

HCMC, March 19, 2013

## RESOLUTION

### ANNUAL GENERAL MEETING 2012 VIETNAM BLUE-CHIPS INVESTMENT FUND (VF4)

- Pursuant to Securities Law no. 70/2006/QH11 dated 29 June 2007 by Nation Assembly and amended, supplemented on 24 November 2010;
- Pursuant to Circular no. 224/2012/TT-BTC dated 26 December 2012 by Finance Ministry;
- Pursuant to License for Establishing and Issuing fund certificate of Vietnam Blue-chips Investment Fund No. 11/UBCK-GCN dated 28 February 2008 by the SSC;
- Pursuant to Meeting Minute no. 03.13/VF4-2013/BBĐH dated 19 March 2013.

## RESOLUTES

The General Meeting unanimously passed the Resolution as follows:

### **Article 1: Audited Financial Statements**

The General Meeting unanimously agreed VF4 Audited Financial Statements in 2012.

### **Article 2: Performance result in 2012**

VF4 fund performance result was approved as follow:

### **NAV PERFORMANCE**

VF4's total Net Asset Value (NAV) as at 31/12/2012 reached VND 533.9 billion, equivalent to VND 6,621 per unit, increased by 20.2% on year-over-year basis. On average, market value of VF4 fund unit in 2012 is 29.2% lower than it's NAV.

The daily average volume of VF4 in 2012 reached approximately 70,000 units per day, which is 50% higher than that of 47,000 units per day in 2011. Liquidity of VF4's fund unit was particularly higher during ending months of 2012 when Vietnam stock market showed a significant rebound in both market value and turnover.

### **OPERATION REPORT**

VF4's asset allocation was closely following the asset allocation plan approved by 2011 AGM, in which VF4's asset allocation continued to invest into large cap stocks and HSX stocks. Most of illiquid assets and small cap stocks were divested during the market rebound of 2012. Therefore, portfolio's liquidity and sector representative were improved. As at 31/12/2012, VF4's asset allocation by exchange showed that 78.7% NAV was allocated in HSX where stocks performed well (2011: 77.8% NAV) and only 1.2% NAV was allocated in HNX (2011: 0.9% NAV). At the end of 2012, VF4's portfolio does not contain any unlisted stocks (2011:0.9% NAV).

Besides, asset allocation by size of market capitalization recorded 71.7% NAV concentration in large cap stocks (2011: 55.6% NAV), while 7.0% NAV was allocated into medium cap stocks (2011:22.8% NAV) and 1.2% NAV was allocated into small cap stocks (2011:12.5%). Cash holding at 31/12/2012 was 20.1% NAV (2011:9.2% NAV) and being ready to new investments.

The VF4's portfolio, as at 31 December 2012, focused into 9 different sectors (2011: 10 sectors) and showed slightly changes in the ranking by proportion of NAV among sectors due to investment and divestment activities as well as changes in stock prices during 2012. Particularly, sector of Food & Beverage with 16.6% NAV became the largest holding by sector (2011: 10.3% NAV and ranked at fourth). It was the result of overweigh into sectors being able to sustain good growth and of the impressive appreciation in market value of its component stocks in 2012.

Sector of Capital Goods was heavily divested during 2012 to limit the negative effect due to its poor business results and market price's decrease following the economy challenges. As the result, proportion of Capital Goods sector decreased down to 4.9% NAV (2011: 15.1% NAV).

Regarding sectors with small proportion, VF4 still maintained 3.2% NAV into sector of Pharmaceuticals, Biotechnology & Life Sciences while proportion of Insurance sector reached 1.7% NAV and focused mainly into the leading stocks to enhance portfolio's diversification.

Sector of Real Estate and Consumer Durable Goods were also exited from portfolio during 2012 and VF4 has not reinvested into these two sectors due to their glooming business forecast.

### **Article 3: Profit distribution in 2012 for VF4**

The AGM approved the profit distribution as follow: According to VF4 operation result in 2012, fund charter and current law regulations, VF4 has accumulated loss and do not pay dividend for the year 2012.

### **Article 4: Action plan in 2013 for VF4**

The General Meeting unanimously agreed the 2013 action plan of VF4 with the following key missions:

- Keep pursuing the growth and stability objectives of the portfolio.
- Keep pursuing value investment by seeking stocks with good performance and stable growth but being under-valued, to have portfolio recovered and grew better during the market rebound.
- Increase portfolio liquidity, prioritize leading stocks on market capitalization and liquidity, and divest the poor liquidity stocks when markets recover.
- Optimize money market tools and bonds to generate the best interest return for the cash holding.
- In the case that VF4 proceed the procedure for converting into open-ended fund, cash holding will increase to a safety level, which would secure transaction of fund unit between VF4 and investors according to the open-end fund's policy.

### **Article 5: Auditor selection for VF4 Investment Fund in 2013**

The General Meeting unanimously authorized the BOR to select the auditor for VF4 Investment Fund in 2013 among PWC, KPMG and EY.

### **Article 6: Convert VF4 into an open-ended fund**

The AGM approved the proposal for delegating VFM to prepare the detailed proposal plan for conversion and submit to the extraordinary general meeting of VF4 scheduled to be hold in the 3rd Quarter of the year 2013.

### **Article 7: Budget plan for VF4 BOR in 2013**

The operating budget of the Board of Representatives in 2013 is 989,642,888 which is computed based on the structure of Representative Committee of 6 members and 1 secretary.

In the case of changing in BOR member's quantity, this budget will be changed according to the following formula:

New Budget = Proposed Budget / 7 \* [the number of members in the new BOR]

### **Article 8: Amendment, supplement to the Fund Charter**

The Annual Meeting unanimously passed the amendment and supplement to the Fund Charter as details below:

1) **Amendment, supplement to Item “Legal basis” of the Charter:** To update, supplement the new laws promulgated.

