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**DC BOND FUND
(DCBF)**

No.: 02.23 /DCBF-2023/NQDH

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

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Ho Chi Minh City, 17 April 2023

RESOLUTION

THE ANNUAL GENERAL MEETING OF INVESTORS- FINANCIAL YEAR 2022

- Pursuant to Law No. 54/2019/QH14 on Securities Law dated 26 November 2019 by the National Assembly.;
- Pursuant to Decree No 155/2020/NĐ-CP dated 31 December 2020 by the Government, guiding the implementation of a number of articles of the Securities Law.
- Pursuant to Circular 99/2020/TT-BTC dated 16 November 2020 by the Ministry of Finance guiding the establishment, organization and operation of the fund management company;
- Pursuant to Circular 98/2020/TT-BTC dated 16 December 2020 by the Ministry of Finance guiding the establishment and management of the securities Fund;
- Pursuant to current Charter of DC Bond Fund;
- Pursuant to the result of the Annual General Meeting of Investors- Financial Year 2022 dated 17/04/2023.

RESOLUTES

The Annual General Meeting of Investors ("The AGM") unanimously passed the Resolution as follows:

Article 1: Reports on operation result of the Fund in 2022.

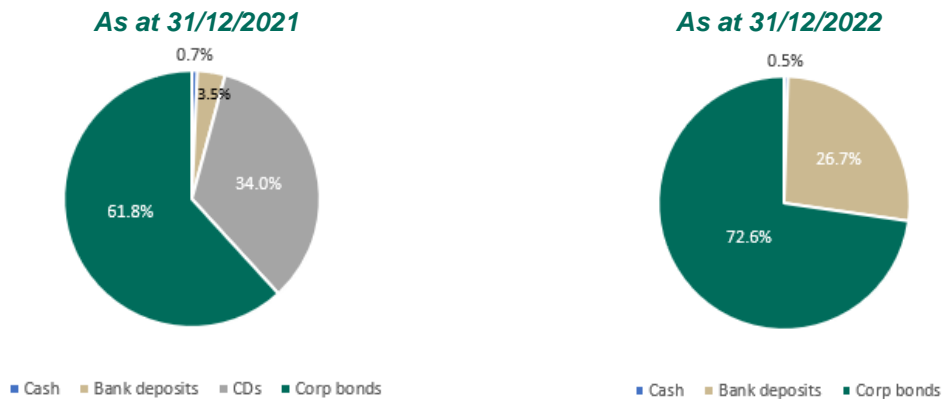
The AGM unanimously agreed Reports on operation result of the Fund in 2022 as follow:

As at 31 Dec 2022, the net asset value of the DCBF fund units (NAV/Unit) was VND 22,278.64, up from 22,272.08 at 31 Dec 2021, representing a gain of 4.46% for the year. The total Fund's net asset value (NAV) decreased from VND 828.02bn to VND 434.87bn in the same period. The total assets of the Fund as at 31 Dec 2022 were VND 441.10bn. In 2022, the Fund's net asset value was quite stable from the beginning of the year to end-Sep. Then the event surrounding allegations of fraud in the issuance and distribution of bonds issued by Vạn Thịnh Phát on 8 Oct caused a big change, directly affecting the banking system. Confidence in corporate bonds, which had been shaken since Apr when the Tân Hoanh Minh events happened, worsened. In a short time, bond investors asked the issuers to buy back their bonds early. This triggered chaos in Vietnam's financial markets, leading to a liquidity shortage on a large scale from securities companies and investment institutions to many banks. In that context, the short-term interest rate doubled from 3% for short term at end-2021 to 6% within a few weeks. The 12-month deposit interest rate at one point reached 11%. This led to investors losing confidence and becoming unwilling to continue holding their bond investments and bond fund certificates. These events caused individual investors to sell off their bonds at high yield levels as well as to redeem open-ended bond funds to lock into others safe and higher rate investments. In Nov and Dec-22, the corporate bonds yields were pushed up to an annualized 30-40% because bond market liquidity was so bad at that time. The total AUM of local bond funds fell by more than 50% compared to the level before the crisis.

