

### **Translation Accuracy Disclaimer**

This document is the translation of VFMVSF Charter according to DCVFM'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 Fund Charter, found in website of the fund management company ([www.dragoncapital.com.vn](http://www.dragoncapital.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.

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**VIETNAM SELECT EQUITIES INVESTMENT FUND (VFMVSF)**  
**- VFMVSF FUND -**  
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# **CHARTER**

## **REGULATIONS ON ORGANIZATION AND OPERATION OF FUND**

**Hochiminh City, April 2024**

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## 1. LEGAL BASIS

The incorporation and operation of VFMVSF and other relevant matters are governed by the:

- Enterprise Law No. 59/2020 / QH14 passed by the National Assembly on June 17, 2020, effective from January 1, 2021 and documents guiding the implementation of the Law on Enterprises;
- Securities Law No. 54/2019 / QH14 passed by the National Assembly of the Socialist Republic of Vietnam on November 26, 2019 effective from January 1, 2021;
- Decree 155/2020 / ND-CP dated December 31, 2020 of the Government detailing the implementation of a number of articles of the Law on Securities, effective from January 1, 2021;
- Decree No. 156/2020 / ND-CP dated December 31, 2020 of the Government stipulating the sanction of administrative violations in the field of securities and securities markets, effective from January 1, 2021;
- Circular No. 101/2021/TT-BTC dated November 17, 2021 on Prescribing Prices Of Services In The Securities Field Applicable To The Stock Exchanges And The Vietnam Securities Depository And Clearing Corporation effective from January 01, 2022
- Circular No. 102/2021/TT-BTC dated November 11, 2021 of the Ministry of Finance regulating the prices of securities-related services rendered by securities trading organizations and commercial banks in Vietnam's securities market, effective from January 1, 2022;
- Circular No. 96/2020 / TT-BTC dated November 16, 2020 of the Ministry of Finance guiding the disclosure of information on the stock market, effective from January 1, 2021;
- Circular No. 98/2020 / TT-BTC dated November 16, 2020 of the Ministry of Finance guiding the operation and management of securities investment funds, effective from January 1, 2021;
- Circular No. 99/2020 / TT-BTC dated November 16, 2020 of the Ministry of Finance guiding the operation of securities investment fund management companies, effective from January 1, 2021;
- Circular No. 119/2020 / TT-BTC regulating securities registration, depository, clearing and settlement;
- Circular No. 120/2020 / TT-BTC regulating the trading of listed stocks, transaction registration and fund certificates, corporate bonds, warranted warrants listed on the stock exchange system;
- Other relevant legal documents.

## 2. CONCEPTS & DEFINITIONS

Unless otherwise defined by context of this Charter, the following terms will have the meanings below:

“VIETNAM SELECT EQUITIES INVESTMENT FUND”	(hereinafter referred to as “VFMVSF”) means the open-ended securities investment fund, incorporated under regulations on securities and Fund Charter.
“Dragon Capital VietFund Management (DCVFM)”	(hereinafter referred to as “Dragon Capital VietFund Management (DCVFM)”), a joint stock company which the founders are Dragon Capital Management and Saigon Thuong Tin Commercial Joint Stock Bank, is incorporated under the License No. 45/UBCK-GP dated January 08, 2009, and Amended License No. 88/GPĐC-UBCK dated December 30, 2020 issued by the SSC, and conducting capital mobilization for and the management of VFMVSF Fund.
“Saigon Thuong Tin Commercial Joint Stock Bank – Sacombank”	(Hereinafter referred to as Sacombank), means a commercial joint stock bank, established under the license No. 0006/NH-GP dated 05/12/1991 issued by State Bank of Vietnam under the banking law of Vietnam and a founding shareholder of DCVFM.
“Dragon Capital Management Limited”	(Hereinafter referred to as DCM) means a limited liability company established under the laws of British Virgin Islands, is a member of Dragon Capital Group and is a founding shareholder of DCVFM.
“Supervisory Bank”	Means Standard Chartered Bank (Vietnam) Ltd, being established under the license No. 56/GP-NHNN issued by State bank of Vietnam on November 27th 2023, replaced for License no. 236/GP-NHNN issued by State bank of Vietnam on September 8th 2008 along with the related papers in adjusting or supplementing License (and any adjusted, supplemented or replaced versions at the certain point of time) and the registration certificate No. 08/UBCK-GCN for securities depository activities by the State Securities Commission, dated 07 May 2015 (and any adjusted, supplemented or replaced versions at the certain point of time), to carry out activities of custody of securities, economic contracts and documents and records related to the Fund’s assets as well as to supervise VFMVSF’s activities. Rights and responsibilities of The Custodian bank are defined in Chapter VII of this Charter.
“Auditing Company”	is an independent company which is approved by the SSC and appointed by the General Meeting of Investors, of VFMVSF performing the auditing of the Fund’s annual asset.
“Fund’s Charter”	Defined as the charter, attached appendixes and other legal amendments (if any), adopted by the investors at the General Meeting of Investors, to be prepared in accordance with the relevant regulations of the Vietnamese laws.
“Prospectus”	means the documents or electronic data publicizing objective, truthful and accurate information about the offer for sale of VFMVSF Fund Certificates, about the fund management company and related service provides of the fund.
“Supervisory Contract”	is the contract signed between the fund management company and the Custodian Bank of VFMVSF.
“Investor”	are domestic, overseas individuals and institutional who hold VFMVSF Fund certificates.
“General Meeting of Investors”	Defined as a regular or irregular general meeting of investors where investors are entitled to vote, to pass important matters relating to VFMVSF Fund. It is the supreme power of VFMVSF Fund.

“Board of the Fund Representatives”	Defined as representatives of investors elected by the General Meeting of Investors to act on their behalf to supervise the operations of the Fund, the Fund Management Company (DCVFM) and the Custodian Bank.
“Fund’s Charter Capital”	Defined as the total capital in cash, as recorded in this Charter, contributed by all Investors.
“Fund unit”	Defined as the Charter Capital which is divided into equal units with par value of VND 10,000 per unit at its initial issue, each of which shall represent an equal proportion of profit and capital of the Fund.
“VFMVSF fund certificate”	(hereinafter referred to as the “fund certificate”) means the securities issued by DCVFM on behalf of VIETNAM SELECT EQUITIES INVESTMENT FUND, which certify lawful rights and benefits of investors with regards to the assets or capital of the Fund as counted in a proportion equal to the Fund’s unit contributed to the charter capital of VFMVSF Fund by such Investors.
“Subscription price”	is a price that investors must pay the fund management company. The subscription price shall be determined by par value plus the subscription fee (at the initial public offering) or shall be determined by the net asset value per a fund unit as of the fund certificate trading day plus subscription service price.
“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 service price as the Fund Charter.
“Price of fund management service”	Defined as the service price payable to the Fund Management Company for its provision of fund management service as defined in Article 1.1 – Chapter X of the Prospectus.
“Price of initial subscription service”	is the service price that investors must pay when buying a fund unit at the issue of fund certificates to the public. Such service price shall be added to the par value of a fund unit and payable upon the issuance and counted as a percentage of the par value of a VFMVSF fund unit.
“Price of subscription service at the next subsequent trading cycle”	is the service price that investors must pay when buying a fund unit at the next subsequent trading cycle. Such service price is counted as a percentage of the subscription amount of a fund unit and payable upon the issuance.
“Price of redemption service”	is the service price that investors must pay when selling a fund unit. Such service price is subtracted from the redeemed amount and payable as the fund pays to investors and counted as a percentage of the redeemed amount.
“Closing Day”	Defined as the day on which the capital mobilization for VFMVSF Fund completes in accordance with the laws, applicable for the initial public offering.
“Fiscal Year”	Defined as a period of twelve months which commences on the beginning of the 1st of January and ends on the end of the 31st of December according to calendar year. The first fiscal year of VFMVSF is calculated from the day on which it is officially issued a license by the SSC until the end of the 31st of December of the same year. In case that the period from the day the fund is issued a license by the SSC to the end of the 31st of December of the same year is less than 90 days, the first accounting period shall be calculated from the day on which it is officially issued a license by the SSC until the end of the 31st of December of the next year.

“Net Asset Value of the Fund”	(Hereinafter referred to as NAV) is the total value of assets and investments owned by the VFMVSF minus liabilities of the VFMVSF at the time of valuation.
“Valuation Day”	means the date the fund management company determines the net asset value of one fund Certificate unit. The valuation day is every Wednesday. The valuation day is working day. In case a Valuation Date falls on a public holiday, that Valuation Date will be the business day immediately before such public holiday.
“Trading day”	means the date when the fund management company, on behalf of the funds, issues or repurchase open-ended fund certificates as required by the investors by sending orders through appointed distribution agents before the Cut-off time. Trading day of the fund shall be on Valuation Date.
“Cut-off Time”	means the deadline for distribution agents to receive trading orders from investors that shall be executed on fund certificate trading days. Cut-off Time is 14:30 pm am on T-1 whereas T is the Valuation day and Trading day. In case Cut-off date falls in a holiday, the receiving of trading orders shall be carried on the working day right before. The fund management company will inform investors, distribution agents and related service providers on trading schedule and cut-off time when having holidays in detail on website of the fund management company or via email.
“Fund administration service”	is a service that the fund management company authorize to a service provider to undertake the following services: <ul style="list-style-type: none"> <li>- Make accounting records of transactions of a Fund: record the changes of cash inflows and outflows of the Fund;</li> <li>- Preparing the Fund's financial statements; coordinating with and assisting Fund's auditing organizations in performing audits for the Fund;</li> <li>- 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;</li> <li>- Carrying out other activities in accordance with legal regulations and the Fund's Charter.</li> </ul>
“Transfer agency service”	is a service that the fund management company self-execute or authorize to a service provider to undertake the following services: <ul style="list-style-type: none"> <li>- 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;</li> <li>- Making records of subscription orders, redemption orders, switching orders of investors; carry out the ownership transfer of fund certificates; updating Main Registers;</li> <li>- Supporting investors in implementation of rights related to the ownership of fund certificates of investors;</li> <li>- Maintaining the communication channel with investors, distribution agents, state competent authorities and other competent organizations;</li> <li>- 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;</li> </ul>
“Distribution agents”	(are also known as Distributors) defined as the securities business organizations, fund management company, depository banks, commercial banks, insurers and other economic organizations that have registered the distribution of open-ended fund certificates

"Omnibus agent"	mean distribution agents which open omnibus accounts in its name and conduct transactions of fund certificates on behalf of investors in the sub-account.
"Affiliated person"	as defined in Clause 46 of Article 4 of the Securities Law No. 54/2019/QH14 passed on November 26, 2006 by National Assembly of Socialist Republic of Vietnam, effective from January 01, 2021.
"Other definitions"	Other definitions (if any) shall be construed as set forth in the law on securities and other relevant legal documents.



## CHAPTER 1 GENERAL PROVISIONS

### ARTICLE 1. Name and Contact details

Vietnamese name	: QUỸ ĐẦU TƯ CỔ PHIẾU VIỆT NAM CHỌN LỌC (VFMVSF)
English name	: VIETNAM SELECT EQUITIES INVESTMENT FUND
Abbreviation	: VFMVSF
Address	: 15 <sup>th</sup> Floor, Melinh Point Tower, 02 Ngo Duc Ke St., Ben Nghe Ward, District 1, HCMC, Vietnam
Telephone	: (84-28) 3825 1488
Fax	: (84-28) 3825 1489
Website	: www.dragoncapital.com.vn

### ARTICLE 2. Objectives of the fund

VFMVSF Fund is an open-ended fund managed by DCVFM with the aim of seeking long-term capital appreciation through holdings in listed companies and registered shares domiciled in Vietnam that offer both attractive growth and strong fundamentals.

### ARTICLE 3. Duration of the fund

1. Term of operation of VFMVSF is not limited.

### ARTICLE 4. Organizational principles of the fund

1. VFMVSF is a public open-end securities investment fund, shall operate in accordance with and be governed by Law on Securities no. 54/2019/QH14 passed by National Assembly of Socialist Republic of Vietnam on November 26, 2019, current regulations and this Charter.
2. During the Term, VFMVSF has obligation to redeem the fund certificates which have been issued to the Investors in accordance with legal regulations.
3. The highest authority body of VFMVSF shall be the General Meeting of Investors.
4. The Board of Representatives of VFMVSF, elected by the General Meeting of Investors, will act on behalf of the General Meeting of Investors to supervise frequent activities of VFMVSF, DCVFM and the Custodian bank.
5. VFM is appointed to perform the investment management for the Fund.

### ARTICLE 5. Total capital to be mobilized and number of fund certificates to be offered

1. The total capital of VFMVSF is made by the contribution capital of the Investors/ authorized person. Investors/ authorized person shall contribute capital in Vietnam dong in the form of bank transfer into the fund's account opened at the supervisory bank.
2. Minimum capital mobilization for the IPO of VFMVSF is VND 50 (fifty) billion. The capital shall be divided into five (05) million fund units. The par value of a fund unit shall be VND10.000.

### ARTICLE 6. Appointment of the capital mobilization and fund certificate offering representative

1. VFMVSF appoint DCVFM as its representative to mobilize the capital and issue new fund certificates.
2. The legal representative of DCVFM is appointed as the representative of the fund's public offering of fund certificates.

### ARTICLE 7. Fund Management Company

DCVFM is a shareholding company with founding shareholder as Sai Gon Thuong Tin Commercial Joint Stock Bank and Dragon Capital Management Limited, established in accordance with License for establishment and operation No. 45/UBCK-GP dated 08 Jan 2009 and Amended License No. 88/GPĐC-UBCK dated December 30, 2020 issued by the SSC. DCVFM is the official fund management company of VFMVSF. DCVFM operates under Law of Investment, Law of Enterprise and Law on securities and securities market.

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## **ARTICLE 8. The Custodian bank**

Standard Chartered Bank (Vietnam) Ltd, is established under the license No. 56/GP-NHNN issued by State bank of Vietnam on November 27th 2023, replaced for License no. 236/GP-NHNN issued by State bank of Vietnam on September 8th 2008 along with the related papers in adjusting or supplementing License (and any adjusted, supplemented or replaced versions at the certain point of time) and the registration certificate No. 08/UBCK-GCN for securities depository activities by the State Securities Commission, dated 07 May 2015 (and any adjusted, supplemented or replaced versions at the certain point of time), 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.

