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**VIETNAM SECURITIES INVESTMENT
FUND (VFMVF1)**

No.: 08/VF1-2013/NQĐH

**SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness**

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Ho Chi Minh City, 27th June 2013

RESOLUTION

THE EXTRAORDINARY GENERAL MEETING 2012

- 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. 183/2011/TT-BTC dated 16th December 2011 by Finance Ministry;
- Pursuant to the License for Establishing of Vietnam Securities Investment Fund no. 01/UBCK-ĐKQĐT issued by SSC dated 20th May 2004;
- Pursuant to Meeting Minute no. 07/VF1-2013/BBĐH dated 27th June 2013;

RESOLUTES

The Extraordinary General Meeting unanimously passed the Resolution as follows:

Article 1: VF1 Financial statement in the 1st 3 months of 2013

The General Meeting unanimously agreed VF1 Financial statement in the 1st 3 months of 2013.

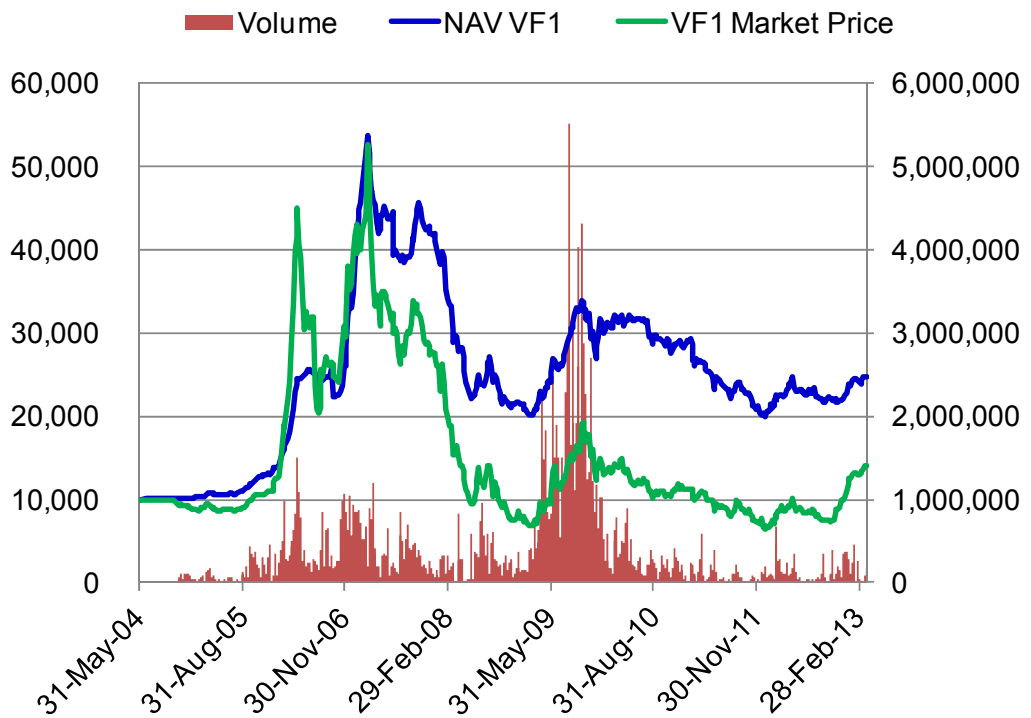
Article 2: VF1 conversion plan

The General Meeting unanimously agreed VF1 conversion plan as following:

CHAPTER I: REASON, OBJECTIVE, AND LEGAL DOCUMENTS SUPPORTING FOR VF1'S CONVERSION TO OPEN ENDED FUND

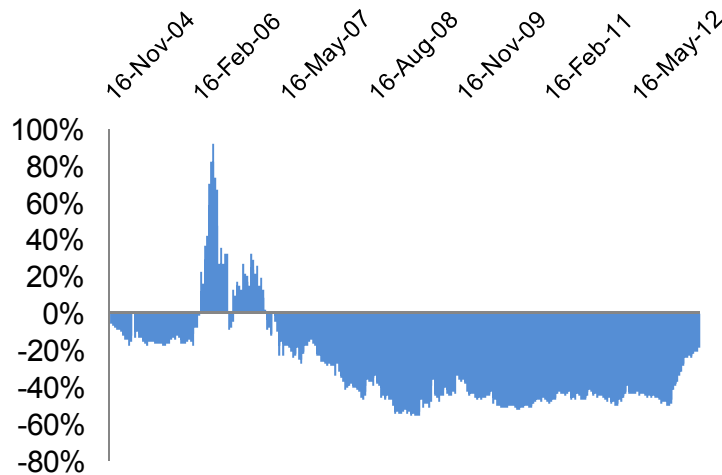
1. Updating of VF1 fund units' trading activities

Movement in VFMVF1's NAV, market price, and turnover



Movement in VF1's discount/premium

Premium/Discount



- Within the last 12 months, average daily trading of VFMVF1 fund unit has been around 113.349 units per day, equivalent to only 0.1% of total outstanding fund units.
- Since the year of 2007, majority of closed-end funds operating in Vietnam were traded at deep discount, up to 60%. Also being affected by the bearish trend, the discount of VFMVF1 fund units in 2012 were ranging from 28.3% to 51% and with average of 44.4%. The discount of VFMVF1 fund unit in quarter 1 2013 was at 22.8%.

2. Objectives of the conversion

2.1 Improve trading liquidity of VF1's fund units

Currently, the liquidity of VFMVF1 fund unit's is quite low compared to the total outstanding VFMVF1 fund units due mainly to the nature of close-ended fund (the Fund is not permitted to buy back fund units). The conversion from close – ended to open – ended fund would improve

VFMVF1 fund unit's liquidity since investors could then redeem directly with the fund management company.

2.2 Eliminate discount between NAV and market price

The close-ended funds' discount between NAV and market price are relatively high. After converting VFMVF1 into an open-ended fund, investors could subscribe and redeem directly with fund management company. The discount hence shall be eliminated and investor's benefits are improved.

