

## Translation Accuracy Disclaimer

*This document is a translation of Resolution on Voting Issues Of The Annual Meeting Of Financial Year 2017. The translation is for informational purposes only, and is not a substitute for the official policy. The original version of the Resolution, found in website of the fund management company (www.vfm.com.vn), is the only definitive and official version. If any questions arise related to the accuracy of the information contained in the translation, please refer to the Vietnamese version of the document. Any discrepancies or differences created in the translation are not binding and have no legal effect for compliance or enforcement purposes.*

**VIETNAM SECURITIES INVESTMENT FUND**

**(VFMVF1)**

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**SOCIALIST REPUBLIC OF VIETNAM**

**Independence - Freedom - Happiness**

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No.: Số: 02.18/NQĐH-VF1-2018

*Ho Chi Minh City, 04 April 2018*

## RESOLUTION

### VOTING ISSUES OF THE ANNUAL MEETING OF FINANCIAL YEAR 2017

#### VIETNAM SECURITIES INVESTMENT FUND (VFMVF1)

- Pursuant to Law on Securities dated 29 July 2006 by the National Assembly and Law No. 62/2010/QH12 dated 24 November 2010 by the National Assembly amending, supplementing a number of articles of Law on securities;
- Pursuant to Circular 212/2012/TT-BTC dated 05 December 2012 by the Ministry of Finance guiding the establishment, organization and operation of the fund management company;
- Pursuant to Circular 183/2011/TT-BTC dated 16 December 2011 by the Ministry of Finance guiding the establishment and management of the open-ended Fund;
- Pursuant to Circular 15/2016/TT-BTC dated 20 January 2016 by the Ministry of Finance Amending and Supplement a number of Circular 183/2011/TT-BTC dated 16 December 2011 by the Ministry of Finance guiding the establishment and management of the open-ended Fund;
- Pursuant to Charter of Vietnam Securities Investment Fund approved by the General Meeting of Investor on 04/04/2017;
- Pursuant to the result of Voting Issues Of The Annual Meeting Of Financial Year 2017 dated 04 April 2018.

## RESOLUTES

*The Voting Issues Of The Annual Meeting Of Financial Year 2017 ("The Voting") unanimously passed the Resolution as follows:*

### **Article 1: Reports on operation result of the Fund in 2017.**

The Voting unanimously agreed Reports on operation result of the Fund in 2017 as follow:

Vietnam Securities Investment Fund (VF1) summed up the year 2017 with many remarkable results. VF1 fund's growth was 44.8%, higher than the VF1 benchmark which is 40.7%. This is also the

highest growth of the fund in the last 8 years. Strictly follow 2017 strategy, VF1 fund disbursed early on investment opportunities, actively reduce cash proportion from 23% at the beginning of the year to 11% NAV at the end of the year. The proportion of fixed income remained unchanged at 8%, mainly are certificates of deposit with interest rates from 10.75% to 11.5%. In terms of equity, VF1 holds about 60% NAV in Large-Cap stocks and strengthens its position in small and mid cap stocks, increasing this weight from 10% by the end of 2016 to almost 21% NAV. In addition, VF1 focused on IPO opportunities and private placement with 12 new stocks, resulting in average return from 10% to 50%. Due to its large scale and flexibility in investment, VF1 has a great advantage in block deals and private placement.

Contributing to VF1's profit are sectors that have been identified at the beginning of the year such as Food, Beverage & Tobacco (+ 50.5%), Retail (+69, 3%), textiles and consumer goods (+ 111.1%) and banks (+ 57.9%). To get this result, VF1 has been actively looking for investment opportunities to disburse early and take profit when stocks have achieved a target growth. With stocks that did not perform as expected, the fund has removed from its portfolio. At the same time, VF1 always actively changed its weight between sectors and stocks to get ahead of market growth trend.

#### **Article 2: Audited Annual financial statement of the Fund in 2017.**

The Voting unanimously agreed Audited Annual financial statement of the Fund in 2017.

#### **Article 3: Profit distribution plan of the Fund in 2017.**

The Voting unanimously agreed Profit distribution plan of the Fund in 2017 as follow:

VF1 not to pay dividends for 2017 and reinvest all dividends.

#### **Article 4: Operational plan of the Fund in 2018**

The Voting unanimously agreed Operational plan of the Fund in 2018 as follow:

The mandate of VF1 in 2018 is to maintain a low cash position to invest in new opportunities in the context of a bull market. The fund will also take profit from investments that has achieved expected growth. At the same time, VF1 will continue to focus on IPO opportunities, divestment of state-owned enterprises and private placement. For sector allocation, the fund will build up a portfolio of key sectors that are suitable for the economic situation. For instance, Banking sector possesses a profitable prospect as banks are completing provision for bad debt and achieving growth from services and consumer finance. In addition, the Consumer Goods, Retail, Consumer Durables and Apparel will be maintained at a high proportion due to the rising trend of domestic consumption. The Transportation sector will be focused since the demand for export and import will increase as the country enter free trade agreements such as EVFTA and CPTPP.