Rights and responsibilities of The Custodian bank are defined in Chapter VIII of this Charter.

The head office of Custodian bank is located at: 3<sup>rd</sup> Floor, Unit CP1.L01 & CP2.L01, Capital Place, 29 Lieu Giai, Ngoc Khanh Ward, Ba Dinh District, Hanoi, Vietnam.

Tel: (84-24) 3936 8000

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## **Chapter II**

### **PROVISIONS ON INVESTMENT OBJECTIVES, POLICIES AND LIMITATIONS**

#### **ARTICLE 9. Investment objectives**

The objective of VFMVSF is to seek long-term capital appreciation through holdings in listed companies and registered share domiciled in Vietnam that offer both attractive growth and strong fundamentals.

#### **ARTICLE 10. Investment Strategy**

The fund strategy will focus on both growth and value investing style. It will invest in large and mid-cap listed companies and registered shares in Vietnam that has good fundamentals and strong corporate culture.

The fund will allocate majority of its assets into companies that are benefited from long-term economic trends, such as young demographics, transformation of economic model, corporate governance improvement and on-going process of standardized legal framework. The fund's portfolio might concentrate on some sectors and companies.

Few characteristics of target companies that fund is interested:

- Sustainable competitive advantages
- Proven management team
- Capabilities of delivering extraordinary top line and bottom line growth
- Market leader in its industry
- Companies operating in trendy sectors
- Healthy financial position
- Reasonable debt/equity ratio
- Capabilities of expanding gross margin
- Strong corporate governance
- Reasonable valuation

1. Types of assets allowed to invest:

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

- a) Deposits at commercial bank as stipulated by banking laws;
- b) Money market instruments including valuable papers and negotiable instruments in accordance with relevant laws and regulations.
- c) Government debt instruments, 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 on stock exchanges,.
- e) Listed and registered derivatives at Stock Exchanges, and solely used for hedging purpose and for the underlying securities in which the fund is holding;
- f) Rights and assets that may arise in connection with securities that the fund is holding; in case rights and arise in connection with securities that the fund is holding being Shares offered for the first time to the public, bonds offered to the public; Corporate bonds privately issued by listed organizations with credit institutions' payment guarantee or the issuer's commitment to repurchase at least once in 12 months and each commitment to redeem is at least 30 % value of the issue; it shall be followed the following conditions:

- All the securities shall be approved by the Board of Representatives by documents about type, securities ticker, quantity, trading value and timing;
- There are sufficient documents to prove the payment guarantee or documents on the issuer's commitment to buy back.

g) Other assets as stipulated with the Vietnam law

Among all asset classes that fund is eligible to invest by laws, fund will mainly focus on:

- Listed companies and registered share in Vietnam
- Bank deposit

## 2. Investment areas

Fund can invest in all sectors that are allowed by Vietnam laws, in line with investment strategy and objectives of the fund.

### **ARTICLE 11. Investment restrictions**

1. VFMVSF's portfolio shall be in accordance to the investment objectives and structures as stated in Article 10 of this Charter and Prospectus.
2. VFMVSF's portfolio shall include securities of at least 6 issuers and follow the following conditions:
  - a) Except for deposits in the demand account of the fund opened at a supervisory bank, it is not allowed to invest more than forty-nine percent (49%) of the fund's total asset value in the assets referred to in points a, b Clause 1 Article 10 of this 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 this 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 this Charter;
  - c) Do not invest more than 20% of total asset value of the fund in circulating securities of an issuer, including cash deposits, valuable papers, transferring instruments, bonds (except Government bonds), voting shares, non-voting shares, and convertible bonds;
  - d) Do not invest in securities of an issuer more than 5% of the total value of circulating securities of that issuer; (except Government bonds)
  - e) 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;
  - f) 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;
  - g) Do not invest in securities investment funds, shares of securities investment companies that are established and operated in Vietnam;
  - h) Do not directly invest in real estates, precious stones and metals.
3. Except for the cases stated in points f, g, h Clause 2 of this Article, VFMVSF's investment structure may vary 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) Split, merge, consolidation 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 3 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 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 invest in deposit and monetary instruments stated in points a, b Clause 1 Article 10 of this Charter, issued by credit institutions approved in writing by the board of representatives of the fund.

#### **ARTICLE 12. Lending, borrowing, repo transactions and margin transactions**

1. Fund management company may not use the capital and assets of the fund to give or underwrite any loan,
2. Fund management companies may not take out loans for investment activities, except for short-term loans in accordance with the law on banking to defray necessary costs of the fund or make payments for fund certificate transactions with investors. The total value of short-term loans, , must not exceed five percent (5%) of the net asset values of the fund at any time and the longest loan term is thirty (30) days.
3. Fund management company may not use the fund's assets to make margin transactions (taking loans to purchase securities) for the fund or other organizations and individuals; may not use the fund's assets to make false transactions or give securities loans.
4. VFMVSF may conduct Government bonds repo transactions in accordance with the regulations of the Ministry of Finance on the management of Government bond transactions.

#### **ARTICLE 13. Investment Selection Method**

Fund will mainly use bottom-up method for stock selection and portfolio construction. On top of that, fund also incorporates top-down method for sector allocation and rebalancing to comply with Vietnam laws.

### **Chapter III**

#### **INVESTORS, REGISTER OF INVESTORS AND TRANSACTIONS IN FUND CERTIFICATES**

##### **ARTICLE 14. Investors**

1. Investors of VFMVSF may be domestic and foreign individuals or incorporated entities, owning fund certificates. Such investors shall not be liable or have any other obligations to fund other than those within the number of fund units by them.
2. Incorporated investors shall include socio-economic organizations recognized by the law of Vietnam.

##### **ARTICLE 15. Rights and obligations of investors**

1. Investors shall be entitled to:
  - a) To be distributed fund dividends from investment activities of the Fund under decision of the General Meeting of Investors in accordance with Article 61 of this Charter;
  - b) Upon liquidation of Fund, to receive a part of remaining Fund in proportion to numbers of fund certificates owned by that investor (if any);
  - c) Request the fund management company to redeem fund certificates or convert fund certificates on behalf of the fund (if any);
  - d) Receive all regular or irregular information on Fund's activity and periodic reports on net assets valuation of the fund;
  - e) To stand for election or to be voted to the Board of Representatives in accordance with Article 28 of this Charter;
  - f) To vote for important issues relating to the operation and management of the Fund in the General Meeting of Investors in accordance with Article 23 of this Charter;
  - g) Other rights accordance with provisions of law on securities.
2. Investors shall be obliged to:
  - a) To comply with this Charter, Decisions of the General Meeting of Investors;
  - b) Fully pay for fund certificates purchased and responsible for other debts and liabilities of the fund within the money paid when purchasing fund certificates;

##### **ARTICLE 16. Register of investors**

1. The Transfer Agent services provider must prepare, file and promptly update the Main register of investor (Main Register) from the time VFMVSF completes the transferring of fund certificates account management to the investors. The register of Investors of the Fund is in writing, in the form of electronic information data files or in both formats.

Main, subsidy Register shall comprise the following contents: Name of the VFMVSF Fund,

- a. Name and address of the fund management company, name and address of custodian bank, Name of the VFMVSF Fund,

- b. Number of the certificate of registration of the offer, total value of capital raised and the operational duration of the Fund,
  - c. Investor's information:
    - i. For individual: Name investor, numbers of valid ID card or Citizen Card or Passport or other legal legal personal attestation, trading code (for foreign investor), contact address, telephone numbers, email address (if any);
    - ii. For the organization: full name, short name, trade name, head office address, the number of licenses for the establishment and operation / business registration certificate, trading code (for foreign investor); full names, numbers of valid ID Card or Citizen Card, trading code (for foreign investor), passports (for authorized persons without Vietnamese nationality), telephone numbers, email addresses of persons authorized by institutional investors to execute fund certificate transactions.
  - d. Securities depository account number (if any), the number of investor's account, or the number of personal sub – accounts, attached with the number of omnibus accounts of omnibus agent; securities trading codes (with respect to foreign investors);
  - e. The number of fund certificates held; the date of subscription purchase and date of payment;
  - f. Date of preparing the Main Register.
2. Fund Management Company, The Transfer Agent services provider shall at any time have sufficient information about the ownership of each investor (including investors trading on registered accounts), including those trading on omnibus accounts. Information about assets of investors in main registers of investors, including investors trading on the account of omnibus agents shall be the evidence confirming investors' ownership of fund certificates. Investors' ownership shall be established at the time when information about investors' ownership is updated into Main Register.
  3. The Main Register shall be kept at the office of The Transfer Agent services provider and the Fund Management Company.

**ARTICLE 17. Fund certificate transactions**

1. The Fund management company shall arrange the trading of fund certificates for investors. Open-ended fund certificate trading activities shall be arranged periodically.
2. Trading day of the fund shall be on Valuation Date.  
The increasing of trading frequency (if any) shall be informed by the fund management company on website of the fund management company and website of the fund, and updated at the nearest AGM. The reducing of trading frequency shall be approved by the general investors meeting and not less than minimum trading frequency required by laws.
3. Distribution principles
  - a. Subscription orders
    - Minimum required subscription amount for the IPO is 20,000,000 (twenty million) Vietnam dong and for the next subsequent trading cycles is 1,000,000,000 (one billion) Vietnam dong.
    - Investors/ authorized person transfer the subscription amount to the Vietnam dong account of VFMVSF at Custodian Bank. Where orders of subscription of fund certificates and payment for such orders are performed by individuals or organizations other than investors, order forms and written confirmation of such payment must clearly include name, account number and payment value of the interested investor.
    - The number of fund certificates that investor shall receive for the IPO shall be allotted as the following formula:
 
$$\text{Number of fund certificates received} = \frac{\text{Subscription amount} \times (1 - \text{Subscription service price (\%)})}{\text{NAV per unit using at the Trading day}}$$
    - Number of allotted fund units can be rounded up to two decimal places.
    - Solving method in case the actual payment for subscription amount is less than or greater than the registered subscription amount and in case of invalid trading, detail stated in Prospectus.
    - The Transfer Agent shall be responsible for updating full and accurate information on post-trading holdings of investors named in the Main Registers and providing such information for Distributors to send to such investors the trading confirmations.

- Procedure of receiving and executing subscription orders shall be stated in Prospectus.

b. Redemption orders

- The redemption units must be equal or greater than two thousand units (2000 units). The remaining units after the trading must be equal to or greater than the required account maintaining units, which are two thousand units (2000 units), except for trading odd units which is defined in the Prospectus.
- The redemption order shall not be redeemed or only be partially redeemed as stated in Article 18 of this Charter.
- Investors shall comply with all the tax obligations (if any) for the redemption orders per current legal regulations.
- Redemption payment shall be made by directly transferring to investors' bank accounts as Vietnam dong. Bank charges in this case will be paid by the investor (if any).
- Redemption amount shall be calculated at the following formula:

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

- Solving method in case of the registered redemption units cause remaining units in the account less than the required account maintaining units or invalid trading, detail stated in Prospectus.
- Procedure of receiving and executing Redemption orders shall be stated in Prospectus.

c. Switching Orders

- All Investors shall have the right to switch between different open-ended funds if Fund management companies have at least two open-ended funds and those open-ended funds have the same transfer agent service provider.
- Principle of receiving and executing switching orders shall be stated in Prospectus.
- The Fund management company shall update all information on the switching regulations to the investors on the website of the fund management company and Distribution agents.

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

- All VFMVSF fund certificates' non-commercial transactions (gift, present, inheritance, transfer of ownership...) to an individual/institution shall be executed at appointed Distribution Agents.
- Procedure of receiving and executing Non-commercial transactions shall be stated in Prospectus.
- Investors must provide all the necessary documents to complete the non-commercial transaction as applicable laws.
- Non-commercial transaction service price shall be stated in Prospectus.
- Investors shall be responsible to fulfill any tax duty arising from the non-commercial transaction as applicable laws.

5. Fund management companies, relevant persons of the fund management companies may contribute capital, trade certificates of open-ended funds managed by the fund management company at the same price as that of other investors in accordance with Article 14 this fund Charter.

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

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 investors' orders shall lead to the net asset value of the fund is lower than VND fifty (50) billion; or
- The selling of securities in the portfolio for cash to satisfy the redemption orders cannot be executed due to the following circumstances:
  - One (or more) securities in the VFMVSF portfolio is suspended trading due to the Decision from the Securities Exchanges.

2. For the redemption/switching orders that were partly executed as mentioned in Clause 1 of this Article, the fund management shall apply the pro-rata principle for fund certificates allotment as follows:
  - The executed value shall be allotted to all investors registered at the same trading cycle, ensuring the pro-rata between the executed value and the registered value so that the total value of redemption at the trading day shall not violate the conditions for partial stated in this Article. The number of redeemed fund certificates in this case shall be calculated as the following formula:

$$X_i = SLDK_i * \frac{SLTT}{\sum SLDK_i}$$

Whereas:

*X<sub>i</sub>*: The actual redeemed fund certificates that an investor can redeem (or number of fund certificates are actually executed in the redemption order). Number of allotted fund units can be rounded up to two decimal places;

*SLDK<sub>i</sub>*: Number of fund certificates that an investor has registered to redeem;

*SLTT*: Total number of fund certificates that the Fund management can actually satisfy the redemption orders.

$\sum SLDK_i$ : Total number of fund certificates that investors have registered to redeem in one trading cycle.

- Solving method of the unredeemed orders shall be stated in Prospectus.
  - Statement on fully redemption or partial redemption or canceled orders shall be announced in details of the trading confirmation reports to investors.
3. 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
  4. The fund management company shall report to the fund representative board and SSC, within 24 hours, since the occurrence of events specified in Clause 3 of this Article and shall have to resume the repurchase orders of open-ended fund certificate after such event ends.
  5. Duration for suspension of fund certificate trading is ninety (90) days from the last fund certificate trading day.
  6. Within maximum period of thirty (30) days, from the end of suspension of fund certificate trading period as stated in Clause 5 of this Article, 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.
  7. 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.

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

1. Subscription price at IPO and at trading cycles after IPO is the price that investors must pay when buying a fund unit at the issue of fund certificates to the public. The subscription price shall be determined by par value plus the subscription fee (at the initial public offering) or shall be determined by the net asset value per a fund unit as of the fund certificate trading day plus subscription service price.
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 using at Trading day minus redemption service price.
3. Subscription service price, Redemption service price stated in Chapter XIII of this Charter.