2.3 Set up a mechanism to raise new chartered capital as needed

According to the current regulations, close-ended funds could only raise capital once at the IPO and new fund units are not issued frequently. If investors, who would like buy close-ended fund units, could only trade on stock exchange at market price. Meanwhile, the frequent subscription and redemption between investors could enhance cash inflow and provide more liquidity to the market.

3. Legal basis of VF1's conversion

The conversion of VF1 and other relevant matters are governed by the:

- Law on Securities passed by the National Assembly of the Social Republic of Vietnam, on 29 June 2006 and effective as from 01 January 2007;
- Congressional Act No. 62/2010/QH12 on amendments and supplements to a number of articles of the securities Law act on 24 November 2010 and effective as from 01 July 2011;
- Decree No. 58/2012/ND-CP of the Government: detailing and guiding a number of articles of the Law on Securities and the Law Amending and Supplement a Number of Articles of the Law on Securities and effective as from 15 September 2012;
- Decree No. 85/2010/ND-CP dated 01 August 2010 by the Government on sanctioning of administrative violations in the field of securities and securities markets;
- Circular 183/2011/TT-BTC dated December 16 2011 of the Ministry of Finance guiding the establishment and management of the open-ended Fund;
- Circular 212/2012/TT-BTC dated 05 December 5 2012 of the Ministry of Finance guiding the establishment, organization and operation of the fund management company;
- Circular 125/2011/TT-BTC of the Ministry of Finance dated 05 September 2011 on Accounting Guidelines applicable to the fund management company;
- Circular No. 198/2012/TT-BTC of the Ministry of Finance promulgating the accounting regime applicable to open ended Fund;
- Circular No. 213/2012/TT-BTC dated 06 December 2012 guiding the activities of foreign investors on the stock market;
- Decision No. 15/2008/QĐ-BTC of the Ministry of Finance dated 27 March 2008 issuing Regulations on Securities practise;
- Circular No. 147/2012/TT-BTC of Ministry of Finance dated 10 September 2012 to amend and supplement a number of articles of "Securities Regulation practice" is attached under Decision No. 15/2008/QĐ-BTC 27 March 2008 of the Ministry of Finance;
- Circular No: 52/2012/TT-BTC dated 05 April 2012 on Guidelines for disclosure of information on the stock market;
- Other relevant legal documents.

CHAPTER II: CHANGES ARISING FROM THE CONVERSION

4. Investment strategy and asset allocation of the open-ended fund

The objective of VFMVF1 is to achieve profit maximizing returns with an optimal risk level through a balanced and diversified portfolio, including equity, convertible and debt securities in Vietnam.

VFMVF1's strategy is active management in a balanced and diversified portfolio of equity, convertible and fixed income securities (including but not limited to Vietnamese Government bonds, government guaranteed bonds, municipal bonds, corporate bonds in accordance with Vietnamese law...), commercial notes and money market instruments. To the extent that the value of convertible securities can be

attributed to their debt characteristics, they will be treated as debt securities for purposes of this investment policy. In normal market condition, the Fund would hold approximately approximately 20% of net asset value (NAV) in fixed income and cash, and 80% of NAV in stocks of companies operating in Vietnam. The targeting investments are growth stocks among large and mid-sized market capitalization stocks. The Fund may from time to time changes the weight of equity and fixed-income investments to +/- 10% NAV versus its targeted allocation to get an optimal asset mix in consideration of changing in economic, market conditions.

1. Investment Structure

VFMVF1 Fund shall be allowed to invest in the following assets:

- a) Deposits at commercial bank as stipulated by banking laws;
- b) Money market instruments, foreign currencies, valuable papers, transferable instruments in accordance with banking laws;
- c) Government bonds, bonds underwritten by the Government and municipal bonds, including Government bond repo contracts in accordance with the Ministry of Finance's regulation;
- d) Listed shares, registered shares, and listed bonds of issuers that operate within Vietnam's law.
- e) Stocks or bonds, being listed within 12 months and registered by entities operating in accordance with Vietnam laws
- f) Listed and registered derivatives at Stock Exchanges, and solely used for hedging purpose;
- g) Others such as rights and options being entitled with holding of stocks;
- h) Other assets as stipulated with the Vietnam law and approved in writing by the General Investors' Meeting.

2. Investment area

With the above mentioned investment strategies, the Fund's asset allocation, from time to time, would change in accordance to stocks' growth potential and market liquidity.

The following sectors are VFMVF1's investable sectors. Changes in asset allocation by sectors will base on market liquidity and comply with investment' constraints detailing in the investment's constraints. The investable sectors include:

- Food & Beverages
- Materials & Resources
- Energy
- Retailing
- Banking - Diversified Financials
- Real estate
- Capital goods
- Utilities
- Consumer goods
- Insurances
- Consumers & durable goods
- Transportation

Investment restrictions

1. VFMVF1's portfolio shall be in accordance to the investment objectives and structures as stated in Article 10 of Fund Charter and Prospectus.
2. VFMVF1's portfolio shall include securities of at least 6 issuers and follow the following conditions:

- a) Do not invest more than forty nine percent (49%) of the fund's total asset value in assets as stipulated in points a, b Clause 1 Article 10 of Fund Charter;
 - b) Do not invest more than thirty percent (30%) of the fund's total asset value in assets set out in points a, b, d, e, f Clause 1 Article 10 of Fund Charter, these assets are issued by the same company or by a group of companies that have crossing ownership relations, in which the investment in derivatives securities equals the committed value of the contract as stipulated in Clause 3 Article 56 of Fund Charter;
 - c) Do not invest more than 20% of total asset value of the fund in circulating securities of an issuer, including valuable papers, transferring instruments, bonds, voting shares, non-voting preferable shares, and convertible bonds (except Government bonds);
 - d) Do not invest in securities of an issuer more than 10% of the total value of circulating securities of that issuer.
 - e) Do not invest more than 10% of the fund's total asset value in the assets set out in points e Clause 1 Article 10 of Fund Charter;
 - f) The total value of big investment items in the fund's investment portfolio shall not exceed forty percent (40%) of the fund's total asset value;
 - g) At any time, the total value in committed the transactions of derivative securities, outstanding loans and other payables of the fund must not exceed the net asset value of the fund;
 - h) Do not invest in securities investment funds, shares of securities investment companies that are established and operated in Vietnam;
 - i) Do not directly invest in real estates, precious stones and metals.
3. Except for the cases stated in points g, h, i Clause 2 of this Article, VFMVF1's investment structure may vary with 15% compared to the limits prescribed in Clause 2 hereof, and only due to the following reasons:
- a) The fluctuation of the market prices of assets in the fund's investment portfolio;
 - b) Execution of eligible payments of the fund;
 - c) Implementation of transaction orders of investors ;
 - d) Merge, consolidation and acquisition activities of issuers;
 - e) The new fund has just been licensed for establishment due to the splitting, merge, consolidation of the fund is executed, and the operation time has not exceeded six (06) months from the date of issuance of certificate of fund registration.
 - f) The fund is under dissolution process.
4. Fund management company must adjust the investment portfolio to meet the investment limits prescribed in clause 2 this article within 03 months, from the date on which the variation occurs
5. In case variation is caused by the inconformity with the investment limits prescribed by law of the fund's charter, the fund management company is be responsible for adjusting the portfolio within 15 days from the date on which the variation occurs and shall incur the costs of these transactions and losses (if any). The profit (if any) must be immediately recorded.
6. Fund management company may only invests in deposit and monetary instruments stated in points a, b Clause 1 Article 10 of Fund Charter, issued at banks approved in writing by the board of representatives of the fund.

5. Change of Custodian and Supervisory bank after VF1 becomes OEF

5.1 The current Custodian and Supervisory bank

The current Custodian and supervisory bank of VF1 is Joint Stock bank for Foreign Trade of (Vietcombank). Vietcombank is established under Vietnamese laws license no. 0103024468, issued by the Plan and Investment department of Hanoi city, dated 02 June, 2008.

The head office at HCMC is : 29 Ben Chuong Duong Str. Dist. 1, HCMC
Tel : (84-8) 38297245 Fax: (84-8) 38297228

5.2 Unreadiness in providing TA service from current Custodian and Supervisory bank

Currently Vietcombank is not ready to provide Transfer Agency service which is one of the key services to VF1.

5.3 Proposed Custodian and supervisory bank for OEF VF1

Because Vietcombank isn't ready to provide TA service, FMC will choose Standard Chartered Bank as Fund Custodian and Supervisory bank and Vietnam Stock Deposit (VSD) as TA service provider for open-ended VF1. The fees proposed by these organizations are the most competitive.

6. Service providers

6.1 Services providing for the Fund

Fund management company shall authorize a service provider to undertake the following services:

- 6.1.1** Custody service: make and maintain custody and cash account, securities documents and secure the Fund's asset.
- 6.1.2** Supervising service: confirm the Fund's net asset value and other reports regarding to the Fund' assets and supervising the Fund's operation compliance according to the Fund's documents.
- 6.1.3** Fund administration service (FA) make accounting records of transactions of a Fund: record the changes of cash inflows and outflows of the Fund; preparing the Fund's financial statements; coordinating with and assisting Fund's auditing organizations in performing audits for the Fund; determining the Fund's net asset value, the net asset value per fund certificate unit in accordance with legal regulations and the Fund's Charter; carrying out other activities in accordance with legal regulations and the Fund's Charter.
- 6.1.4** Transfer agency service (TA): preparing and managing the Main Register of investors; opening, tracking and managing the system of investors' trading accounts, omnibus accounts; confirming the ownership of open-ended fund certificates; making records of subscription orders, redemption orders, switching orders of investors; carry out the ownership transfer of fund certificates; updating Main Registers; supporting investors in implementation of rights related to the ownership of fund certificates of investors; maintaining the communication channel with investors, distribution agents, state competent authorities and other competent organizations; distributing to investors financial statements, fund operations reports, prospectus, simplified prospectus, trading account statements, transaction confirmations and other documents required to be provided for investors;

6.2 The differences between services providing for open-ended fund vs closed-ended fund.

Both open-ended and closed-ended fund use similar services including custody, supervising and fund administration.

The most basic difference in using services for open-ended and closed-ended fund is the use of Transfer Agency Service (TA), while closed-ended fund does not require such a service. TA shall prepare and manage the Main Register of investors; open, track and manage the system of investors' trading accounts as well as confirm investors' trading as the role of the Depository Center (VSD).

As closed-ended fund, fund certificate is considered as a listed security; hence, investor does not need to open a new account just for fund certificate trading. Trading of closed-ended fund shall be executed in trading floor and confirmed by the VSD.

6.3 Proposed Service Providers

- 6.3.1** Custodian and supervisory service: is provided by Standard Charter bank.
- 6.3.2** FA service: is provided by Standard Chartered bank
- 6.3.3** TA service: is provided by VSD