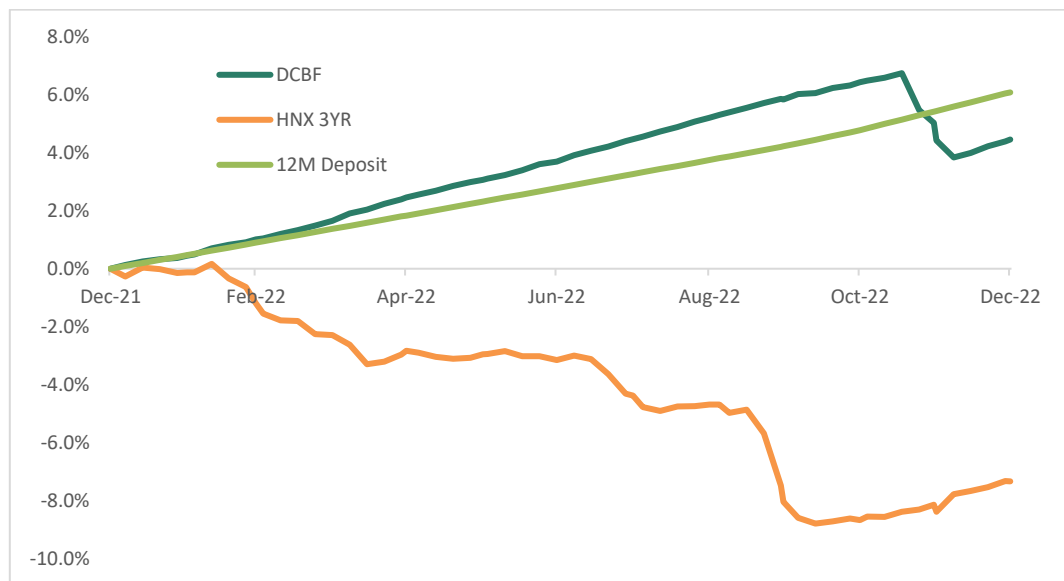
In general, NAV/Unit experienced quite good and stable monthly growth from Jan-22 to Oct-22 with an average monthly growth of NAV/Unit of 0.63%. In Nov and Dec-22, the Fund recored a loss of 1.32% and 0.54% respectively. The decline of the fund unit price in Nov and Dec-22 was mainly due to redemptions by investors which result in the Fund having to liquidate its investments at discount prices in illiquid market conditions. With the focus on meeting liquidity and preserving capital for investors, the Fund has restructured its portfolio to cope with new and adverse market developments. Re-investments will be put into more liquid bonds at good interest rate levels. For 2022, the Fund's net and gross returns were 4.46% and 6.03% respectively. DCBF underperformed the average 12-month deposit rates of the four biggest banks, which increased 6.08% ytd while it outperformed the HNX 3-year Index (the 3-year Total Income Government Bond Index of the Hanoi Stock Exchange) which fell 7.3% for the year. Total operating expenses of the DCBF fund in 2022 were 1.45%.

As at 31 Dec 2022, corporate bonds (CB) made up the biggest portion of the DCBF portfolio (72.6% vs 63.3%, at end-Dec 2021), followed by cash and bank deposits (together 27.4% much higher than the 2.0% at end-Dec 2021). In 2022, DCBF had restructured the portfolio by carrying out many purchases & sales related to listed CBs and CDs, which increased proportion of cash and bank deposits.

Asset allocation



Fund performance for 2022 (%)



Article 2: Audited Annual financial statement of the Fund in 2022.

The AGM unanimously agreed Audited Annual financial statement of the Fund in 2022.

Fund's audited financial statement in 2022 on DCVFM's website www.dragoncapital.com.vn

Article 3: Profit distribution plan of the Fund in 2022.

The AGM unanimously agreed DCBF not to pay dividends for 2022.

Article 4: Operational plan of the Fund in 2023.

The AGM unanimously agreed Operational plan of the Fund in 2023 as follow:

Looking back, 2022 was a year during which the whole world was hit hard by high inflation and high interest rates after COVID-19. In 2022, Vietnam's GDP rose by 8.02%, much higher than the 2.58% rise in 2021. That was the highest rate of growth since 2012. However, the real estate and corporate bond markets were faced with difficulties such as credit, liquidity and market risks due to some policy changes, which pushed some corporates to the brink of liquidity troubles, especially real estate companies. Hence, 2023 will be a year of re-structuring debts.