#### **ARTICLE 20. Inheritance of fund certificates**

1. Any inheritance of fund certificates shall be in line with prevailing legal regulations on inheritance. The fund shall only recognize legal heirs and shall not be responsible for any disputes with respect to such inheritance or heirs.
2. The Transfer Agent shall register such legal heirs in the register of investors after such heirs provide sufficient legal evidence of their inheritance to the fund management company or authorized service providers.

## **Chapter IV**

### **GENERAL INVESTORS MEETING**

#### **ARTICLE 21. General investors meeting**

1. The general investors meeting is the highest authority of VFMVSF. All investors named in the register of investors prior to the convention of such meeting shall be entitled to attend such meeting.
2. The annual General Meeting of Investors shall be held within 4 months from the end of the fiscal year. At the request of the Board of Representatives, the Annual General Meeting of Investors may be extended for no more than 06 months from the end of the fiscal year and must be notified to the State Securities Commission. Such meeting shall be held in the form of direct meeting or collection of opinions in writing, or attends and votes through online meeting, electronic voting, or using another electronic medium. General investors meeting authorizes Board of Representatives (BOR) to approve policy for the form of collection opinions in writing or attends and votes through online meeting, electronic voting, or using another electronic medium (if available)
3. All costs for the annual General Meeting of investors and the initial General Meeting of investors shall be paid by VFMVSF.

#### **ARTICLE 22. Extraordinary Investors' General Meeting**

1. The fund management company shall convene an extraordinary Investors' General Meeting in the following cases:
  - a) The fund management company, or Supervisory Bank, or the fund representative board considers such meeting are necessary for the interests of the fund;
  - b) Upon request of an investor or a group of investors representing at least 5% of total fund units in issue as of the date of convention of such meeting;
2. The convention of such extraordinary Investors' General Meeting as mentioned in Clause 4 of this Article shall be conducted within 30 days from the date when the fund management company receives request for convention of an extraordinary Investors' General Meeting which specifies reasons and purposes of the meeting and having all signatures of related investors.

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

1. To elect, remove or dismiss the chairman or a member of the fund representative board;
2. To approve the remuneration and operating expenses of the fund representative board;
3. To approve increasing the service price payable to the Fund Management Company and the Custodian bank;
4. To consider and deal with breaches by the Fund Management Company, the Custodian bank and the Board of Representatives of the Fund;
5. To approve the modification and supplementation of the fund's charter, the supervision contract; profit distribution plan,
6. To approve fundamental changes in the fund's investment policies and objectives and dissolution of the Fund;
7. To replace the fund management company or the supervisory bank;
8. To request the Fund Management Company and the Custodian bank to submit books or transaction documents at the General Investors Meeting;
9. To approve reports on the financial position, assets and annual operations of the fund;
10. To approve the selection of the approved auditing organization to audit annual financial statements of the fund;
11. To approve the suspension of trading, dissolution, consolidation, acquisition, splitting of the fund according to this Charter and regulations;
12. Other issues within its authority as specified in legal regulations and this Charter.

#### **ARTICLE 24. Requirements, proceedings of the general investors meeting**

1. The time, agenda and intended contents for the General Meeting of investors shall be notified to investors according to the current regulations of Guidelines for disclosure of information on the stock market and reported to the State Securities Commission at least 21 days prior to the date on which the meeting is to be held.
2. A meeting of the General Meeting of investors may be conducted when the attending investors represent at least 51% of the number of fund units in circulation. The form of attendance and votes at a meeting shall be direct in person, or via a proxy in following cases:
  - Attending and voting directly at the meeting,
  - Via a proxy to another or BOR's member to attend and vote at the meeting,



- Via online meetings, or via electronic voting or another electronic form, or via telephone, internet or other means of communication,
  - Sending votes to the meeting by post, fax or email or another electronic form.
3. Whether the initial meeting does not take place because the conditions stipulated in clause 2 of this article were not satisfied, the meeting may be convened for a second time within thirty (30) days from the date on which the first meeting was intended to be opened. In this case, the meeting of the General Meeting of investors shall be conducted irrespective of the number of attending investors.
  4. The General Meeting of investors may be held in the form of voting at the meeting or collecting written opinions;
  5. General Meeting of investors shall be presided over by Chairman of the Board of Representatives of the Fund. In case of absence of the Chairman, Vice Chairman of the Board of Representatives of the Fund or a representative elected by the General Meeting of investors shall preside over the meeting.
  6. All the General Meetings of investors shall be documented and kept at the head office of the Fund Management Company.

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

1. Each fund unit/share shall have a voting right. The custodian bank, the fund management company, the auditing organization and the law firm providing services to the fund shall be entitled to attend the general investors meeting yet shall not be entitled to voting.
2. The general investors meeting shall adopt decisions within its authority by way of voting or by collecting written opinions, or by collecting via email, or another electronic medium.
3. Except for the cases prescribed in paragraph 5 this Article of this Charter, the decisions made in the Investors' General Meeting shall be ratified at the meeting if the number of participating investors that represent at least fifty-one percent (51%) of the total amount of such investors' fund units votes for it;
4. When seeking investor's written opinions, decisions are approved when they are approved by the number of investors that represent at least fifty- one percent (51%) of the total amount of such investors' total fund units;
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 service prices paid to fund management company, supervisory bank; to change fund management company, supervisory bank;
  - b. To split, consolidate, merge funds.

The decision made in the Investors' General Meeting shall be ratified if the number of participating investors that represent at least sixty-five percent (65%) of the total amount of such investors' fund units votes for it; the specific ratio is specified in the fund's charter.
6. The fund management company and the fund representative board shall be liable to take into consideration, ensuring that all decisions of the Investors' General Meeting are in line with laws and the Fund's charter.
7. Within 24 hours, after the Investors' General Meeting or deadline for obtaining investors' written opinions as mentioned in Clause 4 of this Article, the fund management company, the fund representative board shall be liable to prepare minutes or report on vote counting (in case collection of investor's opinions in writing or collection of investor's opinions by e-mail or using another electronic medium and resolutions of the Investors' General Meeting and send to SSC, Custodian Bank and provided to investors according to the current regulations of Guidelines for disclosure of information on the stock market.
8. Any decision of the General Meeting of investors which is not complied with 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.

**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 service prices paid to fund management company, supervisory bank; to change fund management company, supervisory bank; to split, consolidate, merge, dissolve 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. 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 redemption service price, switching service price.

## **Chapter V**

### **THE BOARD OF REPRESENTATIVES**

#### **ARTICLE 27. The Board of Representatives**

1. The Board of Representatives is elected by the General Meeting of investors in order to represent interests of the investors.
2. The Board of Representatives of VFMVSF shall have from 3 to 7 members, at least two third (2/3) of which shall be independent members of the fund management and custodian bank or authorised representatives of these organizations.
3. The Board of Representatives shall comprise:
  - a. At least one independent member with qualifications and experience in accounting and auditing;
  - b. At least one independent member with qualifications and working experience in securities investment analysis or asset management;
  - c. At least one member with qualifications and experience in laws and legal regulations in securities
4. The Board of Representatives has a term of 5 years and may be re-elected for an unlimited number of terms.
5. Any decisions of the Board of Representatives shall be passed by way of voting at the meeting, collecting written opinions. Each member of the Board of Representatives shall have one vote. In BOR meetings, members who cannot attend the meeting of the Board of Representatives directly, can submit comments in writing and/ or appoint a representative to attend and vote at meeting.
6. During the fund operation, when Members of the Board of Representatives be suspended or dismissed according to Article 32 of this Charter, or when the Board of Representatives not meet the conditions stated un Clause 2, 3 this Article, the fund representative board and the fund management company shall be liable to select a member meeting the regulations at clause 3 of this Article for temporary substitution within 15 days from the date of detection. The temporary substitute member shall exercise the rights and duties of the committee's member until the Investors' General Meeting officially appoints a substitute member.
7. The fund management company must announce the change in Board of Representatives according to the current regulations of Guidelines for information disclosure on the stock market and report to the SSC and Custodian bank.

#### **ARTICLE 28. Criteria for selecting members of the Board of Representatives of the Fund**

1. Not being in the category that does not have the right to establish and manage an enterprise in Vietnam under the Law on Enterprises and being a prestigious expert in economic, financial and capital market management, not necessary being fund's investor. Independent members will not be affiliated person of Fund Management Company and the Custodian bank.
2. The member who is chairman or vice chairman of the Board of Representatives of the Fund must be well-qualified persons in economic management, finance, with good knowledge of operations and business of the Investment Fund. The Chairman of the Fund must be independent member.
3. The following persons are not allowed to be members of the Board of Representatives:
  - a) Cases in accordance with regulations of law on enterprises and securities applicable to members of the Board of Directors and Board of Directors;
  - b) Being a member of more than 5 Boards of Representatives of a public fund or Board of Directors of a public securities investment company.

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

1. To exercise the delegated rights and perform his/her delegated duties honestly in accordance with the law in force and this Charter which is approved by the General Meeting of investors;

2. To be loyal to the interest of the Fund, avoid conflicts of interests which may damage the Fund, ensure complying with the principles when the conflicts of interests between members and the Fund or between members and affiliated person of the Fund;
3. To evaluate the performance of the fund management company, regularly check the validity, legality, truthfulness, prudence in the management of the assets of the fund management company;
4. To supervise the operation of the Fund Management Company, the Custodian bank and service providers of the Public Fund in compliance with this Charter and law;
5. To inspect and supervise the performance of the process and method of determining the net asset value of the Fund;
6. To propose investment policies and objectives of the Fund;
7. To recommend the level of profits to be distributed to investors; to approve the period and procedures for distribution of profits;
8. To decide issues which is not agreed by the fund management company and the custodian bank on the basis of the provisions of the law;
9. To approve valuation handbook, list of quotation service providers, principles and methods of determining the net asset value; approved list of credit institutions receive deposits of funds, monetary instruments and other assets funds are allowed to investment as prescribed at point a, b, 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;
10. To request the fund management company, custodian bank promptly provide all documents, information on asset management activities and supervisory activities;
11. To propose change of the Fund Management Company or the Custodian bank;
12. No member of the Board of Representatives shall be individually responsible for their activities or any other activities which are done on behalf of the Fund in the manner of willingness, faithfulness, unblemished, public-spirited and selfless and in compliance with scope and powers properly assigned, or in compliance with powers assigned in accordance with this Charter or Regulation of the Board of Representatives and law.
13. To elect, remove or dismiss positions in the Board of Representatives under the jurisdiction of the Board of Representatives (exclusive position of Chairman of the Board);
14. Research, evaluate the operation situation and result, and give comment to construction of annual and quarter tasks plan and growth strategy of the Fund.
15. The Board of Representatives shall not be allowed directly or indirectly:
  - a. To use assets of the Fund to provide loan to any investor of the Fund;
  - b. To use assets of the Fund to guarantee or as pledges for any loan of any investor;
  - c. To use assets of the Fund to guarantee or as pledges for any loan of any company;
  - d. To provide information of the Fund or client, which is not allowed to disclose to any person.
16. To attend meetings of the Board of Representatives, to directly discuss and vote or send the vote (in case of absence or collecting written opinions by the Chairman) to decide matters belonged to the meeting's content.
17. To implement the resolutions of the General Meeting of investors and decisions of the Board of Representatives.
18. More than 2/3 (two third) of number of members of Board of Representatives have right to convene the extraordinary General Meeting of investors or the meeting of Board of Representatives.
19. To be authorized by the Chairman in making decisions in some particular works.
20. To comply with other laws and this Charter.
21. The Board of Representatives receive remuneration for each month and the remuneration is decided by the General Meeting of investors. Members of the Board of Representatives or Secretary of the Board of Representatives who are employees of DCVFM will not receive remuneration;
22. Except issues stated in Clause 5 Article 23 of this Charter, the Board of Representatives have right to decide all issued stated in Article 23 of this Charter if to be authorized by General Meeting of investors.
23. Within 15 days, after the date which Board of Representatives decides issues stated in Clause 22 of this Article, the Board of Representatives, through by the fund management company, send meeting minutes and resolution of the Board to SSC and Custodian Bank, and announce decision according to the current regulations of Guidelines for information disclosure on the stock market.

24. BOR's member shall fulfill the information disclosure obligation of executive officers of public funds and relevant persons of executive officers according to the current regulations of Guidelines for information disclosure on the stock market.

**ARTICLE 30. Chairman of the Board of Representatives of the Fund**

1. The General Meeting of investors shall elect a Chairman of the Board of Representatives from its members. The Chairman of the Board of Representatives must be an independent member.
2. The Chairman of the Board of Representatives shall have the following rights and duties:
  - a. To prepare working programs and plans of the Board of Representatives;
  - b. To prepare programs, contents and documents for the meeting; to convene and chair meetings of the Board of Representatives;
  - c. To monitor the implementation of the decisions of the Board of Representatives;
  - d. To issue Notice of the automatic suspension or dismissal under Clause 1 Article 32 of this Charter.

**ARTICLE 31. Procedures for management of the Board of Representatives of the Fund**

1. In case the Chairman of the Board of Representatives is absent or has lost his/her ability to perform assigned duties, any member of the Board of Representatives authorized by the Chairman shall perform rights and duties of the Chairman of the Board of Representatives.
2. Where such a member is unavailable, other members of the Board of Representatives shall select one person from the independent members to temporarily hold the position of the Chairman in accordance with the principle of unanimity. Re-election of the Chairman of the Board of Representatives shall be carried out at the next General Meeting of investors.

**ARTICLE 32. Suspension and dismissal of members of the Board of Representatives of the Fund**

1. The General Meeting of Investors shall dismiss members of the Board of Representatives in the following cases:
  - a) Fail to meet the criteria and conditions as prescribed in Article 28 of this Charter;
  - b) There is a resignation and it is approved;
  - c) Is declared lost, died or has limited capacity of civil acts by court;
2. The General Meeting of Investors shall dismiss members of the Board of Representatives in the following cases:
  - a) Fail to participate in the activities of the Board of Representatives for 06 consecutive months, except for force majeure;
  - b) Disclosing secrets which are contrary to the interests of the Fund;
  - c) Being prosecuted or prosecuted;
  - d) Prohibited from being a member of the Board of Representatives due to regulations of law or the State Securities Commission and competent authorities.