The bond market is tending to be more sustainable with maturity and holding duration are extended. The government is building a database and infrastructure for corporate bonds to attract the attention of valuable investors. In addition, a high demand from the insurance and banking sectors has reduced bond yields to low levels since the second half of 2017. With this circumstance, VF1 will continue to focus on investing in certificates of deposit and corporate bonds with reasonable yields to optimize profits for the fund.

#### **Article 5: Auditor selection for the Fund in 2018**

The Voting unanimously authorized the Board of Representatives ("BOR") to select the auditing company for auditing financial statements of the Fund in 2018.

## Article 6: Total operating budget for BOR in 2018.

The Voting unanimously agreed Total operating budget for BOR in 2018 as follow:

### Proposal of BoR budget in 2018:

No.	Name of cost	Budget 2018	Actual 2017	% increase
<i>I</i>	<b>Remuneration</b>	<b>221,000,000</b>	<b>221,000,000</b>	0%
<i>II</i>	<b>Transportation</b>	<b>53,478,000</b>	<b>29,196,500</b>	83%
1	Air tickets	28,728,000	9,796,500	193%
2	Hotels	24,000,000	19,400,000	24%
3	Taxis	750,000	0	-
<i>III</i>	<b>Others (meeting rooms, meals,..)</b>	<b>8,000,000</b>	<b>5,981,168</b>	34%
	<b>TOTAL</b>	<b>282,478,000</b>	<b>256,177,668</b>	10%

(% increase is the percentage differences between the actual 2017 and the budget 2018)

**Note:** Proposed budget in 2018 may be increased 10% compared to the actual costs in 2017 thanks to:

+ Transportation cost (air ticket, hotel, taxi) in 2018 is referred to the market benchmark.

+ Number of face to face meetings is twice, others intend to be held via conference calls or papers.

- The budget in 2018 intend to be used for 4 members and 1 secretary with the following structure:

\* Chairman: 5 million VND / month

\* Deputy Chairman: 4 million VND / month

\* Member: 3 million VND / month

\* Secretary: 2 million VND / month

- In case the number of BoR members changes, the budget will be renewed based on the reality

## Article 7: Amendment, supplement to the Fund Charter

The Voting unanimously agreed Amendment, supplement to the Fund Charter as follow:

### 7.1. Supplement, Amendment to LEGAL BASIS: to match with regulation

#### LEGAL BASIS:

- **Decree No. 145/2016/ND-CP dated November 01, 2016 by the Government on amendments to the government's Decree No. 108/2013/ND-CP dated September 23, 2013 on penalties for administrative violations against regulations on securities and securities market;**
- **Circular No. 123/2015/TT-BTC dated 18 August 2015 ~~213/2012/TT-BTC dated 06 December 2012~~ by the Ministry of Finance guiding the activities of foreign investors on the stock market;**
- **Circular No. 197/2015/TT-BTC dated December 03 2015 ~~Decision No. 15/2008/QĐ-BTC dated 27 March 2008~~ by the Ministry of Finance issuing Regulations on Securities practise;**

- ~~Circular No. 147/2012/TT-BTC dated 10 September 2012 by the Ministry of Finance to amend and supplement a number of articles of "Securities Regulation practice" is attached under Decision No. 15/2008/QĐ-BTC 27 March 2008 of the Ministry of Finance;~~
- Circular No. 242/2016/TT-BTC dated November 11, 2016 by the Ministry of Finance issuing Regulations on prices of securities-related services applied at securities trading organizations and commercial banks joining Vietnam's securities market;