Regarding investment strategy, with the target to maintain the Fund's high liquidity and comparatively good return, cash and bank deposits will be kept at levels needed to ensure liquidity in the event of investors' outflows. Additionally, DCBF will continue to maintain high exposure to good corporate bonds. The Fund will consider investing in Government bonds when the right opportunity presents itself. The Government bonds currently are at quite high levels for all tenors. The primary issuance plan for Government bonds (VGBs) in FY23 was VND 400tn, but no further confirmation has been announced. The primary rate dropped roughly 40 bps in Jan, with ten-year VGBs dropping from 4.7% in Dec 2022 to 4.3% in Jan 2023 and then continuing to drop another 30-40 bps in Feb. Banking system liquidity is good given that it is at higher levels than the levels last year. Therefore, there may be an opportunity for short-term trading in VGBs for the Fund.

In contrast to the Government bond market, the corporate bond market does not have many advantages in terms of liquidity and credit in 2023. Total corporate bonds maturing in 2023 are around VND 290tr, of which VND 118.97tr are real estate bonds, accounting for 41% of the total maturing bonds. The huge amount of bonds maturing this year will cause a high rollover risk in the context of a difficult market, which may lead to many defaults in 2023. The yield of corporate bonds is still at a high level, with average spreads at 5-6% over deposit rates of the same tenors. The number of new investors joining the market and new issuances have been declining significantly. With liquidity comparatively low, no official credit rating agency, and higher credit risk, the Fund has to prioritise high quality investment in liquid assets with low risk profiles. The Fund will maintain investments in short and medium-term deposits and good corporate bonds. In addition, the Fund will also be looking for investment opportunities in VGBs and CDs of the consumer finance companies. With a professional team, the Fund is expected to have good and safe investments

Article 5: Auditor selection for the Fund in 2023.

The AGM unanimously authorized the Board of Representatives ("BOR") to select the auditing company on top 02 audit firm (PwC and KPMG) for auditing financial statements of the Fund in 2023, detail as follow:

Fund	NAV @	NAV @	NAV +/-	Audit fee for 2022	Audit fee proposals for 2023	
	(VND bil)	(VND bil)			(VND mil)	(VND mil)
DCBF	828.02	434.86	-47%	114	140	170
				% change	23%	49%

Note : The above fees exclude VAT.

The selection of the audit firm will base on:

- o Reasonable fee.
- o Continuity of the audit firm .
- o Professional.
- o Capability to meet fund's requirements

Article 6: Total operating budget for BOR in 2023.

The AGM unanimously agreed Total operating budget for BOR in 2023 as follow:

a. Remuneration budget in 2023:

Name of cost	Budget in 2023	Actual in 2022
Remuneration	78,000,000	93,000,000

- The remuneration of the Board of Representatives will be planned for one Chairman, two members, and one secretary. The budget is reduced since the independent member or independent secretary will not receive the remuneration from the Fund.
- The remuneration of the new member will be calculated based on the abovementioned constituents.

b. Budget for the expenses related to activities of BoR:

All meetings of the Board of Representatives will be almost in the form of a teleconference via written consent or at the office of DCVFM; hence meeting costs will be minimal. Therefore, DCVFM will not propose the budget for meeting BoR costs and will not accrue this cost in periodic NAVs of the Fund. Instead, DCVFM will account for this cost in the relevant NAV when it incurs.

The actual cost regarding meetings of BoR in 2023 will be reported to the BoR and the next AGM.

Article 7: Amendment, supplement to the Fund Charter.