**ARTICLE 33. Meetings of the fund representative board**

1. The Chairman of the Board of Representatives shall have the right to convene a meeting of the Board of Representatives. The Board of Representatives of the Fund must meet at least once a quarter in order to discuss, decide related matters within the jurisdiction of the Board of Representatives.
2. The Board of Representatives of the Fund shall hold an extraordinary meeting at the request of the Chairman, or the Fund Management Company, or the Custodian bank, or two-thirds of number of Members of the Board of Representatives.
3. Meeting of The Board of Representatives may be held in the form of either face-to-face meeting or distant meeting by telephone, internet and other media means, or collection of opinions in writing.
4. Meeting order, agenda and related documents are notified in advance 5 days in advance.
5. A meeting of the Board of Representatives shall be conducted when there are two thirds or more of the total members attending, at least 51% of which shall be independent members, including the representative of Board member to attend meeting having voting right, and the Board member attend distant meeting of send writing opinion. A decision of the Board of Representatives shall only be passed when it is approved by 51% of the attending members and above and by from 51% of the independent members and above. In the case of a tied vote, the final decision shall be as voted by the chairman of the Board of Representatives.
6. The Fund Management Company and the Custodian bank shall be entitled to participate in meetings of The Board of Representatives but having no right of vote.

7. The Board of Representatives of the Fund shall appoint a capable staff of fund management to act as secretary to record minutes of meetings of the Board of Representatives.
8. All meetings of the Board of Representatives must be fully recorded in minutes. Minutes of meetings of the Board of Representatives must be made in detail and clarity. The meeting secretary and chair must sign the minutes of the meeting. In case the chair or secretary refuses to sign the meeting minutes but if signed by all other members of the Board of Representatives attending the meeting and has full contents, this minutes shall take effect. Minutes of meetings of the Board of Representatives must be kept at the fund management company in accordance with the law on enterprises and the fund's charter. The chairman and secretary shall be jointly liable for the accuracy and truthfulness of the minutes of meetings of the Board of Representatives.
9. All costs for the meeting and expenses for business trip of the Board of Representatives shall be paid by the Fund.

## **Chapter VI**

### **THE FUND MANAGEMENT COMPANY**

#### **ARTICLE 34. Criteria for selecting the Fund Management Company**

Fund Management Company to be selected to manage VFMVSF fund must meet following conditions in full:

1. Being issued a Fund Management Operating License by SSC;
2. Being completely independent to the Custodian bank;
3. Having full capacity to manage the Fund;
4. Agreeing to fulfill its commitments to the Fund as stated in Appendices 1 and 3 of this Charter.

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

1. Obligations of the fund management company
  - a) To comply with the provisions of law and the charter of the fund management company. Implement the entrusted asset management as stipulated in the fund charter. To comply with the rules of professional ethics, voluntariness, fairness, honesty and for the fund' sack of the best interests.
  - b) Fund Management Company is the authorized representative of the fund, on behalf of the fund to execute the ownership toward the assets of funds in an honest and careful manner.
  - c) When managing fund's assets, the fund management company must:
    - i. Sign custodian, depository contract with a custodian bank; make depository for all assets arising in the territory of Vietnam and store full, timely and accurate information on data of ownership, the original legal documents verifying the ownership of property in a custodian bank;
    - ii. In case of investing deposit to the funds, fund management company is only deposited in the banks in the list approved by the Board of Representatives; store the original or valid copy of the contract of deposit, loan contract in custodian bank for the institution to periodically cross-check balance, valuation of capital contract with the bank of deposit;
    - iii. In case of investment or capital contribution; trading assets, shares, unlisted shares for funds; the fund management company must store the original contracts, the permit of establishment and operation or business registration certificate (if any), the book of shareholders or documents certifying the ownership of assets in custodian bank for the institution to periodically cross-check with the organizations receiving investment capital;
    - iv. Separate assets of fund and assets of the company, entrusted customers; adequate and timely storage of accounting books, transaction documents and other documents related to transactions and ownership of funds' assets; sum up fully, accurately and timely information on fund' s assets and place for depository, storage of assets;
    - v. Establish a mechanism of examination, regular crosscheck of three parties to ensure the consistency of data of fund's assets on the system of accounts of funds managed in the company, the depository system of assets of funds in custodian bank with the issuers, the Vietnam Securities Depository and Clearing Corporation , the organization managing the registrars of shareholders, project owners, organizations receiving investment capital, banks of deposit. The fund management company shall establish a mechanism for custodian bank to actively, directly cross-check with the above organizations to inspect, monitor, sum up fully and accurately information of depository, property registration and management of fund's assets.

- vi. Invest fund's assets in accordance with the provisions of law and fund charter;
  - vii. Assign at least two (02) fund managers to manage the fund. The fund managers mentioned above must have practical experience in the asset management activities for at least two (02) years and have not been sanctioned for administrative violations in the field of securities and securities markets. Information on qualifications and professional skill, experience managing assets of the fund managers must be disclosed in the prospectus.
- d) The fund management company must set up a process of allocation of transaction orders, allocation of transacted assets reasonably, fairly when conducting the transactions for the fund and the company itself. This process must be provided to custodian bank and applied uniformly.
  - e) In the fund management, the fund management company is responsible for ensuring:
    - i. To determine the net asset value of the portfolio of the fund; the net asset value per fund unit under the provisions of the law and fund charter;
    - ii. To make, store and update timely, completely and accurately the registrars of investors.
  - f) The fund management company is authorized the fund management activities. The authorization for the activities shall comply with the provisions of law on guiding the establishment, organization and operation of fund management company and fund charter.
  - g) The fund management company is obliged to provide timely, completely the necessary information on the fund, information on fund's asset transactions, information on the place to make depository of fund's assets, other concerned information (if any) and create all the necessary convenient conditions for custodian bank at the request in writing of these organizations to fulfill the rights and responsibilities to the fund in accordance with the law provisions. At least once a (01) month, the fund management company is obliged to compare the list of assets of the fund with custodian bank.
  - h) Within fifteen (15) days from the date that the custodian bank detects and informs the fund management company on fund's asset transactions contrary to the provisions or exceeding the competence of the fund management company in accordance with law provisions, provisions in fund charter, the fund management company must cancel the transactions, or perform the transactions in order to restore the position for the fund. The fund management company shall bear all costs incurred related to the transactions and the losses (if any). In case the transactions generate profit, all profits has to be accounted for the fund.
  - i) The fund management company must build and deploy consistent application of the professional processes, the manual of valuation, accounting policy in accordance with the provisions of relevant laws and fund charter.
  - j) The fund management company must build the processes and establish organizational structure, risk management system in accordance with the scale and type of the fund. Risk management system should be based on the policy, risk management process built according to international practice in accordance with market conditions in Vietnam to ensure a full identification, to determine a potential scale of risk in the fund's portfolio. Depending on the type of risk and level of complexity of invested assets and requirements of the fund, the companies must give an appropriate level of risk.
  - k) The fund management company is responsible for compensation for the losses caused to the fund due to the employee's fault, malfunction or error of technical system and professional process of the company or because the fund management company fails to comply with its obligations under the provisions of law and fund charter. The compensation for the fund, investors shall comply with the provisions of the law on the establishment and management of open ended fund and the agreement between the concerned parties.
  - l) The fund management company must purchase professional liability insurance for their professional staffs (when necessary), or set up a risk reserve fund as prescribed by law to compensate for the fund in the cases specified in point k of this Clause.
  - m) The fund management company shall conduct; require the distribution agents, related service providers to set up a system and organize the implementation of processes to synthesize information, identify customers accordance with the provisions of law on anti-money laundering and the provisions of the law on brokerage and securities transactions.

- n) In case the fund is foreign investor, the fund management company must ensure the investment of assets of entrusting customers as individuals, foreign organizations to comply with the regulations of law on foreign exchange management, ownership percentage in the Vietnamese Enterprises at the time of investment.
  - o) The use of fund's assets mobilized in Vietnam to invest in securities issued by the foreign institutions, issuers subject to foreign law, securities issued in foreign countries and the other assets abroad must comply with the provisions of the law on investment abroad, foreign exchange management and the provisions of relevant law. This investment is made only if the fund charter has terms and conditions to allow implementation. Before the implementation, the fund management company must be approved in writing by general meeting of investors and the competent state management authorities.
  - p) When making transactions of fund's assets, the fund management company ensures that:
    - i. The value of the transactions during the year through a securities company shall not exceed 50% of the total value of transactions in the year of the fund; and
    - ii. The value of the transactions during the year through a securities company to be the relevant persons of the fund management company shall not exceed 20% of the total value of transactions in the year of the fund.
  - q) The fund management company is responsible for keeping secret of information of the fund, information on asset transactions, fund's portfolio and other relevant information, except for providing information to the Commission State Security and the competent State management agencies on demand.
  - r) The fund management company must:
    - i. Separate its headquarters, information technology infrastructure with the other economic organizations. Where the company uses information technology infrastructure of its parent companies, subsidiaries or organizations who are the concerned one, it must use the mechanism of decentralization and restriction of use to make sure that the departments of the parent companies, subsidiaries or organizations who are the concerned one can not access to the computer system, database of the company;
    - ii. Separate database between the professional departments of potential conflicts of interest in the company, including the separation between the entrusted assets management department; department of research, investment analysis and the investment implementing department. Computer system and databases are decentralized to each individual, department, consistent with the working position in accordance with the provisions on internal control.
  - s) Other responsibilities comply with the provisions of law on guiding the establishment, organization and operation of fund management company.
2. Rights of the fund management company:
- a) To select custodian bank in accordance with article 38 of this Charter;
  - b) To authorize custodian bank and related services providers to execute some or all of fund administration activities. The fund management company is responsible for the authorization, and ensures the relationship of authorization shall not adversely affect the benefit of investors;
  - c) To refuse issuance of fund certificates for the organization is not allowed to invest in the fund as prescribed by law or for individual investors do not have full civil act capacity;
  - d) To execute all the rights, obligations and responsibilities for the assets owned by the fund on behalf of the fund in accordance with the law;
  - e) When exercising the right to vote at the General Meeting of shareholders of the issuer, the joint stock company in which the fund is a shareholder, fund management company or authorized custodian bank must ensure their vote shall not causing any effect to the voting decision of other shareholders in accordance with the law;
  - f) To sign fund-unit distribution agreements with distribution agents;
  - g) To be entitled to remunerations in accordance with this Charter and the prevailing laws;
  - h) To be entitled to conduct business and provide services in accordance with the prevailing laws;
  - i) To participate in the periodic and irregular meeting of the General Meeting of Investors and the Board of Representatives;
  - j) To make decision fund's investment in accordance with this Charter and the prevailing laws.

### **ARTICLE 36. Termination of rights and obligations of the Fund Management Company**

1. The Fund Management Company shall terminate its rights and obligations to the Fund in the following circumstances:
  - a. At the request of the General Meeting of investors;
  - b. The Fund Management Company's license is revoked;
  - c. Voluntarily terminate its operation;
  - d. The Fund Management Company is merged or acquired by other Fund Management Company;
  - e. Other case in accordance with provisions of law.

In the case stipulated in Cause 1 of this Article, the rights and obligations of the Fund Management Company to the Fund must be transferred to another Fund Management Company which agreed to replace. The replaced Fund Management Company must transfer promptly all vouchers and any information relating the Fund to the replacing Fund Management Company in order to ensure that the replacing Fund Management Company has enough information to perform fully its rights and obligations in accordance with law for the Fund as stipulated.

2. Before minimum of six (06) months from the expected time of termination of the rights and obligations to the fund, the fund management company must hold a General Meeting of investor to collect investors' opinions in writing.
3. Compensation when change of Fund Management Company

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

<b>Fee based on NAV of the fund</b>	<b>Time of changing fund management company</b>
2,0%	Within 3 years from the commencement of operation of the fund
1.5%	After 03 years from the commencement date

NAV using to calculate the compensation to the fund management company is the average NAV of the end date of the month in the 12 months immediately preceding the time that the General Meeting of investors approve to change the fund management company and certified by custodian bank.

Such fee is to compensate for all arising cost to Fund Management Company as the consequence of downsize, change of personnel, management system and infrastructure.

If the General Meeting of investors decides to change the Fund Management Company due to the violation of the laws and approved by SSC, the Fund in this case is not obligated to pay the above fee to the Fund Management Company.

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

1. The fund management company may not be an affiliated or having an ownership relationship, borrowing or lending with a custodian bank or a custodian of a securities investment fund of the custodian bank of the fund. Members of the Management Board, internal audit department's staffs, supervisory board (if any), the chairman of the company, the Executive Board and employees of the fund management company may not work in the departments providing services of depository, supervision, fund management at custodian banks, and vice versa.
2. Except cases of making capital contribution, trading fund certificates of open ended funds managed by the fund management company and other cases provided by law, affiliated person of the fund management company, the fund management practitioners, person working for Fund Management Company shall not be permitted to be purchasers or sellers in transactions of the purchase and sale of assets of the fund or to be a partner in other transactions with the Fund.
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 service fees, fees and charges clearly stated in the fund charter.
4. In the management of entrusted assets, the fund management company must ensure that:
  - a) Not use the assets of the fund to invest in the other fund, securities investment company managed by the fund management company;
  - b) Not use fund's assets to invest in entrusted customers managed by the fund management company;



- c) Not use fund's assets to invest in the fund management company itself; not invest in the organizations as affiliated persons of the fund management company; not invest in the organizations that the members of the Management Board, members of the Executive Board, and employees of the company are shareholders or members holding more than ten percent (10%) of the charter capital;
  - d) Not use fund's assets to lend under any form, guarantee for the loans in any form or make payment for the debt obligations of the fund management company, the affiliated persons of the fund management company, other organizations and individuals;  
This provision shall not apply in the case of lending in the form of investment of deposits in the credit institutions in accordance with the provisions of banking law, or purchase of bonds issued, bond transactions in accordance with the provisions of law;
  - e) Not commit, ensure investment results except for the investments in products with fixed-income; not sign the contracts receiving entrustment to invest in bonds with an interest rate not consistent with market and investment analysis result of the company itself; directly or indirectly to offset a part or all of the losses of entrusting customers caused by investment activities; shall not perform the transactions to reduce the profits of an entrusting customer to increase the profit of another entrusting customer; shall not enter into a contract, make transaction with the illegitimate, unreasonable disadvantage terms.
5. The fund management company is used equity capital and capital of entrusting customers only for purchasing and owning (excluding shares in the portfolio of entrusting customers as portfolio swap fund) more than twenty-five percent (25%) of the total number of outstanding shares of a public company if meeting the following conditions:
- a) To be approved in writing of the entrusting customers or representatives of the entrusting customers of the public purchasing offering, the purchasing offering price, the volume of assets expected for purchasing offering, method to distribute assets after making the purchasing offering;
  - b) The fund management company makes the public purchasing offering in accordance with the provisions of law on securities.
6. The fund management company is not authorized, outsourced the organizations in the territory of Vietnam to provide securities investment consultancy service, entrusted asset management service;
7. Other restrictions comply with the provisions of law on guiding the establishment, organization and operation of fund management companies.