**7.2. Supplement, Amendment to CONCEPTS & DEFINITIONS: to match with regulation  
CONCEPTS & DEFINITIONS**

<b>"The prices of services"</b>	<b>hereinafter referred to as the "fee"</b>
"Subscription price"	is a price that investors must pay fund management company. The subscription price at the subsequent trading cycle after fund's conversion shall be determined by the net asset value per a fund unit as of the fund certificate trading day plus <b>price of service of subscription—fee</b> at the subsequent trading cycle after fund's conversion.
"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 <b>price of service of redemption fee</b> as the Fund Charter.
<b>"Price of service of managing public securities investment funds" or "Management Fee"</b>	Defined as the <b>price of services fee</b> payable to the Fund Management Company for its provision of fund management service as defined in Article 1.1 – Chapter X of the Prospectus.
<b>"Price of service of Subscription at the next subsequent trading cycle" or "Subscription fee at the next subsequent trading cycle"</b>	is the <b>price of services fee</b> that investors must pay when buying a fund unit at the next subsequent trading cycle. Such <b>price of services fee</b> is counted as a percentage of the subscription amount of a fund unit and payable upon the issuance.
<b>"Price of service of Redemption" or "Redemption fee"</b>	is the price <b>price of services fee</b> that investors must pay when selling a fund unit. Such <b>price of services fee</b> is subtracted from the redeemed amount and payable as the fund pays to investors and counted as a percentage of the redeemed amount.
"Net Asset Value of the Fund"	(Hereinafter referred to as NAV) is the total value of assets and investments owned by the VFMVF1 minus liabilities of the VFMVF1 <b>on the trading day closest to the valuation day at the time of valuation.</b>

“Distribution agents”	(are also known as Distributors) defined as the organizations that trade in securities, <b>fund management company</b> , depository banks, commercial banks, insurers and other economic organizations that have registered the distribution of open-ended fund certificates
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**7.3. Amendment Clause 5- Article 4 - Covered fund:** to update for suitable.

**“ARTICLE 4. Covered fund**

...

5. VFM *is* elected ~~by the General Meeting of Investors, will to~~ perform the investment management for the **VFMVF1** Fund.”

**7.4. Amendment Formula at Point a,b Clause 2 and Clause 3- Article 17 - Fund certificate transactions:** amend “fee” to “price of service”: to match with regulation

**“ ARTICLE 17. Fund certificate transactions**

1. ...

2. Distribution principles

a. Subscription orders

...

- The number of fund certificates that investor shall receive for the IPO shall be allotted as the following formula:

$$\text{Number of fund certificates received} = \frac{\text{Subscription amount} \times (1 - \text{price of service of Subscription fee}(\%))}{\text{NAV per unit use at the Trading day}}$$

...

b. Redemption orders

...

- Redemption amount shall be calculated at the following formula:

$$\text{Redemption amount received} = \text{Number of redeemed fund certificate} \times \text{NAV per unit use at Trading day} \times (1 - \text{price of service of Redemption fee}(\%))$$

...

3. Non-commercial transactions (gift, present, inheritance, transfer of ownership...)

...

- Non-commercial **price of service of** transaction **fee** shall be stated in Prospectus.

...”

**7.5. Amendment Article 19 - Subscription price and redemption price of open-ended fund units:** amend “fee” to “price of service”: to match with regulation

**“ ARTICLE 19. Subscription price and redemption price of open-ended fund units**

1. Subscription price at trading cycles after conversion is the price that investors must pay when buying a fund unit **use** at the issue of fund certificates to the public. The subscription price shall be determined by the net asset value per a fund unit as of the fund certificate trading day plus **price of service of** subscription **fee**.
2. 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 **price of service of** redemption **fee**.
3. **Price of service of** Subscription **fee** , Redemption fee stated in Chapter XIII of this Charter.”

**7.6. Amendment Clause 3 Article 23 - Rights and obligations of the general investors meeting:** amend “fee” to “price of service”: to match with regulation

**“ ARTICLE 23. Rights and obligations of the general investors meeting**

...

3. To approve increasing the **price of service fee** payable to the Fund Management Company and the Custodian bank;”

**7.7. Amendment Point a Clause 5 and Clause 8 Article 25 - Decisions of the general investors meeting:** amend “fee” to “price of service”: to match with regulation

**“ ARTICLE 25. Decisions of the general investors meeting**

...

5. The decision of the General Investor Meeting on the following matters must be passed by way of voting at the meeting:
  - a. To make significant changes to the Fund’s investment policies and objectives; to increase **price of service fee** paid to fund management company, supervisory bank; to change fund management company, supervisory bank;
- ...
8. Any decision of the General Meeting of investors which is not complied with **law and this charter this Article**, shall not be effective or legal and shall automatically be cancelled. The fund management company have the duty to announce to the SSC and investors about this matter.
- ...”

**7.8. Amendment Article 26 - Decisions of the general investors meeting:** to match with regulation

**“ARTICLE 26. Objection to decisions of Investors' General Meetings**

1. 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, to increase **prices of service 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. Investors must send the request to the head office of Fund Management Company, omnibus agent within fifteen (15) days from the date the Investors' General Meeting approving the decision mentioned above issues.