The AGM unanimously agreed all content of Amendment, supplement to the Fund Charter:

7.1. Supplement to Section 2 – Definitions: *Updating the license information of Supervisory bank adjust in accordance with legal regulations*

“2. DEFINITIONS

"Supervisory Bank"	Standard Chartered Bank (Vietnam) is a commercial bank which is established under Vietnamese laws license No. 236/GP-NHNN issued by the State Bank of Vietnam under the Law on Credit Institution , dated 08 September 2008, <u>Decision No. 1477/QD-NHNN issued by the State Bank of Vietnam, dated 25 August 2022, supplementing activities in the license of Standard Chartered Bank (Vietnam) Ltd</u> and the registration certificate No. 08/ GCN- UBCK for securities depository activities by the State Securities Commission, dated 07 May 2015, undertaking following services for investment funds established in Vietnam: preservation and depository of securities, fund administration, fund accounting, Supervisory Bank and other services related to depository activities. Rights and responsibilities of The Custodian bank are defined in Chapter VII of this Charter.
"Prospectus"	means the documents or electronic data publicizing objective, truthful and accurate information about the offer for sale <u>and issuance</u> of DCBF Fund Certificates, about the fund management compnay and related service provides of the fund.

7.2. Amendment and Supplement to Article 8 – The Supervisory Bank: *updating the information of Supervisory Bank*

“ARTICLE 8. Supervisory Bank

Standard Chartered Bank (Vietnam) Ltd, is established under the license No. 236/GP-NHNN issued by the State Bank of Vietnam under the Law on Credit Institutions dated 08/09/2008, **Decision No. 1477/QD-NHNN issued by the State Bank of Vietnam, dated 25 August 2022, supplementing activities in the license of Standard Chartered Bank (Vietnam) Ltd** and the registration certificate for securities depository activities no. No. 08/GCN-UBCK by the State Securities Commission, dated 07 May 2015, undertaking following services for investment funds established

in Vietnam: preservation and depository of securities, the economy contracts, the documents relating to the Fund's assets, and to supervise the activities of the Fund.

The head office of Supervisory bank is located at: **3rd Floor, Unit CP1.L01 & CP2.L01, Capital Place, 29 Lieu Giai, Ngoc Khanh Ward, Ba Dinh District, Hanoi, Vietnam. Unit 1810 – 1815, Keangnam Hanoi Landmark Tower, E6 Pham Hung Street, Me Tri Ward, Nam Tu Liem Dist, Hanoi, Vietnam.**

Tel: **(84-24) (84-4) 3936 8000**

Fax: **(84-24) 38378356 (84-4) 3248 4355.**

7.3. Amendment, supplement to Point a Clause 5 Article 25 – Decisions of the general investors meeting. *adjust in accordance with legal regulations*

“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 **change increase** prices of service paid to fund management company, supervisory bank; to change fund management company, supervisory bank;”

7.4. Amendment, supplement to Clause 1 Article 26. Objection to decisions of Investors' General Meetings. *adjust in accordance with legal regulations*

“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 **change increase** prices of service paid to fund management company, supervisory bank; to change fund management company, supervisory bank; split, merger, consolidation or dissolution of the 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 fund's type that is under management of the fund management company. The request must be in writing, clearly stating the name, contact address of the investor, the number of fund units, the reason for requesting redemption or conversion to another fund of the fund management company. Investors must send the request to the head office of Fund Management Company, distribution agent within fifteen (15) days from the date the Investors' General Meeting approving the decision mentioned above issues.”

7.5. Amendment, supplement to Clause 9 Article 29. Rights and obligations of members of the Board of Representatives of the Fund. *adjust in accordance with legal regulations*

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

9. To approve list of quotation service providers, valuation handbook; approved list of credit institutions receive deposits of funds, monetary **market** instruments and other assets funds are allowed to investment as prescribed at point a, b, e, Clause 1 Article 10 of this Charter; approve fund assets' transaction by jurisdiction for transactions in the form of negotiations, and transactions for buying, selling securities which are unlisted or not registered for trading;”

7.6. Amendment, supplement to Clause 2 Article 56. Principles of Valuation Method of the Net Asset Value. *adjust in accordance with legal regulations*

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

2. Method of valuation

...

The valuation is specified as follows:

No.	Asset type	Methods of valuating transactions on market
	Cash and cash equivalents, money market instruments	

Bonds		

6.	Unlisted bond	- The average value (clean price) of successful transactions at the nearest trading day before the valuation date is based on quotes of at least three (03) non-relevant quote organizations and approved by the Board of Representatives plus accumulated interest (*). <u>In case there is one (01) quote organization cannot set out the price, bond price is the average value (clean price) of the successful trades at the nearest day prior to the evaluation date based on the two (02) quote organizations plus accumulated interest (*)</u> ...

