund Management Company’s website and report to the State Securities Commission in accordance with applicable laws.

*In case the Investor objects the decisions of the General Meeting of Investors stated in Article 26 of the Fund Charter:*

1. Investor opposing any decisions on the contents set out in clause 2, 3, 4, and 5 Article 23 is entitled to request the Fund Management Company to redeem their Fund Certificates or switch to Fund Certificates of another fund with the same type under the management of the Fund Management Company. Such request shall be in writing and specifying such Investor's name, address, number of Fund Units, reason of redemption or switching and sent to the head office of the Fund Management Company, Distributors within fifteen (15) days from the day on which the General Meeting of Investors makes such decisions.

2. Within forty-five (45) days from the announcement date of General Meeting of Investors, the Fund Management Company shall complete the redemption of or switching of Fund Certificates for Investor who opposed the decisions of General Meeting of Investors in accordance with the Clause 1 of this Article. In such case, the redemption price shall be determined by Net Asset Value per Fund Certificate at the nearest Fund Certificates trading period from the time the Fund Management Company receiving request from the Investor, such Investor shall not be required to pay the Redemption Fee or the Switching Fee.

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

This Chapter includes eight (8) articles, from Article 27 to Article 34, providing the main content of Board of Fund Representatives including: Board of Fund Representatives; Term, Criteria for selection of members of the Board of Fund Representatives; rights and obligations of Board of Fund Representatives, Chairperson 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 Meeting of Investors or Investors in writing. The Board of Fund Representatives has from three (03) to eleven (11) members, of which at least two thirds (2/3) of the members are independent members, who are not affiliates of Fund Management Company, Supervisory Bank member, or authorized representatives of these organizations' representatives of such organizations:

- a) having full capacity for Civil Rights Act.
- b) not being prohibited from business establishing and managing
- c) having expertise in economic Management, finance and/or laws.

For the case 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 Meeting of Investors in pursuant to the Fund Charter.

The nomination and candidacy for a member of the Board of Fund Representatives must comply with the provisions of the law on enterprises and securities applied to Board Members.

*Rights and obligations of the Board of Fund Representatives are prescribed in Article 29 of the Fund Charter, including:*

1. To represent the rights and interests of Investors; to carry out activities in line with legal regulations to protect the interest of the Fund and Investors.
2. To approve Valuation Handbook of Net Asset Value of the Fund, the list of quotation providers; to approve the list of credit institutions receiving deposit of the Fund, monetary instruments and other assets in which the Fund is authorized to invest according to points a, b, e Clause 3 Article 9 of the Fund Charter; to approve transactions in the Fund's assets within its authority for put through transactions (except for transactions performed on the transaction system of the Stock Exchange) and sales or purchases of unlisted securities or securities not registered for trading.
3. To approve the profit to be distributed as of profit distribution plan provided in the Fund Charter or approved by the General Meeting of Investors, time, and method of distribution.
4. To approve issues not agreed by the Fund Management Company and the Supervisory Bank on the basis of applicable laws.
5. If provided in the Fund Charter and authorized by the last General Meeting of Investors, 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, 8 and 9 Article 23 of the Fund Charter. In such case, the Fund Management Company shall disclose information

on the decisions of the Board of Fund Representatives as prescribed by provisions on information disclosure of decisions of the General Meeting of Investors.

6. To request the Fund Management Company and the Supervisory Bank to timely provide sufficient materials and information regarding asset management and supervision activities.

7. To perform other obligations in pursuant to applicable laws and the Fund Charter.

*Rights and obligations of the Board of Representatives is prescribed in Article 30 of the Fund Charter, as following:*

The Fund Representative have the following rights and olibagations:

1. Rights, obligations of members of the Board of Fund Representatives as provided by laws on enterprises and securities applicable to members of Boards of Directors of listed companies and the Fund Charter.
2. To be provide with information, documents on financial status and business operation of the Fund;
3. To perform their duties in a truthful and careful manner for the best interests of Investors and the Fund; not authorize other persons to perform their rights, obligations, and responsibilities towards the Fund;
4. To fully participate in meetings of the Board of Fund Representatives and have clear opinions of raised issues.
5. Other rights and obligations as provided by laws and the Fund Charter. .