2. Within forty five (45) days from the announcement date of investor's general meeting, the fund management company must complete the redemption or switching of fund certificates for investors who object to decisions passed by the Investors' General Meeting as stipulated in Clause 1 of this Article. In this case, redemption price is defined based on the net asset value as at the date of investor's general meeting and investors shall not have to pay **price of service of redemption fees, price of service of conversion fees**"

**7.9. Supplement Clause 19 Article 29 - Rights and obligations of the Fund Management Company:** to update for suitable

**" ARTICLE 29. Rights and obligations of members of the Board of Representatives of the Fund**

...

19. To be authorized by the Chairman in making decisions in some particular works **under the authority of Chairman.**

..."

**7.10. Supplement Point g Clause 2 Article 35 - Rights and obligations of the Fund Management Company:** to match with regulation

**ARTICLE 35. Rights and obligations of the Fund Management Company**

...

2. Rights of the fund management company:

...

- g) To be entitled to **prices of service**, remunerations in accordance with this Charter and the prevailing laws;

..."

**7.11. Supplement Clause 3 Article 37 - Restriction of operations of the Fund Management Company:** to match with regulation

**" ARTICLE 37. Restriction of operations of the Fund Management Company**

3. Members of the Management Board, the Executive Board and employees of the fund management company are not allowed to request, require or receive, in the name of the individual or in the name of the company, any remuneration, profits or benefits, in addition to the **prices of services**, fees and charges clearly stated in the fund charter."

**7.12. Supplement Point o Clause 1 and Clause 2 Article 39 - Rights and obligations of the Custodian bank:** to match with regulation

**"ARTICLE 39. Rights and obligations of the Custodian bank**

1. Obligations of the Custodian bank

...

o) Not receive any other interests (except the **prices of services**, fees according to Supervisory Contract) for itself or any third person.

2. Rights of the Custodian bank

- a) To be entitled to service fees, **prices of services** of supervising and preserving assets of the Fund as stipulated in the Fund Charter in accordance with the prevailing laws.  
 ...”

**7.13. Supplement Clause 6 Article 49 - General provisions on fund certificate distribution:** to match with regulation

**” ARTICLE 49. General provisions on fund certificate distribution**

6. Distribution agents are not allowed to discount or reduce transaction price of fund certificates in any form. It is prohibited to offer gifts or physical/financial benefits to encourage investors to purchase fund certificates; it is prohibited to propose, request or receive in their own name or the name of their organization from the fund management company any remuneration, income or interest for the purpose of persuading investors to buy fund certificates in addition to the **prices of services**, fees announced at the prospectus and distribution contracts signed with the fund management company.”

**7.14. Amendment Clause 3 Article 55 - Valuation of the Net Asset Value:** update for suitable.

**” ARTICLE 55. Valuation of the Net Asset Value**

...

3. The net asset value of the Fund shall be evaluated **working day weekly** and verified by Supervisory Bank. Within 03 working days from the date of valuation, the net asset value of the fund and net asset value of a fund unit shall be posted on the websites of the fund management company, relevant service providers, distributors and mass media in accordance with the regulations on information disclosure in the stock market.

...”

**7.15. Supplement Point 5 Clause 2 Article 56- Principles of Valuation Method of the Net Asset Value:** update for suitable.

**”ARTICLE 56. Principles of Valuation Method of the Net Asset Value**

...

1. Method of valuation

	Listed bonds	<p>- Quoted price or other name (clean price), depending on the internal regulations of the Stock Exchange, on the trading system of the Stock Exchange for outright Bond transaction on date having latest transactions prior to valuation date plus accrued interest (to the extent that the quote price has yet to include the accrued interest) (detailed in the Valuation Manual);</p> <p>- In cases of :</p> <p>+ In case no transaction on the trading system of the Stock Exchange in more than two (02) weeks until valuation date; or</p> <p>+ in case the market price on the trading system of the Stock Exchange is highly volatile under provisions of fund’s Valuation manual which is approved in written by the Board of Presentatives.</p> <p>it shall be valued according to the following order:</p> <p>+ Price determined by the method which is approved by</p>
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		<p>the fund representative board (detailed in the Valuation Manual);</p> <p>+ Purchase price plus accumulated interest;</p> <p>+ Face value plus accumulated interest.</p> <p><b><i>In the case of successful in bond auction, the bond will be valued based on the latest bid winning interest rate during the time for additional listing.</i></b></p>
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**7.16. Amendment Point a Clause 2 Article 59 - Principles, criteria for selecting, changing quotation providers:** update for suitable.

**” ARTICLE 59. Principles, criteria for selecting, changing quotation providers**

1. ...

2. Events and/or Criteria for changing quotation providers: when incurring one of the followings:

~~a. **The Fund Management Company opens a security trading account at the security company which is the quotation of the Fund.**~~

...”