7. Amendment, supplement of the Converted Fund's Charter vs the close-ended fund's Charter

7.1 The major amendments

- 7.1.1** Name of the fund: change the Abbreviation of the fund for the consistency of a type of product of VFM - open-ended funds. Name of the converted fund is "Vietnam Securities Investment Fund (VFMVF1)".
- 7.1.2** Investment Objectives: will be changed accordingly to the investment strategy of converted fund if necessary.
- 7.1.3** Term of operation: according to regulations of open-ended fund, term of operation of converted fund is not limited and subject to its operational objectives.
- 7.1.4** Organization principles: base on the characteristic of open-ended fund, the principle of "During the Term, VFMVF1 has obligation to redeem the fund certificates which have been issued to the Investors in accordance with legal regulations" will be added into Fund Charter.
- 7.1.5** Total capital to be mobilized and number of fund certificates to be offered: is a compulsory article of an open-ended Fund Charter.
- 7.1.6** Investment Strategy, investment restriction, total value of short-term loans: will be changed accordingly to operation nature of open-ended fund and regulations on Portfolio/ operation of open-ended fund.
- 7.1.7** Rights and responsibilities of investors: will be changed accordingly to the nature of open-ended fund, specially the term "Request the fund management company to redeem fund certificates or convert fund certificates on behalf of the fund".
- 7.1.8** Fund certificate transactions, Partial redemption, suspension of trading of open-ended fund transactions, Selling price and redemption price of open-ended fund units are new terms will be added to converted fund's Charter.
- 7.1.9** Objection to decisions of Investors' General Meetings: according to regulations of open-ended fund, Investors holding open-ended fund certificates who object to decisions passed by the Investors' General Meeting on significant changes to the Fund's investment policies and objectives, and profit distribution policies; to increase fees paid to fund management company, supervisory bank; to change fund management company, supervisory bank; to consolidate, merge fund; shall have the right to require the fund management company to redeem their fund certificates or convert their fund certificates to certificates of another open-ended fund which have the same investment policies that is under management of the fund management company.
- 7.1.10** Rights and responsibilities of FMC: according to regulations of open-ended fund, this term is more details compared with close-ended fund's Charter.
- 7.1.11** Related service providers, distribution agents: according to regulations of open-ended fund, this is a new term need to be added into converted Fund.
- 7.1.12** Principles of Valuation Method of the Net Asset Value: according to regulations of open-ended fund, this term is more details compared with close-ended fund's Charter.
- 7.1.13** Procedures of valuating the fund's assets: according to regulations of open-ended fund, this is a new term need to be added into converted Fund to stipulate the coordination of Custodian bank – Fund – Distribution agents – Investors.

7.1.14 Compensation of damages to investors, the fund: according to regulations of open-ended fund, this term will stipulate the cases in which the compensation amount will be charged to the fund or to FMC.

7.1.15 Fees (Subscription fees at the trading cycles after conversion, redemption fee, switching fee, Depository and supervision fee, TA fee, FA fee): according to regulations of open-ended fund, this term is more details compared with close-ended fund's Charter.

With all changes stated above, FMC will propose a new Charter of converted fund for the approval of Investors' General Meeting based on a new structure of the form of open-ended fund's Charter regulated by law.

7.2 Details of Fund Charter

Details of Fund Charter will be preferred to VFMVF1 Fund Charter (converted fund).

8. Conversion expenses

Estimated expenses relating to the conversion of VFMVF1 to open ended fund include:

Investor Meeting expenses	Quantity	Price per unit (VND)	Total (VND)
Auditing (*)	1	207,900,000	207,900,000
I. Ballroom rental and organization expense			
Ballroom rental	1	28,875,000	28,875,000
Tea break	250	161,700	40,425,000
Organization expense	1	128,000,000	128,000,000
Total (1)			197,300,000
II. Public announcement			
AGM public announcement (in Investment Review Newspaper)	1	5,500,000	5,500,000
Investor Main Register for AGM (payable to VSD)	1	16,500,000	16,500,000
AGM invitation mailing (CPN)	50	47,300	2,365,000
AGM invitation mailing regular post)	4,500	14,300	64,350,000
Total (2)			88,715,000
III. Document expenses			
Documents at the AGM(125 pages) – Photocopy	250	27,500	6,875,000
Auditing reports (40 pages)	5,000	7,150	35,750,000
Conversion plan (28 pages)	5,000	5,500	27,500,000
Total (3)			70,125,000
IV. Other expenses			
Web banner (if applicable)	1	5,500,000	5,500,000
Mail packaging	5,000	1,100	5,500,000
Big envelop	5,500	1,210	6,655,000
Total (4)			17,655,000

Total expenses (*) + (1) + (2) + (3) + (4)		581,695,000
Backup (5%)		29,084,750
TOTAL		610,779,750

* Note: these expenses are included VAT.

9. Inheritance of rights and responsibilities of current fund

9.1 Rights and responsibilities of converted fund:

Converted fund shall inherit all rights, responsibilities and lawful interests of the close-ended fund before making the conversion, including but not limited to: ownership of the bonds or share, dividends, rights arising from shares and bonds owned by the VF1 and the obligation to pay the due debts of VF1.

9.2 Rights and responsibilities of investors after conversion:

9.2.1 Investors have rights as following:

- To be distributed fund dividends from investment activities of the Fund under decision of the Investors' General Meeting in commensurate to number of fund certificates owned by that Investor;
- Upon liquidation of Fund, to receive a part of remaining Fund in proportion to numbers of fund certificates owned by that investor (if any);
- Emplement rights through Investors' General Meeting;
- Request the fund management company to redeem fund certificates or convert fund certificates on behalf of the fund (if any);
- Other rights stipulated in Fund Charter.

9.2.2 Investors have responsibilities as following:

- To comply with decisions of the Investors' General Meeting;
- To implement full payment to buy fund certificates in a period time specified in the Fund Charter, Prospectus and are only responsible for the debts and other property obligations of the fund in proportion to numbers of fund certificates owned by that investor (if any);
- Other responsibilities stipulated in Fund Charter.

10. Difference in fees before and after the conversion

10.1 Fees after the conversion

After the conversion, the converted fund will have the following fees:

10.1.1 Fees paid by investors

10.1.1.1 Subscription fee at the next subsequent trading cycles

- Subscription fee is the fee that investors pay when buying a fund unit at trading cycles. Such fee is counted as a percentage of the subscription amount of a fund unit and payable upon the issuance.
- Subscription fee at trading cycles shall be 1% of the subscription amount.

Incase the fund management company has promotions causing the change in the subscription fee during a fixed period of time, the company shall announce in details at the Issue Announcement after VF1 is licensed to issue to the public.