The establishment and operation of Vietnam Blue-chips Fund (VF4) and relevant issues are governed by the following regulations:

- Law on Securities issued by the National Assembly of the Social Republic of Vietnam, No. 70/2006/QH 11, dated 29 June 2006;
- Law No. 62/2010/QH12, amending, supplement a number of articles of Law on Securities issued by the National Assembly of the Social Republic of Vietnam, dated 24 Nov 2010 and takes effect from 01 July 2011;
- *Decree No. 58/2012/ND-CP of the Government dated 20 July 2012 providing detailed a number of articles of the law on securities and took effect from 15 September 2012;*
- *Circular No. 212/2012/TT-BTC of the Ministry of Finance dated 5 December 2012 guiding the establishment, organization and operation of the fund management company and took effect from 1 March 2013;*
- *Circular No. 125/2011/TT-BTC of the Ministry of Finance dated 5 September 2011 promulgating the regulation of accounting regime applicable to Fund Management Company and took effect from 01 January 2012;*
- *Circular No. 224/2012/TT-BTC of the Ministry of Finance dated 26 December 2012 guiding the establishment and management of closed-end the Fund and member the Fund and took effect from 15 March 2013;*
- *Circular No. 183/2011/TT-BTC of the Ministry of Finance dated 16 December 2011 guiding the establishment and management of opened-end the Fund and took effect from 01 March 2013;*
- ~~Decree No. 14/2007/ND-CP of the Government dated 19 January 2007 providing detailed regulations for implementation of a number of articles of the law on securities;~~
- ~~Decree No. 84/2010/ND-CP of the Government dated 02 August 2010, amending and supplement a number of articles of Decree No. 14/2007/ND-CP providing detailed regulations for implementation of a number of articles of the law on securities and takes effect from 20 September 2010;~~
- ~~Decree No. 85/2010/ND-CP of the Government dated 02 August 2010 on penalties for administrative offences in securities and securities market sector;~~
- ~~Decision No. 35/2007/QĐ-BTC of the Ministry of Finance dated 15 May 2007 issuing Regulations on organization and operation of Fund Management Company;~~
- ~~Decision No. 125/2008/QĐ-BTC of the Ministry of Finance dated 26 December 2008 amending and supplementing some articles of the Regulation on Organization and Operation of Fund Management Company promulgated with Decision No. 35/2007/QĐ-BTC on 15/5/2007;~~
- ~~Decision No. 62/2005/QĐ-BTC of the Ministry of Finance dated 14 Sep 2005 promulgating the regulation of accounting regime applicable to Fund Management Company;~~
- ~~Decision No. 45/2007/QĐ-BTC of the Ministry of Finance dated 05 June 2007 issuing Regulations on establishment and management of Securities Investment Fund;~~
- Decision No. 63/2005/QĐ-BTC of the Ministry of Finance dated 14 Sep 2005 promulgating the regulation of accounting regime applicable to Securities Investment Fund;
- Decision No. 55/2009/QĐ-TTg of the Prime Minister of Vietnam dated 15 April 2009 on the Foreign Investors’ participation rates in Vietnam’s securities market;
- *Circular No. 213/2012/TT-BTC of the Ministry of Finance dated 06 December 2012 guiding operation of foreign investors on Vietnamese securities market and took effect from 15 February 2013;*

- ~~▪ Decision No. 121/2008/QĐ-BTC of the Ministry of Finance dated 24 December 2008, promulgating the Regulation on activities of foreign investors on Vietnam's securities market;~~
- Decision No. 88/2009/QĐ-TTg of the Prime Minister promulgating the Regulations on capital contribution and share purchase of foreign investment in Vietnam enterprises;
- Decision No. 15/2008/QĐ-BTC of the Ministry of Finance dated 27 March 2008 issuing Regulations on Securities practise;
- *Circular No. 52/2012/TT-BTC of the Ministry of Finance dated 05 April 2012 guiding the disclosure of information on securities market and took effect from 01 June 2012;*
- Other relevant legal documents.

2) **Amendment, supplement to Clause 3, Article 10 of the Charter:** To be adjusted to fit the new legal documents (Circular No. 224/2012/TT-BTC).

Article 10: Investment Strategy

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3. Assets permitted to invest:

VF4 only invest in the following assets:

- ~~▪ Securities of public company;~~
- ~~▪ Securities of company conducting the private offering;~~
- ~~▪ Government bonds, local authority bonds and enterprise bonds;~~
- ~~▪ Other types of financial assets stipulated by law;~~
- ~~▪ Money market instruments including certificates of deposit at credit institutions; and treasury bonds and negotiable instruments with a term not exceeding one year from the date of issuance.~~

- a) Deposit at commercial banks as prescribed in banking legislation;*
- b) Money market instruments including valuable papers, transferable instruments as prescribed in legal regulations in the field of banking.*
- c) Government bonds, bonds underwritten by the Government, municipal bonds;*
- d) Listed shares, registered shares for trading, listed bonds on Vietnam Securities Exchanges;*
- e) Public company' unlisted shares, shares unregistered for trading; corporate bonds issued to the public; shares of joint-stock company, equity capital in limited liability company;*
- f) Other types of shares as regulated by law and guidance of the Ministry of Finance;*

*The Fund Management Company is only allowed to deposit and invest monetary market instruments as prescribed in point a and b, Clause 3 herein in commercial banks named in the list approved by Board of Representatives.*

VF4 may invest offshore, especially in the emerging markets in the region, subject to the approval of the General Meeting of investors and in compliance with the prevailing laws.

The Fund Management Company shall actively invest and manage the investments. The Fund Management Company shall look for and establish an effective investment portfolio including the key investment with strongly growth on the value and the investments having periodic income. The Fund Management Company shall decide to invest or liquidate the investments based on evaluation of risks, exit plan and the potential profits of the investments.

- 3) **Amendment, supplement to Article 11 of the Charter:** To be adjusted to fit the new legal documents (Circular No. 224/2012/TT-BTC).