**7.17. Supplement name of Chapter XIII from “FEES AND EXPENSES” to “PRICES OF SERVICE, FEES AND EXPENSES”:** to match with regulation

**7.18. Amendment Article 62 - Prices of services Fees paid by investors:** amend “fee” to “price of service”to match with regulation

**“ ARTICLE 62. Prices of services paid by investors**

1. **Prices of service of Subscription**fees****

- **Price of service of Subscription**fee** is the **prices of service** that investors pay to the Fund management company when buying a fund unit. This **price of service of Subscription fee** shall be payable upon the issuance and counted as a percentage of the subscription amount.**

- **Price of service of Subscription **fee** is allowed to exceed five percents (5%) of the transaction value. Specific **price of service fee** rates must be announced in prospectuses, summary prospectuses, or on websites of fund management companies, distributors or in other forms.**

- The soonest day to apply the increased **price of service fee** rates is the 90<sup>th</sup> day from the date on which the fund management company announces new **price of service fee** rates on its website

In case that the fund management company obtains regulations causing the change in the **price of service of subscription **fee** during a fixed period of time, the company shall announce on website of VFM and distribution agencies or under law.**

2. **Price of service of Redemption**fee****

- **Price of service of Redemption **fee** is the **price of service fee** that investors must pay to the Fund management company when selling a fund unit at the next subsequent trading cycles. Such **price of service fee** is subtracted from redeemed amount and payable as the fund pays to investors and counted as a percentage of the redeemed amount.**

- **Price of service of Redemption **fee** at trading cycles is allowed to exceed five percents (5%) of the transaction value. Specific **price of service fee** rates must be announced in prospectuses,**

summary prospectuses, or on websites of fund management companies, distributors or in other forms.

~~For fund certificates holding by investors at recording date for delisting close-ended fund certificates to convert to open-ended fund: Redemption fee is 0.5% of the redeemed amount.~~

- The holding period is determined by “first in, first out” principle (FIFO).
- The soonest day to apply the increased **price of service fee** rates is the 90<sup>th</sup> day from the date on which the fund management company announces new **price of service fee** rates on its website.
- In case that the fund management company obtains regulations causing the change in the **price of service of** subscription **fee** during a fixed period of time, the company shall announce on website of VFM and distribution agencies or under law.

### 3. **Price of service of** Switching **fee**

- Investors shall pay to the Fund management company **price of service of** switching **fee** when placing switching order at trading cycle after the conversion of VFMVF1.
- Investors shall not pay any **price of service of** subscription or redemption **fee** for the switching units.
- **Price of service of** Switching **fee** is allowed to exceed three percents (3%) of the transaction value. Specific **price of service fee** rates must be announced in prospectuses, summary prospectuses, or on websites of fund management companies, distributors or in other forms.
- The soonest day to apply the increased **price of service fee** rates is the 90<sup>th</sup> day from the date on which the fund management company announces new **price of service fee** rates on its website.

## 7.19. Amendment Clause 1 and Clause 2 Article 63 - **Prices of services Fees** paid by the fund: amend “fee” to “price of service”to match with regulation

### “ ARTICLE 63. **Price of services Fees** paid by the fund

#### 1. **Price of service of managing public securities investment fund (Price of service of Management)**

#### ~~2. Management fee~~

- The maximum **price of service of** management **fee** is 2% of VFMVF1’s NAV per fiscal year. This **price of service fee** is paid for VFM to carry out the fund management service for VFMVF1. This **price of service fee** applied for each period will be determined by VFM to ensure that the total amount of **price of service of** management **fee** and other fees (if any) paid by the fund to VFM comply with laws. When there is a change in **price of service of** management **fee**-rate applied, VFM shall notify this change to the Board of Representatives and Supervising bank, and update this change in the Prospectus. VFM shall inform the **price of service of** management **fee**-rate applied for the period immediately after the fund conversion to the Board of Representatives and Supervising bank, and announce this rate on VFM’s web site before the first valuation after the Fund is permitted to convert to open-ended fund.
- The monthly payable fee is the total fee calculated (accrued) of valuation cycles in a month.
- Management fee of each valuation cycle is calculated as below:

Management fee = **price of service of** management **fee**% per year x NAV on the day prior to the valuation day x actual days in the valuation cycle/ actual days in a year (365 or 366)

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

Monthly management fee = [**price of service of management fee** % per year x NAV on the day prior to the valuation day of the first valuation cycle in the month x actual remaining days from the beginning of the month to the day prior to the valuation day of the first valuation cycle in the month / actual days in a year (365 or 366)] + total management fees of the remaining valuation cycles in the month + [**price of service of management fee** % per year x NAV on the day prior to the valuation day of the last valuation cycle in the month x actual remaining days in the month/ actual days in a year (365 or 366)]

## **2. Price of service of Depository and supervision fee**

- **Price of service of Depository and supervision fee** shall be paid to the Custodian and Supervising Bank for providing the custodian and supervising services for the Fund. This **price of service fee** is calculated at every valuation cycle based on the NAV of day prior to the valuation day and payable every month. The monthly fee is the total fee calculated (accrued) of valuation cycles in a month.