*Chairperson of the Board of Fund Representatives is prescribed in Article 31 of the Fund Charter, as following:*

1. The General Meeting of Investors shall elect the Chairperson of the Board of Fund Representatives among its members. The Chairperson of the Board of Fund Representatives shall be an independent member.
2. The Chairperson of the Board of Fund Representatives shall have the following rights and tasks:
  - 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 32 of the Fund Charter:*

If the Chairperson 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 Chairperson shall perform the rights and duties of the Chairperson.

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 Chairperson in accordance with the principle of unanimity. Re-election of the Chairperson of the Board of Fund Representatives shall be carried out at the next annual General Meeting of Investors.

*A member of the Board of Fund Representatives shall be elected, suspended, or dismissed or additionally elected in the cases prescribed in Article 33 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 instituted 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 or decisions of 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 the Fund Charter.
    - b) Reveals secrets which are contrary to or make a breach of interests of the Fund.
    - c) Be suspended or dismissed according to Decision of General Meeting of Investors.
    - d) Not participating in activities of the Board of Fund Representatives for six (6) consecutive months, except for force majeure.
    - e) Violating serious obligations and threatening damages for the Fund.
    - f) Not satisfying the criteria and conditions stipulated in article 28 of the Fund Charter.
  3. The appointment, suspension, dismissal, and additional election of members of the Board of Fund Representatives shall be in accordance with laws on enterprises and securities applicable to member of board of directors and boards of directors.

*Meeting of Board of Fund Representatives is prescribed in Article 34 of the Fund Charter:*

1. The Chairperson 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. Procedure and agenda of a meeting and related documents shall be informed to the members prior to such meeting.
3. A meeting of the Board of Fund Representatives shall be held when at least two-thirds (2/3) or more of its members are present, of which independent members shall make up more than fifty percent (50%).
4. Resolutions, decisions of the Board of Fund Representatives shall be approved by the vote at direct meetings, meetings over telephone, internet and other means of communications, audio, visual or getting opinions in writing 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.
5. Resolutions, decision of the Board of Fund Representatives shall be approved by majority of members and by majority of independent members approval.
6. Meetings of the Board of Fund Representatives must be fully recorded in meeting minutes. Minutes of the Board of Fund Representatives' meeting must be detailed and clear. The Chairperson and secretary of each meeting shall sign the meeting minute. In case the secretary and the chairperson reject to sign the meeting minute, but such meeting minute has all requested information and been signed by all attending members of the Board of Fund Representative, such meeting minute shall be effective. Meeting minutes shall be filed at the Fund Management Company as provided by laws on enterprises and the Fund Charter.

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

This Chapter includes four (4) articles, from Article 35 to Article 38, providing content of Criteria to select the Fund Management Company; Rights and Obligations of the Fund Management Company; Termination of Fund Management Company's rights and obligations; restriction of operations of the Fund Management Company.

*According to Article 35 of the Fund Charter, criteria to select the Fund Management Company are as followings:*

- To have license to manage funds from the State Securities Commission.

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

*Rights and obligations of Fund Management Company are prescribed in Article 36 of the Fund Charter:*