## **Chapter VII**

### **THE CUSTODIAN BANK**

#### **ARTICLE 38. Criteria for selecting the Custodian bank**

The selected Custodian Bank must satisfy the following conditions:

1. The Custodian bank selected by the fund management company shall satisfy all requirements as provided in Article 116 of the Securities Law
2. The Custodian bank must be completely independent and separate from the fund management company that the bank provides the custodian service. The Custodian Bank, members of the Board of Management, Board of Directors, direct operators and staff of the Custodian Bank discharging the duties of supervision of the operation of the Fund and preserving fund assets of the Custodian Bank shall not be affiliated persons or have an ownership, lending or borrowing relationship with the fund management company or vice versa.
3. The Custodian Bank, members of the Board of Management, Board of Directors, direct operators and staff of the Custodian Bank discharging the duties of supervision of the operation of the Fund and preserving fund assets of the Custodian Bank shall not be permitted to be purchasers or sellers in transactions of the purchase and sale of assets of the fund.
4. Having sufficient ability to provide supervisory and depository services.
5. Agreeing to fulfill its commitments to the Fund as stated in appendix 2 and appendix 3 of this Charter.

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

1. Obligations of the Custodian bank
  - a) To always act for the best interest of the fund's investors;
  - b) To take responsibility for losses causing to the Fund by the bank's errors;

- c) To ensure supervise the activities of the Fund management company in managing the Fund's assets as prescribed at the Securities Law, relevant regulations and the Fund Charter;
  - d) To supply services of supervision, asset deposit of the Fund according to the relevant legal regulations, the Supervision contract and the Fund Charter;
  - e) To separate the fund's assets from assets of the fund management company, assets of other funds, assets of other customers of the custodian bank and assets of the bank. In any case, capital and assets of the Fund may not be used to pay of guarantee for the debts of any individual or organization other than the Fund;
  - f) To ensure and take full responsibility for the fund's assets in case of authorizing sub-custodian organizations;
  - g) To supervise or calculate the net asset value of the Fund appropriate to the legal regulations and the fund Charter to ensure that the calculation of net asset value of the fund is accurate;
  - h) To settle securities transactions appropriate to the legal directives of the fund management company, the custodian bank may refuse such directives if the custodian bank may believe that these directives are illegal or inappropriate to the Fund Charter. The refusal specifying reasons must be sent in writing to the fund management company, its copy must be sent to the SSC;
  - i) To regularly compare assets of the Fund with those of the fund management company;
  - j) To pay reasonable, valid expenses of the Fund according to the legal directives of the fund management company, ensure that such expenses are appropriate to the legal regulations and the provisions of the Fund Charter;
  - k) To pay money to the Fund's investors when the fund management company makes redemption of fund certificates from investors, or when the fund distributes income or when the Fund liquidates, winds up or pay to investors and other cases as stipulated by the law, the Fund Charter in accordance with the legal directives of the fund management company, ensure that payments made are appropriate to the Charter's provisions;
  - l) To confirm reports relating assets and operation of the Fund which are made by the fund management company or authorized service provider;
  - m) To report and manage files according to the prevailing laws, the Fund Charter and the Supervisory Contract.
  - n) To comply fully the regulations of the Law on Securities, related laws, the Fund Charter and the Supervisory Contract;
2. Rights of the Custodian bank
- a) To be entitled to service fees of supervising and preserving assets of the Fund as stipulated in the Fund Charter in accordance with the prevailing laws.
  - b) To participate in the periodic and irregular meeting of the General Meeting of Investors and the Board of Representatives.

#### **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. To co-ordinate with the fund management company to periodically review internal procedure of principle, method for defining fund's net asset value; to inspect and supervise the defining of fund's net asset value; to ensure that net asset value per unit of fund is correct, exact and in consistent with regulations of applicable law and this Charter.
  - b. To inspect, supervise investment activities and transactions of fund's assets, including assets that are not centrally registered at Vietnam Securities Depository and Clearing Corporation; 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.

- c. To supervise the organization and implementation and the appraisal of results of merger, consolidation, dissolution and liquidation of the fund's assets.
  - d. To supervise, ensure legal status and only using fund's asset to make payment for expenditures consistent with regulations of law and this charter.
  - e. The fund management company may from time to time place cash held by the Fund with any bank in list of banks approved by the Board of Representatives, and the custodian bank shall, whenever receiving and follow instruction of the fund management company, transfer money of or by the instruction of the fund management company. Notwithstanding any other provisions herein contained the Custodian bank shall not be responsible for the safekeeping of cash placed with such bank or other persons and will not be liable for any loss occasioned by a reason of the liquidation, bankruptcy or insolvency of such bank.
  - f. To inspect, supervise other activities of the fund management company in asset management of fund according to regulations of Article 116, Securities Law and this charter.
2. The custodian bank shall be liable to prepare and maintain files, documents in either hard copy or electronic files within 10 years for confirming the compliance of the custodian bank in supervising the fund management company in accordance with applicable laws. Such documents must be provided upon written request of SSC.
  3. The custodian bank shall be liable to provide the fund management company and appointed audit firm with necessary information in a timely, accurate and sufficient manner so that those organizations can fully implement the rights and obligations to the fund according to the applicable regulations of the laws and this charter.
  4. The custodian bank shall reserve the right to check the fund management company, review, appraise the capacity of computer system and computer software, require the fund management company to timely provide their procedures for asset management, internal control, risk management, valuation manual, procedures of receiving and executing orders of investors and necessary information related to management of the fund's assets to ensure that the custodian bank may fulfill their rights and duties to the fund as prescribed by applicable regulations of the laws.
  5. The custodian bank may use services provided by auditing firm and other organizations to implement such duties stipulated in Clause 4 of this Article. The custodian bank, organizations/individuals conducting examination and supervision over the fund management company at the custodian bank's request shall be responsible for keeping confidential all information of the fund management company, the fund and investors following applicable regulations. The report of examination with confirmation of relevant parties and other supporting documents must be provided to the fund representative board, SSC by any written request.

6. In the case the fund management company must compensate to investors, the custodian bank must coordinate with the fund management company to execute payment timely and sufficiently to investors according to legal instructions of the fund management company. The custodian bank is in jointly charge and must compensate to investors and the fund in case of occurrence of damages because the custodian bank fails to adequately and timely implement responsibilities for supervising the fund's investment activities, determining the fund's net asset value and other supervision activities to the fund according to the applicable regulations of the laws. Compensation rate shall be implemented based on civil agreements between the fund management company and the custodian bank.

#### **ARTICLE 41. Termination of rights and obligations of the supervisory bank to the fund**

1. The Custodian bank shall terminate its's rights and obligations with respect to the Fund in the following events
  - a. The Custodian bank is divided, split, dissolved, bankrupt, consolidated, merged, converted legal entity or revoked the certificate of registration of securities depository activities pursuant to the Article 60.2 of the Law on Securities;
  - b. Unilaterally terminate the custodian, supervisory contract;
  - c. The Fund is dissolved, merged or acquired by the other fund;
  - d. Upon the decision of the General Meeting of investors;
  - e. Other cases comply with the provisions of law.
2. In the cases as stated in Clause 1 of this Article, the rights and obligations of the Custodian bank to the Fund are transferred to the other Custodian bank in accordance with the prevailing laws

### **Chapter VIII**

#### **RELATED SERVICE PROVIDERS**

#### **ARTICLE 42. Authorized operations**

The fund management company may authorize for the following services:

1. Fund administration services:
  - Making 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.
2. Transfer Agent services:
  - 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;
  - To keep a separate tracking book about changes out of the total issued certificates, the number of fund certificates owned by every person holding certificate, name, address, nationality, address and other identification factors of such person and immediately update all changes (if any);
  - Making records of buying orders, selling 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;
  - Providing trading account statements, transaction confirmations and other documents;
  - Other activities in accordance with provisions of law and contract signed with the fund management company.

#### **ARTICLE 43. Criteria for selecting related service providers**

1. Criteria about the adequacy of capacity, personnel system, experience and profession.

Service providers selected by the fund management company to provided related services shall be the organizations permitted by law in the field of service providing. At the same time, these organizations have organized a complete system of storage facilities, data processing. Personnel system must be experienced, regularly trained and professional.

2. Criteria about organizational apparatus of related service supplying divisions of the authorized service provider, the system of professional process, the reporting and report approving system.

Between the relevant service departments of the authorized service providers must have mutual professional process and must provide an accurate system of reports and report's approval in accordance with the law.

#### **ARTICLE 44. Responsibilities of related service providers**

1. Principles of authorized activities:

The authorized service providers have to carry out works in accordance with authorization assigned in accordance with the provisions of the law and is responsible for their work.

2. Scope of operation, functions, tasks of authorized service providers:

- a. Fund administration services:

- Making 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.

- b. Transfer Agent services:

- 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 buying orders, selling 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;
- Providing trading account statements, transaction confirmations and other documents;
- Other activities in accordance with provisions of law and contract signed with the fund management company.

3. Requirements about documents, books and databases:

The documents and books related to the authorized services must be stored within the time limit prescribed by law by the authorized service providers. At the same time, authorized service provider shall take responsibility to create a database in accordance with the requirements of undertaking which be convenient and accurate as required by law.

4. The authorized service provider must implement authorized activities effectively, cautiously; take responsibility to keep confidential to all information relating to investors and partners of the fund management company;
5. The authorized service provider takes responsibility to supply the fund management company with independent auditing reports with the contents related to the authorization for checking, supervisory activities of the fund management company.

#### **ARTICLE 45. Responsibilities of the fund management company for authorized activities**

1. The authorization shall not decrease or change responsibilities of the fund management company to the fund;
2. Before signing the contract for using services of the authorized service provider, the fund management company must appraise the capacity, material facilities, technical and information technology infrastructure of the authorized service provider to ensure that the authorized service provider has professional procedure, sufficient capacity of personnel and the system to implement authorized activities, including the internal control system, material facilities equipment, technical solutions, the system of disaster prevention, hot prevention, personnel with experience and professional qualification;
3. To regularly check, supervise to ensure that authorized activities are implemented in a cautious, safe way according to the legal regulations and the regulations at this Charter; ensure that the service quality supplied by the authorized service provider is appropriate to the criteria and request by the fund.
4. The fund management company may use independent consultants, services supplied by professional organizations and other cooperation activities in order to implement the responsibilities provided;

5. To maintain personnel with experience, profession and required operation to have capacity of supervising, identifying and effectively managing risks arisen from authorized activities;
6. To construct with the process, system ensured at all times when the fund management company, the independent auditing company, the State's competent management agency may access to necessary information to check, supervise authorized activities, evaluate and manage risks arisen from the authorized activities;
7. The fund management company must take full responsibility arisen from the authorization. The fund management company must ensure the continuity for authorized activities, interruption and harmless to the investment operation of investors;
8. To adequately, opportunely and accurately provide relevant information to the authorized service provider who may fully, opportunely execute all rights, obligations and responsibilities in the authorization;
9. To completely, opportunely and accurately store directives, requests and documents sent to the authorized service provider to implement the authorization.

**ARTICLE 46. Termination of the authorization**

1. The authorized service provider shall terminate its's rights and obligations with respect to the Fund authorized by the fund management company in the following events:
  - a. The authorized service provider request to terminate its' rights and obligations;
  - b. The authorized service provider terminates its operation, is dissolved, goes in bankruptcy;
  - c. At the request of the fund management company;
  - d. At the request of the General Meeting of investors;
  - e. The Fund is dissolved;
  - f. The Fund is merged or acquired by other fund which approved by decision of the General Meeting of investors;
  - g. The services license of authorized service provider is revoked;
  - h. The authorized service provider is merged or acquired by other service provider.
2. The rights and obligations of the authorized service provider to the Fund are terminated from the time of completion of the handover of rights and obligations to the Fund for the replacing authorized service provider or for the management company. The replacing authorized service provider must establish the handover minutes between two authorized service providers/ the fund management company and certified by the fund management company.

**Chapter IX  
DISTRIBUTION AGENT**

**ARTICLE 47. Criteria for selecting distribution agent**

1. Being securities firm having brokerage business, fund management company, custodian Bank, insurance company, commercial bank and other economic organizations. In case of commercial bank, insurance company and other economic organizations, it is required to conduct procedures to register with SSC for distributing fund certificates;
2. Having at least one business place that is selected as distribution place for open ended fund certificates at the time of registration which meet all requirements of distribution place of open ended fund certificates;
3. Having procedures on fund certificate distribution, including the process, procedure of analysis, update and identification of investor' and beneficiaries' information, code of conducts applied to staff who deal with fund certificate distribution, internal rules on prevention of late trading and arbitrage activities based on taking advantage of time differences, market timing in accordance with international practices.

**ARTICLE 48. Operations of distribution agent**

1. Operations of a distribution agent shall include:
  - a) To gather and consolidate information on investors and beneficiaries as required by legal regulations on securities, regulations on anti-money laundering and prevention of terrorist financing;
  - b) To receive and transmit transaction orders to the fund management company, related services providers in a timely and accurate manner; the distribution agents are not allowed to consolidate, offset the trading orders, or receive funds directly and settle transactions of fund certificates for investors; Distributors may only receive trading orders from investors when order forms are filled with complete and accurate

information according to the form provided in Annex 21 enclosed with this Circular. Order forms shall be kept by distributors in accordance with the laws on securities, and ensure inclusion of the time of receipt of orders and receivers of trading orders obtained from investors in a sufficient, accurate, timely and evident manner. Delivery of investor's trading orders via telephone, fax, internet connection or electronic devices and other transmission lines must be consistent with regulations on electronic transactions and order forms must be stored in the form of electronic data folder.