Article 11. Investment restrictions

~~The Fund Management Company only invests the capital of the Fund in securities or other asset in accordance with the Charter of the Fund and the prevailing laws, therefore VF4 shall have restrictions as follows:~~

~~1. Based on scale of VF4~~

- ~~▪ To invest not more than 20% of the total Net Asset Value of the Fund in currently circulating securities of a single issuing organization;~~
- ~~▪ To invest not more than 30% of the total Net Asset Value of the Fund in companies in the same group or with mutual ownership relationship.~~
- ~~▪ To invest not more than 10% of the total Net Asset Value of the Fund in real estate;~~
- ~~▪ Not to use capital and assets of the Fund to provide loan or guarantee for any loan;~~
- ~~▪ To invest not more than 10% of the total asset value of the Fund in securities of company conducting private offering.~~
- ~~▪ VF4 shall not borrow loans to finance investment project except for a short term loan to pay for necessary expenses. However, in all case the total value of short term loans must not exceed 5 per cent of total Net Asset Value and the maximum term of such loan shall be 30 days.~~

~~2. Based on scale of investment~~

- ~~▪ To invest not more than 15% of total circulating securities of a single issuing organization, except for government bonds;~~
- ~~▪ Not to invest in VF4's Fund Certificate or Fund Certificates of other securities investment fund;;~~
- ~~▪ Not to use assets of VF4 for the purpose of joint venture, business cooperation or investment in VF4 itself or in an economic organization being the Related person of VFM, Member of the Board, General Director, Deputy General Director of VFM, fund management practitioners at VFM.~~

- ~~3. There may be a deviation in the permitted investment structure of VF4 but such deviation shall not exceed 15% of the investment restrictions. The deviation must be the result of an increase or decrease in the market value of investment assets, and the change in value must be a result of the exercise of preferential rights of investment assets and of lawful payments made by the Fund. VFM shall be liable to report the above deviation to the SSC. Within 03 months from the date the deviation arises, VFM must adjust the investment portfolio to ensure the compliance with the investment restrictions set forth in Clause 1 and 2 of this Article.~~

*1. The structure of VF4's portfolios must ensure:*

- a) Not to invest more than fifteen percent (15%) of the total outstanding securities of such issuer, excluding Government bonds;*
- b) Not to invest more than twenty percent (20%) of the total value of The Fund' assets in types of securities and assets if regulated in Point a and Point b Clause 3 of Article 10 by the same issuer, excluding Government bonds;*
- c) Not to invest more than thirty percent (30%) of the fund's total value of assets in assets as prescribed in Points a, b, d, e and f Clause 3 of Article 10, issued by a group or a group of company having ownership relationships with each other;*
- d) Not to invest more than ten percent (10%) of the total value of Fund's assets in real estate and financial assets as prescribed in point e, Clause 3 of Article 10;*
- e) Not to use The Fund' assets and capital for lending or securing any loan, except for investments in deposits as prescribed in point a, Clause 3 of Article 10; not to use The Fund' assets for carrying out margin (leverage) trading or carrying out short sales;*
- f) Not to invest in certificates of such the Fund themselves; to invest in securities investment Fund, securities investment company established and operating in Vietnam;*

g) *If the fund is registered as foreign investor as in Clause 3 Article 3 of Circular No. 224/2012/TT-BTC, fund has to obey legal regulations of foreign ownership limit in investment.*

2. *The Fund Management Company is not allowed to borrow money to support activities of the fund, except for short-term loans aimed at covering necessary expenses of the Fund. The total value of short-term loans of the fund must not exceed five percent (5%) of the Fund's net asset value at any time and the loan term shall be not more than thirty (30) days.*
3. *Except for cases as prescribed in Points e,f and g, Clause 1 hereof, the investment structure of a fund may vary but not more than fifteen (15%) compared to investment limits prescribed at clause 1 hereof and due to the following causes:*
  - a) *Fluctuations in market prices of portfolio assets;*
  - b) *Carried out Fund's legal payments;*
  - c) *Consolidation, merger, purchasing fund certificates, tender offer of issuers;*
  - d) *The Fund are newly registered for establishment or the capital increase or the splitting, consolidation, merger of the Fund, of which its operation period is less than six (06) months, from the date of issue of certificate of fund establishment registration or certificate for business register; effective adjustment date;*
  - đ) *The Fund are under asset liquidation process to be dissolved.*
4. *The Fund Management Company must complete the readjustment of portfolio in order to ensure incompliance with the regulations at Clause 3 hereof within three (03) months after variations occur in accordance with provisions of Clause 1 hereof.*
5. *In the event that variations occur as result of non-compliance of Fund Management Company with investment limits as prescribed by legal regulations or The Charter, Fund Management Company must re-adjust portfolios within fifteen (15) days, from the occurrence of such variations. Fund Management Company must pay damages to the Fund (if any) and bear all expenses incurred in connection with the readjustment of portfolios. If any profit is realized, Fund Management Company must make accounting for the Fund in a prompt manner.*
6. *Within five (05) days, from the date of completing the readjustment of portfolios, Fund Management Company must announce information in the manner prescribed at Clause 4, Article 3 of this Circular, as well as report to the SSC variations in the portfolio structure, causes, the time of arising or detecting affairs, damage degree and compensate to the Fund (if any) or remedy measures, the time for implementation and remedy results. Such report verified by opinions by a custodial bank.*
7. *When conducting purchases and sales of assets for the Fund, Fund Management Company must comply with the following provisions:*
  - a) *For securities listed, registered for trading on Stock Exchanges, such purchases, sales must be conducted through a central trading system of Stock Exchanges;*
  - b) *For assets which are not securities listed, registered for trading, or in private placement, Fund Management Company must seek a written approval from Board of Representatives on expected price range, trading time, partners, traded assets prior to conducting the transactions.*

4) **Supplement 2 Clauses to Article 14 of the Charter:** To be adjusted to fit the new legal documents (Circular No. 224/2012/TT-BTC).

Article 14. Rights and obligations of investors

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3. *Investors or groups of investors holding more than 10% of fund certificates in circulation for at least six (06) consecutive months shall have the following rights:*

- a) *To appoint any person to Board of Representatives;*
- b) *To consider and excerpt books of minutes and resolutions of Board of Representatives, annual financial statements and reports of Custodian Banks;*
- c) *To request the fund management company calling of Extraordinary General Meetings of Investors in the following cases;*
  - *Having authentic bases on which the Fund Management Company, Custodial bank violate rights of investors, or obligations of the Fund Management Company, Custodial bank or make decisions beyond regulations in fund charter, supervision contract or assigned by investors meeting; causing losses to the Fund;*
  - *Board of Representatives exceeds term more than six (06) months but an alternative board has not been elected;*
  - *Other cases as provided at the Charter.*
- d) *To request The Fund Management Company, Custodial bank to explain extraordinary issues related to the Fund's assets and asset management and transactions. The fund management company, Custodial bank must respond the investors in written within fifteen (15) days upon the receipt of the letter.*
  - đ) *Recommend issues to be incorporated in the agenda of the General Meeting of Investors. The recommendations should be made in written and sent to the fund management company as least three (03) working days prior to the date of the meeting, except otherwise stipulated in the Charter;*
- e) *Other rights and obligations are as regulated in the Charter.*