1. Obligations of the Fund Management Company:

- a) To comply with applicable laws and the charter of the Fund Management Company. To manage the Fund's asset as stipulated in the Fund Charter. To comply with code of conduct willingness, fairness, honesty and for the Fund' 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 honestly and carefully.
- c) When managing the Fund's assets, the Fund Management Company must:
  - Carry out investment for the Fund's asset in accordance with laws and the Fund Charter; Sign Supervisory Contract with Supervisory Bank; deposit all assets arising in the territory of Vietnam and store fully, timely and accurately information and data of ownership, the original legal documents verifying the ownership of asset at the Supervisory Bank.
  - In case of making deposit for the Fund, investing in certificates of deposit for the Fund, the Fund Management Company can only make deposit in the credit institutions in the list approved by the Board of Fund Representatives; provide full information of the contract of deposit, deposit amount for the Supervisory Bank so that the Supervisory Bank can cross-check on deposit balance, value of deposit contracts with the bank of deposit; store originals of contracts of deposit and provide such contracts as requested by the Supervisory Bank.
  - In case of investment contribution to limited liability companies, unlisted or unregistered shares, unlisted bonds for Fund; the Fund Management Company must file original or valid copies of transaction contracts, transaction document or originals of shareholder or member book or documents certifying the ownership of assets at Supervisory Bank so that the Supervisory Bank can periodically cross-check with the investee company.
  - Building information system managing accounts of trustor at the Fund Management Company, which shall ensure the independent and separate management of assets of trustor; Separate assets of the Fund from assets of the Company and entrusted clients; adequately and timely file 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 organization providing depository of assets;
  - Establish a mechanism for examination, regular three-party crosscheck with issuers, VSD, shareholder registrars, project owners, investee institution, credit institutions receiving deposit to ensure the consistency of the Fund's asset data in the accounts of Fund managed by the Company, the depository account of the Fund at Supervisory Bank. The Fund Management Company shall establish a mechanism so that Supervisory Bank can actively, directly crosscheck with the above organizations to inspect, monitor, collect fully and accurately information regarding depository, property registration and management of the Fund's assets.
  - Assign at least two (02) fund managers to manage and administer investment activities of the Fund. The Fund managers must have fund management practicing certificate and practical experience in asset management activities for at least two (02) years and have not been applied any administrative fine for violations of law on securities and securities market. Information on qualifications and professional skill, experience of managing assets of the fund managers must be disclosed in the Prospectus.
- d) Regarding fund administration and transfer agent activities, the Fund Management Company is responsible for ensuring:

- To determine the Net Asset Value of Fund, the Net Asset Value per Fund Unit and other fund administration activities in compliance with applicable laws and the Fund Charter.
  - To make, file and update timely, completely, and accurately the Primary Investor Register Book. Contents of the Primary Investor Register Book shall follow legal provisions on securities investment funds and the Fund Charter.
- e) The Fund Management Company can authorize the other party to administrate the Fund and carry out transfer agent activities. The authorization shall comply with applicable laws on guiding the establishment, organization and operation of Fund Management Company and The Fund Charter.
- f) The Fund Management Company is obliged to provide timely and completely the necessary information of the Fund, portfolio of the Fund, information of the Fund's asset transactions, information of organization of Fund's assets, other concerned information (if any) and create all the necessary convenient conditions for Supervisory Bank as per its written request so that the Supervisory Bank can fully perform the rights and responsibilities to the Fund in accordance with applicable laws. At least once per month, the Fund Management Company is obliged to double check 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 or exceeding the Fund Management Company's competence in accordance with applicable laws and the Fund Charter, the Fund Management Company must cancel the transactions, or perform the transactions to restore the status of 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 must be accounted for the Fund.
- h) The Fund Management Company must establish risk management system and promulgate strategies, policies, and procedures for risk management appropriate to scale and type of the Fund. Risk management system, strategies, policies, and procedures shall be built according to international practice and Vietnam market conditions and as being instructed by the State Securities Commission
- 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 applicable laws and the Fund Charter. The compensation for the Fund and for Investors shall comply with applicable laws 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 staff (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, to set up, promulgate and organize the implementation of processes, procedures to KYC, verify and update information of customers in accordance with applicable laws on securities, anti-money laundering and related provisions. When doing KYC, the Fund Management Company and its Distributors shall decide whether to meet customers in person or not but shall comply with related laws.
- l) The use of the Fund's assets making indirect outward investment must comply with the law on indirect outward investment, foreign exchange management and other relevant laws.
- m) When making transactions of the Fund's assets, the Fund Management Company ensures that:
- The value of securities transactions during the year through brokers of a securities company shall not exceed 50% of the total value of securities transactions in the year of the Fund; and



- The value of the transactions during the year through brokers of securities companies related to the Fund Management Company shall not exceed 20% of the total value of securities transactions in the year of the Fund.
  - This regulation shall not apply to the Fund with operating period counting from the issue date of the Certificate of Fund Establishment Registration to the end of the year in which the Fund is established is less than 06 months.
- 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) When providing online securities trading services, the Fund Management Company and Distributor shall comply with laws on electronic securities transactions.
- p) Other obligations in pursuant to applicable laws 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 39 of the Fund Charter.
- b) To authorize the 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 the Fund Charter and applicable laws.
- g) To be entitled to conduct business and provide services in accordance with applicable laws.
- h) To participate in the periodic and extra-ordinary General Meeting of Investors and the Board of Fund Representatives.
- i) To make decision Fund's investment in accordance with the Fund Charter and applicable laws.