Shares		
12	Other shares and contributed capital (including IPO shares in listing process)	... + Price of the latest reporting valuation period but not more than 90 days prior the date before the valuation date; ...
Fund unit		
13	Fund unit of listed fund	... - In case, shares are not traded for more than 15 days prior to the valuation date, shares are valued at one of the following prices: + The net asset value of a this fund unit at the nearest valuation day that shall be disclosed on the website of the fund management company; or on the Stock Exchange; or on the SSC's website as detailed in the Valuation Handbook ...

Derivative securities		
15	Listed derivative securities	The payment price at the end of the day as prescribed or other name is listed on the trading system at the Stock Exchange at the most recent trading day before the valuation date. <u>In the maturity date, the late-day price at the end of the day is the final payment price that is announced by Transfer Agent.</u> ...

“

7.7. Amendment, supplement to Clause 4 Article 63. Prices of services paid by the Fund. *adjust in accordance with legal regulations*

“ARTICLE 63. Prices of services paid by the Fund

....

- Service price and method of service fee payment are specified in the contract between the Fund Management Company and the Transfer Agency Service Provider. In addition, the Fund will pay the costs related to the exercise of rights for **Transfer Agency Service Provider** ~~VSD~~ as agreed in the contract.”

7.8. Amendment, supplement to Clause 1 Article 71. Registration of the Charter. *Update the Charter*

“ARTICLE 71. Registration of the Charter

1.

DCBF Charter is amended and supplemented at the 14th including 16 Chapters, 72 Articles and 3 Appendixes according to Resolution of the Annual General Meeting of Investors of financial year 2022, dated on 17/04/2023 and takes effect from 17/04/2023.

2. This Charter is made five **(05) (06)** versions in Vietnamese. In which:

- **One (01) is registered at the government agency as stipulated by law;**
- **Two (02) is kept at the head office at the Fund;**
- **One (01) is kept at the head office at the Fund Management Company;**
- **One (01~~2~~) is kept at the head office at the Supervisory bank.”**

7.9. Amendment, supplement to Appendix 1. Commitments of the fund management company.
adjust in accordance with legal regulations

“APPENDIX 1. COMMITMENTS OF THE FUND MANAGEMENT COMPANY

....

4. To pay all **fees-service prices** to the Supervisory bank and other service providers as specified in the fund's charter;

...

5. To provide free of charge or at a reasonable **fee-service price** copies of the fund's charter (and attached appendixes), prospectus (and attached appendixes) to investors at their request.

...

10. To provide free of charge or at a reasonable **fee-service price** copies of annual reports and other reports of the fund to investors at their request.

11. To provide free of charge or at a reasonable **fee-service price** copies of annual reports of the supervisory bank on the fund management company's management of the fund to investors at their request.”

7.10. Amendment, supplement to Appendix 2. Commitments of the supervisory bank. *Update the license information of the supervisory bank*

“APPENDIX 2. Commitments of the supervisory bank

Operation license No: 236/GP-NHNN issued on 8 September 2008 by the State Bank of Vietnam **and Decision No. 1477/QD-NHNN issued by the State Bank of Vietnam, dated 25 August 2022, supplementing activities in the license of Standard Chartered Bank (Vietnam) Ltd.”**

7.11. Amendment to Appendix 3. Common commitments by fund management company and supervisory bank. *Update the license information of the supervisory bank*

APPENDIX 3. Common commitments by fund management company and supervisory bank

...

Operation license No: 236/GP-NHNN issued on 8 September 2008 by the State Bank of Vietnam **and Decision No. 1477/QD-NHNN issued by the State Bank of Vietnam, dated 25 August 2022, supplementing activities in the license of Standard Chartered Bank (Vietnam) Ltd.”**

Article 8: Effectiveness of the Resolution.

The resolution is effective from its signing date.

On behalf of The General Meeting

(signed)

NGUYEN BOI HONG LE

Chairwoman of the BOR

On behalf of Fund Management Company

PP. General Director

(signed & sealed)

NGUYEN MINH DANG KHANH

COO