10.1.1.2 Redemption fee

- Redemption fee is the fee that investors pay when selling a fund unit at trading cycles. This fee is subtracted from the trading price of a fund unit and payable as the fund pays to investors and counted as a percentage of the redeemed amount.
- Redemption price at trading cycles shall be applied as the following:
 - Redemption fee shall be 2% of the redeemed amount, if the holding period is within 12 months (365 days) since the subscription date.
 - Redemption fee shall be 1% of the redeemed amount, if the holding period is from 12 months (365 days) to 24 months (730 days) since the subscription date.
 - Redemption fee shall be 0.5% of the redeemed amount, if the holding period is more than 24 months (730 days) since the subscription date.
- The holding period is determined by “first in, first out” principle (FIFO)

10.1.1.3 Switching fee

- Investors shall pay switching fee when placing switching order at trading cycles.
- Investors shall not pay any subscription or redemption fee for the switching units.
- Switching fee shall be 0.3% of the trading amount of the switched fund.

10.1.2 Fees paid by the fund

10.1.2.1 Management fee

- The maximum Management fee is 2% of VFMVF1’s NAV per fiscal year. This fee is paid to VFM for carrying out fund management services for VFMVF1. Specific fee rates will be defined in specific periods but the total fee paid to FMC must comply with related regulations. When there is a change in management fee rate applied, FMC will inform to BOR and Supervisory bank and concurrently update this change in the nearest updated prospectus. FMC will inform the fee rate applied after the Fund receiving the Conversion license to BOR and Supervisory bank, and update on VFM’s website before the 1st valuation cycle after the conversion.
- The monthly fee is the total fee calculated (accrued) at valuation cycles in a month.

10.1.2.2 Custodian and Supervising Bank fee

- Custodian and Supervision fee shall be paid to the Custodian and Supervising Bank for providing the Custodian and Supervising Bank services.
- The maximum supervisory fee is 0.035% of NAV per year.
- The maximum custodian fee is 0.06% of NAV per year.
- The above fee is excluding other fees such as fee payable to Depository center, legal fee, mailing fee, fee for changing or canceling any trade, fee for registering nonlisted stock to listed stock or convertible bond to stock etc.
- The monthly payable fee is the total fee calculated (accrued) at valuation cycles in a month.

10.1.2.3 Fees related to transaction of fund assets

- Transaction fee
 - Transaction fee is VND100,000 per trade and maximum fee is 0.05% of NAV per year.

- The monthly payable fee is the total fee calculated (accrued) for trades done in the month.
- Other transaction fees

Including fees paid to security companies, law firm, quotation firm and other service company that is related to investment of the fund.

10.1.2.4 *FA fee*

- FA fee is the fee paid to FA provider for providing FA service.
- FA fee is 0.02% of NAV per year and paid every month.
- The monthly payable fee is the total fee calculated (accrued) at valuation cycles in a month.

10.1.2.5 *TA fee*

- TA fee is the fee paid to TA provider for providing TA service. TA fee paid for services listed at item 6.1.4 of this document.
 - Maintenance fee is 10 millions per month and will be paid every month.
 - Subscription and Redemption fee of TA is 0.01% of value of Subscription and Redemption and this fee will be paid every month.
 - Maximum of TA fee is 0.03% of NAV per year.
- ❖ Fee rates and payment terms will be defined in related agreements between FMC and TA service provider.
- ❖ Minimum fees:
 - Custodian fee is 10.5 million per month
 - FA fee is 14.25 million per month
 - Supervising fee is 14.25 million per month

10.1.2.6 *Other fees and expenses*

Other expenses of the fund include:

1. Expenses and fees relating to auditing services for the Fund;
2. Legal advisory fee, quotation fee and other reasonable fees for the Fund;
3. Expenses relating to printing, publication, and information of the Fund's activities, issuance of prospectus, simplified prospectus, financial reports, annual reports, trading confirmation statements, account statements, and other documents for investors, expenses for fund public announcement; expenses for organizing and convening of General Meeting of Investors and Board of Representatives;
4. Reasonable fee relating to the transactions of the Fund's assets;
5. Expenses for engaging independent organizations to provide valuation, asset valuation services for the Fund;
6. Expenses for amending the Charter for the benefit of Investors;
7. Remuneration for the Board of Representatives;
8. Other reasonable, valid fees and expenses as decided by the Board of Representatives;
9. Insurance expenses (if applicable)
10. Administration fee (fee for issuance certificate);
11. Tax, cost, and fee payable in accordance with the laws;
12. Interest payable from loans incurred by the Fund in accordance with the laws and the Charter;
13. Other reasonable, valid fees and expenses in accordance with the laws

10.2 Compare expenses of OEF and CEF

Below is the fee comparing table of Fund before and after being transferred (Fee after being transferred will be calculated based on Audited Financial Reports in 2012 and the quotation of Service providers, NAV at as 31 Dec, 2012 is 1,520 billions.)

No.	Item	Before	After
		(Audited Financed Reports)	(SCB's quotation)
I	The basic fee for two fund form	34,226,450,611	33,428,069,464
1	Management fee paid to FMC	30,106,552,493	29,640,000,000
2	Custodian fee	925,776,490	608,000,000
3	Supervisory fee	308,592,164	304,000,000
4	Meeting expense	452,572,530	452,572,530
5	Audit fee	300,960,000	291,500,000
5	Other fees and expenses	2,131,996,934	2,131,996,934
II	Fee for OEF only		920,000,000
6	Trade fee	Free of charge	192,000,000
7	FA fee	N/A	304,000,000
8	TA fee	N/A	424,000,000
	Total (I+II)	34,226,450,611	34,348,069,464
	% NAV	2.25%	2.26%
	Fee per unit	342.26	343.48

Note:

- Fee calculated based on NAV are management fee, custody fee, supervisory fee, FA
- The fixed expenses meeting expense, audit fee, other fees will be calculated based on the audited financial reports in 2012
- The quotation of Standarded Charter and VSD are used to calculate related fees.

CHAPTER III: PROCEDURE AND DURATION OF CONVERSION PROCESS

11. Expected duration of conversion process and the 1st trading day of open-ended fund

List of activities and expected duration of conversion are as following:

Step 1. Preparing the conversion plan and other related activities before the extraordinary Investors' General Meeting

From 01/4/2013 to 04/6/2013, including these major contents:

1. Investment strategy, investment structure of converted fund;
2. Audited financial statement of the 1st 3 months of 2013;
3. Changing of Custodian bank;
4. Selection of TA, FA service providers, Distribution agents and finalizing of workflows and fees with related service providers;
5. Delisting/ cancellation of depository of fund certificates to implement the conversion;
6. Charter of converted fund.