*Termination of Fund Management Company's rights and obligations is prescribed in Article 37 of the Fund Charter:*

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

- a) The Fund Management Company voluntarily requests to terminate its rights and obligations to the Fund;
- b) As required by the General Meeting of Investors of the Fund
- c) The Fund Management Company's establishment and securities activities license is revoked.
- d) The Fund Management Company is re-organized.
- e) The term of operation of the Fund is expired.
- f) Other circumstances in pursuant to legal regulations.

2. In the cases 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 substitute Fund Management Company to ensure that the substitute Fund Management Company has enough information to perform fully its rights and obligations in accordance with Securities Law and other relevant laws.

3. The Fund Management Company must hold a General Meeting of Investors to collect Investors' opinions on asset settlement plan and the substitute fund management company in the cases provided in Point a, c or d Clause 1 of this Article.

4. Compensation when changing the Fund Management Company

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

<b>Compensation 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 the Fund
1.5%	After 03 years from the commencement date 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 preceding the time that the General Meeting of Investors approve to change the Fund Management Company and certified by Supervisory Bank.

Such compensation 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 Meeting of Investors decides to change the Fund Management Company due to the violations 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 compensation fee to the Fund Management Company.

*Restriction of operations of the Fund Management Company is prescribed in Article 38 of the Fund Charter:*

1. The Fund Management Company shall not be a related person or own or lend to or borrow from the Supervisory Bank of the Fund, custodian banks of securities investment funds, securities investment company managed by the Fund Management Company, Chairman of Company, Supervisor, Executive Board, internal audit staff, 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. The Fund Management Company or related 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, except for activities not allowed to do as provided in point b, Clause 5 of this Article.

3. All securities transactions conducted by members of Executive Board, employees of the Fund Management Company must be reported to the internal controlling department prior to and immediately after such transactions. Information regarding to 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.

4. Chairperson of Company, Supervisor, Executive Board, internal audit department's staff, employees of the Fund Management Company are not allowed to ask for, demand or receiving, in personal or in the name of Fund Management Company, any compensation, profit or interest except for the fees expressly described in the Fund Charter.

5. 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 Fund itself.
  - b) Not use the entrusted assets of portfolio of Entrusted Customers, Fund, other Securities investment companies managed by itself to invest in the Fund, unless portfolio entrusted clients decide to do so or entrusted clients which are foreigners or foreign organizations duly established under laws of foreign countries, wholly foreign-owned enterprises, voluntary pension fund has approved such transactions.
  - c) Not use the Fund's assets to invest in the Fund Management Company itself; not invest in the organizations as related persons of the Fund Management Company; except for using assets of exchange traded funds to invest in component securities of tracking index; not invest in the organizations that Chairperson of Company, Executive Board, employees of the Fund Management 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 any loan in any form or make payment for any debt of the Fund Management Company, the related persons of the Fund Management Company, other organizations, and individuals.
6. The Fund Management Company cannot authorize, outsource any organizations in the territory of Vietnam to provide services of securities investment funds and portfolios management, securities investment consultancy.
7. Other restrictions comply with the law on establishment, organization, and operation of fund Management companies.

## **Chapter VII: Supervisory Bank**

This Chapter includes four (4) articles, from Article 39 to Article 42, providing criteria of for selecting the Supervisory Bank; rights and obligations of Supervisory Bank; Operation of the Supervisory Bank; Termination of rights and obligations of the Supervisory Bank

*Article 39 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 Article 116 of the Securities Law.
- ✓ The Supervisory Bank shall be completely separated and independent with the Fund Management Company.
- ✓ The Supervisory Bank, members of the Board of Directors, Board of Management, managers, staff of the Supervisory Bank in charge of operational supervision duties and preserving fund assets shall not be related 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, staff of the Supervisory Bank in charge of operational supervision duties 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.
- ✓ Fulfilling its commitments to the Fund as stated in Appendix 2 and Appendix 3 of the Fund Charter.