4. *The request on petition of General Meetings of Investors or group of Investors as in Clause 3 of this Article must be made in writing and specify full name and permanent address, number of valid ID Card, Passport or other valid personal identification documents of the individual investor; name, head office address, nationality, number of the establishment decision or business registration number for the institutional investor; fund certificates holdings and holding period of each investor, fund certificate holdings of the group of investors and holding percentage in the Fund's fund units in circulation; bases and reasons for convention of General Meetings of Investors. Such request must be accompanied by documents, evidences on violations of The Fund Management Company, Custodial bank, violation degrees or on decisions made beyond their authority.*

5) **Amendment, supplement to Clause 2, Article 19 of the Charter:** To be adjusted to fit the new legal documents (Circular No. 224/2012/TT-BTC).

Article 19. Annual General Meetings of Investors

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2. The annual General Meeting of Investors shall be ~~convened by the Board of Representatives of the Fund and held within ninety (90) days as from the last day of the fiscal year~~ *thirty (30) days from the date of having opinions of independent auditor's approval on annual financial statement.*

6) **Amendment, supplement to Article 21 of the Charter:** To be adjusted to fit the new legal documents (Circular No. 224/2012/TT-BTC).

Article 21. Rights and duties of the General Meeting of Investors

The General Meeting of investors shall have the following rights:



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2. To make decisions on remuneration and operating costs of the Board of Representatives of the Fund. *The total remuneration and operating cost of the Board must not exceed the total annual operational budgets of Board of Representatives approved by the General Meeting of Investors;*

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11. To approve the selection of an accredited auditor to audit the annual financial statements of the Fund, *independent valuation entities (if any).*

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*13. Making decisions on contracts, transactions between fund and investors holding more than 35% of the number of fund units outstanding; between authorized representatives and related people of such investors. In this case, related investors are not entitled to voting: Contracts or transactions shall be approved when investors representing at least 65% of the total number of remaining votes agree;*

*14. Judging and sanctioning violations of Fund Management Company, Custodial bank and Board of Representatives causing losses to the Fund;*

*15. Other issues under their authority as prescribed by legislation on securities, and the Charter.*

7) **Amendment, supplement to Clause 3 Article 23 of the Charter:** To be adjusted to fit the new legal documents (Circular No. 224/2012/TT-BTC).

Article 23. Decisions of the General Meeting of Investors

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3. A decision of the General Meeting of investors shall be passed at a meeting when *there is at least sixty five percent (65%) of total agreeing votes of all participants* ~~the following conditions are satisfied:~~

- ~~a. It is approved by the number of investors representing at least 51% of the total number of voting rights of the investors attending the meeting and of investors participating in voting via other forms;~~
- ~~b. In the case of a decision on amending or supplementing the Fund Charter, or on dissolution, merger or consolidation of the Fund, it is approved by the number of investors representing at least 65% of the total number of voting rights of all investors attending the meeting and of investors participating in voting via other forms.~~

8) **Amendment, supplement to Clause 7 Article 24 of the Charter:** To be adjusted to fit the new legal documents (Circular No. 224/2012/TT-BTC).

~~7. Within seven (7) days from the end of a General Meeting of investors, the Fund Management Company and the Board of Representatives of the Fund shall be responsible to prepare minutes and the resolutions of the General Meeting of investors, and to send them to the SSC.~~

9) **Amendment to Clause 19 Article 26 and supplement one Clause to Article 26 of the Charter:** To be adjusted to fit the new legal documents (Circular No. 224/2012/TT-BTC).

19. To comply regulation on disclose information of VF4 Fund Certificates' transactions which it is implemented by the member of the Board of Representatives and affiliated persons, namely:

- + Before implementing any VF4 Fund Certificates' transaction (giving as gifts, donation, inheritance, transfer or receipt of the right to purchase additionally issued fund certificates...), the member of Board of Representatives shall report such to the SSC, HOSE and VFM on the standard form issued by HOSE, no later than three (03) working days before the projected trading date. The projected trading duration is *thirty (30) days* ~~two (2) months~~ from the registered trading date and the first trading session may be conducted only twenty four (24) hours after the information disclosure is made at the HOSE.



- + Within three (03) business days after the completion of the VF4 Fund certificates' transaction, the member of Board of Representatives must report the trading results to SSC, HoSE and VFM on the standard form issued by HOSE.
- + In the case of no transaction has been implemented, the member of Board of Representative also must report the causing reasons to SSC, HOSE within three (03) days since the last day of estimated trading period.

*20. The procedures for nomination of Board of Representatives shall comply with the provisions of Law of Enterprise and Securities applies to Board of Representatives.*

**10) Amendment, supplement to Article 34 of the Charter:** To be adjusted to fit the new legal documents (Circular No. 224/2012/TT-BTC).

Article 35: Limit operation of Fund Management Company

1. The Fund Management Company must be not a Related Person to the Custodian Bank.
2. Members of the Board of Management, *internal audit department's staffs, supervisory board (if any), the Executive Board and employees of the fund management company must not work in the departments providing services of custodian, supervision, fund administration at these banks, and vice versa* ~~General Director, Deputy General Director, Operator of Fund Management Company will not concurrently work at the Custodian Bank.~~
3. ~~Related person of the Fund Management Company, Fund management practitioners, person working for Fund Management Company are only permitted to buy, sell Fund certificate through the trading system by the method of matching orders at the HoSE.~~ *The related persons of fund management company are allowed to trade only public fund certificates which are managed by the company. Unless the transaction is in the public purchasing offering or in the initial public offering, these transactions are carried out through the trading system at the Stock Exchange.*
4. ~~Except for the purchase and sales mentioned in Clause 3 of this Article, Related persons of Fund Management Company, Fund management practitioners, person working for Fund Management Company can not be the in other transaction with the Fund.~~ *The Fund management company, parent company, subsidiaries, joint ventures, associated company, Members of the Management Board, supervisory board, the Executive Board and employees of the company is allowed and purchase only the assets in the entrusted asset portfolio or sold to the portfolio of entrusting customers which is managed by the the company according to the following principles:*
  - a) *Centralized order-matching method implemented through trading system at the Stock Exchange;*
  - b) *In case of put-through transaction or unlisted securities or unregistered securities for trading on the Stock Exchange, it must be approved in writing by Board of Representatives. The approval must mention the type traded assets, the method of determining the price, fees, partners or criteria for determining trading partners, the time to implement the transaction, the other conditions (if any).*
5. ~~All transactions of members of the Board of Management, General Director, Deputy General Director, Fund management practitioners and staffs of the Fund Management Company must be reported to the internal inspection division prior to and right after the transaction is made and must be centralized control at the Company under the supervision of internal inspection division.~~ *All securities transactions made by members of the Executive Board, employees of the fund management company must be reported to the internal control department before and after the transaction. Report on individual transactions must include information on the type (code) of securities, the quantity and value of transactions, total transaction value, the time to implement the transaction, method of implementation, number of transaction account, Securities company where the transaction accounts are opened. Report on individual transactions must be stored and*