- The maximum **price of service of supervision fee** is 0.04% of NAV per year. The minimum monthly supervising fee is VND23 millions per month (The above fees are exclusive of VAT (if applicable))

- The maximum **price of service of depository** is 0.06% of NAV per year. The minimum monthly depository fee is VND22 millions per month. This **price of service of depository fee** excludes securities trading fee which is VND100,000/transaction and capped at 0.05% NAV per year. The NAV is used for this calculation is the average NAV within a month and the cap will be reviewed and adjusted monthly.

- The above **price of service fee** does not include other regular operating fees such as fee payable to Depository center, legal fee, mailing fee, etc.

- The maximum **price of service of supervision and depository fee** is complied with law.

- The monthly fee is the total fee calculated (accrued) of valuation cycles in a month.

- Depository and supervision fee for VFMVF1 at each valuation cycle is calculated as below:

Depository and supervision fee (not include securities trading fee) = % **price of service of Depository and supervision fee** -year) x NAV on the day prior to the valuation day x actual days by calendar of the valuation cycle/ actual days in a year (365 or 366)

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

Monthly Depository and supervision fee (not include securities trading fee) = [% price of service of Depository and supervision **fee** -year) x NAV on the day prior to the valuation day of the first valuation cycle in the month x actual remaining days from the beginning of the month to the day prior to the valuation day of the first valuation cycle in the month / actual days in a year (365 or 366)] + total Depository and supervision fees of the remaining valuation cycles in the month + [% **price of service of Depository and supervision fee** (year) x NAV on the day prior to the valuation day of the last valuation cycle in the month x actual remaining days in the month/ actual days in a year (365 or 366)].

Details of **prices of service fees** and payment term are regulated in the service agreement between FMC and the service provider.

**7.20. Supplement to Clause 1 Article 71 - Registration of the Charter:** update charter

“ **ARTICLE 71. Registration of the Charter**

1. ...

*VF MVF1 Charter is amended and supplemented at the seventh time including 16 Chapters, 72 Articles and 3 Appendixes according to Resolution of the Annual Financial General Meeting of Investors 2017 passed by absentee voting, dated on 04/04/2018 and takes effect from 04/04/2018.”*

**7.21. Amendment Point 8- Appendix 2- COMMITMENTS OF THE CUSTODIAN BANK:** amend for suitable

“ **APPENDIX 2: COMMITMENTS OF THE CUSTODIAN BANK**

...

~~**1. To record and monitor all transactions, interest, dividends and income of the Fund to be received or distributed.”**~~

**Article 8: Effectiveness of the Resolution**

The resolution is effective from its signing date.

**On behalf of The General Meeting**

*(signed)*

**LUU DUC KHANH**

**Chairman of the BOR**

**On behalf of Fund Management Company**

*(signed & sealed)*

**TRAN THANH TAN**

**CEO**

### **Translation Accuracy Disclaimer**

*This document is a translation of Resolution on Amendment, supplement to the Fund Charter according to VFM's Investor Relationship Policy. The translation is for informational purposes only, and is not a substitute for the official policy. The original version of the Resolution, found in website of the fund management company (www.vinafund.com), is the only definitive and official version. If any questions arise related to the accuracy of the information contained in the translation, please refer to the Vietnamese version of the document. Any discrepancies or differences created in the translation are not binding and have no legal effect for compliance or enforcement purposes.*

**VIETNAM SECURITIES INVESTMENT FUND**

**(VFMVF1)**

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No.: Số: 02.17/NQĐH-VF1-2017

**SOCIALIST REPUBLIC OF VIETNAM**

**Independence - Freedom - Happiness**

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*Ho Chi Minh City, 04 April 2017*