*Rights and obligations of Supervisory Bank are prescribed in Article 40 of the Fund Charter as following:*

1. Rights and obligations of the Supervisory Bank:
  - a) To always act for the best interest of Investors.
  - b) To take responsibility for losses causing to the Fund due to the Supervisory Bank's faults.
  - c) To ensure supervising the activities of the Fund Management Company in managing the Fund's assets as prescribed by Law on Securities, relevant regulations, and the Fund Charter.
  - d) To supply services of supervision, asset deposit of the Fund according to the relevant regulations, the Supervisory Contract, and the Fund Charter.

- e) To separate the Fund's assets from assets of the Fund Management Company, assets of other funds and assets of other clients of the Supervisory Bank and assets owned by the Supervisory Bank.
- 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 Charter to ensure that the calculation of Net Asset Value of Fund is accurate.
- h) To settle securities transactions under 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 applicable laws and 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 is liquidated, 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 in compliance with the Fund Charter.
- l) To comply fully with the regulations of the Law on Securities, related laws, the Fund Charter, and the Supervisory Contract.
- m) Not to receive any other interests (except for the fees stated in Supervisory Contract) for itself or any third person.

2. Supervisory Bank has rights to do as following:

- a) To be entitled to fees for supervising and preserving assets of the Fund as stipulated in the Fund Charter in accordance with applicable laws.
- b) To participate in the General and extraordinary meetings of Investors and the Board of Fund Representatives.

*Operations of the Supervisory Bank are prescribed in Article 41 of the Fund Charter:*

1. The scope of supervision limits only within the Fund Management Company's activities relating to the fund under the Bank supervision. In the operation of supervisory activities, Supervisory Bank shall:
  - a) Co-ordinate with the Fund Management Company to periodically review principle, method for calculating Net Asset Value of Fund in the internal procedure of the Fund; to supervise the calculation of Net Asset Value of Fund; to check and ensure that Net Asset Value per Fund Unit is calculated correctly, exactly and in consistently with applicable laws and the Fund Charter.
  - b) To supervise Investment activities and transactions of the Fund's assets, to re-check to ensure that investment asset types and investment portfolios in compliance with provisions on investment limits, loan limits as provided by laws and in the Fund Charter; to inspect, supervise asset transactions between the Fund, the Fund Management Company, and its related parties to be in compliance with laws and the Fund Charter. In case of detecting any sign of law violations, 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 the Fund Management Company to conduct activities to settle and remedy for consequences within the time limit.
  - c) To supervise implementation and check results of merger, consolidation, dissolution, and liquidation of the fund's assets.
  - d) To supervise, ensure legality 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 deposit money of 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 shall not be liable for any loss occasioned by reason of the liquidation, bankruptcy, or insolvency of such bank.
  - f) To supervise other activities of the Fund Management Company in asset management of the Fund according to regulations of Article 116 of Securities Law, related provisions of legal instruments guiding Securities Law and the Fund Charter.
  - g) To confirm report on net asset value, investment activities, investment portfolio of the Fund prepared by the Fund Management Company.
2. The Supervisory Bank shall be liable to prepare and file documents in either hard 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. When being required by the Fund Management Company in writing, the Supervisory Bank shall be liable to provide the Fund Management Company and appointed audit firm with necessary information timely, accurately, and sufficiently so that those organizations can fully implement their rights and obligations to the Fund according to applicable laws and the Fund Charter.
  4. The Supervisory Bank shall require the Fund Management Company to timely provide necessary and related documents and information, information on organization receiving investment from the Fund to ensure that the Supervisory Bank may fulfill their rights and duties to the Fund as prescribed in relevant regulations. The Supervisory Bank shall be responsible for keeping confidential all information, documents provided by the Fund Management Company.
  5. In case the Fund Management Company fails to take remedial actions to restore the Fund's position within the time limit, the Supervisory Bank is responsible for reporting to the State Securities Commission within five (05) working days from the date the Supervisory Bank sends notice to the Fund Management Company. In such case, the Supervisory Bank has the right to execute legal orders and instructions of the Fund Management Company without leading to the structure of the Fund's investment portfolio in violation laws and other provisions of the Fund Charter.
  6. In case the Fund Management Company must compensate to the Fund, the Supervisory Bank must coordinate with the Fund Management Company to execute payment timely and sufficiently to the Fund, Investors according to valid instructions of the Fund Management Company. The Supervisory Bank and the Fund Management Company is jointly liable and compensate for any damage of the Fund in case 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 applicable laws. Compensation rate shall be implemented based on executed contracts or 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 42 of the Fund Charter:*