*centrally managed at the department of internal control and provide for the State Securities Commission upon request.*

6. When the Fund Management Company performs any transaction involving the assets of the Fund, members of the Board, *Executive Board* ~~the General Direction, Deputy General Direction, Fund management practitioners~~ and all staffs of the Fund Management Company do not have right to request for or receive, under his/her individual or Fund Management Company's behalf, any remuneration, profits or benefits from the performance of any transaction involving the assets of the Fund provided by a third party, except for the fee, bonus as specified in the Charter.

~~7. The Fund Management Company shall not:~~

~~a) Use Fund's assets to invest in the Fund itself.~~

~~b) Use Fund's assets to invest in other public Funds managed by itself.~~

~~c) Use the company's assets, Fund's assets under the investment portfolio managed by itself to invest in the Fund.~~

~~8. The Fund Management Company shall not use assets of the Fund to provide loan, guarantee for any loan of the Company, Related person of Company, or to pay any debt for any related person of the Company or of any third party.~~

*7. The Fund Management Company is not allowed to borrow money to support activities of the fund, except for short-term loans aimed at covering necessary expenses of the Fund. The total value of short-term loans of the fund must not exceed five percent (5%) of the Fund's net asset value at any time and the loan term shall be not more than thirty (30) days.*

~~9. The Fund Management Company must control and ensure the expenses in any transaction involving the assets of the Fund remained at a reasonable rate and not higher than the average rate in the market place.~~

~~10.8. The Fund Management Company must comply with the investment restrictions in Fund management operation as set forth at Article 11 of this Charter.~~

*9. The Fund management company is not allowed authorize to outsource the organizations in the territory of Vietnam to provide securities investment consultancy service, Fund's asset management service.*

*10. In the management of Fund's assets, the fund management company must ensure that:*

*a) It shall not use the Fund's assets to invest in the other fund managed by them;*

*b) It shall not use the Fund's assets to invest in public funds managed by them, or vice versa.*

*c) It shall not use assets of public funds to invest in the fund management company itself; shall not invest in the organizations as related persons of the fund management company; shall not invest in the organizations that the members of the Management Board, members of the Executive Board, and employees of the company are shareholders or members holding more than ten percent (10%) of the charter capital;*

*d) It shall not use entrusting assets to lend under any form, guarantee for the loans in any form or make payment for the debt obligations of the fund management company, the concerned persons of the fund management company, other organizations and individuals;*

*This provision shall not apply in the case of lending in the form of investment of deposits in the credit institutions in accordance with the provisions of banking law, or purchase of bonds issued, bond transactions in accordance with the provisions of law; entrusting customers to be foreign individuals, organizations with 100% foreign capital and have agreed to allow the implementation of the above transactions;*

*đ) not to use The Fund' assets for carrying out margin (leverage) trading or carrying out short sales*

e) *They shall not commit, ensure investment results except for the investments in products with fixed-income; shall not sign the contracts receiving entrustment to invest in bonds with an interest rate not consistent with market and investment analysis result of the company itself; directly or indirectly to offset a part or all of the losses of entrusting customers caused by investment activities; shall not perform the transactions to reduce the profits of an entrusting customer to increase the profit of another entrusting customer; shall not enter into a contract, make transaction with the illegitimate, unreasonable disadvantage terms.*

11. *Except as a result of consolidation or merger of the issuer, the fund management company is used equity capital and capital of entrusting customers only for purchasing and owning (excluding shares in the portfolio of entrusting customers as portfolio swap fund) more than twenty-five percent (25%) of the total number of outstanding shares of a public company if meeting the following conditions:*

a) *To be approved in writing of the entrusting customers or representatives of the entrusting customers of the public purchasing offering, the purchasing offering price, the volume of assets expected for purchasing offering, method to distribute assets after making the purchasing offering;*

b) *The fund management company makes the public purchasing offering in accordance with the provisions of law on securities.*

**11) Amendment, supplement to Article 43 of the Charter:** To be adjusted to fit the new legal documents (Circular No. 224/2012/TT-BTC).

Article 43. Determination of the Net Asset Value of the Fund

1. Determination of the Net Asset Value of the Fund shall be carried out by the Fund Management Company and the Custodian bank must certify that such determination complied with law *Valuation Manual* and this Charter.

2. The Net Asset Value of the Fund must be determined periodically and must be publicly notified on the mass media to investors after certification of the Custodian bank is obtained.