### **RESOLUTION**

#### **VOTING ISSUES OF THE ANNUAL MEETING OF FINANCIAL YEAR 2016**

##### **VIETNAM SECURITIES INVESTMENT FUND (VFMVF1)**

- *Pursuant to Law on Securities dated 29 July 2006 by the National Assembly and Law No. 62/2010/QH12 dated 24 November 2010 by the National Assembly amending, supplementing a number of articles of Law on securities;*
- *Pursuant to Circular 212/2012/TT-BTC dated 05 December 2012 by the Ministry of Finance guiding the establishment, organization and operation of the fund management company;*
- *Pursuant to Circular 183/2011/TT-BTC dated 16 December 2011 by the Ministry of Finance guiding the establishment and management of the open-ended Fund;*
- *Pursuant to Circular 15/2016/TT-BTC dated 20 January 2016 by the Ministry of Finance Amending and Supplement a number of Circular 183/2011/TT-BTC dated 16 December 2011 by the Ministry of Finance guiding the establishment and management of the open-ended Fund;*
- *Pursuant to Charter of Vietnam Securities Investment Fund approved by the General Meeting of Investor on 31 March 2016.;*
- *Pursuant to the result of Voting Issues Of The Annual Meeting Of Financial Year 2016 dated 04 April 2017.*

## RESOLUTES

The General Meeting unanimously passed the Resolution as follows:

### **Article 1: Reports on operation result of the Fund in 2016.**

### **Article 2: Audited Annual financial statement of the Fund in 2016.**

The General Meeting unanimously agreed audited annual financial statements of the Fund in 2016.

### **Article 3: Profit distribution plan of the Fund in 2016.**

The General Meeting unanimously agreed not to distribute profit in 2016.

### **Article 4: Operational plan of the Fund in 2017**

### **Article 5: Auditor selection for the Fund in 2016**

The General Meeting unanimously authorized the Board of Representatives (“BOR”) to select the auditing company for auditing financial statements of the Fund in 2017.

### **Article 6: Total operating budget for BOR in 2017.**

### **Article 7: Amendment, supplement to the Fund Charter**

1. **Amendment to Point a, Clause 3- Article 17 - Fund certificate transactions:** to match with regulation

#### **Article 17 - Fund certificate transactions**

4. ...
5. ...
6. Distribution principles
  - a. Subscription orders
    - Minimum required subscription amount is 1,000,000 (one million) Vietnam dong.
    - Investors/ authorized person transfer the subscription amount to the Vietnam dong account of VFMVF4 at Custodian Bank. Where orders of subscription of fund certificates and payment for such orders are performed by individuals or organizations (domestic) other than domestic investors, order forms and written confirmation of such payment must clearly include name, account number and payment value of the interested domestic investor.
- ...

2. **Amendment to Clause 2- ARTICLE 18. Partial redemption, suspension of trading of open-ended fund transactions:** to match with regulation

#### **ARTICLE 18. Partial redemption, suspension of trading of open-ended fund transactions**

1. ...
2. **For the remaining part of redemption/switching orders that were partly executed as mentioned in Clause 1, 2 of this Article, the fund management shall apply the pro-rata principle for fund certificates allotment as follows:**

...

3. **Supplement to Point b Clause 1- Article 40- Operations of the supervisory bank:** to match with regulation.

**Article 40- Operations of the supervisory bank**

1. The scope of supervision limits only within the fund management company's activities relating to the fund for which the bank carries out the supervision function. In the operation of supervisory activities, custodian bank shall:

- a. ...
- b. To inspect, supervise investment activities and transactions of fund's assets, including assets that are not centrally registered at Vietnam Securities Depository; to inspect, supervise asset transactions between fund, fund management company and affiliated persons. In case of detecting violations of provisions of law, custodian bank shall report immediately to the State Securities Commission and notify the fund management company within twenty four (24) hours, upon the detection of such case, meanwhile request corrections or to conduct remedy activities within the time limit.

If the ownership of the assets is registered, the registration must be undersigned by the fund, unless it must be undersigned by the supervisory bank, the secondary depository institution, or the fund management company as prescribed by relevant laws. The originals of legal documents certifying the fund's ownership of assets shall be adequately deposited at the supervisory bank, except for the securities have been registered and centrally deposited. To the extent of the book-entry securities, or incomplete assignment of ownership of such securities, the original sale and purchase contract and payment transactions must be deposited at the supervisory bank.

To the extent that registration for ownership of assets is not allowed, or ownership of such assets has not been completed by the deadline stipulated in issuance agreements, the assignment contract, investment contract or economic contracts of the equivalent value, the supervisory bank shall be responsible for expressly certifying the asset depository and registration status in periodic reports of the fund management company and supervisory bank, and concurrently send a written notification to the board for representations of the fund.

In respect of assets of which registration of ownership is not required, the supervisory bank shall be responsible for checking with investment receivers, issuers and shareholder register management organizations, or others of the same sort, volume and value of the fund's assets on a monthly basis, and ensuring compliance of asset depository with subparagraph e paragraph 1 of this Article.