1. The Supervisory Bank shall terminate its rights and obligations with respect to the Fund in the following events:
  - a) The custodian services license is revoked pursuant to Clause 2 of Article 60 of the Law on Securities.
  - b) The Supervisory Contract is unilaterally terminated.
  - c) End of the term of the Fund, the Fund is dissolved, separated, or divided, merged, or acquired.

- d) Upon the decision of the General Meeting of Investors.
  - e) Other cases prescribed by applicable laws.
2. In the cases provided in Clause 1 of this Article, rights, and obligations of the Supervisory Bank to the Fund are transferred to the another Supervisory Bank in accordance with applicable laws.

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

This Chapter includes five (5) articles from Article 43 to Article 47, 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.

#### **Chapter IX: Distributor**

This Chapter includes three (03) articles, from Article 48 to Article 50, providing criteria for selecting Distributor, operations of Distributor, and general provisions on fund certificate distribution. Accordingly, criteria for selecting Distributor are:

- Being securities company having brokerage businesses, fund Management company, custodian bank, an insurance company or a commercial bank and other economic institution which has certificate of registration of distributing fund certificates of public funds and execute fund certificates distribution contract with the Fund Management Company.
- Distributor which are not securities companies, fund management companies, insurance companies, commercial banks shall not:
  - Be an omnibus agent.
  - Be distributor for other fund management companies unless being approved by the company managed the fund for which it is distributor.

#### **Chapter X: Auditing, accounting, and reporting regime**

This Chapter includes five (5) articles, from Article 51 to Article 55, providing criteria for selecting and changing Audit firm, fiscal year, accounting regime, financial statements, and other reports. Selected audit firm shall satisfy the following conditions:

- (i) Having obtained auditing license by the Ministry of Finance.
- (ii) Having full capacity to provide auditing service.
- (iii) Having approved by the SSC for providing auditing services to the Fund.
- (iv) Not being an affiliated person to the Fund Management Company or the Supervisory 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 31<sup>st</sup> 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 31<sup>st</sup> December of the same year is less than ninety (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 31<sup>st</sup> of 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.

#### **Chapter XI: Net Asset Value (NAV) of Fund**

This Chapter includes five (5) articles, from Article 56 to Article 59, providing contents related to Determination of the Net Asset Value (NAV) of Fund; Principle, criteria to select and change quotation provider; Principles, procedures, and methods to determine the NAV; Compensation of damages for investors, fund. Contents of this Chapter are prescribed in section X of this Prospectus.

#### **Chapter XII: Fee, Income and Operational Expenses**

This Chapter includes three (3) articles, from Article 60 to Article 62, providing Incomes of the Funds, Operation, and cost of operating the Fund. The contents of this Chapter are stated in Section XI of this Prospectus.

#### **Chapter XIII: Fund restructuring and dissolution**

This Chapter includes three (3) articles, from Article 63 to Article 65, 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 63 of the Fund Charter as following:*

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

*Conditions for the fund splitting, separation are prescribed in Article 64 of the Fund Charter:*

1. The Fund splitting, separation must be approved by the General Meeting of Investors in the following cases:
  - a) Be approved by the General Meeting of Investors on the separation, splitting:
  - b) Funds established after splitting; separation shall meet requirements of Securities Laws.
  - c) Funds established after splitting; separation shall be supervised by supervisory banks.
  - d) Other events provided by the Fund's Charter, or the State Securities Commission considers necessary.
2. The fund splitting, separation must be approved by the State Securities Commission.

*Conditions for the fund dissolution are prescribed in Article 65 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 and 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 dissolution as determined by the General Meeting of Investors.
  - d. The Net Asset Value of Fund is reduced below ten (10) billion in six (6) consecutive months.
2. The Fund liquidation and dissolution shall be approved by the State Securities Commission and made subject to the legal regulations.

#### **3. Chapter XIV: Settlement of conflict of interests**

This Chapter includes one (1) article (Article 66) 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.