3. *The Valuation Manual must be approved by the Board of Representatives and is provided to Custodial bank to verify NAV calculation. The list of quotation providers must include at least three (03) quotation providers, who are not affiliated persons of the Fund Management Company and Custodial bank, and must be approved by Board of Representatives.*

4. *The Fund Management Company musts compile Valuation Manuals with the following contents:*

a) *Principles, criteria for selecting and changing quotation providers. These principles must be expressly provided at Clause 5 hereof;*

b) *Principles, procedures for implementation and valuation methods must be consistent with legal regulations, provisions at Part I, Appendix 1 of this Charter and approved by Meeting of Investors. Such principles and procedures must be clear to apply in different market conditions.*

*In addition, the Valuation Manual will have detailed instructions, and more specifically to some cases arising from the content "Price determined in accordance with methods approved by the Board of Representatives" in the part related to the principles and valuation methods specified in Part I, Appendix 1 of this Charter. For this case, the valuation manual will be updated when such instructions approved by the Board of Representatives.*

*Except for the cases mentioned above, amendment or supplement to the Valuation Manual which is related directly to the principles, procedures for implementation and valuation methods or principles, criteria for selecting and changing quotation providers, must ..... be updated in the Charter and get approved by the Meeting of investors, then, the modifications will be updated official in the Valuation Manual.*

5. Principles, criteria for selecting and changing quotation providers are as follows:

- a) Each year, the fund management company will consider changes of the list of organizations providing quotations and propose this change for Board of Representatives to approve. The organizations providing quotations must need the following conditions:
  - i. Having function and being licensed to provide quotation service.
  - ii. Having ability to provide quotation service.
  - iii. Not being related people of the fund management company or custodian bank.
- b) Events and/or Criteria for changing quotation providers: when incurring one of the followings:
  - i. The Fund Management Company opens a security trading account at the security company which is the quotation of the Fund.
  - ii. The quotation provider is not functioned or licensed to provide quotation service.
  - iii. The quotation provider becomes related people of the fund management company or custodian bank.
  - iv. There is changes of governmental agencies relating to quotation.

12) **Amendment, supplement to Article 44 of the Charter:** To be adjusted to fit the new legal documents (Circular No. 224/2012/TT-BTC).

Article 44. Method of determining the Net Asset Value of the Fund

1. Time for valuation:

~~Net Asset Value of the Fund will be valuated weekly on the end of Friday and monthly on last day of the month. Right after the Custodian certifies that such determination complied with law and the Fund Charter, the Net Asset Value of Fund will be reported publicly to the investors according to the prevailing provisions.~~

2. Method of determining:

- ~~○ In the case of listed securities, their value shall be the closing price of the trading day most recent to the valuation day.~~
- ~~○ In the case of unlisted securities which are traded at securities companies, their value shall be the average price on the basis of trading prices supplied by three (3) securities companies which are not Related person of the Fund Management Company or the Custodian bank. In case the securities company doesn't supply the trading prices, their value shall be stated at the latest prices supplied by this such securities company but not later than twelve months from the valuation day.~~

~~If these prices are older than 12 months from the valuation day, the price which is used to value these securities is the lower of:~~

  - ~~● Cost price and~~
  - ~~● The average price of the latest prices supplied by these three securities companies.~~
- ~~○ In case of the unlisted securities which are registered at for trading at UPCOM, their value shall be the closing price at the trading day most recent to the valuation day. For securities without being traded from or more than 12 months, the price which is used to value these securities is the lower of:~~
  - ~~● Cost price and~~
  - ~~● The closing price of these securities at the latest trading day prior to the valuation day~~
- ~~○ In the case of listed securities which have not been traded for a period of less than two (2) weeks prior to valuation day, their value shall be the average price on the basis of the offering price supplied by three securities companies which are not Related person to the Fund Management~~

Company or the Custodian bank. In case of obtaining less than 3 offering prices supplied by these three securities companies, the price which is used to value these securities is the closing price of these securities at the latest trading day prior to the valuation day.

- In the case of listed shares which have not been traded for a period of from two (2) weeks prior to valuation day, their value shall be fixed as follows:
  - Equal to the closing price of these shares at the latest trading day prior to the valuation day, except the delisted shares or stopped trading shares; or
  - Equal to 80% of the liquidation value of one share as at the date of preparation of the most recent balance sheet in the case of an issuing organization which is in the process of division, demerger, merger, consolidation, dissolution or bankruptcy; or
  - By other valuation method which is approved by the Custodian Bank and the General Meeting of investors in other cases.
- In the case of other types of assets such as treasury bonds, banking bills of exchange, negotiable instruments and certificates of deposit which are assignable, and bonds with a term of below one year as from valuation day, their value shall be equal to their purchase price plus accumulated interest up to valuation day. In the case of discounted bonds, their value shall be determined by the cash flow method or by the linear interpolation method on the basis of purchase price and par value.
- In the case of bonds which have a maturity date of more than one (01) year on valuation day and in the case of convertible bonds, their value shall be equal to market price of listed securities or trading price provided by three (03) securities companies which are Related person of the Fund Management and Custodian bank. If such bonds have only been traded by agreement and do not have market prices, then their value shall be fixed in accordance with the theoretical basis for evaluating bonds;
- The value of derivative securities shall be fixed as their market price of listed securities or trading price provided by three (03) securities companies which are Related person of the Fund Management and Custodian bank. If such derivative securities have only been traded by agreement and do not have market prices, then their value shall be fixed in accordance with the theoretical basis for evaluating derivative securities;
- In the case of other assets of the Fund such as dividends, interest receivable, cash and money deposited on short term of not more than one (01) year and cash and money deposited on term of more than one year from valuation day, their value shall be fixed as their actual value on valuation day;
- Assets of the Fund being real estate must be valued by an independent assessor approved by the Custodian bank and the general meeting of investors. The assessor must not be a person or entity affiliated to the fund management company or the Custodian bank, and real estate must be periodically valued once every six months. If any event occurs which could affect the value of assets, the fund management company and the Custodian bank must notify the assessor;
- The investments which the method of determining value has not determined above shall be valued based on the on initial investment value (cost price) and remain unchanged during period when such investments have not been transferred yet.
- A valuation of other types of assets shall be conducted in accordance with the principles of scientific and objective valuation and must be ratified by the Custodian bank and approved by the General Meeting of investors.
  - Total debts payable by the Fund means debts and other obligations payable by the Fund on valuation day. The method of fixing the value of debts and obligations payable must be confirmed by the Custodian bank and must be in accordance with the relevant law

Net asset value of the Fund (NAV) = the Total Asset of the Fund — Total Debts payable by the Fund

The value of one Fund unit shall be equal to the Net Asset Value of the Fund divided by the total number of currently circulating Fund units.