Step 2. Provide documents of extraordinary Investors' General Meeting to investors

Finish not later than 13/6/2013 (according to regulations, documents of General Meeting need to be provided to investors at least 15 days prior the General Meeting).

Step 3. FMC disclosure the time, agenda and expected contents of Investors' General Meeting on website and report to SSC, HOSE

Finish not later than 20/6/2013 (according to regulations, the information of extraordinary General Meeting must be disclosed minimum 5 days prior the General Meeting).

Step 4. Extraordinary General Meeting – date 27/6/2013

Extraordinary General Meeting will be hold to approve following issues:

- Approve Conversion plan;
- Approve delisting of VFMVF1;
- Approve cancellation of depository of fund certificates;
- Approve to change Custodian bank of the fund.

Step 5. Information disclosure on FMC’s website, report to SSC and HOSE

Finish not later than 28/6/2013 (according to regulations, the resolution of extraordinary General Meeting must be disclosed within 24 hours after issuing).

Step 6. Submit delisting application/cancellation of depository of fund certificates

Finish not later than 12/7/2013 (according to regulations, FMC have to submit delisting application within 15 days after General Meeting approved the conversion plan).

Step 7. HOSE review the application and approve for VFMVF1’s delisting/cancellation of depository of fund certificates

Approval for VFMVF1 fund certificates’ delisting proposed to be issued on 22/8/2013 (according to regulations, HOSE will approve within a maximum of 30 days from the date of receiving valid application).

According to guidance of HOSE on delisting application, the approval is expected to take effect after about 30 days from the date of signing, means the last trading day of investors is 24/9/2013, and the delisting day is 25/9/2013.

Step 8. Submit application on cancellation of depository of fund certificates

Finish within 3 working days from the date receiving Approval for VFMVF1 fund certificates’ delisting from HOSE, not later than 24/08/2013.

Step 9. VSD review the application and approve for VFMVF1 fund certificates’ depository cancellation

According to regulations, VSD will issue a Notification approval for VFMVF1 fund certificates’ depository cancellation within a maximum of 7 days from the date of receiving valid application.

Step 10. Fill an application with SSC to revise Fund Establishing Certificate of the fund

Finish not later than 30/08/2013 (According to regulations, FMC have to fill the application with SSC within a maximum of 7 days from the date of delisting).

According to guidance of SSC on conversion, the fund will conduct audits of the portfolio, the net asset value of the fund at the date of the last transaction of the fund as at the last day that the funds to purchase / sell the portfolio of the Fund before the conversion. The last transaction of the fund is expected on 31/7/2013.

Step 11. SSC issue the revised VFMVF1 Fund Establishing Certificate

The revised Fund Establishing Certificate is expected to be issued on 07/10/2013 (according to regulations, SSC will issue the revised Fund Establishing certificate within 15 days from the date of receiving valid application)

Step 12. FMC or authorized organizations provide information on trading day, NAV, list of distribution agents, time to conduct open-ended fund certificates’ trading... to investors

Finish not later than 09/10/2013 (according to regulations, FMC have to inform to investors within 3 days from the conversion day)

Step 13. Transfer Register of investors, complete adjustment procedures to register property information of the Fund's assets

Finish not later than 22/10/2013 (according to regulations, FMC have to finish within 15 days from the conversion day)

Step 14. FMC holds open-ended fund certificates’ trading day

Not later than **07/11/2013** (according to regulations, FMC have to hold the 1st trading day within 10 days from the conversion day)

“Day” mentioned in this document are “working days” in accordance with relevant regulations. The projected timeline is based on the legal provisions involved, the guidance of authorities and assumption of FMC that all application on delisting, fund certificates’ depository cancellation, conversion...are completed and valid from the 1st submit. The timeline in fact can be varied depending on the legal events arising, or additional request on documentation of authorized bodies.

Summary of duration of conversion

No.	Contents	Expected timeline
1	Preparing the conversion plan	04/06/2013
2	Extraordinary General Meeting	27/06/2013

No.	Contents	Expected timeline
3	Information disclosure on General Meeting's Resolution	28/06/2013
4	Application on delisting	12/07/2013
5	HOSE review and approve the application	22/08/2013
6	Application of depository cancellation	24/08/2013
7	Application to revised the Fund Establishing Certificate	30/08/2013
8	SSC revise the Fund Establishing Certificate	07/10/2013
9	Inform investors on trading day, NAV, list of distribution agents, time of 1 st trading day...	09/10/2013
10	Last trading day of VFMVF1 close-ended fund certificates	24/09/2013
11	Transfer Register of investors, complete adjustment procedures to register property information of the Fund's assets	22/10/2013
12	1st trading day of VFMVF1 open-ended fund certificates	07/11/2013

12. Conversion procedures to current investors

12.1 Proposals on fund operations during the conversion process

VFMVF1 will impose an investment halt during the conversion to have its assets audited and to submit the legal documents to the authorities in accordance with regulations. In order to limit market risks and optimize its net asset value, in consideration of investors who either hold up or withdraw money, the Fund will hold approximately 60% NAV in stocks and 40% NAV in cash, from the beginning of investment halt to the re-enacting of fund operating.

12.2 Conversion ratio

- One for one (1 for 1), or one close-ended fund unit to be exchanged for one open-ended fund unit.

12.3 Investor's asset value after conversion

Total investors' asset value, after conversion, will be equal to total outstanding open-ended fund units multiplied by NAV per unit at the most recent day of post-conversion time.

13. The responsibility of FMC to NAV of the portfolio in the conversion process

The FMC is exempted from any responsibility relating to the change of NAV of VF1 due to market movement during the period from the starting date of the suspension of the Fund's investment activities to the date the Fund is allowed to perform investing activities after the Fund is converted to open-ended fund.