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

The Fund Charter includes four (4) articles, from Article 67 to Article 70, 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 4: ASSET VALUATION PRINCIPLES

### A - Asset Valuation

No.	Type of Asset	Valuation principles
Cash and cash equivalents, money market instruments		
1	Cash (VND)	Cash balance on the date prior to the Valuation Date
2	Foreign currency	The value is converted into VND using Vietcombank's average exchange rate on the date prior to the Valuation Date.
3	Term deposit	Deposit value plus accrued interest on the date prior to the Valuation Date.
4	Treasury bills, transferable deposit certificates, and other money market instruments	The price is determined as Purchase price plus accumulated interest on the date prior to the Valuation Date.
5	Zero-coupon products including zero-coupon bonds, and other zero-coupon valuable papers	<p>The price is determined as Quoted price on the transaction system(s) of Stock Exchange(s).</p> <p>In case no quoted price available, the price can be calculated with discounted cash flow model as the following order:</p> <ul style="list-style-type: none"> <li>• Auction interest rate on Stock Exchange on the latest auction date within 15 days prior to the Valuation Date.</li> <li>• Other interest rate approved by the Board of Fund Representatives.</li> </ul>
6	Listed bonds	<p>The price is determined as Average quoted price (clean price) on the transaction system(s) of Stock Exchange(s) or other name (for clean price depending on internal regulations of Stock Exchange(s)) on the latest transaction date prior to the Valuation Date plus accumulated interest.</p> <p>- In case there is/are outright transaction(s) within 15 days until Valuation Date and abnormal fluctuation happens, the bond price is determined to be the price of the latest Valuation Date.</p> <p>The abnormal fluctuation of bond price (clean price) is defined as 1% increase or decrease from the price of the latest Valuation Date.</p> <p>- In case there is no outright transaction within 15 days until Valuation Date, the bond price is determined as the following order:</p> <ul style="list-style-type: none"> <li>+ Purchase price (clean price) plus accumulated interest.</li> <li>+ Par value plus accumulated interest.</li> <li>+ Price determined with the method approved by the Board of Fund Representatives.</li> </ul>
7	Delisted bonds due to switching of Stock Exchange	The price is determined as Average quoted price (clean price) on the transaction system(s) of Stock Exchange(s) or other names (for clean price depending on internal regulations of Stock Exchange(s)) of outright transactions on the latest transaction date on old Stock Exchange prior to the Valuation Date plus accumulated interest up to

		<p>the 1<sup>st</sup> trading date on the new Stock Exchange plus accumulated interest.</p> <p>Valuation principle of the bond is unchanged on new Stock Exchange.</p>
8	Delisted bond due to maturity	The price is determined as the par value of the bond plus accumulated interest.
9	Unlisted Bonds	The price is determined as purchase price plus accumulated interest.
10	Shares listed on Stock Exchange	<p>The price is determined as Closing price or other name (for closing price depending on internal regulations of Stock Exchange(s)) on the latest date having transaction prior to Valuation Date.</p> <p>In case there is no transaction available more than 15 days until Valuation Date, the price is determined as the following order:</p> <p>+ Purchase price.</p> <p>+ Book value.</p> <p>+ Price determined with the method approved by the Board of Fund Representatives.</p>
11	Shares of public companies registered for trading on UpCom system	<p>The price is determined as Closing price or other name (for closing price depending on internal regulations of Stock Exchange(s)) on the latest date having transaction prior to the Valuation Date.</p> <p>In case there is no transaction available more than 15 days until Valuation Date, the price is determined as the following order:</p> <p>+ Purchase price.</p> <p>+ Book value.</p> <p>+ Price determined with the method approved by the Board of Fund Representatives.</p>
12	Shares registered and held for custody but not yet listed, or not yet registered for trading	The price is determined as the purchase price.
13	Stocks suspended from trading, delisted, or delisted due to the reasons rather than switching of Stock Exchange	<p>The price is determined as the following order:</p> <p>+ Closing price on latest date having transaction prior to the Valuation Date but not exceeding 3 months prior to the Valuation Date.</p> <p>+ Book value.</p> <p>+ Par value</p>
14	Stocks suspended from transaction due to switching of Stock Exchange	The price is determined as Closing price on the latest transaction date on old Stock Exchange prior to the Valuation Date plus accumulated interest up to the 1 <sup>st</sup> trading date on the new Stock Exchange.
15	Stocks of organizations in the process of liquidation or bankruptcy	<p>The price is determined as the following order:</p> <p>- 80% of liquidation value of stocks on latest balance sheet date prior to Valuation Date. The balance sheet is included in the latest audited financial statements, or the financial statements disclosed on the company's website (if any).</p>