## 1. General principles:

### 1.1. Fund management company:

The fund management company must ensure:

- a) The asset value is valued in an accurate manner in accordance with legal regulations and the fund's charter;
- b) The valuation must reflect investment transactions in an accurate, timely and full manner based on most recent transactions conducted;
- c) Valuation items (including shares, cash and other investments) must be regularly compared with original documents. Inconsistent items must be immediately dealt with.
- d) Prices of unlisted securities must be recorded and updated regularly based on cautious manner, in accordance to the liquidity of the market (considering the prices of most recent transactions executed successfully with an equivalent quantity);
  - d) Dividends, share purchase rights and bonus shares, coupons and other assets which can be entitled must be accounted in the fund's assets (unless accounted upon the prudent principle);
- e) Expenses, interests, coupons and dividends must be accounted accumulatively to the valuation point at a proper interest rate;
  - g) Taxes, fees, charges should be considered and opportunely adjusted as stipulated by the law;
  - h) In case of low liquidity, reasonable price fluctuation levels shall be set in accordance with market fluctuation at valuation point;
  - i) Regularly reviewing, inspecting valuation process. Inspection results must be recorded.
- k) The comparison of documents in connection to the fund's asset with the supervisory bank should be periodically implemented at least once per month.

### 1.2. Supervisory bank

- a) The supervisory bank must regularly inspect, supervise to ensure that the fund management company has principles, processes, methods of determination and the system applied to supervise the valuation of the fund's securities or net assets in accordance with legal regulations and the fund's charter. Regular inspection, supervision must be maintained by the third party delegated by the fund management company;
- b) The review of principles, processes, methods of valuation and the supervision system must be implemented immediately after the effective date of the supervision contract signed with the fund management company;
- c) The review must be more regularly implemented when the supervisory bank takes notice of the fact that or suspects that the principles, processes, methods of valuation and the valuation supervision system of the fund management company does not satisfy requirements;
- d) The supervisory bank must ensure that all issues discovered from such supervision, supervision are monitored and appropriately dealt with.

### 1.3. In case assets are valued or assessed inaccurately

- a) The fund management company must notify the supervisory bank of its detection of any inaccurate valuation;
- b) The supervisory bank must send monthly, quarterly, annual reports on any in accurate valuation in the period to the SSC;

### 1.4. Date of valuation



*Fund Management Companies shall be liable for determining the net asset values of funds and the net asset values per fund certificate on a weekly basis*

*The Fund's NAV is determined on a weekly basis. The valuation date is Friday for weekly report and the first day of the following month for monthly report. In case the fund management company changes the valuation date, the new valuation date must be approved by the Board of Representative before execution. In case the valuation date falls in a holiday, the effective date shall be carried on the next earliest working day.*

#### **1.5. Method to determine Net Asset Value**

*The net asset value of a fund shall be determined by the deducting the total value of the Fund's liabilities from the total value of the Fund's assets.*

*Total assets of the Fund is determined by market value or fair price (in case market value is not available). The total value of the Fund's liabilities is the Fund's debts or payment obligations as of the date preceding the valuation date. The determination of the market value of portfolio assets, the value of debts and payment obligations shall be confirmed by supervisor bank that it is complied with relevant regulations.*

*The determination of the market value of portfolio assets, the value of debts and payment obligations are detailed in following Section 2 "Method of valuation". The net asset value per fund certificate is the net asset value of the Fund divided by the number of fund certificate in circulation.*

#### **2. Method of valuation**

##### **1.1 Value of financial assets**

No.	Type of assets	Principle of valuation of market trading prices
<b>Currency and cash equivalents, money market instruments</b>		
1.	Cash (VND)	Cash balance on the day preceding the valuation day
2.	Foreign currencies	Value converted to VND at the prevailing rate at credit institutions authorized to engage in foreign exchange on the day preceding the valuation day
3.	Term deposits	Deposit value plus outstanding interest rates as of the day preceding the valuation day
4.	Treasury bills, bank drafts, commercial bills, transferable certificates of deposit, bonds (with maturity period below 3 months) and discount money market instruments	Purchase price plus accumulated interest as of the day preceding the valuation day.
<b>Bonds</b>		
5.	Listed bonds	- Closing price on the trading system at Stock Exchanges on the last trading day preceding the valuation day plus accumulated interest; - In case of no transaction in two (02) weeks or more till the valuation day, the value of bonds will be one of the followings in priority order + The purchase price plus accumulated interest; or + The face value plus accumulated interest; or + The price determined by the method as approved by Board of Representatives.
6.	Unlisted bonds	The value of the bonds will be one of the followings in priority order: - The listed price (if any) on quotation systems available plus accumulated coupon interest of the last trading day preceding



		<p><i>the valuation day; or</i></p> <ul style="list-style-type: none"> <li><i>+ The purchase price plus accumulated interest; or</i></li> <li><i>+ The face value plus accumulated interest; or</i></li> <li><i>+ The price determined by the method as approved by Board of Representatives.</i></li> </ul>
7	Warrants attached with convertible bonds.	<ul style="list-style-type: none"> <li><i>- The average price based on quotes (the average price of transactions in the period) of at least 03 quote providers - that are not related party - on the last trading day preceding the valuation day.</i></li> <li><i>- in case of no transaction, the price determined by the method as approved by Board of Representatives</i></li> </ul>
<b>Shares</b>		
8.	Shares listed on Ho Chi Minh Stock Exchange	<ul style="list-style-type: none"> <li><i>- The closing price (or similar name as regulated by Stock Exchanges) on the last trading day preceding the valuation day;</i></li> <li><i>- In case of no transaction in two (02) weeks or more till the valuation day, the value of shares will be one of the followings in priority order :</i> <ul style="list-style-type: none"> <li><i>+ The closing price (or similar name as regulated by Stock Exchanges) on the last trading day preceding the valuation day; or</i></li> <li><i>+ Book value; or</i></li> <li><i>+ Purchase price; or</i></li> <li><i>+ The price determined by the method as approved by Board of Representatives.</i></li> </ul> </li> </ul>
9.	Shares listed on Hanoi Stock Exchange	<ul style="list-style-type: none"> <li><i>- The closing price (or similar name as regulated by Stock Exchanges) on the last trading day preceding the valuation day;</i></li> <li><i>- In case of no transaction in two (02) weeks or more till the valuation day, the value of shares will be one of the followings in priority order :</i> <ul style="list-style-type: none"> <li><i>+ The closing price (or similar name as regulated by Stock Exchanges) on the last trading day preceding the valuation day; or</i></li> <li><i>+ Book value; or</i></li> <li><i>+ Purchase price; or</i></li> <li><i>+ The price determined by the method as approved by Board of Representatives.</i></li> </ul> </li> </ul>
10.	Shares of public companies registered for trading on the UpCom system	<ul style="list-style-type: none"> <li><i>- The closing price (or similar name as regulated by Stock Exchanges) on the last trading day preceding the valuation day;</i></li> <li><i>- In case of no transaction in two (02) weeks or more till the valuation day, the value of shares will be one of the followings in priority order :</i> <ul style="list-style-type: none"> <li><i>+ The closing price (or similar name as regulated by Stock Exchanges) on the last trading day preceding the valuation day; or</i></li> <li><i>+ Book value; or</i></li> <li><i>+ Purchase price; or</i></li> <li><i>+ The price determined by the method as approved by Board of Representatives.</i></li> </ul> </li> </ul>