- c) To support investors to conduct procedures to change information in the main register; to confirm investor's ownership of fund units, to transfer of ownership in accordance with provisions of law;
  - d) To maintain a continuous and smooth communication channel with investor, to keep investors updated with accurate, adequate and timely information, to answer questions of investors about the offered fund products to consolidate the statement of trading accounts of fund certificates; to provide investors with prospectus, simplified prospectus, the fund's financial statements, documents about general meeting of investors and other information; to conduct information disclosure and reporting as authorized by the fund management company;
  - e) To support the fund management company or related services providers to organize general meeting of investors; to receive delegation to participate and vote at general meeting of shareholders upon written requests of investors;
  - f) To synthesize, store data on investors and transactions of investors to the Fund management company, related services providers, the SSC upon request of the fund management company and SSC as required by these organizations.
2. Distribution agents that are not securities trading organizations, depository banks, commercial banks or insurers shall not be eligible for:
- a) acting as nominee agents;
  - b) acting as distributors of other fund management companies if this is not approved in writing by fund management companies of whom they are acting as distributors."
3. Omnibus agent is allowed to execute operations in accordance with provisions of law.

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

1. Distribution agent and staff who deal with fund certificate distribution shall be voluntary, fair, and truthful to investors, provide all information to investors on an accurate and timely basis to enable investors to make investment decisions on their own. Information, data, economic forecast provided to investors must be based on real events and enclosed with references that professional financial organizations issue and publicly announce. Fund certificate distribution officers shall not provide information that is not yet verified, rumor or misleading information to investors.
2. Distribution officers may offer fund certificates only after investors are provided with the fund's charter, prospectus, simplified prospectus, contracts which are referred in the prospectus and the most updated reports on the fund performance. Distribution officers shall explain to the investors to ensure that investors understand contents of the fund's charter and prospectus, especially investment objectives and policies, investment strategy to achieve such objectives, features of risks and profit, profit distribution policies, prices of service, taxes, fees and charges and other expenses, mechanism of fund certificates transactions.
3. Distribution officers shall provide adequate and accurate information on performance of the fund with implication that such historical operating performance is for reference only and may be changed due to the market situation.
4. Distribution officers are not allowed either to provide untrue information, information that magnifies the truth easily leading misunderstanding, provide inadequate and incomplete information, to forecast future events with a view to attract, persuade investors to purchase fund certificates. It is not allowed to cause misunderstanding about profit characteristics and risks of such fund certificates. On comparing this fund certificate with certificates of other open-ended funds, difference among these funds must be clarified and highlighted to the investors for them to choose. It is prohibited to directly or indirectly conduct activities to attract or incite the investors to purchase high risk fund certificates when the investors have not yet understood all about implicit risks of investing into the fund, or in case such funds are inappropriate for the investment objectives and financial capacity of the investors.

5. Distribution agents and distribution officers must keep information on the investors, information on the investors' transactions confidential; they are not entitled to use such information for any purposes otherwise upon the approval of investors or the request of state competent authorities.
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 service prices, fees announced at the prospectus and distribution contracts signed with the fund management company.
7. Distribution agents shall not be allowed to distribute fund's certificates at business places which have not yet registered for operation or have not been granted operation certificates pursuant to the applicable regulations or have not notified the State Securities Commission. Distribution agents shall take full responsibility for operations of fund certificates distribution places and distribution officers while distributing fund certificates to investors.
8. The fund management company and distribution agent must annually organize training to enhance knowledge and capability of fund certificate distribution officers. Information on annual training of the fund management company and distribution agent needs to be attached to operational annual report of the fund management company

## **Chapter X**

### **ACCOUNTING, AUDITING, AND REPORTING SYSTEM**

#### **ARTICLE 50. Criteria for selecting and changing the auditing firm**

Each year, Fund Management Company shall propose at least two (2) auditing companies to the General Meeting of investors. In case the General Meeting of investors authorizing the Board of Representatives as stated in Clause 20 Article 29 of this Charter, the Board of Representatives shall determine an auditing company to conduct auditing for the Fund. Selected auditing company shall satisfy the following conditions:

- (i) Having obtained auditing license by the Ministry of Finance;
- (ii) Having full capacity to provide auditing service;
- (iii) Having approved from SSC for providing auditing services to the Fund;
- (iv) Not being a affiliated person to the Fund Management Company or the Custodian bank.

#### **ARTICLE 51. Fiscal year**

1. The Fiscal year is twelve months calculated from 1<sup>st</sup> January to 31<sup>st</sup> December each calendar year. The first Fiscal year of the Fund shall commence on the date the SSC grants the certificate of establishment of a fund/license for establishment and operation to the Fund and end on 31<sup>st</sup> December of that year.
2. In case the period from the date the SSC grants the certificate of establishment of a fund/license for establishment and operation to 31<sup>st</sup> December of the same year is less than 90 days, the first Fiscal year of the Fund shall commence on the issuance date of the establishment and operation license and end on the 31<sup>st</sup> December of the following year.

#### **ARTICLE 52. Accounting regime**

The Fund shall apply the Vietnamese Accounting Standard (VAS) and comply with other regulations related to the accounting works of the Fund as provided for by the competent bodies.

#### **ARTICLE 53. Financial Reports**

1. The Fund Management Company shall be responsible for prepare the periodic financial reports on the business results and financial status of the Fund and other necessary reports to demonstrate the Fund's business activities.
2. Annual financial statement that is audited by an accredited audit organization in the field of securities and the biannual financial statement which is reviewed the copies of auditing report and operation report of the Fund will be sent to each Member of the Board of Representatives and published on the website of the Fund Management Company for the reference of fund's investors.



## ARTICLE 54. Other reports

The Fund Management Company shall comply with the prevailing regulations of law on report and disclosure of information related to the business of the Fund

### Chapter XI

#### NET ASSET VALUE OF THE FUND

## ARTICLE 55. Valuation of the Net Asset Value

1. The fund management company shall determine the net asset value of the fund and the net asset value of a fund unit based on market price, or fair price (in the absence of the market price) of the assets in fund's portfolios.
2. The net asset value of the fund and the net asset value of a fund unit must be certified by the supervisory bank. The value certification must be made in writing, or the access via the electronic information system of the supervisory bank is approved by the fund management company. Within 24 hours after detecting that the net asset value is mispriced, the custodian bank must notify and request the fund management company to make a timely adjustment or vice versa in the case of the supply custodian bank. Service level determining net asset value. Within 05 working days from the date of detecting that the net asset value is mispriced, the fund management company or the custodian bank (in the case the custodian bank provides asset valuation services net assets) must correct and disclose information in accordance with regulations, and notify the State Securities Commission of the wrong valuation, including the cause of the incident, time of incorrect valuation, legal handling. The content of the notice must be signed for certification by the fund management company and the Custodian bank.
3. The net asset value of the Fund shall be evaluated on Valuation Date and at the end of the month, verified by Supervisory Bank. Within the next 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.
4. The fund management company may authorize relevant service providers to determine the net asset value of the fund, the net asset value of a fund unit based on the price offered by quotation service providers. The fund management company is responsible for inspecting, supervising in order to ensure that the determination of the net asset value is accurate and in compliance with laws.
5. The net asset value of a fund unit is the net asset value of the fund divided by the total number of circulating fund units on the trading day closest to the valuation day. The net asset value shall be rounded according to regulations on accounting for open-ended fund. The residual amount after the rounding shall be included in the fund.

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

### 1. Date of valuation

The Fund's NAV is calculated weekly on Wednesday (**Valuation Date**). In case a Valuation Date falls on a public holiday, that Valuation Date will be the business day immediately before such public holiday.

The Fund's monthly NAV is valued on the first day of next month (for monthly term) and not changed regardless it falls in a holiday. In case the fund management company increases the trading frequency (if any), the valuation dates will be increased accordingly.

### 2. Method of valuation

The NAV means the total asset value owned by the Fund subtracts its related liabilities (such as price of service of fund management, price of service of brokerage, price of service of Custodian Bank, administrative duties, price of service of valuation, bank interests, if any etc.) at the date prior to the valuation date. Asset value is determined by market value or reasonable price (in the absence of market value or the market price is highly volatile under the provisions of fund's valuation Manual which is approved in written by the Board of Representatives).

The valuation is specified as follows:

No.	Type of asset	Principle for valuation of the transactions on the market
<b>Cash and cash equivalents, money market instruments</b>		
1.	Cash (VND)	Cash balance of accounts on date before the valuation date

2.	Term deposit	Deposit value plus unpaid interest as of the date prior to the valuation date
3.	Treasury bills, transferable deposit certificates, and other money market instruments	Purchase price plus accrued interest as of the date prior to the valuation date and as instructed in Valuation Handbook which is approved by Board of Representatives.
4.	Non-interest instruments, including treasury bills, bonds, financial instruments, and other non-interest instruments	The quoted price posted on the trading system of the Stock Exchange; in the absence of the quote price, the price shall be determined by the fund's representative board.
<b>Bonds</b>		
5.	Listed bonds/Private Placement Corporate Bond (PPC Bond)	<p>- The average quoted price (clean price) for outright transactions on the trading system or other name, subject to the internal regulations of the Stock Exchange on the day of the most recent transaction before the valuation date plus accumulated interest.</p> <p>The following cases:</p> <p>* There are no trading on the trading system at the Stock Exchange for more than 15 days up to the valuation date; or</p> <p>* Weighted average quoted price as mentioned above have unusual fluctuations according to the details mentioned in the Valuation Handbook.</p> <p>The bond price shall comply with the details mentioned in the Valuation Handbook approved by the Board of Representative.</p>
6.	Unlisted bonds	<p>The average clean price-of successful transactions at the last day before the valuation date is based on quotes of at least three (03) non-relevant quote organizations and approved by the Board of Representative plus accumulated interest (*).</p> <p>In case there is one (01) quote organization cannot identify the price, the bond price is the average clean price-of successful transactions at the last day before the valuation date is based on quotes of two (02) quote organizations plus accumulated interest (*).</p> <p>Case:</p> <p>-insufficient quotes of at least three (03) quote organizations; or</p> <p>-have sufficient quotes but there are between two (02) and three (03) quote organizations that fail to determine the price; or</p> <p>-the above-mentioned average clean price (*) has unusual fluctuations according to the details mentioned in the Valuation Handbook,</p> <p>the bond price shall comply with the details mentioned in the Valuation Handbook approved by the Board of Representative.</p>
7	Warrant on Convertible bonds	The price determined in accordance with the methods approved by the Board of Representative.

8	Bond issued by entities in the process of dissolution or bankruptcy	The price is determined in accordance with the methods approved by the Board of Representatives.
<b>Shares</b>		
9.	Shares listed on Stock Exchange and Shares of public companies registered for trading on UpCom system	<ul style="list-style-type: none"> <li>- Closed price (or other name as prescribed by 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 15 days until the valuation date, it shall be valued according to the following order: <ul style="list-style-type: none"> <li>+ Closed price (or other name as prescribed by internal regulations of the Stock Exchange) on date having latest transaction within 90 days prior to valuation date;</li> <li>+ Purchase price (cost price);</li> <li>+ Book value;</li> <li>+ Price determined by the method which is approved by the fund representative board</li> </ul> </li> </ul> <p>During the time of Shares change stock exchange procedures, closed price on date having latest transaction prior to valuation date will be used.</p> <p>In case the shares are accepted to be listed but have not yet had first transaction in the trading system is treated as in case the IPO shares in listing process.</p>
10	Shares suspended to transact, or cancelled listing or transaction registration	<p>It shall be valued according to the following order:</p> <ul style="list-style-type: none"> <li>+ Book value;</li> <li>+ Face value;</li> <li>+ Price determined by the method which is approved by the fund representative board.</li> </ul>
11	Shares of organizations falling into winding-up or bankruptcy	<p>It shall be valued according to the following order:</p> <ul style="list-style-type: none"> <li>- 80% of liquidating value of such shares on latest date of preparing balance sheet prior to valuation date;</li> <li>- Price determined by the method which is approved by the fund representative board.</li> </ul>
12	Other shares and contributed capital (including IPO shares in listing process)	<ul style="list-style-type: none"> <li>- Average price of successful transactions on the latest trading date preceding the valuation date which is provided by at least three (03) quotation providers who are not related parties and approved by the Board of Representatives of the Fund.</li> <li>- If there are not enough three (03) quotation prices provided by three (03) quotation providers who are not related parties approved by the Board of Representatives of the Fund, shares are valued at one of the following prices in the following order of priority: <ul style="list-style-type: none"> <li>+ Average price of any two (02) quotation providers, which are not related parties approved by the Board of Representatives of the Fund;</li> <li>+ Price of the latest valuation period but not more than 90 days prior to the valuation date;</li> <li>+ Purchasing price;</li> <li>+ Book value; or</li> <li>+ The price determined according to the model approved by the Board of Representatives of the Fund</li> </ul> </li> </ul>

<b>Fund unit</b>		
13	Fund unit of listed fund	<ul style="list-style-type: none"> <li>- Closing price (or other name according to regulations of the Stock Exchange) on the latest trading date preceding the valuation date;</li> <li>- 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:               <ul style="list-style-type: none"> <li>+ Purchase price (cost price);</li> <li>+ NAV of this fund unit 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;</li> <li>+ Price determined by the other method which approved by the Board of Representatives.</li> </ul> </li> </ul>
14	Fund unit of unlisted fund	NAV/unit as of the latest valuation date of that unlisted fund prior to the valuation date of VFMVFS
<b>Derivative securities</b>		
15	Listed derivative securities	The closing price, or otherwise called according to Stock Exchange's internal regulations, of the latest trading day before the valuation date. In the absence of closing price of Stock Exchange as prescribed in this Article, the price is determined based on the daily settlement price/final settlement price (in case of maturity) provided by VSDC to clearing derivative members and published on VSDC website at the latest trading date preceding the valuation date.
16	Listed derivative securities without transaction more than 15 days up to the valuation date	Price determined by the method which is approved by the fund representative board.
17	Commitment value of derivative contracts	Regulated in item 3 below of this article.
<b>Other assets</b>		
18	Other permitted investment assets	<p>Depending on specific case, the price of other authorized investment assets will be appropriately determined by one of following methods:</p> <ul style="list-style-type: none"> <li>- The market price which is the average price of successful transactions on the latest trading date preceding the valuation date which is provided at least 02 (two) by quotation providers, or</li> <li>- Price determined by the method approved by the Board of Representatives</li> </ul>

**Note:**

- Accrued interest is the interest which is calculated from the latest time for paying interest to the time prior to valuation date;
- Book value of a share is determined on basis of audited or reviewed latest financial statements.
- The liquidation value of a share is determined by the value of equity of the issuers divided by the total number of outstanding shares.
- Date means calendar dates.
- In other arising situations where the valuation method cannot be determined, the detailed instructions in the Valuation Manual approved by the Fund's Representative Board will be applied.