		- Price determined with the method approved by the Board of Fund Representatives.
16	Other Shares, contributed capital	The market value is the average price of outright transactions on the latest date having transaction prior to the Valuation Date provided by three (03) quotation service providers. In case there is not enough quotation from three (03) providers, the price will be determined as following order:  + Average price of two (02) quote service providers.  + Purchase price/value of capital contribution.  + Price determined with the method approved by the Board of Fund Representatives.
17	Stock purchase rights	The price is determined as the market price of the stock on the latest transaction date prior to Valuation date minus issuing price multiplied with the right exercise ratio. In case the value of the right is negative (-), the price used for valuation is 0 (zero Vietnam dong).
18	Bond purchase rights	Zero balance
19	Listed derivative securities having transaction within 15 days until the Valuation date.	The price is determined as Closing price (closing settlement price) or other name (for closing price depending on internal regulations of Stock Exchange(s)) on the latest transaction date prior to Valuation Date.  On the last transaction date (maturity date), the price of listed derivative securities is determined as Final settlement price by VSD's decision.
20	Listed derivative securities without transaction within 15 days until the Valuation date.	The price is determined as the following order:  + Closing price of underlying asset.  + Price determined with the method approved by the Board of Fund Representatives.
21	Other permitted Investment assets	The price is determined as the average price of outright transactions on the latest transaction prior to the Valuation Date provided by the quotation service providers. In case there is no price available, the price will be determined with the method approved by the Board of Fund Representatives.

B - 1) Commitment value (global exposure) is the cash equivalence the Fund has the obligation to carry out the contract. 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, the Fund Management Company may apply:

- Offset principle of derivative position (reversal) for an underlying security, for example a long position of a call option of XYZ securities will reduce (net off) the commitment value of a short position of a call option of XYZ securities.

- Offset principle of derivative position and spot one for an underlying security, for example a long position of XYZ securities will reduce (net off) the commitment value deriving from the short position of XYZ call option.

- Other principles pursuant to the international practice to ensure 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 = Number of contracts x Number of shares per contract x current market value of share x delta coefficient
2	Bond option (purchase of put option, sale of put option, sale of call option)	Delta adjusted Market value of option position = Number of contracts x Par 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 proposed by the Fund Management Company and reviewed by the Supervisory Bank and approved by the Board of Fund representatives.

**Net Asset Value Determination:**

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 transaction date before the Valuation Date; and is rounded to 2 decimal places.

**(1) Total Liabilities, Total Assets are determined pursuant to Vietnamese Accounting Standards and other related regulations.**

**(2) Average listed price on the Stock Exchange of listed bonds:**

Average listed price is the clean price of outright transactions.

The average listing price on the Stock Exchange is determined to be the total value divided by the total volume.

In case there is more than one (1) transaction with more than one (1) quoted price on the latest transaction date to the Valuation Date (resulting in more than one quoted price), the bond price is determined as the average price of the bond listed prices in outright transactions on that day.

(3) Book value is the value on the latest reviewed financial reports or audited financial reports or the book value on the reviewed financial reports or on the audited financial reports or financial reports disclosed on the company's website (if any) on the latest transactions date prior to the Valuation Date.

For stocks that are suspended, delisted, or canceled to register for trading due to the reason rather than switching of Stock Exchange, the book value is determined as the value on the latest reviewed or audited financial reports before the stocks are suspended, delisted and canceled to register for trading or book value on the latest reviewed financial reports or audited financial reports or the financial reports disclosed on the company's website (if any) on the latest transactions date prior to the Valuation Date.

**(4) Others:**

- Accrued Interests: interest from the latest interest payment date prior to the Valuation Date.

- The liquidation value of a stock is determined by the value of owners' equity divided by the total number of outstanding shares.

- Date is the calendar date.