In respect of bank deposits, the supervisory bank shall have rights and responsibilities for requesting the fund management company to provide adequate information about the fund's deposit agreements and deposit accounts. The supervisory bank shall be responsible for checking deposit account balances, value of deposit agreements with banks receiving the fund's deposits on a monthly basis.

4. **Amendment, supplement to Clause 1- Article 56 - Principles of Valuation Method of the Net Asset Value:** to update for suitable.

**ARTICLE 56. Principles of Valuation Method of the Net Asset Value**

1. Date of valuation

The trading frequency is daily, the Fund's NAV is valued on working day of week and each month. The valuation day is working day of week (for daily term) and the first day of next month (for monthly term).

For monthly term, the valuation date is always on the first day of the next month regardless it falls in a holiday. In case the fund management company changes the valuation date, the company shall get the approval from the Board of Representative before execution.

For monthly term, the valuation date is always on the first day of the next month regardless it falls in a holiday.

**5. Amendment, supplement to Point 8 and Point 9 Clause 2- Article 56 - Principles of Valuation Method of the Net Asset Value:** supplement principles of valuation method for Shares listed on Ho Chi Minh City Stock Exchange or Hanoi Stock Exchange and Upcom Shares when moving from the upcom to the listed.

8.	Shares listed on Ho Chi Minh City Stock Exchange or Hanoi Stock Exchange	<ul style="list-style-type: none"> <li>- Closed price (or quote price) on the transaction system at the Stock Exchanges on date having latest transaction prior to valuation date</li> <li>- In case of no transaction in more than two (02) weeks until valuation date, it shall be prioritized prices as the following order:               <ul style="list-style-type: none"> <li>+ Closed price (or quote price) on the transaction system at the Stock Exchanges on date having latest transaction within 12 months prior to valuation date;</li> <li>+ Purchase price;</li> <li>+ Book value;</li> </ul> </li> <li>Price determined by the method which was approved by the fund representative board</li> </ul> <p><u>During the time of Shares change stock exchange procedures, closed price on date having latest transaction prior to valuation date will be used.</u></p>
9.	Shares of public companies registered for trading on UpCom system	<ul style="list-style-type: none"> <li>- Closed price (or other name depending on internal regulations of the Stock Exchange) on date having latest transaction prior to valuation date;</li> <li>- In case of no transaction in more than two (02) weeks until the date prior to the valuation date, closed price (or other name depending on internal regulations of the Stock Exchange) on date having latest transaction within 12 months prior to valuation date will be used; or</li> <li>+ Purchase price (cost price); or</li> <li>+ Book value; or</li> <li>+ Price determined by the method which was approved by the Fund Representative Board.</li> </ul> <p><u>During the time of UPCOM Shares exchange procedures for listing, closed price on date having latest transaction prior to valuation date on Upcom will be used.</u></p>



**6. Supplement to Article 61. Dividend policy:** to match with law

**ARTICLE 61. Dividend policy**

1. The annual profit distribution is based on proposals of the BOR and approved by the General Meeting of investors.
2. Profits may be distributed in cash or by fund units. Distributed profits shall be deducted from remaining profit of fund. Fund management company shall only receive profit when fund already completes or is financially capable of fulfilling tax duties and other financial duties in accordance with regulations of laws; The amount paid to a fund unit is decided by the fund representative board.
3. Fund Management Company must deduct all taxes, fees, services fee regulated by laws when paying dividend.
4. VFMVF1's dividend shall be in cash or fund units. Only investors' identity being on fund's investor list, at the ex-dividend date, shall have right to receive dividend, regardless of who holds VFMVF1 unit after ex-dividend date.
5. After receiving dividend, Fund Management Company have to public the following information:
  - Dividend distribution in cash or in fund unit.
  - Total profit during the reporting time and total accumulated profit since inception, detailing each of profit's categories.
  - Total distributed dividend amount, total new issued fund units (if dividend distribution would be in fund units).
  - Net asset value per fund unit before and after dividend distribution.
  - Other effects on VFMVF1's net asset value

**7. Amendment, supplement to Clause 1 Article 71 - Registration of the Charter:** update charter

**ARTICLE 71. Registration of the Charter**

1. ...

VFMVF1 Charter is amended and supplemented at the sixth time including 16 Chapters, 72 Articles and 3 Appendixes according to Resolution of the Annual Financial General Meeting of Investors 2016 passed by absentee voting, dated on 04/04/2017 and takes effect from 04/04/2017.

**Article 9: Effectiveness of the Resolution**

The resolution is effective from its signing date.

**On behalf of The General Meeting**

*(signed)*

**LUU DUC KHANH**

**Chairman of the BOR**

**On behalf of Fund Management Company**

*(signed & sealed)*

**TRAN THANH TAN**

**CEO**