14. Settlement for investor's rights

In fact, to achieve the approval of General Meeting for delisting a security deposited at VSD, a company has to submit a reasonable plan of settlement for investors' rights. Under the provisions of the Enterprise Law, for a joint-stock company, shareholders voting against the decision of the company to reorganize or change the rights and obligations of shareholders stipulated in the charter of the company may require the company to redeem their shares. However, according to Article 6 Clause 31 of the Securities Law no. 70/2006, "Close-ended fund is a public fund that the fund certificates were offered to the public shall not be redeemed at the request of investors". Therefore, the settlement for investors' rights protested the General Meeting's decision on conversion plan will be implemented after the conversion is completed, namely:

"VF1 fund certificate's holders will convert all close-ended fund certificates which he owns to open-ended fund certificates in accordance with the Fund's conversion rate and time as specified in the conversion plan approved by Investors' General Meeting. For investors who protest conversion policy

or conversion plan approved by General Meeting shall have the right to require the fund management company to redeem their fund certificates after receiving approval from SSC for the conversion from closed-end fund to open-end funds. The method of redemption, valuation mechanism, purchasing volume determined under the provisions of Circular No. 183/2011/TT-BTC issued by the Ministry of Finance dated 16 Dec, 2011”.

CHAPTER IV: RISKS ASSOCIATING WITH CONVERSION PROCESS

15. Risks associating with conversion process investors need to know

15.1 Timeline risk

Circular 183/2011/TT-BTC is the main guidance on the conversion process from closed - end fund to open-ended fund. However, there is no exact antecedent case like VFMVF1 in Vietnam, there may be unprecedented events beyond VFM's expectation and conversion process, as a result, may lengthen.

15.2 Risk of market value volatility during the trading halt in the conversion process

During conversion process, investors could not trade fund units from the time that close-ended fund delisted to the open-ended fund's first trading day. The equity portfolio accounting for 60% of the Fund's NAV may expose to market risk and hence affect to investor's assets during the investment and trading halt.

CHAPTER V: TRADING FUND CERTIFICATES AT THE NEXT SUBSEQUENT TRADING CYCLES

16. Trading fund certificates in open-ended fund model

16.1 Transferring VF1 investor account management after the conversion

After VF1 is officially canceled the listing and depository at Ho Chi Minh Depository Center, VF1 shall be delisted in the investor's trading account at securities company.

Investors shall open the VF1 trading account for open-ended fund according to VFM announcement as VFMVF1 is officially converted to open-ended fund. The number of VF1 certificates owned by the investors shall be recorded in the new trading account for open-ended fund.

16.2 General principles for trading orders at the trading cycles

16.2.1 Trading time for the trading cycles after the conversion

The first trading day shall be organized within 30 (thirty) days from the effective date of certificate for VFMVF1 fund conversion to open-ended fund. Trading frequency shall be arranged periodically twice a month. The 1st trading day can be changed in comparison with the periodically trading day. If the trading day falls in a holiday or to be changed in comparison with the periodically trading day, The Fund management company shall announce to investors, distribution agents and other related service providers about details of the trading schedule and the Cut-off time on our website or emails.

16.2.2 Cut-off time

Is the latest time that distribution agents receive any Subscription/Redemption/Switching orders and confirmation on the subscription money transfer to the Fund account on the trading day.

16.2.3 Trading principles:

- With the investors at first time trading, investors shall open the trading account for open-ended fund;
- Investors directly register to trade VFMVF1 fund certificates at distribution agents appointed by the Fund management;
- Trading orders must be filled fully and sent to distribution agents before the Cut-off time. The subscription order shall be sent together with the confirmation of subscription money transfer to the Fund account or the confirmation of subscription money transfer from the Custodian Bank;

- Subscription/Redemption payments shall be executed by the form of transferring from the investor's account to the Fund account and vice versa;
- The Redemption orders shall be executed as the Transfer Agent or Distribution agents confirm the available redeemed quantity from the investors;
- The Redemption orders can only be partially redeemed as regulations of law and Charter. Specially in the 1st 2 trading cycles, FMC will shall be allowed to satisfy part of an investor's subscription, redemption or switching orders which The total value of redemption orders (including redemption orders for switch) minus the total value of subscription orders (including subscription orders for switch) on the trading day of fund certificates exceeds up to twenty percent (20%) of the net asset value of that fund;
- Investors shall have the right to switch between different funds if the Fund Management company has more than two open - ended funds;
- Number of allotted fund units can be rounded down to two decimal places;
- Investors shall comply with all the tax obligations (if any) for the redemption orders per current legal regulations.

16.2.4 Cancelling orders

All investors shall have the right to cancel the trading orders (subscription, redemption, switching) before Cut - off time. If the cancellation request arrives **after the Cut - Off time**, the cancellation request is considered as an invalid order.

16.3 Valuation method of the net asset value

- Trading value of VFMVF1 fund unit is the net asset value (NAV) per unit which is determined at Trading/Valuation date (T day) and announced to investors according to regulations of law.
- Trading value of a fund unit is determined as follows:
 - Subscription price at the next subsequent trading cycles: is a price that investors must pay fund management company. The subscription price shall be determined by the net asset value per a fund unit as of the fund certificate trading day plus subscription fee.
 - Redemption price: Redemption price is the price of a fund unit, that Fund Management company must pay investors, is determined by the net asset value per a fund unit as of the fund certificate Trading day minus redemption fee as the Fund Charter.
- The net asset value of the Fund shall be determined every week and announced to investors according to regulations of law.

16.4 Partial redemption, suspension of trading of open-ended fund transactions

16.4.1 The fund management company shall be allowed to satisfy part of an investor's subscription, redemption or switching orders under the following circumstances:

- The total value of redemption orders (including redemption orders for switch) **minus the total value of subscription orders (including subscription orders for switch)** on the trading day of fund certificates exceeds ten percent (10%) of the net asset value of that fund; or
- The implementation of all of the investors' redemption orders shall lead to the fact that:
The net asset value of the fund is lower than VND fifty (50) billion.
- The selling of securities in the portfolio for cash to satisfy the redemption orders cannot be executed due to the following circumstances:

- The lack of market liquidity which cannot satisfy the redemption orders;
- One (or more) securities in the VFMVF1 portfolio is suspended trading due to the Decision from the Securities Exchanges.