11.	Registered and deposited shares, which have not been listed or registered for trading	The value of the share will be one of the followings in priority order: - quote price (if any) on the quote system as regulated by Stock exchanges or regulatory agent; or - The average price based on quotes (the average price of transactions in the period) of at least 03 quote providers that are not related party on the last trading day preceding the valuation day; or - In case of no quote system or absence of at least 01 quote providers, the value of such shares will be one of the followings in priority order: + The average quoted price from 02 valuation companies; or + The price of the last reporting period, but not exceeding three (03) months before the valuation day; + Book value; or + Purchase price; or + The price determined by the method as approved by Board of Representatives.
12.	Suspended, delisted/de-registered shares	The value of the share will be one of the followings in priority order: + Book value; or + Purchase price; or + The price determined by the method as approved by Board of Representatives.
3	Shares of entities under dissolution, bankruptcy	The price of such shares will be one of the followings in priority order: - 80% of the liquidated value of such shares at the date of the latest balance sheet preceding the valuation day; or + The price determined by the method as approved by Board of Representatives.
14.	Other shares, capital contributions	The price of such shares, capital contributions will be one of the followings in priority order: + Book value; or + Purchase price; or + The price determined by the method as approved by Board of Representatives.
<b>Derivative securities</b>		
15.	Listed derivative securities	The closing price of the last trading day preceding the valuation day
16.	Listed securities with no transaction within two weeks or more	The price determined by the method as approved by Board of Representatives.
<b>Other assets</b>		
17.	Other authorized investment assets	The price determined by the method as approved by Board of Representatives.

**Note:**

- Accumulated interest: Interest calculated from the time of the last interest payment to the valuation day;
- Book value of a share shall be determined on the basis of the latest audited financial statements.
- Valuation entities may select bond price quotation systems (Reuters/Bloomberg/VNBF ...) for reference;
- In this section of the Appendix, a day is a calendar day.

## 1.2 Global exposure from derivative contracts

1) Global exposure is the value converted into money for which the fund is the party with the obligation of contract implementation. The global exposure is determined upon the market value of underlying assets, payment risks, market volatility and the time necessary for position liquidation.

2) In calculating global exposure, the fund management company may apply:

- Netting of derivative positions (reverse) for the same underlying security, for example the long position in XYZ share call options reduces (offsets) the global exposure from the short position in XYZ share call options;

- Netting of derivative positions and spot delivery positions of the same security, for example the long position (holding) in XYZ shares offsets (reduces) the global exposure from the long position in XYZ share call options;

- Other principles shall be in accordance with international practices, ensuring risk management.

No.	Type of assets	Commitment value
1	Stock option (purchase of put option, sale of put option, sale of call option)	The market value of option position <sup>1</sup> is adjusted by delta coefficient of option = Number of contracts x Volume of shares per contract x current market value of share x delta coefficient <sup>2</sup>
2	Bond option (purchase of put option, sale of put option, sale of call option)	Market value of option position <sup>3</sup> is adjusted by delta coefficient of option = Number of contracts x nominal 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 transferable bonds
5	Other contracts	Upon the model selected by the fund management company, agreed with the supervisory bank and approved by Board of Representatives.

Note:

<sup>1</sup> If the fund holds long position, the market value may be adjusted to increase premium.

<sup>2</sup> Delta coefficient is the simple derivative of option price over underlying securities price. In the simple case, the delta coefficient may be considered as 1. In case of complex option, the delta coefficient shall be determined by fund management companies, supervisory banks after being approved by Board of Representatives.

<sup>3</sup> If the fund holds long position, the market value may be adjusted to increase premium.

**13) Amendment, supplement to Article 11 of the Charter:** To be adjusted to fit the new legal documents (Circular No. 224/2012/TT-BTC).

Article 54. Dividends

The dividends shall be distributed annually to the investors at the proposal of the Fund Management Company and approval by the Board of Representatives *and the Meeting of Investors* taking into account the operation and annual profit of the Fund. Only investors in the list of investors are entitled to receive the dividends.

**Article 9: Voting two additional members in the BOR for the term from 2010 to 2013**

**Structure of the VF4 Board of Representatives have changed as follows:**

Mr. Le Hoang Anh is a member of the Board of Representatives, formally resigned from the date of 03/19/2013.

**List of candidates to the VF4 Board of Representatives from 2010 to 2013:**

1. Mr. Hoang Kien – independent candidate.
2. Mr. Nguyen Kim Long represents for SSI Asset Management

**Voting results:**

<b>Full name</b>	<b>Percentage</b>	<b>Result</b>
Mr. Hoang Kien	98,47%	Elected
Mr. Nguyen Kim Long	94,65%	Elected

Members of VF4 BOR in the term 2010 – 2013 after voting consists of:

1. Mr. Dang Thai Nguyen – Chairman
2. Ms. Do Thi Duc Minh – Vice Chairwoman
3. Mr. Tran Thien Ha – Vice Chairman
4. Mr. Huynh Van Thon – Member
5. Mr. Le Trung Thanh – Member
6. Mr. Hoang Kien – Member
7. Mr. Nguyen Kim Long – Member

BOR VF4 term 2010-2013 will inherit all rights and obligations from the predecessor.

**Article 10: Effectiveness of the Resolution**

The resolution is effective from its signing date.

**On behalf of The Annual General Meeting**

*(signed)*

**Chairman of the BOR  
DANG THAI NGUYEN**

**On behalf of Fund Management Company**

*(signed & sealed)*

**TRAN THANH TAN  
CEO**