- VFMVSF's total payable liabilities include its debts or obligations up to the date prior to valuation date, and valuation methods for all such payable liabilities and obligations must be certified by the Custodian Bank in accordance with relevant laws.

The fund's NAV = Fund's total assets – Fund's total liabilities payable

The net asset value per a fund unit is equal to the fund's net asset value divided by total in-circulation units at the transaction date prior to the valuation date, and shall be taken to 2 decimals.

3. Commitment value from derivative contracts

- a. Commitment value (global exposure) is the value converted to money which securities investment funds/companies are parties with the obligation of contract implementation. The commitment value is determined upon the market value of outstanding assets, payment risks, market changes and the time necessary for position liquidation.
- b. In calculating the commitment value, fund management company may apply:
  - Net offset principle of derivative position (reverse) for the same outstanding security, for example the purchase position of XYZ securities call option reduces (makes up) the commitment value from the sale position of XYZ securities call option;
  - Net offset principle of derivative position and spot delivery position of the same security, for example the purchase position (holding) of XYZ securities makes up (reduces) the commitment value deriving from the sale position of XYZ securities call option;
  - Other principles according to the international practice ensure the risk administration.

No.	Type of assets	Commitment value
1	Stock option (purchase of put option, sale of put option, sale of call option)	The market value of option position <sup>1</sup> is adjusted by delta coefficient of option = Number of contracts x Volume of shares per contract x current market value of share x delta coefficient <sup>2</sup>
2	Bond option (purchase of put option, sale of put option, sale of call option)	Market value of option position <sup>3</sup> is adjusted by delta coefficient of option = Number of contracts x nominal value x current market price of bonds x delta coefficient
3	Index future contract	Market value of future position = Number of contracts x value calculated on an index point x current index level
4	Bond future contract	Market value of future position = Number of contracts x value of contracts calculated under notional value x market value of the cheapest transferable bonds
5	Other contracts	Upon the model selected by the fund management company, agreed with the supervisory bank and approved by the fund representative board.

Note:

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

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

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

**ARTICLE 57. Procedures of valuating the fund's assets**

1. Before the date of valuation:

All transactions up to prior date of valuation will be recorded following the fund accounting rules at the date of occurrence:

- Securities trading transactions;
- Payment transactions for expenses related to the Fund's operations, the agreements on fixed term deposit, certificate of deposit;
- Corporate actions related to securities held by the Fund recorded on ex-date rule;
- Previous successful subscription & redemption transactions;

2. At the date of valuation:

- Accrue bank interest income, certificate of deposit, bonds till the date prior valuation date;
  - Accrue fee & expenses till the date prior valuation date (fund management fee, custodian fee, supervising fee, transfer agent fee, bank fee...);
  - Reconcile cash and securities balances with custodian bank;
  - Collect market prices from Hanoi and Hochiminh stock exchanges, bond yields from Bloomberg or Reuter and other allowed price sources
  - Method of NAV calculation as detailed in Article 56 of this Charter.
3. Procedures for an investor or a group of investors holding at least 20% of the total outstanding fund units for at least 180 consecutive days (“**Dispute Investor(s)**”) to disagree with the NAV based on applicable regulations and the Fund’s Charter are as follows:
- a. If an investor or a group of investors holding at least 20% of the total outstanding fund units for at least 180 consecutive days (“**Dispute Investor(s)**”) disagree with the NAV based on applicable regulations and the Fund’s Charter, the Dispute Investor(s) may request a re-calculation or clarification of the NAV by notifying the Manager of its (or their) request in writing within 10 Business Days after the date of publication, as required by applicable regulations, of the NAV. The Manager will cooperate in good faith to recalculate the NAV or to provide a clarification on the NAV calculation to the Dispute Investor(s).
  - b. If the Dispute Investor still asserts that the NAV is incorrect based on applicable regulations and the Fund’s Charter after receiving the Manager’s re-calculated NAV or clarification under item (a) above, the Dispute Investor will notify the Manager of its engagement of an independent valuer from among Deloitte, Ernst & Young, KPMG and PricewaterhouseCoopers to re-calculate such NAV. The Dispute Investor(s) will pay all of the costs of such independent valuation.
  - c. The NAV re-calculated by that auditing firm (and confirmed by the Supervisory bank) will be finally applicable to the Fund.

If the discrepancy between the re-calculated NAV and the previously published NAV is within the range stated in clause 58 of the Fund’s Charter, the relevant Management Fee will be re-calculated based on the re-calculated NAV and absorbed by the Fund in accordance with the current regulations.

If the discrepancy between the re-calculated NAV and the previously published NAV is not within the range stated in clause 58 of the Fund’s Charter, the relevant Management Fee will be re-calculated based on the re-calculated NAV and absorbed by the Fund in its latest NAV.

The Management Fee for the month which such NAV is calculated will only be payable upon the completion of the recalculation of such NAV. The Management Fee will be determined based upon such recalculated NAV.

**ARTICLE 58. Compensation of damages to investors, the fund**

VFMVSF, investors shall be compensated in the case the fund’s net asset value is misjudged and the degree of error is achieving 1% of the net asset value or more.

1. In case the Fund is under-valuated, the compensation amount to the fund and investors are defined as follows:
  - a. For investors purchasing fund certificates prior to the incorrect valuation period and selling fund certificates during the incorrect valuation period: the compensation amount shall be based on the deviation levels and the number of fund units sold by investors. The compensation amount will be charged to VFMVSF;
  - b. For the fund: the compensation amount shall be determined based on the deviation levels and the number of fund units sold by the fund during the incorrect valuation period and the number of fund units in circulation. The compensation amount will be charged to the fund management company;
2. In case the fund is over-valuated, the compensation amount to the fund and investors shall be defined as follows:
  - a. For investors purchasing fund certificates during the incorrect valuation period and continuing to hold such fund certificates after the incorrect valuation period: the compensation amount shall be determined based on the deviation levels and the number of fund units purchased and still held after the incorrect valuation period. The compensation amount will be charged to VFMVSF;
  - b. For the fund: The compensation amount shall be determined based on the deviation levels and the number of fund units issued prior to the incorrect valuation period and repurchased during that period. The compensation amount will be charged to the fund management company;

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

1. The fund management company shall select and submit the Board of Representatives to approve a list of quotation service providers to provide a quote for the Fund. The selected quotation service provider must satisfy the following conditions:
  - a. Have function and be licensed to provide quotation service.
  - b. Fully able to provide a quote.
  - c. Not the affiliated persons of the fund management company or custodian bank
2. Events and/or Criteria for changing quotation providers: when incurring one of the followings:
  - a. The quotation provider is not functioned or licensed to provide quotation service.
  - b. The quotation provider becomes related people of the fund management company or custodian bank.
  - c. There is changes of government agencies relating to quotation method.

## **Chapter XII**

### **INCOME AND DIVIDEND POLICY**

#### **ARTICLE 60. Income of the Fund**

Income of the Fund includes:

1. Dividend
2. Bond interest
3. Deposit interest, certificate of deposit;
4. Difference between the sale and purchase arising from the investment activities of the Fund.
5. Other income, if any, from the investment of properties of the Fund.

#### **ARTICLE 61. Dividend policy**

1. VFMVSF will not distribute profits (including, but not limited to, cash dividends ,stock dividends and distributions in kind).
2. The entire profit of the Fund arising during operation will increase the cumulative net asset value of the Fund.

## **Chapter XIII**

### **SERVICE PRICES, FEES AND EXPENSES**

#### **ARTICLE 62. Service price paid by investors**

1. Subscription service price
  - Subscription service price is the fee that investors pay to the Fund management company when buying a fund unit. This service price shall be payable upon the issuance and counted as a percentage of the subscription amount.
  - Subscription service price is not allowed to exceed five percent (5%) of the transaction value. Specific service price rates must be announced in prospectuses, summary prospectuses, or on websites of fund management companies, distributors or in other forms.
  - Subscription service price is deducted from subscription amount before calculating the distributed fund units.
  - In case that the fund management company obtains regulations causing the change in the subscription service price during a fixed period of time, the company shall announce on website of DCVFM and distribution agencies or under law.
  - The soonest day to apply the increased service price is the 60<sup>th</sup> days from the date on which the fund management company announces new service price on its website.
2. Redemption service price
  - Redemption service price is the fee that investors must pay to the Fund management company when selling a fund unit at the next subsequent trading cycles. Such service price is subtracted from redeemed amount and payable as the fund pays to investors and counted as a percentage of the redeemed amount.
  - Redemption service price at trading cycles is not allowed to exceed three percent (3%) of the transaction value. Specific fee rates must be announced in prospectuses, summary prospectuses, or on websites of fund management companies, distributors or in other forms.
  - The holding period is determined by "first in, first out" principle (FIFO).
  - The soonest day to apply the increased service price is the 60<sup>th</sup> days from the date on which the fund management company announces new service price on its website.

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

### 3. Switching service price

- Investors shall pay to the Fund management company switching service price when placing switching order at trading cycles.
- Investors shall not pay any subscription or redemption service price for the switching units.
- Price of service of Switching is not allowed to exceed three percents (3%) of the transaction value. Specific price of service rates must be announced in prospectuses, summary prospectuses, or on websites of fund management companies, distributors or in other forms.

The changing of switching service price will be updated on Prospectus, website of the fund management company, distribution agents or other forms and shall not exceed 3% trading value.

- The soonest day to apply the increased service price is the 60<sup>th</sup> days from the date on which the fund management company announces new service price on its website.

## **ARTICLE 63. Service prices, fees paid by the fund**

### 1. Management service price

- The management service price is 0,75% of VFMVSF's NAV per fiscal year. This service price is paid for DCVFM to carry out the fund management service for VFMVSF. The management service price applied for each period will be determined by DCVFM to ensure that the total amount of management service price and other service prices (if any) paid by the fund to DCVFM comply with laws.
- The monthly payable service price is the total service price calculated (accrued) of valuation cycles in a month.

- Management service price of each valuation cycle is calculated as below:

Management service price = management service price % 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 service price is calculated as below:

Monthly management service price = [management service price % 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 service prices of the remaining valuation cycles in the month + [management service price % 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. Depository and supervisory service price

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

- Maximum price of depository service 0.02% NAV/year excluding VAT (if any)

- Maximum price of supervisory service 0.04% NAV/year excluding VAT (if any)

This depository service price excludes securities trading service price which is VND 100,000/ transaction.

The above service price does not include other regular operating fees such as fee payable to Vietnam Securities Depository and Clearing Corporation , legal fee, mailing fee, etc.

The maximum supervisory and depository service price is complied with law.

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

- Depository and supervisory service price for VFMVSF at each valuation cycle is calculated as below:

Depository and supervisory service price (not include securities trading fee) = % Depository and supervisory service price (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 supervisory service price is calculated as below:



Monthly Depository and supervisory service price (not include securities trading fee) = [% Depository and supervisory service price (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 supervisory service prices of the remaining valuation cycles in the month + [% Depository and supervisory service price (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 service prices and payment term are regulated in the service agreement between FMC and the service provider.

3. Price of service of Fund administration

- The Price of service of fund administration is the price of service VFMVSF pay for the fund administration service provider.
- Maximum price of fund administration service 0.06% NAV/year excluding VAT (if any)The monthly price of service payable is the total price of service calculated (accrued) of valuation cycles in a month.
- Price of service of Fund administration for VFMVSF at each valuation cycle is calculated as below:  
Price of service of Fund administration = % Price of service of fund administration (year) x NAV on the day prior to the valuation day x actual days of the valuation cycle/ actual days in a year (365 or 366)
- In case that the fund shall value NAV monthly, the monthly Price of service of fund administration is calculated as below:

Monthly Price of service of fund administration = [% fund Price of service of administration (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/ actual days in a year (365 or 366)] + total Price of service of fund administration of the remaining valuation cycles in the month + [%Price of service of fund administration (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 Price of service and payment term are regulated in the service agreement between FMC and the service provider.

4. Price of service of Transfer agent:

- Price of service of Transfer agent is the Price of service that the Fund pays to the transfer agent service-provider. Price of service of Transfer agent are announced in the Prospectus, Summary Prospectus, on the website of the fund management company, distribution agent or in other forms.
- The price for the transfer agent at each valuation period of the month is determined as follows: The price for the transfer agent for the valuation period = Price of service of Transfer agent / actual number of days of the month x actual number of days of the valuation period
- Details of the price and payment term are regulated in the service agreement between FMC and the transfer agent service provider. In addition, the Fund will pay the costs and expenses related to the exercise of rights for Transfer agent as agreed in the contract.

**ARTICLE 64. The fund's operation expenses**

Operating expenses of the fund shall include after-tax expenses as follows:

1. Asset management fees paid to the fund management company;
2. Expenses for fund assets depository and supervision fees paid to the Custodian Bank;
3. Fund administration fees, transfer agent fees and other fees Fund management company has to pay to relevant service providers;
4. Expenses and fees relating to auditing services for the Fund;
5. Legal advisory fee, quotation fee and other reasonable fees for the Fund;
6. 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;
7. Reasonable, valid brokerage fee relating to the transactions of the Fund's assets;
8. Expenses for engaging independent organizations to provide valuation, asset valuation services for the Fund;

9. Expenses for amending the Charter for the benefit of Investors;
10. Remuneration and travel expenses for the Board of Representatives;
11. Other reasonable, valid fees and expenses as decided by the Board of Representatives;
12. Insurance expenses (if applicable)
13. Administration fee (fee for issuance certificate);
14. Tax, cost, Price of service and fee payable in accordance with the laws;
15. Interest payable from loans incurred by the Fund in accordance with the laws and the Charter;
16. Expenses related to the conversion of the depository bank, Supervisory bank (if any) or other service-providing organizations;
17. The price of brokerage services, the price of transfer services of asset transactions of the fund payable to the securities company does not include any other service prices, including the service price paid for such services. other services or the price of services paid to a third party (implicit costs);
18. The fund management company and the distribution agent are responsible for paying the costs of printing, publishing advertising publications, and information on fund products.
19. Other expenses in accordance with the laws.