16.4.2 Specially in the 1st 2 trading cycles, FMC will shall be allowed to satisfy part of an investor's subscription, redemption or switching orders which The total value of redemption orders (including redemption orders for switch) minus the total value of subscription orders (including subscription orders for switch) on the trading day of fund certificates exceeds up to twenty percent (20%) of the net asset value of that fund.

16.4.3 For the remaining part of redemption/switching orders that were partly executed as mentioned in Point 16.4.1 and 16.4.2 above, the fund management shall apply the pro-rata principle for fund certificates allotment.

16.4.4 Open-ended fund certificate transactions may be suspended in where one of following events happens:

- Force majeure condition;
- It is impossible to determine the net asset value of the fund at the Trading day due to the Securities Exchange suspense securities trading in the fund's portfolio.
- Other cases as prescribed in the fund's charter or the State Securities Commission deems necessary.

Duration for suspension of fund certificate trading shall be set out in the fund's charter, but shall not exceed ninety (90) days from the last fund certificate trading day.

Within maximum period of thirty (30) days, from the end of suspension of fund certificate trading period as provided above, the Fund management company shall organize an investors' general meeting to consult investors of the dissolution, segregation of the fund or the extension of the suspension duration.

Within the time frame to convene the investors' general meeting, if the reasons for such suspension of fund certificate trading end, the fund management company may cancel the convention of the investors' general meeting.

16.5 Trading confirmation

Investors' trading confirmation at each trading cycle shall be announced after the trading day.

16.6 Distributors

VFMVF1's fund certificates shall be distributed through designated agents as listed in the new Prospectus of VFMVF1 (converted Fund).

16.7 Differences in trading between closed-ended vs open-ended fund

	Open-ended Fund	Closed-ended Fund
Fund Trading	Trading directly with the Fund management Company after issuance	Trading through the trading floor after issuance
Placing order	Placing trading order through appointed Distributors by the Fund Management Company	Placing trading order through securities companies that investors obtained their securities trading account
Depository	Depository at Transfer Agency	Depository at Vietnam securities Depository Center
Subscription	Daily	At fund launch
Redemption	Daily	At fund maturity
Switches	Allowed	Not allowed

	Open-ended Fund	Closed-ended Fund
Subscription order	Subscribe by money	Subscribe by quantity
Redemption order	Redeem by quantity	Redeem by quantity
Trading price	<ul style="list-style-type: none"> ○ Trading at NAV ○ At the trading time, NAV shall not be announced 	<ul style="list-style-type: none"> ○ Trading at market value ○ The trading price is listed in the stock exchange (real time)
NAV Calculation / Portfolio Valuation	<ul style="list-style-type: none"> ○ Daily for the purpose of subscriptions and redemptions 	<ul style="list-style-type: none"> ○ Periodically for disclosure
Listing	Non-listed	Listed in the stock exchange
Discount from NAV	No discount	May be a big discount
Liquidity	Trading with the fund management company at any time	Cannot trade in case the market lacks of liquidity

16.8 Details of the Prospectus

Other details on trading will be preferred to VFMVF1 Prospectus (converted fund).

CHAPTER VI: CONCLUSION

With careful analysis of the market opportunity and the current capacity, the VF1's conversion is fully complied with current regulations and creates new incentives to the growth of the fund, continues to have new contributions to the development of Vietnam stock market.

Article 3: VFMVF1 fund certificates' delisting and the settlement for investors' rights

The General Meeting unanimously agreed VFMVF1 fund certificates' delisting and the settlement for investors' rights stated in Article 14 of Conversion plan and appoint VFM to implement the application with authorities.

Article 4: Cancellation of depository of VFMVF1 fund certificates

The General Meeting unanimously agreed the cancellation of depository of VFMVF1 fund certificates.

Article 5: Change of Custodian and supervisory bank and Custodian, supervisory contract

The General Meeting unanimously agreed the changes of Custodian and supervisory bank and Custodian, supervisory contract.

Article 6: Charter of Converted fund

The General Meeting unanimously agreed the Fund Charter of converted fund includes 16 chapters, 72 articles and 3 appendixes, and takes effect as the date when SSC revised the VFMVF1 Fund Establishing Certificate.

Article 7: Amendment and supplement of Fund Charter during the process of reviewing conversion application of the Fund of SSC

During the process of reviewing conversion application of the Fund of SSC, the General Meeting unanimously agreed the amendment and supplements of Fund charter arising (if any) in line with regulations of law as requested by SSC to finalize the application on fund conversion. The General Meeting agreed to appoint VFM to implement the amendment and supplements for the application.

VFM has to disclose the amendment and supplement of fund charter according to law and report to investor at nearest AGM. The amendment and supplement of fund charter takes effect as the date when SSC revised the VFMVF1 Fund Establishing Certificate.

Article 8: BOR of converted fund for the term 2013 – 2016

The General Meeting unanimously agreed to keep the current BOR for BOR term from 2013 – 2016 of VF1 open-ended fund.

List of BOR of converted fund for the term 2013 – 2016, như sau:

1. Chairman : Mr Lưu Đức Khánh
2. Vice Chairwoman : Mrs Nguyễn Bội Hồng Lê
3. Member : Mr Nguyễn Kiên Cường
4. Member : Mr Đặng Thái Nguyên
5. Member : Mr Lê Văn Phú
6. Member : Mr Phan Minh Tuấn

BOR of the fund term 2013 – 2016 will inherit all rights and obligations from the predecessor before the conversion.

Article 9: Effectiveness of the Resolution

The resolution is effective from its signing date.

**On behalf of The General
Meeting**

On behalf of Fund Management Company

(signed)

LƯU ĐỨC KHÁNH
Chairman of the BOR

TRẦN THANH TÂN
CEO