The Fund Management Company, on behalf of the Fund, will sign reasonable and valid services contracts ensuring the compliance with the laws for the Fund.

## **Chapter XIV**

### **FUND REORGANIZATION**

#### **ARTICLE 65. Conditions for the fund consolidation, merger**

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

#### **ARTICLE 66. Conditions for the fund splitting**

1. The fund splitting must be approved by the General Investors Meetings in the following cases:
  - a) The fund management company fails to determine the fund's net asset value at the valuation date when open-ended fund certificates are redeemed because the Stock Exchange decides to suspend the securities transaction in the fund's portfolio;
  - b) Other events provided by the Fund Charter or the SSC considers necessary.
2. The fund splitting must be approved by the SSC.

#### **ARTICLE 67. Conditions for the fund dissolution**

1. The fund dissolution, liquidation shall be carried out in the following cases:
  - a) The fund management company is dissolved, bankrupted or its License for Establishment and Operation is revoked without appointment of replacing fund management company within two (02) months from the date of arising the event;
  - b) The fund management proposes to terminate the rights and obligations to the Fund without appointment of replacing fund management company within two (02) months from the date of arising the event;
  - c) The custodian bank is dissolved, bankrupted or its supervision contract is unilaterally terminated or terminated by the fund management company; or the License of Registration for securities depository is revoked by the fund management company fails to establish a replacing supervisory bank within two (02) months from that date of arising the event;
  - d) The custodian bank requests termination of the supervisory contract without appointment of a replacement custodian bank within two (02) months from that date of arising the event;
  - e) The fund's net asset value is reduced below ten (10) billion in six (6) consecutive months;
  - f) The fund dissolution as determined by the General Investors Meetings;
2. The Manager is responsible for liquidating assets and distributing cash to investors according to the fund liquidation or dissolution plan approved by the general meeting of investors of the Fund. The fund liquidation and dissolution is made subject to the legal regulations.

3. The Manager shall sell all assets of the Fund for cash consideration for the distribution of such cash consideration to investors.

## **Chapter XV**

### **SETTLEMENT OF CONFLICTS OF INTERESTS**

#### **ARTICLE 68. Control of conflicts of interests between the Fund and other funds investment trust clients of the fund management company and between the Fund and the fund management company**

1. The Fund management company shall:
  - (i) Separate the investment strategies and objectives of each fund managed by DCVFM;
  - (ii) Separate VFM's assets from the Fund's assets and the investors' assets entrusted to DCVFM for its management; separate assets of the funds managed by DCVFM.
2. All securities transactions of members of the Board of Management, Investment Council, Chairman of the Fund Manager, members of the Board of Directors, Inspection Committee, the compliance officer, fund management practitioners and staff of the manager of the Fund shall be reported to the internal audit department both prior to or after such transactions, as required by law.
3. An internal system for controlling and managing risks has been established to ensure that any conflict of interests arising within the Fund Manager shall be under control.

## **Chapter XVI**

### **INFORMATION DISCLOSURE AND AMENDMENT, SUPPLEMENTATION OF THE CHARTER**

#### **ARTICLE 69. Information disclosure**

1. Disclosure of information of operation of VFMVSF shall be conducted according to provisions of information disclosure on securities market.
2. Notice of meeting of the Board of Representatives shall be deemed as properly informed to each member of the Board of Representatives if it is notified verbally or in writing to the address which is provided to Fund by that Member of the Board of Representatives.
- 3.
4. Prospectus, simplified prospectus, audited financial statements, half-year financial statement; monthly, half-year and annual operation reports of the fund will be provided to investors on our website and distribution agents, or send via investors' emails.
5. Letters of convene, notices, demands, or documents which need to be delivered to the Fund or Fund operator shall be sent by hand or by post to address of office registered by Fund, in a stamped envelope bearing name of the Fund or Fund operator.
6. The Fund Management Company must disclose information according to provisions of Law on Securities and securities market.

#### **ARTICLE 70. Amendment of the Charter**

The fund charter shall only be amended or supplemented by an approval by the general meeting of investors. After amending and supplementing the fund charter in this case, the fund management company must announce investors about the amendments, additions and updates to the fund charter.

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

1. This Charter includes 16 Chapters, 72 Articles and 3 Appendixes is approved by the General Meeting of Investors and takes effect at the date of the VFMVEI Fund Establishing Certificate.  
VFMVEI Charter is amended and supplemented at the second time including 16 Chapters, 72 Articles and 3 Appendixes according to Resolution of the Annual Financial General Meeting of Investors 2018 passed by absentee voting, dated on 19/04/2019 and takes effect from 19/04/2019.  
VFMVEI Charter is amended and supplemented at the third time including 16 Chapters, 72 Articles and 3 Appendixes according to Resolution of The Extraordinary Investors' General Meeting Year 2019- the 1<sup>st</sup> time, dated on 08/08/2019 and takes effect from 08/08/2019.  
VFMVSF Charter is amended and supplemented at the fourth time including 16 Chapters, 72 Articles and 3 Appendixes according to Resolution of The Extraordinary Investors' General Meeting Year 2019- the 2<sup>nd</sup> time, dated on 08/08/2019, additional amendments will take effect from the date when SSC approved the licensed for change the name of the fund.

VFMVSF Charter is amended and supplemented at the fifth time including 16 Chapters, 72 Articles and 3 Appendixes according to Resolution of the Annual Financial General Meeting of Investors 2019 passed by absentee voting, dated on 24/04/2020 and takes effect from 24/04/2020.

VFMVSF Charter is amended and supplemented at the sixth time including 16 Chapters, 72 Articles and 3 Appendixes according to Resolution of The Extraordinary Investors' General Meeting Year 2020- the 1<sup>st</sup> time, dated on 26/05/2020 and takes effect from 26/05/2020.

VFMVSF 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 Year 2020 passed by absentee voting dated on 01/04/2021 and takes effect from 01/04/2021.

VFMVSF Charter is amended and supplemented at the eighth time including 16 Chapters, 72 Articles and 3 Appendixes according to Resolution of The Annual Financial General Meeting Year 2021 passed by absentee voting dated on 06/04/2022 and takes effect from 06/04/2022.

VFMVSF Charter is amended and supplemented at the ninth time including 16 Chapters, 72 Articles and 3 Appendixes according to Resolution of The Annual Financial General Meeting Year 2022 passed by absentee voting dated on 31/03/2023 and takes effect from 31/03/2023.

VFMVSF Charter is amended and supplemented at the tenth time including 16 Chapters, 72 Articles and 3 Appendixes according to Resolution of The Annual Financial General Meeting Year 2023 passed by absentee voting dated on 25/04/2024 and takes effect from 25/04/2024.

Extracted part or copies of this Charter which are provided by office of the Fund shall be valid when and only bearing signature of the Chairman of the Board of Representatives or legal representative of the Fund Management Company.

2. This Charter is made five (05) copies 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) is kept at the head office at the Custodian bank.

#### **ARTICLE 72. Implementation provisions**

The Fund shall be officially established after SSC issues Certificate of fund registration. The Fund Management Company is liable for completing all dossier and procedure in according with provision of the prevailing laws.

The following appendices are attached herewith

Appendix 1: COMMITMENTS OF THE FUND MANAGEMENT COMPANY

Appendix 2: COMMITMENTS OF THE SUPERVISORY BANK

Appendix 3: GENERAL COMMITMENTS OF THE FUND MANAGEMENT COMPANY AND THE SUPERVISORY

Made in Ho Chi Minh City in 25 April 2024

Representative of the Fund Management Company

(signed)

BEAT SCHURCH

General Director

On behalf of The General Meeting of Investors

(signed)

VUONG THI HOANG YEN

Member of BOR

## **APPENDIX 1: COMMITMENTS OF THE FUND MANAGEMENT COMPANY**

### **DRAGON CAPITAL VIETFUND MANAGEMENT (DCVFM)**

License for establishment and operation No. 45/UBCK-GP dated 08 Jan 2009 and Amended License No. 88/GPĐC-UBCK dated December 30, 2020 issued by SSC.

The head office of DCVFM is located at: 15<sup>th</sup> Floor, Melinh Point Tower, 2 Ngo Duc Ke Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

Tel: (84-8)-38251488

Fax: (84-8)-38251489

Website: [www.dragoncapital.com.vn](http://www.dragoncapital.com.vn)

The Fund Management Company hereby commits to perform the following obligations to the fund:

1. To strictly comply with legal regulations and the fund's charter in the management of the fund;
2. To perform the fund management duties in an effective, honest and diligent manner and in compliance with the investment objectives of the fund with priority given to legitimate rights and interests of Investors;
3. To ensure that the fund has a supervisory bank at all times;
4. To pay all service prices to the Supervisory bank and other service providers as specified in the fund's charter;
5. To periodically provide the Supervisory bank with the following information:
  - (a) Operating statements and financial statements of the fund, the register of investors and the number of fund certificates held by investors;
  - (b) Reports with respect to the fund or its assets and investment portfolio;
  - (c) A valuation report on the net asset value of the fund, the net asset value per fund unit;
  - (d) Information about the management of the fund and other obligations.
6. To provide free of charge or at a reasonable service price copies of the fund's charter (and attached appendixes), prospectus (and attached appendixes) to investors at their request.
7. Not to invest in securities or assets in which the fund management company or its affiliated persons are interested or have relations to such interests, except otherwise permitted by the law.
8. Not to use the position of the fund management company in fund management to gain direct or indirect profits for it or affiliated persons or compromise the interest of investors.
9. To conduct valuation and auditing works for the fund in a truthful, accurate and timely manner.
10. To provide free of charge or at a reasonable 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 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.
12. To ensure that all information disclosed by the fund management company or the representative of the fund management company is complete, truthful and accurate and not omit events that affect the interest of investors or events that affect the contents of such disclosed information or information to be disclosed in accordance with legal regulations and does not mislead investors.
13. To provide necessary information to enable the independent auditing organization of the fund to make auditing in an efficient and timely manner.
14. To report in a timely manner to the State Securities Commission in case of any inconsistency found when comparing the assets/liabilities of the fund between the fund management company and the supervisory bank.
15. To implement the obligation to convene the General Investors Meetings in accordance with legal regulations.

**DRAGON CAPITAL VIETFUND MANAGEMENT**

**(Signed)**

**BEAT SCHURCH**

**CEO**

**APPENDIX 2: COMMITMENTS OF THE CUSTODIAN BANK  
STANDARD CHARTERED BANK (VIETNAM)**

Operation license No: 56/GP-NHNN issued by State bank of Vietnam on November 27th 2023, replaced for License no. 236/GP-NHNN issued by State bank of Vietnam on September 8th 2008 along with the related papers in adjusting or supplementing License (and any adjusted, supplemented or replaced versions at the certain point of time)

Certificate of registration for securities depository operation no. 08/GCN-UBCK issued on dated 07 May 2015 by SSC. (and any adjusted, supplemented or replaced versions at the certain point of time)

Custodian banks commit:

1. To strictly comply with the regulations of the law and of the Fund Charter in the supervisory operation.
2. To ensure Funds to always have a Fund Management Company at all times.
3. To implement in a dedicated, honest and prudent manner the functions of the Supervisory Banks to Funds.
4. To implement the deposit, payment, custody and supervision of all assets, securities of Funds on behalf of investors; to periodically implement the comparison of assets/liabilities of funds with fund management company at least one a month and report to the SSC in case the situation of assets/liabilities is inconsistent between fund management company and supervisory banks.
5. To separate assets of funds from assets of the Supervisory Banks, assets of fund management company and assets of other funds, assets of other customers of the Supervisory Banks.
6. To supervise the portfolio of Funds, the determination of asset prices of funds, the determination of net asset value of funds, the determination of net asset value per fund certificate unit as required by the current law and according to the regulations at the Fund Charter.
7. To ensure supervisory obligations so that fund management company does not take advantage of the management position of funds to implement activities of directly or indirectly gain profit for fund management company or relevant persons damaging interests of investors.
8. To ensure funds to be audited annually by an independent auditing company.

**STANDARD CHARTERED BANK (VIETNAM)**

*(signed)*

**AUTHORIZED REPRESENTATIVE**

### **APPENDIX 3: COMMON COMMITMENTS BY FUND MANAGEMENT COMPANY AND CUSTODIAN BANK**

#### **DRAGON CAPITAL VIETFUND MANAGEMENT (DCVFM)**

License for establishment and operation No. 45/UBCK-GP dated 08 Jan 2009 and Amended License No. 88/GPĐC-UBCK dated December 30, 2020 issued by SSC.

#### **STANDARD CHARTERED BANK (VIETNAM)**

Operation license No: 56/GP-NHNN issued by State bank of Vietnam on November 27th 2023, replaced for License no. 236/GP-NHNN issued by State bank of Vietnam on September 8th 2008 along with the related papers in adjusting or supplementing License (and any adjusted, supplemented or replaced versions at the certain point of time)

Certificate of registration for securities depository operation no. 08/GCN UBCK issued on dated 07 May 2015 by SSC. (and any adjusted, supplemented or replaced versions at the certain point of time)

1. To jointly commit to implement the obligation of interest protection for investors.
2. To jointly commit to obey with the legal regulations and the Fund Charter during the operation of Funds.
3. To jointly commit to implement the voting rights arisen relating to the ownership of shares/capital contribution of which Funds have invest upon the spirit and interests of investors at the General meeting of shareholders of issuing organizations or at Members' Council of enterprises of capital contributing Funds.
4. To jointly commit not to receive any remuneration, benefit or interest from implementing asset transactions of funds or other asset transactions not specified in the Fund Charter or any Prospectus.

**DRAGON CAPITAL VIETFUND MANAGEMENT**

*(Signed)*

**BEAT SCHURCH  
CEO**

**STANDARD CHARTERED BANK (VIETNAM)**

*(signed)*

**AUTHORIZED REPRESENTATIVE**